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ANNUAL REPORT 2020

ROMANIA
IS GROWING WITH US

EximBank
România


EximBank

The president's message

2020 was a year profoundly affected by the COVID-19 pandemic, which brought on significant uncertainty which we had to process and understand, and many challenges that we had to face. It was a year in which we learned how to do things entirely differently, but, maintaining the same level of quality so as to offer our employees, clients and partners normality and continuity.

In these circumstances, the main challenges for EximBank in 2020 were:

- adapting our business to the new realities so as to ensure operating continuity - offering a safe and healthy working environment both to our employees, and to our clients, implementing major changes in operating flows, development of IT systems, enhancing our efforts as to the support activities, and train the staff directly involved, and
- use group synergies at maximum efficiency, in order to ease the access of local companies to resources, absolutely necessary for overcoming the difficulties of this period.

In this context, we have offered our clients the possibility to postpone payment obligations, we have extended the outstanding credit lines, we have simplified the approval of applications and rapidly granted working capital facilities for affected customers. In addition, the bank granted entrepreneurs an additional financial resource by participating in the IMM Invest programme. Also, large companies and SMEs with a turnover of more than 20 million RON in 2019 benefitted from new financing and guarantee products with a State aid component, offered by EximBank as part of the governmental support programme within the National Investment and Economic Relaunch Plan.

Therefore, the activity of EximBank increased and, at the end of 2020, the bank registered a very good financial performance: gross loans exceeded 5.5 billion RON, up 39% compared to the previous year, and the total exposure managed increased by 3.4 billion RON, reaching 13.7 billion RON.

Nevertheless, apart from the performance of the bank itself, it is noteworthy that 2020 was the first year in which the EximBank group operated with an extended structure which included, in addition to EximAsig insurance company, Banca Românească, whose acquisition process was completed in January 2020.

This helped to increase financial intermediation and to improve the financial position of the EximBank group through diversifying the business model by adding retail customers. At the end of 2020, the EximBank Group registered a net profit of 372 million RON, and the total financing, guarantees and insurance exposures exceeded 18.7 billion RON.

As far as 2021 is concerned, we all understand that this atypical situation will continue. Thus, another special year is ahead of us, but I think that we have the determination, the experience and the resources to come up with the best solution for the business environment to overcome any difficulties.

I am convinced that, despite the many unknowns, the trend of the EximBank group will continue to go upwards, also encouraged by its market position, which focuses on supporting the national economy and increasing the level of financial intermediation.

ROMANIA IS GROWING WITH US!

Traian Sorin Halalai
Executive President

Executive management

TRAIAN SORIN HALALAI

Executive President of EximBank since November 2012, he has a large experience in the banking sector, as a Deputy CEO and Member of the Board of Directors of Banca Românească S.A., part of the National Bank of Greece Group, as well as CFO of ING Romania and Member of various Boards of ING Group Romania entities. Mr. Halalai was part of the team which set up ING Securities in Romania in 1998.

He holds an MBA degree from the Bucharest Finance and Banking PhD School and conducted PhD research with the Erasmus University of Rotterdam, the Netherlands.

FLORIN KUBINSCHI

The Executive Vice-President of EximBank has embraced the new challenge since 2016 as a follow-up of his activity in banking: Tiriac Bank - Financial Director and Vice president until 2005, consequently HVB Tiriac and Unicredit Tiriac - Financial Director and Vice president, member of the Board of Directors and President of the Audit Committee up to 2009.

He has also hold the positions of Deputy Executive Director of MKB Romexterra Bank – up to 2013 and Financial Director, Vice president of Volksbank, up to 2015. He has graduated the Academy of Economic Studies, Bucharest.

CRISTIAN ŞAITARIU

Executive Vice-President of EximBank since December 2019. He has an extended 18 years professional experience in banking. He acted as Director of Corporate Banking Directorate of First Bank Romania, Executive Director of Business Development and Corporate Products Division of BCR, where he has also held the position of Executive Director of the Large Corporate Clients Directorate, and Deputy Executive Director of the Corporate Clients Directorate of Piraeus Bank Romania.

He graduated from the Faculty of Finance, Insurance, Banking and Stock Exchange of the Academy of Economic Studies Bucharest.

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I. GENERAL OVERVIEW OF EXIMBANK GROUP

Export - Import Bank of Romania -EximBank S.A. ("EximBank"), was established in 1992, as a specialized institution carrying out activities to support the Romanian business environment and international transactions through specific financial, banking and insurance instruments. EximBank is a legal entity governed by private law, a joint-stock company in which the State, through the Ministry of Public Finance (MFP), holds 95.374% of the share capital.

EximBank's identification data are:

- **Head office**: 6A Barbu Delavrancea, District 1, 011355, Bucharest, Romania
- **Tel/Fax**: +40 21 405 30 96/+40 21 405 34 06
- Unique trade registry number: 361560/10.12.1992
- Unique registration code: RO361560
- Trade Registry serial number: J40/8799/08.04.1992
- Number and date of registration in the Registry of Credit Institutions: RB - PJR - 40 - 015/18.02.1999
- **Swift**: EXIMROBU

In January 2020, EximBank completed the acquisition of Banca Românească S.A. and started its integration into the EximBank Group. Thus, at 31 December 2020, **Banca de Export - Import a României EximBank S.A.** group ("the Group") includes:

- Export-Import Bank of Romania - EximBank S.A. ("EximBank"),
- Exim Romania Insurance - Reinsurance Company S.A. ("EximAsig") and
- Banca Românească S.A. ("BROM").

The territorial network of the EximBank Group consists of 120 territorial units, out of which:

- 25 EximBank corporate territorial units, organized in 7 regional business centres and
- 95 universal territorial units of BROM, organised in 6 regional centres.

The number of employees of the EximBank group at 31 December 2020 was 1,491 (out of which EximBank - 406 employees, Banca Romaneasca - 1,039 employees and EximAsig - 46 employees).

The mission of EximBank Group, established according to the Group's business model, focuses on active involvement in supporting and promoting the Romanian business environment, by using group synergies in efficient conditions, but also by integrating customized business solutions, thus cultivating sustainable partnerships.

The vision of EximBank Group is to be a reliable partner of the Romanian business community.

The organizational culture of EximBank Group has been formed and developed gradually, with powerful modelling factors that customize it, such as: leadership style and implicitly decision-making, level of formalism, organizational structure, policies and know - how. Thus, a set of six values have been developed to help increase efficiency and consistency in actions, namely: Partnership and Collaboration, Team Spirit, Flexibility and Adaptability, Continuous Development, Respect and Integrity and, last but not least, Professionalism and Responsibility.

I.1. Export-Import Bank of Romania - EximBank S.A.

EximBank operates in accordance with Law No. 96/2000 regarding the organization and functioning of Banca de Export - Import a României EximBank - SA with subsequent changes and amendments, with banking legislation requirements, with the provisions of Companies Law no. 31/1990, republished, as well as with its own by-laws. EximBank is not a listed entity.

I. Company profile

EximBank is aimed exclusively at legal entities. The main objective of corporate banking is to increase the quality of lending and diversification of the supply of financing products, including those to support government programmes aimed at SMEs and projects financed through EU funds.

EximBank has a specific business model that combines two complementary ways of supporting the economy:

- through the activity characteristic of a commercial bank - EximBank has its own offer of banking products and services, operating under conditions of fair competition with the other banks in the banking system (generically, this component is called activity in the bank's own name and account - "ONA");

- through its capacity as agent of the State - EximBank intermediates the placement of state funds in the economy by encouraging the development of the Romanian business environment through specific financing, guarantees and insurance products. EximBank also provides representation at the level of the supervisory and decision-making bodies of the Investment Fund of the Three Seas Initiative, as well as of other entities through which investment or promotional programmes are carried out, in accordance with the special mandates granted by the Romanian Government (generically, this component is called the activity in the name and on the account of the State - "NAS").

EximBank's activity in the name and on the account of the State is separated at organizational and functional level from the commercial activity of the bank and is carried out within a specialized internal structure, i.e. the Financing, Guarantees and Insurance Division in the Name and on the Account of the State (DFGANCS), under the direct supervision of the Executive President of EximBank. Commitments in the name and on the account of the State are granted with the approval of the Interministerial Committee for Financing, Guarantees and Insurance.

II. Company size

Currently, EximBank's territorial network is organized into 7 regional business centres, where 24 agencies and the Bucharest Branch operate.

The bank had an asset volume of 11.8 billion RON at 31 December 2020, which corresponded to a market share of 2.11%, occupying the 10th place in the top commercial banks in Romania (up two positions from the previous year).

At 31 December 2020, EximBank held 3.95% of the corporate credit market.

III. Company customers

Any Romanian legal entity governed by public or private law and any non-resident legal entity can become customer of EximBank.

For the activity in its own name and account, the bank uses an internal system of segmentation of customers according to turnover. EximBank pursues a differentiated customer approach, tailoring it to the specifics of each segment, and facilitating easy customer access to dedicated products and services.

For small-sized customers, a standardised approach to increase business in this segment is targeted, for other customers a tailored approach appropriate to the particularities of the customer or of the supported transaction, leading to a sound business relationships.

Particular attention is paid to:

- exporters and potential exporters, economic operators preparing to develop new capacities in order to be competitive in the foreign markets they want to enter;
- private or public beneficiaries implementing projects co-financed by European funds;
- financial institutions and companies with available liquidity, which account for a significant share of the bank's liabilities.

As regards the activity in the name and on the account of the State, two target groups have been established:

- Romanian legal entities governed by private law: small and medium-sized enterprises, large companies, exporters;
- legal entities governed by public law: local public authorities, inter-community development associations, NGOs, research institutes, universities, and similar.

Target customer groups have been established by linking the objectives of NAS activity with the objectives of priority projects for Romania, both in terms of supporting the sustainable development of the local economy and positioning our country as a partner of dialogue and action with regional impact. Market segmentation into “target groups” is carried out according to the field of activity, turnover, area/region in which they operate, foreign markets where these companies carry out export activities (if any), type of projects/financing carried out (specifically in each case).

IV. Offer of products and services

A) For the **activity in its own name and account**, EximBank's business model is based on the following main products offered to customers:

❯ **Financing products**: investment loans, loans to finance the current activity of companies, APIA loans, export loans, multi-product ceilings (single/multi-currency), specialized factoring financing structures (external and internal, with or without recourse, reverse factoring), loans and refinancing to financial institutions, buyer loans (for complex transactions to stimulate Romanian exports), syndication.

❯ **Trade finance products**: opening of documentary letters of credit, issuing letters of bank guarantee/bank counter-guarantee, incasso, payment orders, export credit confirmations.

❯ **Cash management products**: the facilities offered cover the end-to-end financial circuit of a company - collection, payment administration - providing support for making profitable investment and commercial decisions: current accounts in different currencies and special purpose accounts (escrow deposits, collateral deposits/good performance bond accounts), cashing and payment solutions (standard payment instruments: payment orders, debt instruments, remote access payment instruments (Internet Banking); EximBank also has a specialized support team for the Internet Banking platform.

❯ **Treasury Products**: foreign exchange transactions, products intended for the liquidity management of economic agents (sight deposits, term deposits), foreign exchange transactions and foreign exchange rate derivatives (forward transactions and swap transactions), real-time foreign exchange trading platform.

B) The activity in the name and on the account of the State takes place in the following main directions:

❯ **State aid products**. EximBank considered a priority the implementation of support measures aimed at fighting the effects of the crisis caused by the COVID-19 pandemic following the European Union Commission's Temporary Framework for State aid measures to support the economy in the context of the current COVID-19 epidemic, as well as European Commission Decision no. C(2020) 4565/01.07.2020 on the Framework Scheme for State aid in the form of loans with subsidised interest and loan guarantees in the context of the COVID-19 pandemic.

The Framework Scheme is a programme of financial support for large companies and SMEs with a turnover of more than 20 million RON, as a way in which State aid is granted in the form of loans with subsidised interest and loan guarantees, in the context of the COVID-19 pandemic. The State aid guarantee scheme aims to unlock access to finance for companies facing a liquidity shortfall generated by the COVID-19 pandemic in order to ensure continuity in their business.

❯**Standard products**. In order to fulfil the mission of active involvement in supporting and promoting the Romanian business environment, EximBank offers the following products under market conditions:

- **NAS guarantees** - intended to guarantee up to 80% of loans and guarantees granted by financial institutions, as follows:

  - *Guarantee* - facilitates the obtaining of loans from credit institutions for working capital and investment for all target groups;
  - *Counter-guarantee* - completes by up to 80% the collateral requirements of Romanian companies, so that banks can issue bank guarantee letters without blocking their liquidity;
  - *SME guarantee ceiling* - facilitates SMEs' access to loans that can benefit from individual guarantees of up to 1.5 million RON under a simplified procedure implemented in partnership with credit institutions;
  - *SME guarantee ceiling* for investment projects with European funds - credit institutions benefit from guarantees issued by EximBank in the name and on account of the State for investment loans to SMEs implementing projects carried out with European funds.

- **NAS funding** - intended to finance infrastructure development projects, utilities of public interest, regional development, support for research and development, projects in the field of environmental protection, employment and staff training, to support and develop enterprises.

- **Insurance** - in accordance with the principles and rules of the European Commission on the granting of short-term insurance policies up to 2 years, EximBank ensures in the name and on account of the State the risks that the private market of insurers in Romania cannot take. In addition, the insurance portfolio offered by EximBank in the name and on account of the State contains medium- and long-term buyer or supplier credit insurance policies (over 2 years) granted in accordance with the rules of OECD (Organisation for Economic Cooperation and Development), policies for securing bank guarantee letters and Romanian investments abroad. Through its complex portfolio of export insurance instruments, EximBank acts as an *export credit agency* of Romania giving exporters the protection of external receipts in line with the Government's policy of supporting access to foreign markets.

❯**Representation of the interests of the Romanian State in the Investment Fund of the Three Seas Initiative (FII3M)** - On the basis of the Mandate of the Government and the funds allocated by the State budget, made available by the Ministry of Public Finance, EximBank participated, as a founding shareholder, in the efforts to operationalize FII3M, with a subscribed shareholding in the name and on account of the Romanian State of 20 million euro, out of which approximately 7 million euro is paid in.

FII3M is a financial instrument through which the Member States of the Three Seas Initiative (Romania, Poland, Czech Republic, Hungary, Slovakia, Slovenia, Latvia, Lithuania, Bulgaria, Croatia, Hungary) pool financial resources to help finance projects of regional interest undertaken at the highest level.

I.2. Banca Românească S.A.

Banca Românească is a Romanian legal entity, established as a joint-stock company. It was founded in 1992 as a universal bank. Banca Românească S.A. is not a listed entity. In January 2020, it was taken over by EximBank S.A., which acquired the majority stake, representing 99.28% of the total shares.

I. Company profile

Banca Românească S.A. is a bank with a predominant retail business. Retail activity focuses on lending, *cross-selling* operations and the gradual digitisation of the services and products offered.

The main objective of corporate banking is to increase the quality of lending and diversification of the supply of financing products, including those to support government programmes aimed at SMEs and projects financed through EU funds.

II. Company size

Currently, the territorial network of Banca Românească is organized into 6 regional business centres, in which 95 branches operate.

Banca Românească S.A. is a medium-sized bank that carries out low-complexity operations. The bank had an asset volume of 6.5 billion RON at 31 December 2020, which corresponded to a market share of 1.15%, occupying the 15th position in the top commercial banks in Romania.

At 31 December 2020, Banca Românească held 2.4% of the retail credit market and 0.7% of the corporate credit market, while on the liability side, the market share in retail deposits was 1.4% and 0.9% in the corporate case.

III. Company customers

The retail segment represents overwhelmingly the customer base of Banca Românească, accumulating 81% of the loans granted and over 78% of the deposits attracted. The retail segment includes customers, individuals and micro-enterprises – companies with a turnover of up to 9 million RON. The company segment includes companies with a turnover of up to 48 million RON and exposure up to 17 million RON and large companies with a turnover of more than 48 million RON and exposure above 17 million RON.

IV. Offer of products and services

Banca Românească S.A. offers basic products and services to its customers such as attracting deposits, granting loans to natural and legal persons, payment services, issuing guarantees, issuing and managing means of payment (credit cards) and foreign exchange.

Retail financing products of Banca Românească include housing loans (New Home programme and mortgages), consumer, refinancing, credit cards. On the transactions side, the bank offers current accounts, current account packages with attached cards which allow utility invoice payments and transfers, and on the saving side the bank provides customers with a wide range of deposits that vary depending on the characteristics/segment of the target customers. Banca Românească also offers a number of services for retail customers such as: money transfer through Western Union, Bancassurance or commercial information services, SMS alerts related to authorized transactions.

At the corporate activity level, financing is provided in the form of working capital loans, revolving, investment loans, guarantee letters, factoring services.

I.3. Exim România - Reinsurance Company S.A.

EximAsig is controlled by EximBank S.A., which, at 31.12.2020, owned 98.57% of its share capital.

I. Company profile

Exim România - Reinsurance Company S.A. (EximAsig) was established in 2009 as an entity specializing in the insurance of financial, export and domestic commercial risks. Authorised in August 2010 for the practice of credit and guarantee insurance, the company expanded its activity by obtaining authorisation to practice other 6 classes of insurance, namely: fire and natural disaster insurance, property damage insurance, third-party civil liability insurance, accident insurance, transit property insurance and financial loss insurance.

II. Company size

During 2020, the company ranked 5th among insurance companies by volume of gross written premiums for guarantee insurance, with a market share of 3.15%.

III. Company customers

The products are aimed at companies engaged in commercial activities with external and internal partners in the construction, production of goods and industrial products, road, naval, air, provision of services, exporters and IT industry.

IV. Offer of products and services

EximAsig offers products covering easily identifiable target markets with the most diverse insurance needs, such as: export activity, construction-assembly, fire insurance and other calamities, insurance of properties/goods, professions that require coverage of professional liability for carrying out the activity, etc., accident insurance, etc.

On the other hand, EximAsig completes the list of banking services of the other Group companies with insurance solutions adapted to specific customer needs, namely insurance policies supplementary to the loan agreements concluded by the Bank such as: property insurance, construction-assembly insurance and the constructor's liability, third-party civil liability insurance, accident insurance, etc.

II. MACROECONOMIC CONTEXT IN 2020

Romania could not avoid the negative economic consequences of the coronavirus pandemic in 2020, given that the degree of openness of the economy has increased significantly over the past decade and the economies of the main trading partners from the European Union have also suffered.

The Romanian economy decreased by 3.9% in 2020, with the strongest negative effect felt in Q2 2020 (-10%), the period that largely overlapped with the peak period of the state of emergency decreed in Romania. The economy subsequently slowed down its annual negative growth in both Q3 (-5.6%) and Q4 (-1.4%) as some sectors have resumed their activity. In Q1 2021, the Romanian economy continued to move forward, but the annual deceleration was already evident (+2.4%).

Trade and in particular hotel and restaurant services were badly affected by the supply shock, and the weak agricultural year only enhanced the decrease in GDP especially in Q3, when the impact of agriculture is greatest (the negative impact of agriculture in 2020 was -0.7 percentage points). In terms of resources, the construction sector, the IT&C sector and to a lesser extent the public sector were the only ones with a positive impact on GDP formation in 2020. The industrial sector has improved its performance since Q3, but its contribution to quarterly and annual GDP has remained negative.

The decline in domestic demand between April and June 2020 resulted in a substantial decrease in population consumption in real annual terms, by almost 13%. It recovered in Q3 (-4.3%) to further increase its negative annual growth in Q4 2020 (-5.5%). Cumulatively, at the level of 2020, the final consumption of the population decreased by almost 5% in real terms compared to the same period in 2019.

At the same time, external demand also contracted very strongly in Q2, when exports of goods and services collapsed by almost 29% in real annual terms, with the fall greatly slowing down in Q3 (-6.4%) as foreign orders began to come and the industry began to catch up. The impact of external demand (export minus import) in GDP remained negative at quarterly level throughout 2020.

On the expenditure side of GDP, the only areas that made positive contributions to GDP throughout 2020 were the "collective final consumption of public administrations" (general public services, defence, public order, legislative and regulatory activities, R&D, etc.) and "gross fixed capital formation'"

The Government and the National Bank of Romania have reacted promptly to adopt measures to temper and stabilise the economy in temporary difficulty, measures that have undoubtedly played an important role in avoiding a steeper economic downturn, as shown by the comparative figures of the economic recovery between Romania and some European countries, including some Central and Eastern European countries.

Government measures included the SME Invest Programme, which was received with great interest by local entrepreneurs, the programme giving them the possibility to access financing in the form of credit for working capital and investments, the volume of guarantees offered by the State being 20 billion RON. There were over 25 thousand financings offered in 2020, worth more than 15 billion RON.Other measures taken by the government included the payment of technical unemployment (75% of gross salary) for companies directly and indirectly affected by the pandemic, the introduction of tax amnesty for interest and penalties due to those who pay the main arrears by 15 December. Last but not least, the government together with the National Bank and commercial banks have implemented the suspension of repayment of instalments, interest and commissions in 2020 for natural and legal persons whose income has been affected by the pandemic and who are requesting this, a measure that was extended in early 2021.

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

The economy has seen a period of recovery after the lifting of the state of emergency in May, industrial production has significantly reduced its annual pace of decline, while increasing new orders in the manufacturing industry. Retail has returned in real annual terms to the positive area. All these more favourable trends in the third and fourth quarters significantly reduced the economic downfall. The results could have been even better if the severe drought had not badly affected the agriculture yield.

Forecasts for the evolution of the Romanian economy in 2021 indicate a return to growth, but it should be noted that the level of uncertainty is still high, and the duration and severe episodes of the pandemic can be anticipated more at a general level and less in terms of magnitude. At the same time, the economic advance in 2021 and the years to come will depend to a large extent on how Romania will manage to attract European funds, while a countercyclical budgetary policy may be more difficult to sustain given the very high budget deficit.

In monetary terms, the National Bank has phased in monetary policy interest by 100 basis points to 1.5% between 20 March and 5 August 2020 and has been taking steps since March to improve structural liquidity by providing liquidity to credit institutions through bilateral repo operations and the purchase of government securities on the secondary market, with the aim of continuing good financing of the real economy and the public sector. The monetary policy interest rate was maintained between August and December 2020.

Currency		2020	2019
EUR	Annual average	4.8371	4.7452
	End of year	4.8694	4.7793
USD	Annual average	4.2440	4.2379
	End of year	3.9660	4.2608

In 2020, reference interest rates for euro ("EUR"), dollar ("USD"), Swiss franc ("CHF") have been declining, as a result of the relaxation of monetary policies either through interest cuts or quantitatively, or both. ROBOR 3M decreased by 1.15pp, in the context of repeated decreases in monetary policy interest rate implemented by the National Bank of Romania.

III. GROUP ACTIVITY IN 2020

III.1. EximBank Group in the context of the 2020 pandemic

In the context of a critical year, under the adverse conditions caused by the COVID-19 pandemic, the EximBank Group has made significant efforts to achieve its strategic objectives, namely those of the Romanian State under financial performance conditions.

In this respect, in 2020, the Group focused its efforts on preparing and implementing programmes to support the economic activities of companies and the population, initiated and approved by the Romanian Government in the context of the pandemic, which conducted them both as commercial bank(s) (activities in its own name and account, including through its subsidiaries) and as an agent of the Romanian State (activities in the name and on account of the State). The successful implementation of these programmes required major reviews of operational flows, developments of IT systems, increased efforts in support activities, and training and specialisation of personnel directly involved. The most relevant programmes in which the Group was involved were:

- **IMM Invest Programme**, a programme to encourage and develop small and medium-sized enterprises.

- **Payment deferral programs** according to the *Public moratorium* under GEO 37/2020 and *Private moratorium* issued on the basis of the plan of measures of EximBank, and Banca Românească to support the activity of companies and the population given the exceptional consequences created by the COVID-19 pandemic.

- **Programme of financial support of large companies and SMEs** *with turnover of over 20 million RON*, conducted exclusively by EximBank through the specialized directorate. The aim of this measure is to unlock access to finance for companies facing liquidity shortfalls, thereby ensuring their continuity in the conduct of business. The private interest in State aid financing-guarantee products has been significant, indicating the extent of the difficulties arising from the quasi-closure of the economy.

Implementation of the State aid scheme for large companies, together with the market-based products offered by EximBank in the name and on account of the State, contributes significantly to strengthening efforts to reduce the gap with European economies and to post-pandemic recovery, by stimulating lending and in particular investment, which is the essential component of the recovery of critical economic areas, the core of long-term economic growth and the resilience of the national economy to current challenges.

- In addition to the implementation of the State aid scheme, the guarantee and counter-guarantee products in the **standard portfolio** provided in the name and on account of the State by EximBank benefited from flexible workflow and eligibility criteria as a result of the application of the European Union Temporary Framework.

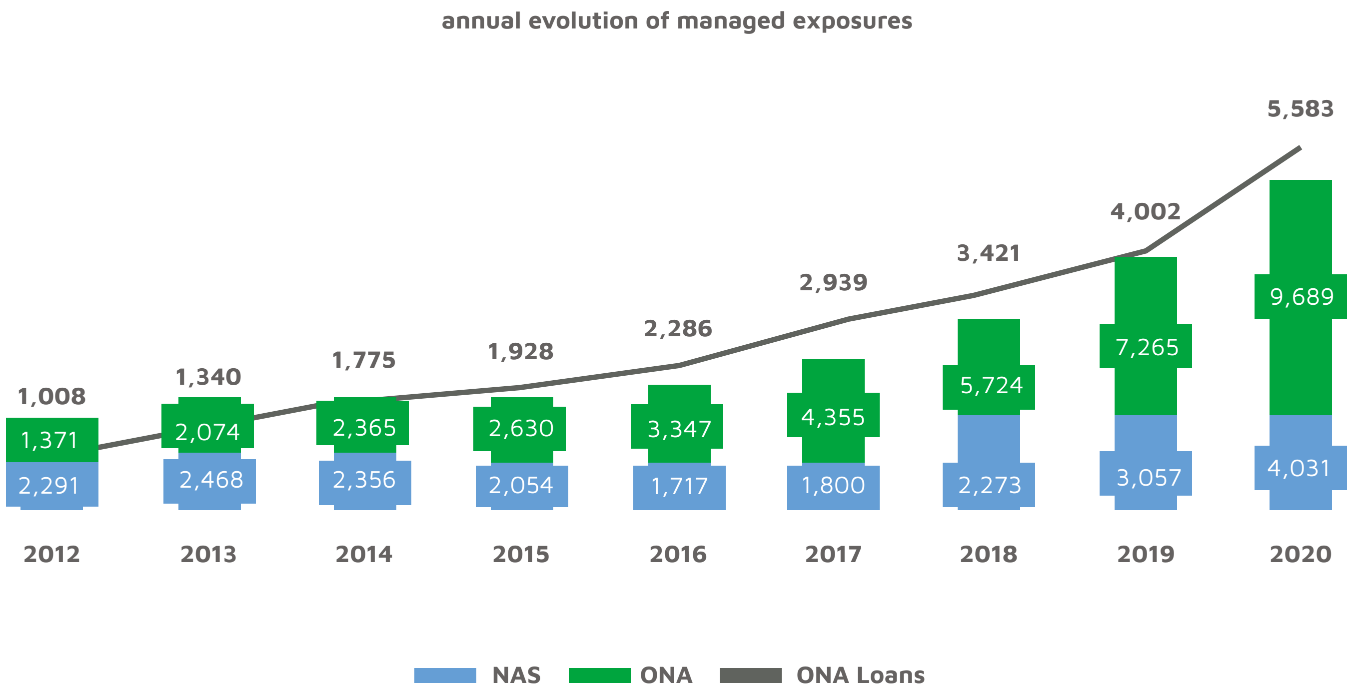
❯ Also, as an **export credit agency in Romania**, given the temporary lack of export credit insurance solutions on the private market, in accordance with the provisions of the Temporary Framework approved by the European Commission at the beginning of the COVID-19 pandemic, EximBank has temporarily extended the scope of insurance policies by taking over risks of buyers in the European Union and other developed countries, allowing Romanian exporters to continue their business relations with traditional partners in a safe manner.

Thus, during 2020, the risk hedging requests from Romanian exporters were mainly targeted towards the European Union states, targeting short-term export projects (maximum 24 months) which led to EximBank's temporary non-market insurance commitments reaching 232 million RON at the end of 2020.

III.2. EximBank activity in 2020

The impact of the global context on EximBank's business has been added to the trend of its organic growth in recent years. Thus, in 2020, the volume of products invested in the economy in its own name and account increased by 2.4 billion RON (+33% vs. a target of +1.7 billion RON/ +23%), and the portfolio of products granted by the bank as an agent of the State, by further 1.0 billion RON (+32%).

During 2012-2020, against the background of an ambitious strategy, the total managed exposures recorded an average annual growth rate of 18%, with an increasingly accelerated growth in recent years, as seen in the chart below:



Broken down, the implementation of the budget is as follows:

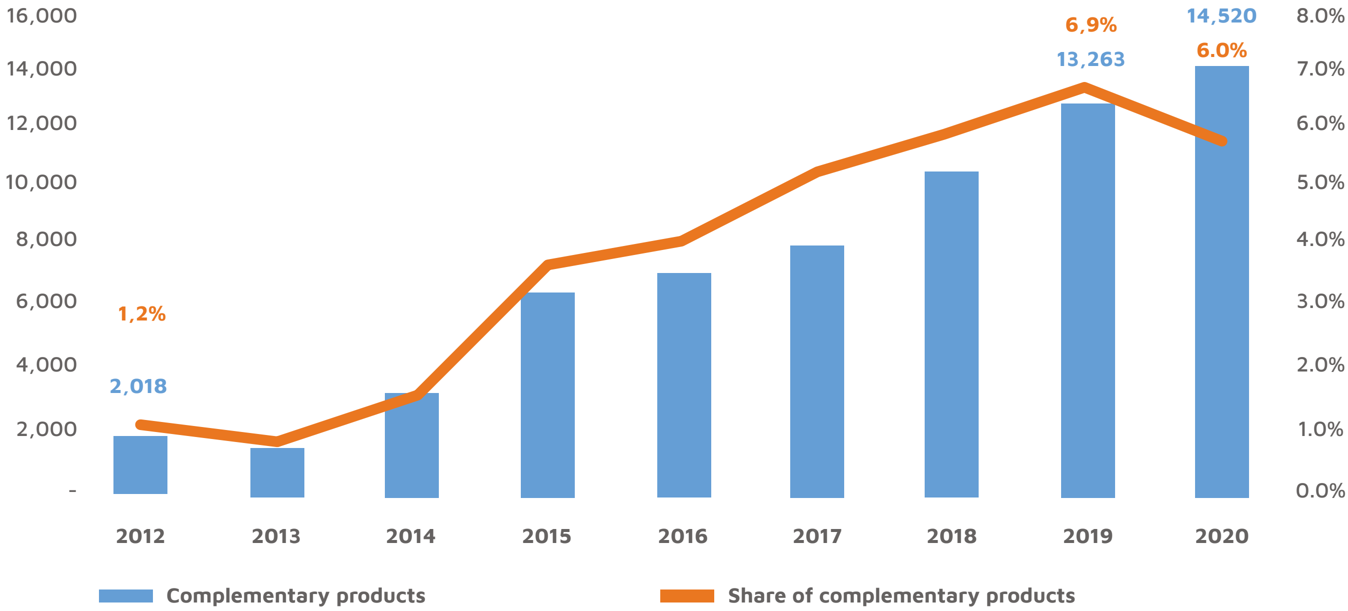
Implementation of the budget	2020	2020B	Variation	
	Mil. lei	Mil. lei	Mil. lei	%
Net bank income	**242.4**	**212.7**	**+29.7**	**+14%**
OPEX	-137.2	-151.9	+14.7	-10%
Operating result	**105.1**	**60.7**	**+44.4**	**+73%**
Cost of risk	-85.5	-43.4	-42.1	+97%
Gross profit	**19.6**	**17.3**	**+2.3**	**+13%**
Corporate tax	-3.6	-2.8	-0.8	+30%
Net income	**16.0**	**14.6**	**+1.5**	**+10%**

One of the objectives of the reporting year was to ***increase the number of credit customers*** up to a level of approximately 1,200 customers. Of the 1,200 customers with end-of-year exposure, 1,070 are **SMEs**, confirming the focus of EximBank's resources towards supporting companies with growth needs and potential, according to the mission undertaken, enhanced in this year's crisis.

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

Another strategic priority was to ***increase in volumes through the use of products supplementary to the lending activity*** (*treasury products and cash management*). Below, the graphical representation of customer income from products supplementary to credit and their share in bank income:

Below, the graphical representation of ***income from customers generated by products complementary to lending and their share in the net banking income:***



In line with the business strategy, the products in the bank's total portfolio focused mainly on the following **areas of the economy**: extractive industry (11%), trade (10%), construction (11%), agriculture (9%), public administration (9%), steel industry (9%).

Strategic priority to support SMEs results from the 74% share that the number of products awarded to this segment occupies in the total portfolio of the Bank. However, SMEs benefit from only 33% of the total product portfolio, showing on the one hand the bank's concern to support small, developing customers, on the other hand, the policy of dispersing credit risk.

III.2.1. Activity in its own name and account

At the end of 2020, the Bank's exposures in its own name and account consisted of loans, credit cards, issued guarantees and credit, guarantee and multi-product ceilings totalling 9,689 million RON, up by 33% in value compared to the end of 2019 and by 38% in number of contracts assumed.

ONA Exposures	2020		2019		Variation	
	Mil. lei	% in total	Mil. lei	% in total	Mil. lei	%
Gross loans	5,583	58%	4,002	55%	+1,580	+39%
Financing commitments	2,054	21%	1,764	24%	+290	+16%
Guarantees	1,177	12%	928	13%	+249	+27%
Multi-product commitments	876	9%	571	8%	+305	+53%
ONA Exposure	9,689	100%	7,265	100%	+2,425	+33%

I. Financing

In the context of counteracting the ef ects of the economic deadlock, the acceleration of the growth rate of companies' f nancing in 2020 is evidenced by an increase in lending exposures by 32%.

The balance of the drawn loans increases by 39%, signif cantly exceeding the average annual growth rate over the last 8 years, of 24%.

The total volume of credit sales was 3.8 billion RON, 88% higher than the previous year. Of these, 27% are for equipment and 38% for working capital (global operating and other treasury loans). Of the total number of new contracts, SMEs received an overwhelming share of 90%.

The development of the loan portfolio was accompanied by *improving its quality*. Since the beginning of the year, non-performing loans are down; in conjunction with the signif cant increase in total loans, the rate of non-performing loans decreases from 5.7% to 2.9%, below the budgeted level of 4.9%.

The rate of non-performing exposures to non-f nancial companies decreases from 7.5% to 4.0%, well below market level on the same date, by 6.6%; the rate of total non-performing exposures follows the same trend, down from 4.2% at 2019 to 2.6% at 2020, below the market average of 3.8%.

II. Trade f nance and multi-product

The total volume of *trade f nance* and multi-product products in its own name and account reached 2,053 million RON at the end of 2020, up 37% from the end of 2019, resulting in a 35% higher sales volume in the reporting year.

Within the total portfolio, 1,177 million RON are letters of guarantee issued, 635 million RON - balance of guarantee ceilings, 240 million RON - unused multi-product ceilings.

The volume of trade f nance and multi-product products approved during the year totalled 1,352 million RON, mostly in the form of ceilings within which customers can access guarantees and other non-cash products.

The benef ciaries of these products were mostly exporters (61%).

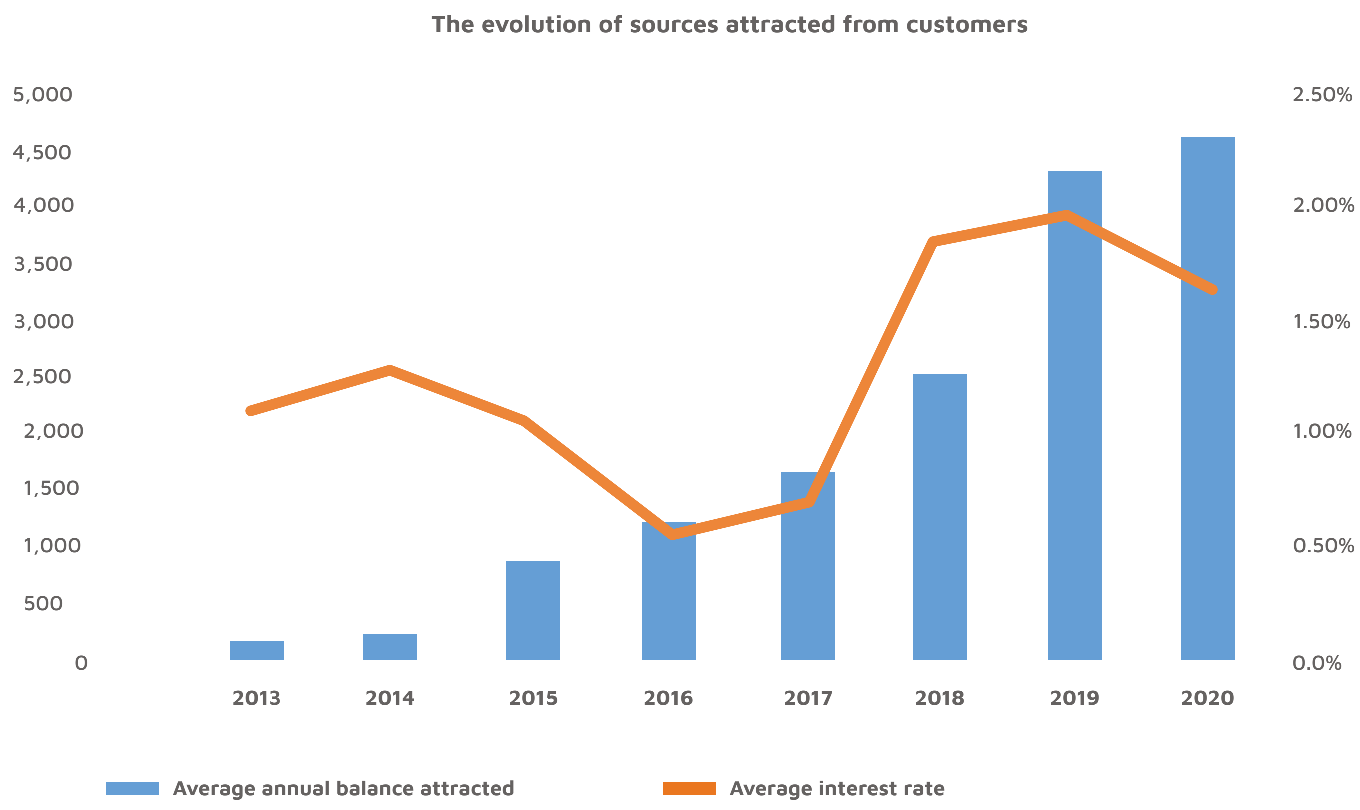
III. Treasury and capital markets

In order to achieve the objective of increasing revenues from treasury activity, the bank has constantly aimed at identifying the potential to increase the activity of existing customers, as well as increasing the customer base, including with f nancial institutions and public companies.

The development of the customer portfolio was made possible due to the quality of the of ers submitted to customers (superior to other banks), as well as the adaptation of the product range to the needs of the customers, by integrating the treasury of er into a mix of products, together with cash management products and f nancing/guarantee/insurance products.

The main source of f nancing for the growth of assets was the *cash from non-banking customers*, with the growth curve being more attenuated in 2020.

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



In contrast to the upward tilt of sources attracted from non-banking customers, the decreasing cost of financing is the result of the monetary policy of the NBR (of lowering the benchmark interest threshold) in terms of liabilities, on each category of sources attracted, as seen in the *structure of interest-bearing liabilities*, below:

Attracted sources	2020		2019	
	average balance	Dob %	average balance	Dob %
Interbank	1,311	1.4%	182	1.9%
Non-bank customers	4,666	1.7%	4,328	2.0%
State funds	2,170	3.0%	1,686	3.3%
Total sources attracted	8,148	2.0%	6,196	2.3%
Net interest margin		1.2%		1.3%

EximBank remained the market leader in terms of deposits drawn from financial institutions in the pension fund category, according to public information submitted by the FSA both in mid-year and at the end of Q3 2020 (last available report).

Operations carried out on *government securities market* over the past year have resulted in transactions in securities stated through other comprehensive income or at amortised cost under the banking book and securities held for trading in the trading book. The total portfolio increased throughout 2020 by about 1 billion RON.

The volume of transactions on the interbank foreign exchange spot market was at the level of 2,270 billion euro (4.15% of the total volumes traded on the interbank market), with EximBank continuing to be an active counterparty in this market. The gain from FX swap transactions registers a similar level to that of the previous year (23 million RON).

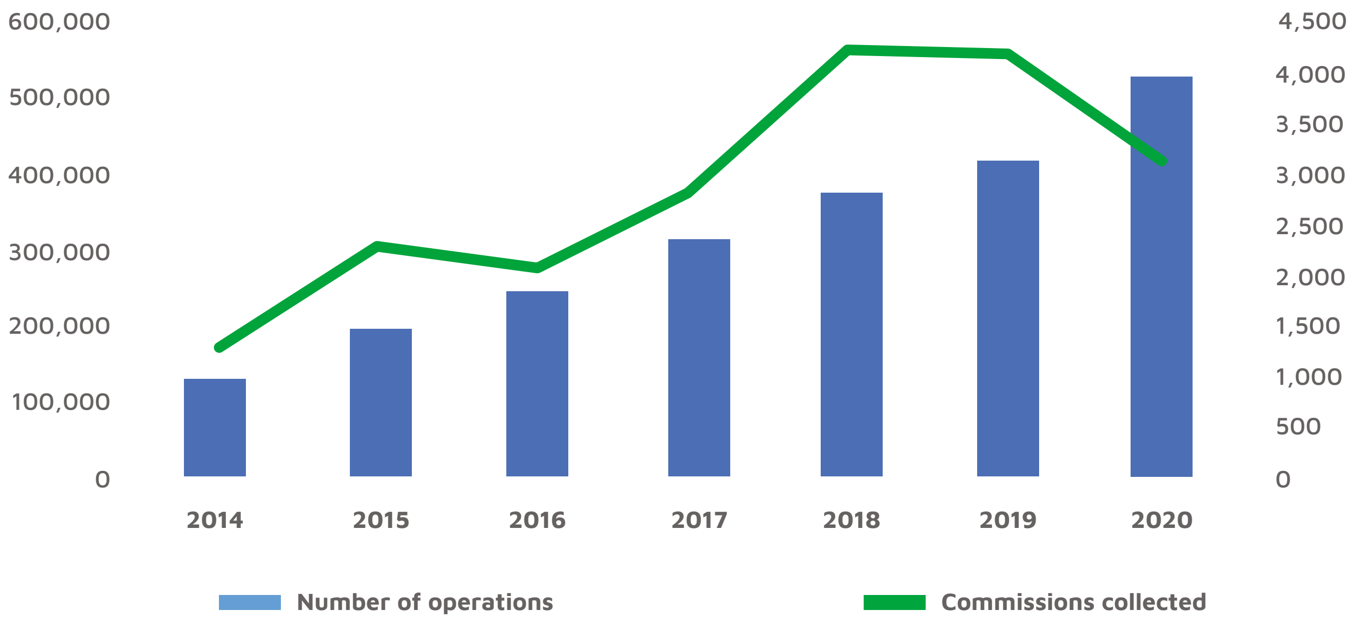
Foreign exchange transactions with non-banking customers reflects the bank's proactive approach on this segment and the interest in developing this line of activity, recording a volume of 1,253 million euro, up 31% from the previous year, with the associated gain increasing in a similar way to 11.4 million RON.

IV. Cash Management

In 2020, in line with the bank's strategy, the cash management business continued the upward trend in recent years in terms of payment volumes and number of transactions. This was a natural consequence of increased activity, an increase in the average balance of current accounts and an attractive *cash management* added to strengthening customer interactions through *first line support* and *internet banking*, on the other hand.

The significant increase in the number of transactions by 27% and volumes by more than 43% could not offset the negative impact on revenues generated by the implementation of regulations specific to the banking industry (the impact of SEPA, i.e. the alignment of fees with interbank payments in euro in the European Community):

Evolution of the number cash management operation and related commissions



During 2020, the focus on digitalisation increased, and the number of new Internet Banking users that was 85% higher than the previous year is remarkable.

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

III.2.2. Activity in the Name and on Account of the State

EximBank is constantly working to diversify the product portfolio offered within the mandate granted by the Romanian State, in order to meet its objectives of engaging the real economy and to respond promptly to the requirements of the Romanian business environment.

In view of the outbreak of the COVID-19 pandemic and the need to ensure the rapid response capacity of European economies to the crisis, in the first quarter of 2020 the European Commission created a Temporary Framework for State aid measures to support Member States' economies so that they have the necessary tools to fight the economic effects of the health crisis.

In this respect, the Romanian State has set up a new fund at the disposal of EximBank, *Fund for the implementation of State aid and/or de minimis measures*, as provided by Article 10(d) of Law 96/2000, as republished. This fund is added to the others provided by the EximBank Law:

- *Guarantee operations fund - Law 96/2000 - Article 10 a*
- *Fund for insurance and reinsurance operations - Law 96/2000 - Article 10 b*
- *Fund for financing operations - Law 96/2000 - Article 10 c*
- *Fund for the implementation of State aid and/or de minimis measures - Law 96/2000 - Article 10 d*
- *Other funds to be approved by the Romanian Government - Law 96/2000 - Article 10 e*
- *Fund for the participation of Banca de Export-Import a României EximBank SA in the Investment Fund of the Three Seas Initiative - Law 96/2000 - Article 10 f*

In this context, and in view of EximBank's ability to direct publicly available funds to domestic companies, on 7 October 2020 the *programme to support large companies and SMEs* with a *turnover of more than 20 million RON* was launched, by which two types of State aid measures were put in place:

❯ the granting of guarantees in the name and on account of the State, covering up to 90% of the guarantee requirements for investment or working capital loans granted by commercial banks, and

❯ granting loans with subsidised interest to companies for the purpose of making investments or supporting current activity.

Commitments granted in the name and on account of the State are summarised in the table below:

NAS Exposures	2020		2019		Variation	
	Mil. lei	% in total	Mil. lei	% in total	Mil. lei	%
Financing	595	15%	223	7%	+372	+167%
Guarantee	3,204	79%	2,326	76%	879	38%
Insurance	232	6%	508	17%	-277	-54%
Total	4,031	100%	3,057	100%	+974	+32%
FII3M Participation	34		0.4		+33.6	

In line with the bank's mission, 43 % of NAS products are granted to exporters; by types of customers, SMEs benefit from 81% of these products. By NACE groups, the largest share is represented by the following key areas of the national economy: *extractive industry 24%, manufacturing industry 19%, construction 15% and information and communications 11%;*

Commitments entered into by EximBank - SA in the name and on account of the State, i.e. specific products and services of guarantee, financing, insurance are approved by the Interministerial Committee of Financing, Guarantees and Insurance.

III.3. Activity of subsidiaries in 2020

III.3.1. Activity of Banca Românească S.A. in 2020

Since the acquisition date, the Banca Românească has seen positive developments in most indicators, with the first year as part of the EximBank Group marking improved financial results compared to the previous year.

BROM ends 2020 with a gross profit of 10.5 million RON, compared to a loss of 17.1 million RON in the previous year. The favourable result was due to the implementation of a mix of measures which, on the one hand, aimed at the development/restart of some business areas and, on the other hand, aimed at reducing financing costs, while streamlining operating expenses.

Despite the special context of 2020 – the pandemic – BROM registers a net bank income 10% higher than in the previous year, achieved despite decreasing ROBOR reference rates, but with operating expenses 5% lower.

Constraints on credit risk, specific to a year of crisis and uncertainty, as well as the reduction of ROBOR benchmark rates, make their mark on the *cost of risk and net interest income*, these being the only indicators in decline from the previous year.

The main indicators of profitability and efficiency reveal a qualitative improvement in activity after the acquisition of the bank by EximBank:

Indicators	2020	2019
RoA	0.2%	-0.3%
RoE	1.6%	-2.6%
COST: INCOME	77%	88%

The explanation is given on the one hand by the increase in the volume of activity and, on the other hand, by efficiency measures:

- Maintain the bank's position in the highly competitive markets for housing loans in RON and consumption loans in RON;
- Increase the balance of loans to legal entities by 76%, which almost doubled the market share of corporate loans in RON at the end of 2020;

❯Increase margins on the three main categories of income, i.e. interest, commissions and transactions compared to 2019; they are all the more relevant given the decrease in the NBR reference rate in the context of the pandemic crisis, but also a very tight competitive environment. At the same time, the indicators of return on capital and assets re-entered the positive zone, standing at 1.6% and 0.2% respectively, with a slight reduction in indebtedness;

❯In particular, the degree of reduction of costs with euro loans attracted from customers in remarkable, which had a significant downward curve in 2020, from an annual average in 2019 of 1.0%, to 0.2% in December 2020;

❯Reduction of administrative expenditure by more than 16% compared to 2019;

❯Successful start of the *core banking* relocation IT project by acquiring in 2020 all the necessary infrastructure, with direct impact in increasing the bank's operational integration, while reducing administrative costs, which will lay the foundations for the long-term modernisation of BROM;

❯Start the digital development process of the bank (*digital-onboarding*) in order to strengthen the bank's spot resources and increase trading revenues;

❯Implement measures aimed at reducing the cost of financing, which aimed, inter alia, at increasing the interest rate, shortening the maturity of deposits, with direct positive effects which were to alleviate the pressure of interest costs;

❯Building a portfolio of government securities (+62%) and entering the municipal bond market was an opportunity for the bank to increase its revenues by making the most of the interest gap.

The balance sheet also has a positive trend, both quantitatively by refocusing the balance sheet on more profitable investments (loans, securities) and qualitatively, by improving the quality of assets.

III.3.2. EximAsig activity in 2020

EximAsig Romania has gone through a process of optimizing its business model, being concerned with the efficiency of the general framework of operation and use of resources, as well as the quantitative and qualitative improvement of the customer and product portfolio, leading to the consistent dynamization of the activity under prudent risk conditions.

The total number of new insurance contracts was 14,094, in the context of maintaining an average level of risk tolerance. Gross written premiums during the reference period amounted to 23.1 million RON, the insured amounts for the contracts in force at the end of the period being 9.4 billion RON - the amounts insured for new contracts that have not been cancelled, concluded during the reporting period, being 6.7 billion RON (2019: 6.2 billion RON).

At 31.12.2020, the premiums ceded to reinsurance amounted to 8.0 million RON, 34% of the gross written premiums in Romania.

EximAsig's coordination and control by EximBank was aimed at aligning it with the correct principles of business, efficiency and corporate governance applicable throughout the EximBank group, reflected in periodic recommendations.

As a result of the economic and social developments generated by the COVID-19 pandemic, it is worth mentioning that EximAsig is not authorized on class 2 risk – health insurance, therefore there are no such policies in the company's portfolio. At the same time, there are no cases where coverage is provided for epidemic and/or pandemic risks, as these risks are not covered by reinsurance.

IV. CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

EximBank's separate and consolidated financial statements for 2020 are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, based on the accounting records of the Bank and its subsidiaries.

EximBank completed on January 23, 2020 the acquisition of a 99.28% shareholding of Banca Românească S.A. from National Bank of Greece S.A., the sale-purchase contract being signed on 20.06.2019. Banca Românească is not consolidated in the financial statements of 2019 and is consolidated for the first time in the financial statements at 31 December 2020.

IV.1. Consolidated and separate statement of financial position

The consolidated balance sheet assets, at net value, as at 31.12.2020, amount to 17,742.2 million RON, up 56% from 7,832.8 million RON at 31.12.2019, with a 34% increase in assets at individual level, plus the assets of Banca Românească of 6,466.9 million RON.

The evolution of the main assets is presented as follows (in million RON):

Assets (million RON)	2020		2019	
	Group	Bank	Group	Bank
Cash	181.3	0.4	0.4	0.4
Accounts at the National Bank of Romania	1,162.8	882.3	686.1	686.1
Due from credit institutions	2,040.6	1,617.2	898.2	898.2
Derivatives	22.0	20.6	3.0	3.0
Debt securities held for trading	386.3	386.3	110.8	110.8
Financial assets at fair value through AERG	2,694.1	2,142.2	1,529.2	1,529.2
Debt securities at amortized cost	1,168.9	611.6	552.4	512.1
Customer loans at amortized cost, net	9,724.6	5,398.6	3,855.5	3,855.5
Subordinated loans	0.0	316.5	0.0	0.0
Investments in subsidiaries	0.0	317.8	0.0	34.0
Assets	223.1	84.6	96.7	95.5
Deferred tax, asset	0.0	0.0	0.1	0.1
Other assets	143.4	17.4	100.4	50.2
Total assets	17,747.2	11,795.4	7,832.8	7,746.2

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

The positive development in 2020 of the Group's assets (+9,914.4 million RON) was due to the consolidation for the first time of the assets of Banca Românească (+6,466.9 million RON), the significant increase in the *Loans* of EximBank (+1,543.1 million RON/+29%), the increase in individual investments in *Securities* (+987.9 million RON/+46%), as well as the increase in interbank placements (+944.2 million RON/ +61%) given the growth of attracted sources.

At the end of 2020, **equity and liabilities** at consolidated and individual EximBank level, compared to the end of the previous year, are shown in the following table:

Equity and liabilities (million RON)	2020		2019	
	Group	Bank	Group	Bank
Derivatives	7.2	9.0	1.0	1.0
Deposits from banks	901.7	645.3	313.5	313.5
Deposits from the State	4,729.1	4,729.1	1,686.6	1,686.6
Customer deposits	10,244.0	5,095.0	4,487.8	4,488.5
Deferred tax liabilities	4.6	3.5	0.0	0.0
Other liabilities	283.371	104.010	181.559	95.365
Total liabilities	16,169.8	10,585.8	6,670.4	6,585.0
Share capital	1,701.5	1,701.5	1,701.5	1,701.5
Retained earnings, not distributed	367.2	15.3	27.4	26.9
Retained earnings, application of IAS 29	-900.7	-900.7	-900.7	-900.7
Reserves	339.3	339.1	311.6	311.4
Reserve from revaluation of tangible assets	26.2	26.2	26.2	26.2
Other comprehensive income	38.8	28.3	-4.0	-4.0
Total equity attributable to the shareholders of the parent company	1,572.2	1,209.6	1,162.0	1,161.2
Non-controlling interests	5.2	0.0	0.5	0.0
Total equity	1,577.3	1,209.6	1,162.5	1,161.2
Total debt and equity	17,747.2	11,795.4	7,832.8	7,746.2

The ***Equity*** of the Group increased by 414.9 million RON on account of the net profit of 372 million RON, the increase of favourable reserves from the market marking of securities (+42.4 million RON) and other items (+0.5 million RON).

The commitments and contingent liabilities of the Bank/Group have marked a clear evolution overall and in the main product categories, taking into account the commercial development of the Bank:

Commitments and contingent liabilities (million RON)	2020		2019	
	Group	Individual	Group	Individual
Guarantee letters issued to customers	1,280.3	1,143.0	893.7	893.7
Guarantee letters to banks	34.1	34.1	33.9	33.9
Unused guarantee commitments	896.1	875.8	582.5	582.5
Unused lending commitments	2,333.4	1,989.6	1,742.9	1,742.9
Letters of credit	64.2	64.2	8.5	8.5
COMMITMENTS AND CONTINGENT LIABILITIES	4,608.0	4,106.5	3,261.6	3,261.6

IV.2. Consolidated and separate statement of profit or loss

The net result for the 2020 financial year at consolidated level is 372.0 million RON, including the profit recorded at the individual level in amount of 16.0 million RON, profit of 1.1 million RON of subsidiary EximAsig, profit of 10.4 million RON of subsidiary Banca Românească, and the negative goodwill from the acquisition of Banca Românească of 342.0 mil. Lei.

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

The dynamics of the Bank's financial results and consolidated results are presented as follows (million RON):

Profit or loss (million RON)	2020		2019	
	Group	Bank	Gorup	Bank
Interest income, net	296.7	107.2	99.3	98.2
Revenue from commissions, net	94.6	66.0	47.2	47.2
Net result from insurance activity	13.0	0.0	10.8	0.0
Profit from foreign exchange differences	31.8	14.7	27.9	27.3
Gains from derivatives	54.6	40.8	12.5	12.5
Profit from securities available for sale	20.2	8.5	1.5	1.5
Gains from real estate investments	0.2	0.2	1.6	1.6
Other income	16.2	5.0	5.5	5.3
Net operating income	527.4	242.4	206.3	193.6
Salaries and other similar expenses	-175.5	-77.4	-84.5	-77.2
Depreciation expenses	-65.8	-15.0	-13.3	-12.3
Other operating expenses	-117.1	-44.9	-30.4	-28.2
Operating expenses	-358.4	-137.2	-128.2	-117.8
Negative goodwill	342.0	0.0	0.0	0.0
Net profit before impairment adjustments	511.0	105.1	78.1	75.8
Cost of risk	-134.7	-85.5	-44.0	-42.5
Gross profit before tax	376.3	19.6	34.0	33.3
Current and deferred income tax	-4.3	-3.6	-5.0	-5.0
Net profit	372.0	16.0	29.1	28.3

V. CAPITAL ADEQUACY AND PRUDENTIAL INDICATORS

The capital adequacy ratio of the **Bank**, calculated in accordance with Regulation 575/2013, indicates a solid solvency rate of 20.7% (*without dividend distribution*), down from 2019 (28.4%), but remaining at a comfortable level for business development. The evolution of the main prudential indicators of the Group/Bank at the end of 2020 is presented below compared to the previous year:

Synthetic ratios	2020		2019	
	Group	Bank	Group	Bank
Return on assets	2.9%	0.2%	0.4%	0.4%
Return on capital	27.2%	1.4%	2.5%	2.5%
Operating expenses: operating income	68%	57%	62%	61%
Immediate liquidity	47%	53%	56%	56%
Gross loans: deposits	99%	110%	89%	89%
Solvency ratio	20.7%	24.7%	28.4%	28.4%
Solvency ratio - level 1	20.7%	24.7%	28.4%	28.4%
LCR	152%	139%	206%	206%
NSFR	140%	121%	129%	129%
MPVE	8.5%	7.8%	10.6%	10.6%
Leverage ratio	8.0%	9.3%	13.3%	13.3%
Market share - assets	3.2%	2.1%	1.6%	1.6%
Rate of non-performing exposures	4.2%	2.6%	4.2%	4.2%
Degree of coverage with provision of non-performing exposures	65.9%	67.6%	45.5%	45.5%
Rate of non-performing exposures, non-financial companies	4.2%	4.0%	7.5%	7.5%
Rate of non-performing exposures, households	6.7%	-	-	-

VI. CORPORATE GOVERNANCE

The Board of Directors (BoD) is the collective management body of EximBank, which exercises the general management of the Bank's business. The **BoD** consists of 7 members, natural persons (of which 3 executive directors and 4 non-executive directors), appointed by the GMS for a term of 4 years, which can be renewed.

The membership of the Board of Directors in 2020 was as follows:

- Traian Sorin Halalai - Executive President
- Florian Raimund Kubinschi – Executive Vice-President
- Cristian - Florin Şaitariu – Executive Vice-President
- Vasile Secăreș - Independent non-executive member, President of the Board of Directors until 21.09.2020
- Daniel - Mihail Tudor - Non-executive member, President of the Board of Directors as of 10.12.2020
- Nina Puiu - Independent non-executive member
- Andrei - Răzvan Micu - Non-executive member; term 03.02.2020.

During 2020, the Board of Directors met 43 times.

The Steering Committee (SC) provides the operational management of EximBank - SA on the basis of delegation from and under the supervision of the Board of Directors, with the exception of the tasks given under the express competence of the General Meeting of Shareholders and the Board of Directors. The SC is composed of 3 members, the Executive President of the Bank and the two Executive Vice-Presidents.

The membership of the Steering Committee in 2020 is as follows:

- Traian Sorin Halalai - Executive President
- Cristian - Florin Şaitariu - Executive Vice-President
- Florian Raimund Kubinschi - Executive Vice-President

During 2020, the Steering Committee met 66 times.

The Interministerial Committee for Financing, Guarantees and Insurance (CIFGA) examines and approves the internal rules specific to operations carried out in the name and on account of the State and the activity and products granted as an agent of the State. The Committee is composed of representatives of the specialized bodies of the central public administration and EximBank. Both the appointment of members and the activity of this body are subject to Government Decision 534/2007 as revised.

During 2020, the Interministerial Committee for Financing, Guarantees and Insurance met 39 times.

The Audit Committee is headed and coordinated by a president appointed from among its members by the Board of Directors. The President of the Audit Committee must be an independent non-executive director. The President of the Audit Committee must have expertise and experience in the application of accounting principles and internal control processes.

The members of the Audit Committee as a whole must have recent and relevant practical experience in the field of financial markets or must have obtained sufficient professional experience directly linked to their activity in financial markets as a result of previous activities.

During 2020, Audit Committee met 26 times, each non-executive director fulfilling the commitment of the minimum expected time of actual participation for the proper exercise of the powers of the membership position in the meetings of the working committees, i.e. 100% of the total meetings.

The Risk Management Committee (RMC) assist the Board of Directors in fulfilling its risk management responsibilities for the conduct and maintenance of good supervisory and management practices, and is authorised to give opinions/make recommendations/opinions on various aspects /regulations/works involving exposure to current or potential risks for the Bank and/or their administration.

During 2020, the Committee Risk Management met 22 times, each member, a non-executive director, fulfilling the commitment of the expected minimum time of actual participation for the proper exercise of prerogatives in the meetings of the working committees, i.e. 100% of the total meetings.

CAR is made up of non-executive members of the BoD. The number of RMC members must be at least half the number of non-executive members of the BoD, but not less than 2, having the necessary knowledge, skills and expertise in banking and financial and risk management activities. The President of the Committee and the other members are appointed by the BoD.

Nomination and Remuneration Committee (NRC) conducts its work in accordance with the Bank's strategies and policies and oversees the implementation of policies in the area of nomination of the BoD and SC members and remuneration within EximBank.

The Nomination and Remuneration Committee is set up at the level of the Bank's central office, is subordinated to the BoD and consists of non-executive members of the BoD. The number of members of the Committee must be at least half of the non-executive members of the BoD, but not less than 2, including a non-executive, independent director.

In carrying out its duties, the Nomination and Remuneration Committee takes into account the need to ensure that BoD's decision-making process is not dominated by any person or small group of people in a way that is detrimental to the interests of EximBank as a whole.

As part of the decision-making process, the Nomination and Remuneration Committee takes into account the long-term interests of shareholders.

During 2020, the Nomination and Remuneration Committee met 9 times, each member, non-executive director, fulfilling the commitment of the expected minimum time of actual participation for the proper exercise of prerogatives in the meetings of the working committees, i.e. 100% of the total meetings.

The Credit Committee (CC) assesses the conditions for granting loans and issuing guarantees in relation to the risks associated with operations for the activity in its own name and account. This is a standing committee, subordinated to the Steering Committee and is composed of 5 members. It is led and coordinated by the Executive Vice-President, in charge of the commercial activity. In 2020, the committee met 74 times. A meeting of the Credit Committee is legally constituted for the adoption of decisions/issue of opinions, with the presence of at least 3 members.

Committee for the Management of Assets and Liabilities (CMAL Committee) has the role of managing and deciding on the Bank's assets and liabilities, with a view to maintaining competitiveness and profitability, on the basis of internal expert analyses and trends in the macroeconomic environment in conjunction with those in financial markets, also taking into account changes in the legislative environment that impact the Bank's activity.

The CMAL Committee mainly exercises prudent management of the Bank's resources and investments, ensures liquidity, management of foreign exchange position, active and passive interest, transfer prices, interest rate risk, currency risk and liquidity risk.

The CMAL Committee is subordinated to the Steering Committee, is headed and coordinated by the Executive President of EximBank and is composed of 7 members. During 2020, the ALCO Committee met 21 times.

The IT Committee (IT Committee) evaluates, prioritizes and balances projects with IT&C impact.

The IT Committee is a specialised committee set up at the level of the Bank's central office, subordinated to the Steering Committee. The IT Committee is headed and coordinated by the Executive Vice-President responsible for the back-office activity and consists of 7 voting members.

During 2020, the IT Committee met 9 times.

At branch level, corporate governance is ensured by a one-tier management system in the case of Banca Românească, and two-tier in the case of EximAsig, and integration at EximBank group level is carried out in accordance with the provisions of NBR Regulation no. 5/2013.

VII. HUMAN RESOURCES

The total number of employees of the bank was 406 (including the 3 members of the Steering Committee with mandate contracts) of which: 296 employees in the central office (including the executive management of the Bank) and 110 employees in territorial units. At the end of the year, out of the total number of 406 employees, 62% are women, 97% of employees have attended higher education.

At Group level, the number of employees at 31 December 2020 was 1,491 (of which Banca Românească - 1,039 employees and EximAsig - 46 employees).

EximBank's human resources strategy was aimed at:

- developing a strong partnership between the Human Resources Directorate and the bank's structures on business understanding, identifying common solutions, better linking human resources practices and business outcomes;
- ensuring the organisational framework and the human resources necessary to achieve the objectives assumed by the Bank;
- developing and strengthening the organisational culture to enhance the role of human resources within the bank by promoting ethical values and principles in relations between employees and the bank;
- training and professional development of bank employees by organising diversified programmes based on the real needs of each employee and leading to performance, increasing labour productivity, developing skills and competences, increasing the quality of professional performance in the development of work specific to the activity carried out, developing and strengthening teams and encouraging internal communication;
- providing an appropriate motivational framework to boost performance.

I. Training and development of employees

Training and professional and personal development programmes for bank employees have been designed in an integrated system based on the real needs of the business and employees, together with training providers so that all programmes developed at the bank level have practical application, with the aim of training the best specialists and improving performance.

A solution has been identified that allows the integration of technology into the transfer of information and the continuous updating of employees' knowledge and facilitates the provision of proper training of the bank's employees in the challenging context of the Covid-19 pandemic, i.e. the implementation of an e-learning platform. During 2020, all bank employees were involved in vocational and personal training programmes, with 3,324 attendances, representing an average of 8.5 attendances/employee. Several categories of training and professional development programmes were organised:

- Mandatory courses arising from legal regulations, namely: AMR/KYC/CFT - Prevention and combating money laundering and terrorist financing; Law 129/2019 on know-you-client in order to prevent money laundering and terrorist financing; Compliance with and knowledge of the anti-fraud strategy; Protection of personal data; MiFID II – Annual Continuous Training Programme; compliance with the NBR data privacy measure.
- Allocated programs and optional programs available on the e-learning platform in the field of supporting the development of the bank's business.
- The programme for the onboarding of new employees.

Induction programmes have been organised based on principles that facilitate better integration of new employees, based on bank history, mission, vision and values, presentation of how the bank works, the documents and regulations underlying the activity, and issues related to the knowledge of teams and workflows at the level of each structure to facilitate their integration in the workplace.

II. Internships

Attracting young undergraduates and master's students from the Academy of Economic Studies to carry out internships within the bank's structures underlines the Bank's continuing concern regarding the familiarisation of young students and master's students with the banking environment and the work carried out with the aim of developing skills, strengthening theoretical knowledge, developing practical skills and competences of undergraduates/master students and optimising the relationship between academia and the practical environment and facilitating a smooth transition from school to active life. During 2020, the traineeships were carried out in a hybrid system.

III. Organizational culture

The organizational culture of the bank was formed and gradually developed due to repeated interactions between team members; there are powerful modelling factors that make it special, such as: leadership style and implicitly, the decision-making process, level of formalism, organizational structure, policies and know-how.

In order to turn the organisational culture into a competitive advantage, the bank's development strategy has been adapted to meet the challenges of both the external and internal environments. Awareness, development and ownership strengthens common beliefs and encourages team members to strive to achieve the Bank's strategic objectives in order to achieve:

· **increasedefficiency** – – this is possible when team members understand their role within the team, have in mind its common objective, understand the needs of others and there is mutual trust.

· **coherence** – sharing the same values facilitates team integration and makes it possible for working with colleagues to be easier, with differences of opinion tending to be more productive between team members with congruent values, focusing mainly on differences related to technical aspects.

· **commitment** – sharing values between team members increases the level of confidence of individuals in the team and its objectives, which leads to an increase in motivation, with team employees being more open to engage in activities and decisions that are beneficial to the team as a whole, rather than to the individual.

IV. EximBank's remuneration policy

EximBank's remuneration policy is based on the views of the Nomination and Remuneration Committee, with the mission of supporting the establishment of sound remuneration practices by issuing competent and independent opinions on remuneration policies and practices, and on the incentives created for managing risk, capital and liquidity, taking into account the long-term interests of shareholders.

In order to prevent conflicts of interest, the implementation of the remuneration policy is done at all senior levels, in the sense that the General Meeting of Shareholders decides on the conditions and terms of remuneration of the members of the Board of Directors, the Board of Directors decides for the members of the Steering Committee and the members of the Steering Committee decide for mid-management and execution management.

The EximBank remuneration system has, in addition to the basic fixed component, a variable component which cannot exceed the fixed component of the total remuneration for each employee, which is predominant. The variable component is correlated with both the individual performance of each employee and other criteria related to the risk profile, financial performance and medium and long-term prospects of the Bank.

At the same time, in accordance with Article 94 (2) of Directive 2013/36/EU, for identified staff, 50 % of any variable remuneration is granted non-cash, in the form of virtual shares, with the aim of encouraging added value and medium and long-term contribution to the development of the Bank.

The Bank applies a fair policy, which can considerably reduce or even cancel the payment of the variable component in the event of low or negative financial performance, including malus or clawback agreements.

VIII. RISK MANAGEMENT

Risk management is an integral part of all decision-making and business processes within the EximBank Group. The Management and structures of the Group continuously assess the risks to which the activity may be exposed, affecting its objectives and take action with respect to any change in the conditions under which the Bank operates.

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

• powers of the *Board of Directors* (BoD) and *Risk Management Committee*, as the advisory and consulting body of the BoD for the periodic approval and review of the risk profile, appetite and tolerance of the Bank;

• the responsibility of the *Steering Committee* (SC) to ensure the implementation of the significant risk management strategy and policies approved by the BoD and to develop procedures and methodologies for identifying, measuring, monitoring and controlling risks so that the bank has effective risk management processes in line with the nature and complexity of the relevant activities;

• in the decision-making process, the *risk management function* ensures that risk issues are taken into account accordingly, but those responsible for the decisions taken remain the operational units, the support functions and, ultimately, the Bank's management body;

• management of the Bank's exposure to currency risk, interest rate risk, liquidity risk, etc. through the *asset and liability management*;

• operational risk management at the level at which they appear;

• the independent review function of the *Internal Audit Department.*

The Bank's risk monitoring and control functions have defined clear responsibilities independent of risk exposure assumption functions.

The significant risk management strategy sets out the risk profile that EximBank considers acceptable, the risk tolerance and appetite for the significant risk categories assumed by the bank, with a view to optimising the risk-profit ratio and linking the risk profile assumed with the capital requirements calculated by the bank under the conditions of a sound and prudent banking activity.

The Bank uses relevant risk indicators, with classification limits, specific to each risk category - *credit, interest rate, currency, liquidity, associated with excessive use of leverage* - constantly adapted to the evolution of the business and the economic environment, monitored regularly. It also monitors exposure to *operational risk, reputational risk, the risk associated with outsourced activities, strategic risk, compliance risk.*

The Bank periodically carries out a self-assessment of risks and related controls. For a high level of risk resulting from the application of the controls, risk mitigation actions are mandatory.

The risk management *at the level of subsidiary EximAsig* consists of identifying, assessing, monitoring, controlling and reporting to the management body risks that could have a negative impact on the company's business. In this respect, subsidiary EximAsig aims to measure technical reserves under percentage conditions, to set maximum concentration limits by insurance/risk classes, by top customers/exposures, by currencies and to classify risk indicators within the limits set for risk tolerance. The management of the company is actively involved in the risk management process, in particular in the periodic (at least annual) process of amending/updating the Significant Risk Management Policy and Strategy, i.e. the ORSA Policy and the Outsourced Activities Policy. At the same time, all identified risk events (including potential ones) as well as monitoring of risk indicators for significant risks identified by the company are analysed quarterly at the meetings of the Risk Management Committee (committee of which the members of the Steering Committee are members) and subsequent reporting to the Board of Directors.

Following the acquisition in January 2020 of Banca Românească, EximBank also implemented relevant indicators and limits for the risk profile, tolerance and appetite for all significant risks considered, at the consolidated level of the EximBank group.

For the purpose of calculating capital requirements, EximBank uses the following types of approaches:

a) the standardised approach for credit risk;

b)the standardised market risk approach;

c) the basic approach for operational risk.

Internal risk capital adequacy assessment process (ICAAP/ILAAP)

EximBank aims to ensure that the own funds held cover in a sufficient manner the capital requirement to cover the risks associated with Pillar I – credit risk, market risk and operational risk, plus the capital requirement for significant risks considered not covered by Pillar I (for example – concentration risk, interest rate risk, etc.).

The calculation of the capital requirement needed to cover risks not covered by Pillar I is determined in accordance with internal procedures.

IX. INTERNAL CONTROL SYSTEM

The Bank develops and maintains a robust and comprehensive internal control framework, with specific independent control functions in place: the risk management function, the compliance function and the internal audit function, but assigns to the Bank's internal structures the primary responsibility for establishing and maintaining appropriate internal control procedures.

The internal control framework is structured at three levels:

- The first level of *checks* implemented in such a way as to ensure that transactions are correctly carried out. The checks are carried out by risk-taking entities and are embedded into the specific procedures. Responsibility for this area is delegated to each internal structure.
- The second level of controls shall be exercised by the risk management function and the compliance function.
- The third level of controls is carried out by the *internal audit function* which regularly assesses and verifies the completeness, functionality and adequacy of the internal control framework.

This ensures efficient operations, appropriate risk control, prudent conduct of business, credibility of reported financial and non-financial information, both internally and externally, as well as compliance with the legal and regulatory framework, supervisory requirements and internal rules and decisions of the Bank.

With regard to the internal control at the level of *subsidiary EximAsig*, the same procedure for harmonising strategies and policies applies, which are approved by the relevant organisational structures of the Bank, with the Group aiming at harmonising processes and governance frameworks at the level of all structures and entities.

To this end, the Bank's internal control functions carry out, with the agreement or at the request of the management structure, verification missions at subsidiary EximAsig, proposing during the control operational measures to remedy the deficiencies found or establishing a plan of measures, with deadlines for implementation and responsible persons.

X. STRATEGY AND PRIORITIES

In 2020, the prolonged pandemic strongly affected the economic environment and pressed banking activity in two opposite directions:

- on the one hand, the chain effects of the contraction of customer activity - a significant reduction in credit repayment capacity, standstills in payment chains, an overall increase in uncertainty - have put pressure on profit margin: interest rate reduction, income from non-credit operations, parallel to the increase in credit risk costs; to this added the specific expenditure on digitisation and rapid adaptation of the IT environment to social distancing and isolation at home, for business continuity reasons;
- on the other hand, against the background of the increasing liquidity needs of companies and in the context of the launch of the "IMM Invest Romania" programme and the State Aid Framework Scheme, as government support in which EximBank has a significant role, the volume of exposures has increased.

The current economic and financial context has changed fundamentally and is marked deeply by the COVID-19 pandemic which, through its economic and social effects, has shown Romania's vulnerabilities in the face of external shocks. While it is still difficult to quantify the real impact of the health crisis on the economy and financial markets, its ability to aggravate certain structural vulnerabilities may also cause the banking sector to face some difficulties in the immediate aftermath in the design of the strategy.

The Group's fundamental objectives remain to support the national economy by carrying out operations in conditions of economic efficiency and increasing the degree of financial intermediation.

For the period 2021-2023, the strategy chosen is one of growth and transformation. The adoption of this type of strategy took into account the general banking context mentioned, but also the specificity of EximBank: synergy with Banca Românească at Group level. The group synergy aims to be realised through the organizational integration of retail activities, the alignment of banking products and services offered by the two banks to corporate clients, the alignment of policies.

Thus, the strategic objectives of EximBank for the period 2021-2023 are:

- increase in market share in lending activity;
- developing products and solutions that allow customers easy access to banking products;
- efficiency of the operational model, in particular with regard to the simplification and standardisation of processes and documents submitted by corporate clients;
- realisation of group synergies;
- supporting key projects, objectives of national interest, development of infrastructure and utilities of public interest;
- regional development and support for the sustainable development of the local economy; support and development of small and medium-sized enterprises.

Several strategic directions will be pursued in order to achieve the strategic objectives, the most important of which are:

- Ensuring an articulated supply of products for corporate customers covering their entire funding cycle as well as the development of standard transactional packages for customers in this category, while maintaining the tailor-made approach for certain segments of corporate customers (e.g. customized cash management and FX offers, customizing certain standard facilities, attracting deposits from affluent customers).

❯ Ensuring simple and easy-to-access products for small corporate customers, with the option of accessing products through digital alternative channels under conditions of operational speed and efficiency, with an appropriate calibration of the related credit risk.

❯ For customers financial institutions, strengthening existing relationships as well as opening up new business relationships, aiming to increase activity for all products currently offered (attracting deposits, lending, cash management, treasury).

❯ Acquisition of a dedicated factoring platform;

❯ Implementing digital customer support instruments (*bot chat*, -based virtual assistants), as well as the establishment of teams of "digital ambassadors" that promote and support (both centrally and locally) customers in understanding and using digital products and services;

❯ Strengthening, standardising, shaping and organizing data to implement business intelligence and analytics systems that support fast and efficient business decisions;

❯ Integrating and developing the ability to attract liquidity from non-financial companies, financial institutions and individuals to ensure the sustainable and balanced development of the Group.

❯ Under the temporary framework for State aid measures to support the economy in the context of the current COVID-19 epidemic and the European Commission communication, it is the intention of EximBank, through its activity in the name and on account of the State, to continue as a matter of priority the implementation of appropriate State aid measures to ensure liquidity and access to financing for companies facing a shortage during this period. Addressing companies through specific financial instruments aligned with the Temporary Framework approved by the European Commission in the context of the pandemic and European State aid regulations, as well as with the potential to address other future regulations, will generate beneficial macroeconomic effects to support the return to sustained growth of the economy at the level of the average GDP rates recorded before the COVID-19 pandemic.

As a result of the implementation of the strategy and action outline, the Group is betting on increasing profitability and efficiency, increasing the lending market share and the number of customers, within the regulated prudential limits, as well as those established internally.

CONSILIUL DE ADMINSTRAŢIE
Preşedinte,
Daniel - Mihail Tudor

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

In accordance with Article 10, paragraph 1 of Accounting Law No. 82/1991, the administrator, the credit - authorising officer or any other person who has the obligation to manage the entity, holds responsibility to organize and manage the accounting operations.

As Executive President of Export - Import Bank of Romania - EXIMBANK S.A., in accordance with Articles 30 and 31 of Accounting Law No. 82/1991, I assume responsibility for the preparation of consolidated financial statements of Group Export - Import Bank of Romania - EXIMBANK S.A. and for the preparation of the separate financial statements of Export - Import Bank of Romania - EXIMBANK S.A. as at and for the year ended 31 December 2020, and I confirm that:

a) The accounting policies used in the preparation of the separate and consolidated financial statements as at 31 December 2020 are in accordance with the International Financial Reporting Standards adopted by European Union as at 31 December 2020 and implemented through the Order of the National Bank of Romania no. 27/2010, as revised;

b) The consolidated and separate financial statements as at 31 December 2020 fairly present the financial position, financial performance and other information related to the operations carried out;

c) Group Export - Import Bank of Romania - EXIMBANK S.A. and Export - Import Bank of Romania - EXIMBANK S.A. operate as a going concern.

Group Export - Import Bank of Romania - EXIMBANK S.A. comprises Export - Import Bank of Romania - EXIMBANK S.A., Banca Românească S.A. and Exim Romania Insurance - Reinsurance Company S.A.

Export - Import Bank of Romania - EXIMBANK S.A. is the parent company of the Group, with headquarters located at 6A Barbu Delavrancea Street, District 1, Bucharest, Romania and is registered with the Trade Registry under registration number J40/8799/1992.

Banca Romanesca S.A. is the subsidiary of the group based in 3 Ion Mincu Architect St., District 1, Bucharest, Romania and is registered with the Trade Registry under number J40/29196/1992.

Exim Romania Insurance - Reinsurance Company S.A. is the subsidiary of Group Export - Import Bank of Romania - EXIMBANK S.A., with the headquarters at 33 Aviatorilor Blvd., District 1, Bucharest, Romania, and is registered at the Trade Registry under registration number J40/3151/2009.

Traian Sorin Halalai
Executive President

Independent Auditor's report

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Supervisory Board and Shareholders,
Banca de Export Import a României - EximBank S.A.

Report on the Audit of the Financial Statements

Opinion

1. We have audited the separate and consolidated financial statements („the financial statements") of Banca de Export Import a României - EximBank S.A. ("the Bank") and its subsidiaries ("the Group"), with registered office at 6A Barbu Delavrancea St., District 1, Bucharest, Romania, identified by the unique tax registration code RO 361560, which comprise the separate and consolidated statement of financial position as at December 31, 2020, and the separate and consolidated statement of comprehensive income, separate and consolidated statement of changes in equity and separate and consolidated statement of cash flows for the year then ended, including a summary of significant accounting policies and notes to the financial statements.

2. The financial statements at December 31, 2020 are identified as follows:

   Separate financial statements

   - Total equity: RON 1,209,606 thousand
   - Net profit for the financial year: RON 16,027 thousand

   Consolidated financial statements

   - Total equity: RON 1,577,348 thousand
   - Net profit for the financial year: RON 371,980 thousand

3. In our opinion:

   - the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Bank as at December 31, 2020, and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs") and National Bank of Romania Order no. 27/2010 for the approval of Accounting regulation in accordance with International Financial Reporting Standards as adopted by the European Union, 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 December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS and with Order 27/2010.

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

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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 (forth named The "Regulation") and Law 162/2017 ("the Law"). 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 Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Nature of the area of focus	***How our audit addressed the key audit matter***
Collective impairment of loans to customers	
Further to the adoption of IFRS 9, the Group registers credit losses by means of expected credit losses (ECL): throughout a period of up to 12 months for exposures for which credit risk has not increased significantly since origination, and throughout the lifetime of the loan for exposures that register a significant credit loss, as mentioned in the policy regarding the impairment of financial assets in Note 2 letter (m) to the financial statements. At December 31, 2020, the key rows in the financial statements of the Group, which were significantly affected further to the adoption of IFRS 9 are loans granted to customers both at consolidated level in amount of RON 9,724,583 thousand (net of the related impairment allowances in amount of RON 416,836 thousand), and at individual level in amount of RON 5,398,592 thousand (net of the related impairment allowances in amount of RON 184,196 thousand). The Group exercises significant professional judgment, using subjective assumptions as to the time of registration and amount to be registered as credit impairment. Since the set-up of appropriate allowances for the impairment for expected credit losses on loans involves the use of complex models (which, generally depend on IT elements) and the significant judgment of Management, the measurement of expected credit losses may be subject to Management's subjectivity. Since loans make up a significant portion of the Group's assets, and due to the significance of the professional judgment applied by Management in the classification of loans in various stages stipulated by IFRS 9 and in establishing the appropriate impairment requirements, this audit area is deemed a key audit matter. The key areas of the Management's professional judgment included: • use of historical data to determine risk parameters;	Based on the risk assessment and knowledge of the industry, with the support of our experts in credit risk, we analysed credit impairment and assessed the methodology applied in determining impairment, as well as the key assumptions and source data used by Management as per the description of the key audit matter. Our procedures consisted of: 1) Testing the key controls regarding: • ensuring the quality of the source data used in developing professional judgments and the ECL calculation model; • timely identification of impairment indicators, including the significant increase of credit risk; • analysis of the financial performance of debtors and estimated future cash flows; • the governance processes implemented for the collective impairment models, input and adjustments for additional provisions, review of ECL and approval of post-modelling adjustments. 2) Verifying the proper implementation of the ECL calculation methodology into the IT calculation systems, which included: • testing of general IT controls regarding data sources and ECL calculations; • sample-based assessment of the quality of loans and staging; • sample-based testing of ECL calculations. 3) Obtaining and analysing the information supporting the assumptions used in:

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Nature of the area of focus	***How our audit addressed the key audit matter***
Collective impairment of loans to customers	
• interpretation of the requirements for determining the impairment of receivables as per IFRS 9, which reflects in the calculation model of expected credit losses; • the assumptions used in the calculat on models of expected credit losses for assessing the credit risk of exposure and future cash flows expected from customers; • timely identifcat i on of exposures with sigi fi cant increase of credit risk and deterioration of credit quality; • the increased uncertainty level and subjectivity of the Management's judgment as to the financial reporting for 2020 further to the COVID-19 pandemic. • the potential impact on the assumpt ons used, the increased credit risk and impairments, and future cash flows further to the social and economic conditions imposed by the COVID-19 crisis, including the public moratorium and other events; • assessment of prospective informat on, including the impact of the COVID-19 pandemic.	• developing the calculation models of the key risk parameters (12 months probability of default, lifetime probability of default and loss given default), including the procedures on the quality of source data; • developing the models regarding expected credit losses; • the development and adequacy of the staging and the criteria used to determine the significant increase of credit risk, including the impact of COVID-19; • developing models that reflect the potent al impact of the future economic conditions in the calculat on of ECL, including the impact of COVID-19; • assessing the adequacy of the Management's analysis and adjustments, resulting from the impact of the COVID-19 crisis on all matters pertaining to estimat ng expected credit losses. For all the procedures above, we involved our own credit risk specialists, who have assessed how the ECL model was developed, and in order to test whether it accurately reflects the Bank's and Group's policies and methodologies. We have analysed whether the significant informat on on ECL presented in the financial statements is adequate, as per the requirements of the applicable IFRS.

Interest and Fee Income Recognition	
Refer to Notes 3 and 8 of the financial statements. For the year ended December 31, 2020, the interest income represents RON 523,553 thousand, and fee and commission income represents RON 114,775 thousand, the main source being loans and guarantees to customers and mandate operations. These are the main contributors to the operating income of the Group affect ng the Group's profitability. While interest income is accrued over the expected life of the financial instrument using the ef ect ve interest rate, the recognition of fee income depends on the nature of the fees as follows: • fees that are directly attributable to the financial instrument are part of the ef ect ve interest rate and accrued over the expected life of such an instrument and are presented as interest income;	We have tested the key internal controls and focused on: • interest/fee inputs on customer loans, guarantees and deposits; • recording/ changes of fees and interest rates; • management oversight and control on interest and fee income, 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 and fees revenue recognition: - We evaluated the accounting treatment performed in respect of fees charged to clients to determine whether the methodology complies with the requirement of the relevant

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

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Interest and Fee Income Recognition	
• fees for services provided are recognized when service is provided and are presented as fee and commission income; • fees for the execution of an act are recognized when the act has been completed and are presented as fee and commission income. Revenue recognition specif cs, a high volume of individually small transactions which depends on data quality of interest and fee inputs and on IT solutions for their recording, resulted in this matter being idenfiied as a key audit matter.	accounting standard (IFRS 9). We have focused our testing on challenging the correct classificat on of: • fees that are identifed as directly attributable to the financial instrument and are part of the effect ve interest rate; • fees that are not identif ed as directly attributable to the financial instrument. - We assessed the completeness and accuracy of data used for the calculation of interest and fee income. - We evaluated the mathematical formula used for accruing the relevant income over expected life of the loan. - We have assessed the interest and fee income by building our own expectation on the revenue and compared with the actual results.

Other information – Administrators' Report

6. The administrators are responsible for preparation and presentat on of the other informat on. The other informat on comprises the Administrators' report, which includes the non-financial informat on declarat on, but does not include the separate and consolidated financial statements and our auditor's report thereon.

   Our opinion on the separate and consolidated financial statements does not cover the other information and, unless expressly provided in our report, we do not express any form of assurance conclusion thereon.

   In connection with our audit of the separate and consolidated f nancial statements for the year ended December 31, 2020, our responsibility is to read the other information and, in doing so, consider whether the other informat on is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   With respect to the Administrator's separate and consolidated 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 separate and consolidated financial statements, in our opinion:

   a) The information included in the Administrators' report for the financ ial year for which the separate and consolidated financial statements have been prepared are consistent, in all material respects, with these separate and consolidated financial statements;

   b) The Administrators' report has been prepared, in all material respects, in accordance with the provisions of the National Bank of Romania Order no. 27/2010, articles 12-16 and articles 32-33;

   Based on our knowledge and understanding concerning the Group and its environment gained during the audit on the separate and consolidated financial statements prepared as at December 31, 2020, we are required to report if we have identifed a material misstatement of this Administrators' report. We have nothing to report in this regard.

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

7. Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with Order 27/2010 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank 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 separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient and adequate audit evidence regarding the financial information of the Group entities or business lines in order to express an opinion on the consolidated financial statements. We are responsible for the coordination, supervision and performance of the group audit. We are 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, related safeguards.

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,

Deloitte.

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 communicat on.

Report on Other Legal and Regulatory Requirements

Requirements regarding the audit of public interest entities

15. We were appointed by the General Meeting of Shareholders on May 4, 2020 to audit the separate and consolidated financial statements of Banca de Export Import a României - EximBank SA for the financial year ended December 31, 2020. The uninterrupted total duration of our commitment is 1 year, covering the financial year ended December 31, 2020.

We confirm that:

- Our audit opinion is consistent with the additional report submit ed to the Audit Committee of the Bank that we issued the same date we issued and this report. Also, in conducting our audit, we have retained our independence from the Group.

- We have not provided the non-audit services referred to in Article 5 (1) of EU Regulat on No. 537 / 2014.

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

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,
8th Floor and 9th Floor, District 1
Bucharest, Romania
April 1, 2021

XI. Consolidated and separate statement of profit or loss

	Note	31 Dec 20		31 Dec 19	
		Group	Bank	Group	Bank
Interest income	3	523.553	275.569	249.716	248.599
Interest expense	4	-226.810	-168.393	-150.437	-150.414
Interest income, net		**296.743**	**107.176**	**99.279**	**98.185**
Fee and commissions income		114.775	74.852	59.951	59.952
Fee and commissions expenses		-20.139	-8.805	-12.795	-12.766
Fee and commissions, net	**8**	**94.636**	**66.047**	**47.156**	**47.186**
Gross written premiums, net of reinsurance		15.137	-	10.995	-
Gross written premiums		23.095	-	16.894	-
Gross written premiums ceded in reinsurance		-7.957	-	-5.899	-
Changes of technical reserves, net of reinsurance		-1.285	-	-432	-
Income from reinsurance commissions		1.441	-	1.071	-
Acquisition and other underwriting expenses		-2.202	-	-343	-
Other technical expenses, net of reinsurance		-96	-	-452	-
Claims related to insurance contracts		-8.673	-	-8.563	-
Claims ceded in reinsurance		8.577	-	8.111	-
Net income from insurances activities	**9**	**12.996**	-	**10.839**	-
Gain/(loss) from foreign exchange difference	6	31.766	14.702	27.879	27.293
Gain/ (loss) from trading and derivatives	**6**	54.644	40.818	12.483	12.483
Gain/(loss) related to the derecognition of financial instruments at fair value through other comprehensive income	7	20.164	8.452	1.538	1.538
Gain/(loss) from investment property	20	189	189	1.589	1.589
Other income	10	16.235	4.969	5.491	5.341
Operating income		**527.373**	**242.353**	**206.254**	**193.615**
Salaries and other similar expenses	11	-175.505	-77.381	-84.497	-77.239
Depreciation expenses	19	-65.779	-14.963	-13.263	-12.346
Other operating expenses	12	-117.135	-44.866	-30.434	-28.204
Gains/(Losses) from impairment of financial assets, commitments and guarantees granted	5	-134.681	-85.508	-44.040	-42.547
Negative goodwill recognised to profit or loss		**341.999**	-	-	-
Gross profit before tax		**376.272**	**19.635**	**34.020**	**33.279**
Income tax	13	-4.292	-3.608	-4.954	-4.954
Net profit attributable:		**371.980**	**16.027**	**29.066**	**28.325**
Controlling interests		**369.409**	-	**29.056**	-
Non-controlling interests		2.571	-	10	-

The financial statements were approved by the Board of Directors on 1 April 2021.

Traian Sorin Halalai
Executive President

Florian Raimund Kubinschi
Executive Vice-President

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

XII. Consolidated and separate statement of profit or loss and other comprehensive income

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Net profit for the period	**371.980**	**16.027**	**29.066**	**28.325**
Other comprehensive income, net of tax	**42.820**	**32.345**	**10.949**	**10.949**
Items that are or may be reclassified subsequently to profit or loss	**42.820**	**32.345**	**10.519**	**10.519**
Net gains/(losses) from revaluation of financial instruments at fair value through other comprehensive income	48.959	38.484	12.513	12.513
Deferred tax on financial instruments through other comprehensive income	-6.139	-6.139	-2.011	-2.011
Deferred tax on capital instruments by other comprehensive income capital prin alte elemente ale rezultatului global	-	-	17	17
Items that will not be subsequently reclassified to profit or loss	**-**	**-**	**430**	**430**
Net gains/(losses) from revaluation of equity instruments through other comprehensive income	-	-	-104	-104
Surplus from revaluation	-	-	636	636
Deferred tax on revaluation surplus	**-**	**-**	**-102**	**-102**
Total comprehensive income for the period	**414.800**	**48.372**	**40.015**	**39.274**
Net profit/(loss) attributable (a):	**371.980**	**-**	**29.066**	**-**
Controlling interests	369.409	-	29.056	-
Non-controlling interests	2.571	-	10	-
Total comprehensive income attributable to:	**414.800**	**-**	**40.015**	**-**
Controlling interests	412.153	-	40.005	-
Non-controlling interests	2.647	-	10	-

Traian Sorin Halalai
Executive President

Florian Raimund Kubinschi
Executive Vice-President

XIII. Consolidated and separate statement of financial position

Assets	Note	31 Dec 20 Group	31 Dec 20 Bank	31 Dec 19 Group	31 Dec 19 Bank
Cash and cash equivalents		181.344	362	395	394
Accounts at the National Bank of Romania	14	1.162.804	882.336	686.127	686.127
Due from credit institutions	15	2.040.558	1.617.170	898.188	869.172
Derivatives	16	22.039	20.604	3.025	3.025
Debt securities held for trading	18	386.317	386.317	110.819	110.819
Financial assets at fair value through other comprehensive income, of which:	18	2.694.143	2.142.166	1.529.215	1.529.215
- investments in capital instruments		2.251	1.346	1.348	1.348
- debt securities		2.691.892	2.140.820	1.527.867	1.527.867
Debt securities at amortized cost	18	1.168.866	611.568	552.415	512.116
Loans, net	17	9.724.583	5.398.592	3.855.497	3.855.497
Subordinated loans	17	-	316.466	-	-
Investments in subsidiaries	18	-	317.822	-	34.046
Tangible assets, net	19	128.977	38.790	48.747	47.839
Intangible assets, net	19	51.785	3.432	5.808	5.497
Investment property, net	20	42.365	42.365	42.176	42.176
Other assets	21	143.414	17.435	100.369	50.211
Deferred tax receivables	13	-	-	-	-
TOTAL ASSETS		**17.747.195**	**11.795.425**	**7.832.838**	**7.746.191**
Liabilities and shareholder's equity					
Derivatives	16	7.151	8,968	1.016	1.016
Due to banks	22	901.669	645,294	313.467	313.467
Deposits from the Ministry of Public Finance	23	4.729.097	4,729,097	1.686.565	1.686.565
Due to customers	25	10.244.003	5,094,968	4.487.760	4.488.544
Deferred income and accrued expenses	29	27.811	18,851	23.754	23.690
Provisions	26	67.837	42,443	30.954	26.313
Other liabilities	27	187.723	42,716	126.851	45.362
Deferred tax liabilities	13	4.556	3.482	-	-
TOTAL LIABILITIES		**16.169.847**	**10.585.819**	**6.670.367**	**6.584.957**
Share capital	30	1.701.474	1.701.474	1.701.474	1.701.474
Retained earnings	32	367.161	15.251	27.434	26.867
Retained earnings, application IAS 29	32	-900.714	-900.714	-900.714	-900.714
Reserves	33	339.261	339.072	311.595	311.429
Revaluation reserve of tangible assets	33	26.195	26.195	26.195	26.195
Reserves for instruments at fair value through other comprehensive income	34	38.777	28.328	-4.017	-4.017
Total equity attributable to the shareholders of the parent company		**1.572.154**	**1.209.606**	**1.161.967**	**1.161.234**
Non-controlling interests		5.195	-	504	-
Total equity		**1.577.348**	**1.209.606**	**1.162.471**	**1.161.234**
TOTAL LIABILITIES AND EQUITY		**17.747.195**	**11.795.425**	**7.832.838**	**7.746.191**

The financial statements were approved by the Board of Directors on 1 April 2021.

Traian Sorin Halalai
Executive President

Florian Raimund Kubinschi
Executive Vice-President

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

XIV. Consolidated and separate statement of changes in equity

Consolidated - 2019	Share capital	Revaluation reserve	Reserve of instruments at fair value through other comprehensive income	Reserves	Retained earnings, adjustment for inflation of share capital under IAS 29	Retained earnings	Total attributable to shareholders in the parent company	Non-controlling interests	Total equity
Balance as at 1 January 2019	**1.701.474**	**25.661**	**-14.432**	**234.573**	**-900.71**	**75.399**	**1.121.961**	**492**	**1.122.453**
Fair value asset revaluation - other comprehensive income	-		10.502	-	-	-	10.502		10.502
Revaluation of buildings/land	-	534	-87	-	-	-	447		447
Other movements in retained earnings	-	-	-	75.347	-	-75.347	-	-	
	-	-	-	1.675	-	27.380	29.055	11	29.066
Comprehensive income - subtotal	**-5**	**534**	**10.415**	**77.022**		**-47.967**	**40.004**	**11**	**40.015**
Dividents to shareholders	-	-	-	-	-	-	-		
Changes in minority interests	-		-	-	-	2	23	1	
Balance as at 31 December 2019	**1.701.474**	**26.195**	**-4.017**	**311.595**	**-900.714**	**27.434**	**1.161.967**	**504**	**1.162.471**

Consolidated - 2020	Share capital	Revaluation reserve	Reserve of instruments at fair value through other comprehensive income	Reserves	Retained earnings, adjustment for inflation of share capital under IAS 29	Deferred result	Total attributable to shareholders in the parent company	Non-controlling interests	Total equity
Balance as at 1 January 2020	**1.701.474**	**26.195**	**-4.017**	**311.595**	**-900.714**	**27.434**	**1.161.967**	**504**	**1.162.471**
Balance 1 January 2020 BROM	**-**	**-**	**1.113**	**-**		**26**	**1.139**	**8**	**1.147**
Fair value asset revaluation - other comprehensive income	-	-	41.322	-	-	-	41.322	65	41.387
Revaluation of buildings/land	-	-	-	-	-	-	-	-	-
Actuarial gains	-	-	359	-	-	-	-	-	362
Other movements in retained earnings	-	-	-	26.661	-	-26.661	-	-	-
Profit for the year	-	-	-	1.006	-	366.361	367.367	4.614	371.981
Comprehensive income - subtotal	-	-	42.794	27.667	-	64	410.187	4.690	414.877
Dividends to shareholders	-	-	-	-		-	-	-	-
Minority interest change	-	-	-	-	-		-		-
Balance as at 1 January 2020	**1.701.474**	**26.195**	**38.777**	**339.261**	**-900.714**	**367.160**	**1.572.154**	**5.194**	**1.577.348**

Bank - 2019	Share capital	Revaluation reserve	Reserve of instruments at fair value through other comprehensive income	Reserves	Retained earnings, adjustment for inflation of share capital under IAS 29	Retained earnings	Total equity
Balance as at 1 January 2019	**1.701.474**	**25.661**	**-14.432**	**234.573**	**-900.71**	**75.399**	**1.121.960**
Fair value asset revaluation - other comprehensive income	-		10.502	-	-	-	10.502
Reassessment of buildings/land	-	534	-87	-	-	-	447
Other items of the deferred result	-	- -	-	75.347	-	-75.347	-
Profit for the financial year	-	- -	-	1.675	-	26.661	28.325
Comprehensive income - subtotal	**-5**	**534**	**10.415**	**77.022**		**-47.686**	**39.274**
Dividents to shareholders	-	- -	-	-	-	-	-
Balance as at 31 December 2019	**1.701.474**	**26.195**	**-4.017**	**311.429**	**-900.714**	**28.867**	**1.161.234**

Bank - 2020	Share capital	Revaluation reserve	Reserve of instruments at fair value through other comprehensive income	Reserves	Retained earnings, adjustment for inflation of share capital under IAS 29	Deferred result	Total equity
Balance as at 1 January 2020	**1.701.474**	**26.195**	**-4.017**	**311.429**	**-900.714**	**28.867**	**1.161.234**
Fair value asset revaluation - other comprehensive income	-	-	32.345	-	-	-	32.345
Reassessment of buildings/land	-	-		-	-	-	-
Other items of the deferred result	-	-	-	26.661	-	-26.661	-
Profit for the financial year	-	-	-	982	-	15.045	16.027
Comprehensive income - subtotal	**-**	**-**	**32.345**	**27.643**	**-**	**-11.616**	**48.372**
Dividends to shareholders	-	-	-	-	- -		-
Balance as at 31 December 2020	**1.701.474**	**26.195**	**28.328**	**339.072**	**-900.714**	**15.251**	**1.209.606**

The financial statements were approved by the Board of Directors on 1 April 2021.

The financial statements were approved by the Board of Directors on 1 April 2021.

Traian Sorin Halalai
Executive President

Florian Raimund Kubinschi
Executive Vice-President

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

XV. Consolidated and separate statement of cash flows

	Note	31 Dec 20		31 Dec 19	
Cash flows from operating activities		Group	Bank	Group	Bank
Profit before tax		376.272	19.635	34.020	33.279
Adjustments:		**-161.982**	**102.595**	**30.424**	**28.493**
Depreciation of fixed assets	19	65.779	14.963	13.263	12.346
Adjustments for impairment of financial assets and guarantees granted	5	131.894	85.508	44.040	42.547
Other provisions		2.402	2.312	-7.238	-7.238
Other adjustments related to non-monetary items		-362.058	-189	-19.642	-19.163
Changes in operating assets		**-2.391.109**	**-1.875.463**	**-641.078**	**-652.752**
Decrease/(Increase) in loans and advances to customers		-2.118.074	-1.614.078	-581.374	-581.374
Decrease/(Increase) in trading assets		-275.498	-275.498	-42.199	-42.199
Decrease/(Increase) in other assets		2.463	14.113	-17.504	-29.178
Changes in operating liabilities		**3.109.104**	**3.601.983**	**543.046**	**551.099**
(Decrease)/increase in amounts due to banks		-735.312	-58.082	-122.331	-122.331
(Decrease)/increase in amounts owed to customers		793.294	606.425	672.500	673.190
(Decrease)/increase state funds and other liabilities		3.051.121	3.053.640	-7.122	241
Corporation tax (paid)/recovered		**-3.030**	**-3.030**	**-40.254**	**-40.254**
Net cash used in operating activity		**929.255**	**1.845.720**	**-73.842**	**-80.135**
Cash flows from investment activities					
Acquisitions of financial investments		-3.967.179	-1.921.586	-719.096	-718.496
Buy-back/sales of financial investments		2.883.736	1.241.503	872.122	872.122
Investments in subsidiaries	18	-283.775	-283.775	-	-
Granting loans subordinated to subsidiaries		-	-316.466	-	-
Acquisitions of tangible and intangible assets		-47.458	-3.848	-16.966	-16.639
Sales of tangible and intangible assets		-	-	-	-
Dividend income	10	503	503	484	484
Net cash from investment activities		**-1.414.173**	**-1.283.670**	**136.545**	**137.472**
Cash entries/outputs related to loans		387.173	389.909	-	-
Cash outflows from leases (payments)		-56.186	-7.638	-13.462	-12.852
Dividends paid		-	-	-	-
Net treasury - financial activity		**330.987**	**382.272**	**-13.462**	**-12.852**
Cash variation and cash equivalents		**-153.931**	**944.322**	**49.241**	**44.485**
Balance at the beginning of the period, Banca Românească		1.954.074	n.a.	n.a.	n.a.
Balance at the beginning of the period, without Banca Românească		1.584.921	1.555.904	1.535.680	1.511.419
Balance at the end of the period		**3.385.064**	**2.500.226**	**1.584.921**	**1.555.904**
Cash and cash equivalents		**3.385.064**	**2.500.226**	**1.584.921**	**1.555.904**
Cash		181.344	362	395	394
Accounts at the National Bank of Romania	14	1.162.984	882.516	686.257	686.257
Due from banks - maturity less than 3 months	15	2.040.736	1.617.348s	898.269	869.253
Interest received		555.095	300.452	291.369	290.252
Interest paid		242.901	162.802	139,893	139.812

The financial statements were approved by the Board of Directors on 1 April 2021.

Traian Sorin Halalai
Executive President

Florian Raimund Kubinschi
Executive Vice-President

XVI. Notes to consolidated and separate financial statements

01. General information

The EximBank Group ("The Group") comprises the parent company (Export - Import Bank of Romania - EXIMBANK S.A.) and its subsidiaries established in Romania. Consolidated and separate financial statements as at 31 December 2020 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 EximBank and the subsidiary Banca Romaneasca, respectively insurance – reinsurance through the subsidiary EximAsig Insurance and Reinsurance Company.

Export - Import Bank of Romania - EXIMBANK S.A. ("the Bank" or "EximBank") was founded in 1992 as a joint-stock company, having as majority shareholder the Romanian state, which currently owns 95,374% of the share capital through the Ministry of Public Finance.

According to Law 96/2000 and subsequent amendments, the Bank operates both on behalf of the state and in its own name offering for legally constituted, resident or non-resident legal entities, financing, co-financing, refinancing, guarantees, other banking operations, insurance and reinsurance of Romanian foreign trade operations.

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 31 December 2020 the Bank has 25 territorial units of which one branch in Bucharest and 24 agencies in: Bucharest, Bacau, Brasov, Buzau, Cluj, Constanta, Craiova, Oradea, Timisoara, Iasi, Sibiu, Pitesti, Targu Mures, Ploiesti, Galati, Arad, Ramnicu-Valcea, Bistrita, Baia-Mare, Suceava, Deva, Alba Iulia, Miercurea Ciuc and Satu Mare.

Banca Românească

EximBank completed on 23 January 2020 the acquisition of a 99.28% shareholding of Banca Românească S.A. from the National Bank of Greece S.A. ("NBG"), the sale-purchase contract being signed on 20.06.2019. The purchase of the 99.28% share stock of BROM held by NBG is 371,624,509 shares with a nominal value of 2 RON/share.

Banca Romaneasca is a universal bank that offers a wide range of products and services that are aimed at both private and corporate clients. The acquisition of the Romanian Bank creates new opportunities for the EximBank Group, as the two banks operate in complementary sectors, Banca Romaneasca being mainly focused on the retail activity, while EximBank acts only on the corporate client segment.

The headquarters of the branch is in 3 Arhitect Ion Mincu Street, District 1, Bucharest. As of 31 December 2020, Banca Romaneasca has 95 branches distributed throughout the country.

Banca Romaneasca is consolidated in the financial statements at 31 December 2020, but is not consolidated in the financial statements of 2019, since the takeover of control was carried out in early 2020.

Exim Romania Insurance-Reinsurance Company S.A. ("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 (31 December 2019: 98.57%) on 31 December 2020, according to the records of the Trade Registry.

The number of employees of the EximBank group at 31 December 2020 is 1,491 (of which EximBank 406 employees, Romanian Bank 1,039 employees and EximAsig 46 employees), and at 31 December 2019 it was 425 (of which EximBank 381 employees and EximAsig 44 employees).

The consolidated and separate financial statements of the Bank and the Group for the year ended 31 December 2020 were endorsed by the Board of Directors on 1 April 2021.

02. Accounting principles, policies and methods

a. Basics 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 2020 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 statements of EximBank and its subsidiaries, Banca Romaneasca and EximAsig, at 31 December 2020. As at 31 December 2019, Eximbank and EximAsig are consolidated in the financial statements.

According to IFRS 10, control is defined when an investor has:
- power over the investee;
- exposure, or rights, to variable gains from its involvement in the investee; and
- the ability to use its power over the investee to influence earnings.

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 oenership 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 ownsership 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 1 July 2004. Since 1 July 2004, the Romanian economy has been officially declared to cease to be hyperinflationist. On the basis of the restatement according to IAS 29, the share capital was increased in correspondence with retained earnings.

d. Acounting judgment 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 individual analysis/assessment of exposures; 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.
Net asset value is a reference point for determining the fair value of a company when the assumptions underlying the valuation are sensitive to market conditions and depend on the projections of the result and cash flows over a longer time horizon.

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 determined on a monthly basis, by adding the installments of gross written premiums corresponding to the remaining periods of the insurance contracts, so that the difference between the volume of gross written premiums and this reserve reflects the gross premiums assigned to the part of expired risks, as at the reporting date.

Reserve for Reported but not settled claims (RBNS)

The RBNS reserve is set up and updated on a monthly basis, through estimated claim notifications received by the insurer. The RBNS reserve is set up for reported claims and which have not yet been settled and it is calculated for each insurance contract where the insured event has been notified, starting with the predictable expenses to be incurred in the future, in order for these claims to be settled.

Reserve for Incurred but not reported claims (IBNR)

The IBNR reserve is set up and updated at least at the end of each reporting period, based on the insurer's estimates, statistical data and actuarial calculations for claims which have occurred, but are not yet reported. In order to estimate this reserve the following methods are used, based on the insurance class: the Chain-Ladder method (without inflation and adjusting the claims spread), and the Bornhuetter – Ferguson method.

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.

e. Changes in accounting policies

Bank and Group ensure that its accounting policies are aligned with changes in international financial reporting standards whenever appropriate. The International Accounting Standards Board has issued a number of documents, detailed in the section below, but which do not have a significant impact on the financial statements of the Group or the Bank, related to the financial year ended 31 December 2020, which require a significant revision of its accounting policies.

The following amendments to existing standards issued by the International Accounting Standards Board (IASB) are in force for the current reporting period:

- **Amendments to IFRS 3 "Business combinations"** - Definition of an undertaking (applicable to business combinations whose acquisition date is from or after the first annual reporting period from or after 1 January 2020 and to asset purchases taking place from or after that period).

- **Amendments to IFRS 9 "Financial instruments", IAS 39 "Financial instruments: recognition and measurement" and IFRS 7 "Financial instruments: information to be submitted"** - Reform of the interest rate benchmark (applicable for annual periods from or after 1 January 2020).

- **Amendments to IAS 1 "Presentation of financial statements" and IAS 8 "Accounting policies, changes in accounting estimates and errors"**- Definition of materiality (applicable for annual periods from or after 1 January 2020).

- **Amendments to the References to the Conceptual Framework of IFRS Standards** (applicable for annual periods from or after 1 January 2020).

The adoption of these amendments to existing standards has not led to significant changes in the Group's financial statements.

At the time of approval of these financial statements, the following new standards and amendments to existing standards have been issued, but are not yet in force:

- **IFRS 17 "Insurance contracts"** including amendments to IFRS 17 (applicable for annual periods from or after 1 January 2023).

- **Amendments to IFRS 3 "Business combinations"** - Definition of the conceptual framework with amendments to IFRS 3 (applicable for annual periods from or after 1 January 2022).

- **Amendments to IFRS 4"Insurance contracts'** - Extension of the temporary exemption from the application of IFRS 9 (the date of expiry of the temporary exemption from the application of IFRS 9 has been extended for the annual periods from or after 1 January 2023).

▪**Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investment in Associated Entities and Joint Ventures"** - Sale of or contribution with assets between an investor and associated entities or joint ventures and subsequent amendments (the date of entry into force has been postponed indefinitely until the research project on the equity method is completed).

▪**Amendments to IFRS 16 "Leases"** - Covid-19-Related Rent Concessions (applicable for annual periods from or after 1 June 2020. Early application is allowed, including in financial statements not yet approved for issue on 28 May 2020. The amendment also applies to interim reports.

▪**Amendamente la IAS 1 „Presentation of financial statements"** - Classification of debts in short-term and long-term liabilities (applicable for annual periods from or after 1 January 2023).

▪**Amendments to IAS 16 "Property, plant and equipment"** - Proceeds before intended use (applicable for annual periods from or after 1 January 2022).

▪**Amendments to IAS 37 "Provisions, contingent liabilities and contingent assets"** - Onerous contracts — Cost of performance of the contract (applicable for annual periods from or after 1 January 2022).

▪**Amendments to IFRS 9 "Financial instruments", IAS 39 "Financial instruments: recognition and measurement", IFRS 7 "Financial instruments: disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases "** - Reform of the interest rate benchmark – Stage two (applicable for annual periods from or after 1 January 2021).

▪**Amendments to various standards due to "IFRS Improvements (cycle 2018-2020)"** resulting from the annual IFRS improvement project (IFRS 1, IFRS 9, IFRS 16 and IAS 41) with the main aim of eliminating inconsistencies and clarifying certain wordings (amendments to IFRS 1, IFRS 9 and IAS 41 are applicable for annual periods from or after 1 January 2022. The amendment to IFRS 16 refers only to an illustrative example, so that no entry date into force is mentioned).

The Group has chosen not to adopt the new standard and amendments to existing standards before the actual dates of entry into force.

The following amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are in force for the current reporting period:

▪**Amendments to IAS 1 "Presentation of financial statements" and IAS 8 "Accounting policies, changes in accounting estimates and errors"** - Definition of materiality - adopted by the EU on 29 November 2019 (applicable for annual periods from or after 1 January 2020).

▪**Amendments to IFRS 3 "Business combinations"** - Definition of an undertaking - adopted by the EU on 21 April 2020 (applicable to business combinations whose acquisition date is from or after the first annual reporting period from or after 1 January 2020 and to asset purchases taking place from or after that period).

▪**Amendments to IFRS 9 "Financial instruments", IAS 39 "Financial instruments: recognition and measurement" and IFRS 7 "Financial instruments: disclosures"** - Interest Rate Benchmark Reform - adopted by the EU on 15 January 2020 (applicable for annual periods from or after 1 January 2020).

▪**Amendments to IFRS 16 "Leases"** - Covid-19-Related Rent Concessions (adopted by the EU on 9 October 2020 and applicable for annual periods from or after 1 June 2020).

▪**Amendments to the References to the Conceptual Framework of IFRS Standards** - adopted by the EU on 29 November 2019 (applicable for annual periods from or after 1 January 2020).

The adoption of these amendments to existing standards has not led to significant changes in the Group's financial statements.

At the time of approval of these financial statements, the following amendments to existing standards were issued by the IASB and adopted by the EU, but are not yet in force:

▪**Amendments to IFRS 4 "Insurance contracts"** - Extension of the temporary exemption from the application of IFRS 9 (the date of expiry of the temporary exemption from the application of IFRS 9 has been extended for the annual periods from or after 1 January 2023).

▪**Amendments to IFRS 9 „Financial instruments", IAS 39 „Financial instruments: recognition and measurement", IFRS 7 „Financial instruments: information to be submitted", IFRS 4 „Insurance contracts" and IFRS 16 „Leases",** - Interest Rate Benchmark Reform - Phase two (applicable for annual periods from or after 1 January 2021).

Currently, IFRS as adopted by the EU does not differ significantly from the regulations adopted by the International Accounting Standards Board (IASB), with the exception of the following new standards, amendments to existing standards and new interpretations, which have not been approved for use in the EU at date of publication of the financial statements. The entry into force data mentioned below are for IFRS standards issued by the IASB.

▪**IFRS 14 „Regulatory Deferral Accounts"** (applicable for annual periods from or after 1 January 2016) – the European Commission has decided not to issue the approval process for this interim standard and to wait for the final standard.

▪**IFRS 17 "Insurance contracts"** " including amendments to IFRS 17 (applicable for annual periods from or after 1 January 2023).

▪**Amendments to IAS 1 "Presentation of financial statements"** - Classification of debts in short-term and long-term liabilities (applicable for annual periods from or after 1 January 2023).

▪**Amendments to IAS 16 "Property, plant and equipment"** - Proceeds before intended use (applicable for annual periods from or after 1 January 2022).

▪**Amendments to IAS 37 "Provisions, contingent liabilities and contingent assets"** - Onerous contracts — Cost of performance of the contract (applicable for annual periods from or after 1 January 2022).

▪**Amendments to IFRS 3 "Business combinations"** - – Definition of the conceptual framework with amendments to IFRS 3 (applicable for annual periods from or after 1 January 2022).

▪**Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investment in Associated Entities and Joint Ventures"** - Sale of or contribution with assets between an investor and associated entities or joint ventures and subsequent amendments (the date of entry into force has been postponed indefinitely until the research project on the equity method is completed).

▪**Amendments to various standards due to "IFRS Improvements (cycle 2018-2020)"** resulting from the annual IFRS improvement project (IFRS 1, IFRS 9, IFRS 16 and IAS 41) with the main aim of eliminating inconsistencies and clarifying certain wordings (amendments to IFRS 1, IFRS 9 and IAS 41 are applicable for annual periods from or after 1 January 2022. The amendment to IFRS 16 refers only to an illustrative example, so that no entry date into force is mentioned).

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

f. 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 31 December 2020 and 31 December 2019 the exchange rate used for the conversion of balances into foreign currency was:
EUR 1 = RON 4.8694 (31 December 2019: 1 EUR = 4.7793 RON).

USD 1 = RON 3.9660 (31 December 2019: USD 1 = RON 4.2608).

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

g. Interest income and expenses

VInterest income and expense 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.

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

- granting and analysis commissions charged by the Bank/Group, related to the origination of a financial asset.

Such fees may include compensation for activities such as assessing the debtor's financial condition, assessing and recording collaterals, security interests and other securities commitments, the negotiation of instrument clauses, the preparation and processing of documents and the conclusion of the transaction;

- commitment fees charged by the Bank/Group to issue a loan when it is probable that the entity will enter into a particular lending agreement. If the commitment term expires without the Bank/Group granting the loan, the commission is recognised as income on the expiry date;
- issuing commissions paid on the issue of financial liabilities measured at Amortised cost.

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

- loan administration fees;
- commitment fees for issuing a loan then it is unlikely to conclude a specific lending commitment;
- syndication commissions.

h 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.

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.

i. 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.

j. 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)(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 ("FVOCI") or fair value through profit or loss ("FVTPL") 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).

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.

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 valued 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 derivatives. As of 31 December 2019 and 31 December 2020 there are no financial assets in the category of loans and advances that do not meet the criteria of the SPPI test.

The Bank/Group measures financial assets at fair value through profit or loss, if the asset is not valued at amortized cost or 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/Grup.

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.

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. 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 category of assets measured at fair value through profit or loss to the category of assets measured at fair value through other comprehensive income, the financial asset continues to be measured at fair value.

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 fair value through profit or loss, the financial asset continues to be measured at fair value. Gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the date of reclassification.

(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 orriginal 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.

Securities sold with a repurchase agreement, at a specified future date (repos) continue to be recognized in the balance sheet as securities and are measured in accordance with the accounting policy applicable to that class of financial instruments. The obligation to repay the cash received is recognized under liabilities as repo operations reflecting the economic substance of a loan received by the Bank/Group.

Securities purchased under a similar commitment, to resell at a specified date (reverse repos), are not recognized in the statement of financial position and the receivables corresponding to the cash advance are recognized as asset in the statement of financial position as a reverse repo operation.

Financial liabilities are derecognised then and only when extinguished, i.e. when the obligation specified in the contract is settled/liquidated, cancelled or expires.

The financial asset or part of the financial asset, such as loans and advances to customers, for which there are no reasonable expectations of recovery, is written-off in the category of contingent assets.

The loans and debt instruments are written off (entirely or partially) when there is no realistic possibility ot recovery. This generally happens when the Bank establishes that the debtor does not hold assets of sources of income that migh generate sufficient cash flows to repay the amounts owed.

The Bank directly reduces the gross carrying amount of a financial asset by writing-off the part of the financial asset for which there is no realistic prospect of recovery. The Bank may write off the financial asset either partially or in full. According to IFRS 9 (paragraph 5.4.4.), write-off is a derecognition event.

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

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.

(VI) Restructured loans (forborne)

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 difficuties.
- 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.

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 considerred 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.

k. Offset

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.

l. Fair value measurement

Fair value is the price that would be received from the sale of an asset or the price paid to settle a liability in an orderly transaction between market participants at the measurement date, mainly or, in its absence, the most advantageous market to which the Bank/Group has access at that date. The fair value of a liability reflects the risk of not settling the respective liability.

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

If there is no quoted price in an active market, then the Bank/Group uses 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 take into account in pricing a transaction.

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.

m. 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 1 January 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 wil 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.
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 to be 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: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fair value reserve.

n. 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

o. 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.

p. Property, plant and equipment

Property and equipment represent assets that:

- generate future economic benefits;
- are meant to be used during the normal course of business by the Bank;
- are used over a period of more than one year;
- have a purchase value of 2,500 RON or more, either as a single element or by aggregating several components of the same complex of property and equipment.

Tangible assets that do not qualify for recognition as property, plant and equipment are fully recognized in the statement of profit or loss at the date of placing into service and will be separately recorded, in the off balance sheet accounts.

Property and equipment includes:

a) Land and land improvements;
b) Constructions;
c) Office improvements;
d) Technical equipment and means of transportation;
e) Furniture, office equipment, protective equipment for human and material assets, and other tangible assets.

The Bank uses the revaluation model for the "Buildings" category, and the cost model for all the other items of property, including "Leasehold improvements". If an asset is revalued, all the assets in that group are revalued except for the initial case when there is no active market for that asset.

After the recognition of an asset, a tangible asset measured at cost is subsequently measured at cost less any accumulated depreciation and/or any accumulated impairment losses. Until 30 June 2004, the cost was determined by restating the historical cost in RON with the general price index for the period between acquisition date and reporting date.

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

After the initial recognition as an asset, an item of property classified as "Building" whose fair value can be reliably measured is carried at revalued amount, representing its fair value at the date of revaluation less any accumulated depreciation and any accumulated impairment losses.

Revaluation surplus is included in equity and directly transferred in retained earnings when the asset is derecognized. Decreases in value are offset against any existing revaluation reserve for such asset. If such surplus does not exist or it is not sufficient for the decrease, the corresponding amount is recognized in the statement of profit or loss. The Bank revalues its "Buildings" portfolio every three years using professionally qualified valuers, members of ANEVAR.

Depreciation of property, plant and equipment is calculated from the month following the commissioning until the full recovery of their entry value, using the straight-line depreciation.

Lands are not depreciated. Investments in tangible fixed assets taken with rent shall be depreciated linearly for the shortest period between the remaining term of the lease and the estimated duration of their use.

The annual depreciation rates and the useful lives are as follows:

Category	Normal operating time	Annual depreciation rate
Buildings	50 years	2%
Office equipment	3 – 6 years	16,67% - 33,33%
Furniture	5 – 24 years	4,16% - 20%
Motor vehicles	5 - 6 years	16,6% - 20%

Expenses with repairs and maintenance 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.

Fixed assets held for sale

Fixed assets for which the book value is estimated to be recovered mainly through a sale transaction, rather than through its continued use, are classified as being held for sale.

Assets held for sale are initially valued and subsequently measured at the lowest of book value and fair value at valuation date minus the costs generated by the sale. For any decrease in fair value below book value, depreciation is recognized in the income statement. The increase in the fair value of the asset held for sale is recognized by the reversal of the provision on income. The increase in fair value is recognized to the limit of the book value at the time of the initial recognition of the asset.

During the period when an asset is classified as held for sale, its depreciation is not recognized. An asset that ceases to be classified as held for sale is valued at the lowest of the book value before the asset has been classified as held for sale adjusted for depreciation that would have been recognized if the asset had not been classified as held for sale and the recoverable value of the asset.

As of 31 December 2020 and 2019, the Group has assets classified as held for sale acquired through the settlement of loans-assets previously held as collateral for those loans.

q. Intangible assets

Intangible assets owned by the Bank are assets acquired for own activities and include: computer software, licenses and other similar assets.

Intangible assets are initially recognized at cost. After the initial recognition, an intangible asset is recognized at its historical cost less any cumulated amortization and any cumulated impairment loss.

Intangible assets are amortised using the straight-line method over their useful life period estimated at 3-5 years. Licenses and other intangible assets are amortised over the contractual period or during the period they are available for use, whichever is appropriate.

r. 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.

s. 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 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 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 investement 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.

t. 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 includees non-cash variable remuneration in the form of virtual shares for identified staff. The value of the virtual shares is calculated according to the bank's equity. Virtual shares can be redeemed within a period of 36 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.

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.

u. State funds and activity as agent on behalf of the State

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, Eximbank 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 Export-Import of Romania EXIMBANK - S.A. in the Investment Fund of the Three Seas Initiative - Law 96/2000 - Art. 10f.

The state funds made available to EXIMBANK - 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".

The temporarily available balances of the above-mentioned funds are used by EXIMBANK S.A. as borrowings for financing the Bank's own activity, so as to fulfill its goal of encouraging external commercial trading, promoting and developing the Romanian business environment (Law 96, chapter 4 "The Activity of EXIMBANK S.A. in its own name and on its behalf "). The above mentioned funds may be used indefinitely by the Bank except for those amounts which in accordance with the provisions of the Convention are available for a fixed period of at least 5 years.

Assets and commitments financed using state funds are granted on behalf of and to the benefit of the State, without being controlled by the Bank, and as such they do not meet the recognition criteria defined by IFRS and the IASB framework. Consequently, these assets and commitments are not included in the financial position of the Bank/Group.

The Bank earns a commission for managing State funds and for its operations as agent of the Romanian State, including a commission for managing assets, loans and commitments granted from State funds. This commission income is included in the statement of profit or loss in the "Fee and commission income" caption.

v. 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.

w. Income tax

Current income tax payable, based on tax legislation in force, is recognized as an expense in the period in which profits arise.

Deferred income tax is determined using the balance sheet method, for all temporary differences between the carrying amount of assets and liabilities for financial reporting purposes. Deferred income tax is measured at the tax rates that is expected to be applied when the asset is realized or the debt paid, using tax rates enacted or substantially enacted at the reporting date.
Deferred tax liability is recognized for all temporary differences between carrying amount of assets and liabilities for financial reporting purposes and the amounts used for financial reporting purposes, which will determine taxable amounts in future periods.

Deferred tax assets are recognized for all temporary differences between carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, for all unused tax losses and unused tax credits, to the extent that it is probable that future taxable profits will be available against which they can be used.

Current and deferred tax assets and liabilities are offset when they arise from the same tax reporting entity and relate to the same tax authority and when the legal right to offset exists.

The tax rate used in the calculation of the current and deferred tax was 31 December 2020 of 16% (31 December 2019: 16%).

x. 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.

y. 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 Ministry of Public Finance is not a related party of the Group/Bank. Also, all entities in which the Ministry of Public Finance is the main shareholder are not considered related parties.

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.

z. 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, net of deferred tax;
- the reserve from share capital restatement, which includes the difference resulted from the adjustment of share capital to inflation;
- 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.

aa. 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.

bb. 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.

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.

Exceptions 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.

Transition

The Bank/Group applies IFRS 16 using the modified retrospective approach, in the sense that it recognizes on the date of initial application (1 January 2019):

- a lease liability on the date of initial application. The Bank/Group measures the lease liability at the present value of the remaining lease payments, discounted on the basis of the incremental borrowing rate from the date of initial application.
- a right-of-use asset. The right-of-use asset is measured at a value equal to the lease liability on the date of initial application.

cc. 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.

dd. 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 canceled for the terminated contracts before their maturity date or as a consequence of not collecting the relevant insurance premiums.

ee. Other receivables

Companys' receivables 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.

ff. 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.

gg. 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.

If the value at point I) is lower than the one at point II), then the level of reserves is considerred not to be satisfactory and it triggers a corresponding decrease in the balance of the deferred acquisition costs; if the balance of deferred acquisition costs is not sufficient, an additional reserve should be booked.

The subsidiary makes use of its best assumptions, as follows:
- Future claims (including legal costs) are estimated based on the annual final claim rate, per each underwriting year and per each insurance class; by taking into account the fact that most of the unexpired risks came from the last underwriting year/years; the administration expenses are estimated based on the average of the relevant expenses incurred for the whole insurance portfolio (less the acquisition costs included into deferred acqusition expenses);
- Recovery rate from claims is computed by dividing total proceeds from claims per each insurance class on the final amount necessary for claims payment in each period (ultimate incurred claims). The estimated value of regression recoveries is obtained by applying this rate to future estimated claims.

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

At 31 December 2020, the liability adequacy test determined that the reserves are sufficient for all insurance classes worth 3,262 thousand RON, while at 31 December 2019 there was a deficiency of 295 thousand RON.

hh. 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.

ii. Acquisition of Banca Romanească

On 23 January 2020, EximBank completed the acquisition of a 99.28% stake in the share capital of Banca Romanească S.A. from National Bank of Greece S.A. ("NBG"). The acquisition of the 99.28% share capital of Banca Romaneasca held by NBG represents 371,624,509 shares with a nominal value of 2 RON/share.

The price paid for the 99.28% share capital of Banca Romaneasca was RON 283.8 million (EUR 59.4 million).

The consolidated financial statements for 2020 include the entire profit obtained by Banca Românească in 2020. Non-performing loans in the portfolio of Banca Romaneasca are clasified in the consolidated financial statements as originated credit-impaired.

Assets and liabilities recognised at the date of acquisition

The following table summarizes the values of acquired assets and liabilities recognized at the date of acquisition:

Million RON	Book value	Fair value
Cash and equivalent balances	1.954,1	1.954,0
Investments	658,8	657,6
Loans to customers	3.885,4	3.844,2
Other assets	132,3	188,7
Deposits drawn from credit institutions	638,3	638,3
Customer deposits	4.964,7	4.976,4
Other liabilities	403,9	404,2
Fair value of purchased net asset	623,7	625,6

Non-controlling interests

The identifiable assets and liabilities acquired are measured at fair value at the date of acquisition in accordance with IFRS 3 Business Combinations. Non-controlling interests in the acquired entity entitle the holder to a proportionate share of the entity's net assets in the event of liquidation and are measured either at fair value or pro rata with the acquired ownership interest in the entity's identifiable net assets. At the acquisition of Banca Romaneasca, the Bank measured the non-controlling interests in its consolidated financial statements as a proportionate share of the fair value of the net assets of Banca Romaneasca held by the minority shareholders.

Negative goodwill recognised to profit or loss

Goodwill and negative goodwill are recognised when acquiring a subsidiary in a business combination. Goodwill is measured by deducting from the total consideration transferred the identifiable net assets acquired and any non-controlling holdings in the acquired entity. If the acquirer gains from a bargain purchase, this gain shall be recognised in profit and loss after management reassesses whether all assets have been acquired and whether all contingent liabilities and liabilities have been appropriately evaluated.

On the acquisition of Banca Romaneasca on 23 January 2020, the fair value of the purchased net assets was RON 625.6 million (of which the value of the minority shareholding amounting to RON 4.5 million) determined on the basis of the acquisition price allocation report drawn up by an expert external evaluator. The consideration amounted to RON 283.8 million and was paid in cash.

The bargain purchase on the acquisition of Banca Romaneasca determined as the difference between the consideration paid and the fair value share of the assets and liabilities of Banca Romaneasca, of RON 337.3 million (i.e. 342 million RON before the decrease of minority interests), was recognised in the consolidated statement of the Group's profit or loss for the period ended 31 December 2020. The bargain gain was the result of the pressure put on the NBG shareholder to sell its stake in Banca Românească as soon as possible, which made it possible for EximBank to complete the transaction at a value lower than the value of the net asset.

Fair value of the Banca Romaneasca equity (100%)	625,6
(-) Price paid for holding 99.28% of the share capital	283,8
(-) Minority interests	4,5
Negative goodwill recognised in profit or loss	**337,3**

Miscellaneous

At the time of the conclusion of the transaction (23 January 2020) EximBank transferred an amount of EUR 65 million to NBG in the form of a collateral deposit with maturity in July 2020 when the subrogation in rights by EximBank for the subordinated loan granted to Banca Romaneasca by NBG was carried out. In November the subordinate loan granted to the subsidiary Banca Romaneasca was converted into Swiss francs (CHF).

The amount of intrabank financing attracted by Banca Romaneasca from NBG in the amount of EUR 90 million (as of January 23, 2020) was repaid directly by Banca Romaneasca to NBG from its own sources.
Banca Romaneasca is not consolidated in the financial statements of 2019, as the takeover of control was carried out in early 2020.

On 31 January 2020, the Extraordinary Meeting of Shareholders of Banca Romaneasca approved the management of the bank, the Board of Directors consisting of 5 members, as follows:

Name	Function	Level of management
Traian Sorin Halalai	President	Non-executive
Lidia Stan	Vice-President	Non-executive
Lucian Claudiu Anghel	Member	Executive
Oana Lucia Ilie	Member	Executiv
Doru Bebe Bulată	Member	Non-executive

By completing the transaction on January 23, 2020 and appointing the new management on January 31, 2020, EximBank took control of Banca Romaneasca operations.

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

At the end of 2020, Banca Romaneasca held the following market shares: retail loans - 2.4%; corporate loans - 0.7%; total loans - 1.6%; deposits - 1.1%.

Banca Romaneasca is a universal bank that offers a wide range of products and services that are aimed at both private and corporate clients. The acquisition of Banca Romaneasca creates new opportunities for the EximBank Group, as the two banks operate in complementary sectors, Banca Romaneasca being mainly focused on the retail activity, while EximBank acts only at corporate client level.

jj. 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.

03. Interest income

	31 Dec 20		31 Dec 19	
Interest income:	**Group**	**Bank**	**Group**	**Bank**
Loans to customers	399.171	190.084	163.518	163.520
Current accounts and deposits-banks	9.463	6.161	16.560	16.059
Reverse repurchase agreements	226	1.059	1.182	1.182
Bonds and government securities at fair value through other comprehensive income	74.828	55.706	49.142	49.142
Bonds and government securities at amortized cost	39.865	22.559	19.314	18.696
	523.553	**275.569**	**249.716**	**248.599**

Interest income on impaired loans, both at Group/Bank level, is 17.955 thousand RON/5.805 thousand RON during 2020, respectively 13.450 thousand RON during 2019 at both Group and Bank level.

04. Interest expense

	31 Dec 20		31 Dec 19	
Interest expense related to:	**Group**	**Bank**	**Group**	**Bank**
Deposits from the Ministry of Public Finance	65.916	65.916	57.169	57.169
Deposits - banks	29.189	24.215	7.499	7.399
Customer deposits	129.917	78.114	85.819	85.846
Interest on leases	1.018	148	-	-
Subordinated liabilities	770	-	-	-
	226.810	**168.393**	**150.437**	**150.414**

The methodology for determining the interest expense on deposits taken from Ministry of Public Finances (MPF) as well as details referring to the year on year variation are presented in Note 23.

05. Release/(Charge) on impairment of financial assets, commitments and guarantees

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Release/(Charge) from expected loss impairment - loans	-140.804	-74.474	-47.786	-47.786
Release/(Charge) from originated credit-impaired loans	17.135	2.531	947	947
Total release/(Charge) from expected loss impairment - loans	**-123.669**	**-71.943**	**-46.839**	**-46.839**
Adjustments of expected losses - credit institutions	-468	-144	236	236
Adjustments of expected losses - securities at amortised cost and at fair value through other comprehensive income	-997	-357	-146	-146
Total release/(Charge) from expected loss impairment – other financial assets	**-1.465**	**-501**	**90**	**90**
Provisions for commitments and contigent liabilities	-13.908	-13.076	2.958	2.958
Total release/(Charge) from expected loss impairment - off-balance sheet exposures	**-13.908**	**-13.076**	**2.958**	**2.958**
Gain/(loss) from adjustments for impairment of sundry debtors	-5.784	-2.089	-1.238	255
Total gain/(loss) from adjustments for impairment of sundry debtors	**-5.784**	**-2.089**	**-1.238**	**255**
Recoveries from loans written-off	9.961	1.917	667	667
Recoveries from sundry receivables written-off	184	184	322	322
Total	**-134.681**	**-85.508**	**-44.040**	**-42.547**

06. Câştig/(pierdere) din tranzacţionare şi din instrumente derivate

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Release/(charge) from foreign exchange differences	**31.766**	**14.702**	**27.879**	**27.293**
Release/charge) from interest rate derivatives	11.545	-2.281	-1.809	-1.809
Release/charge) from foreign exchange derivatives	22.250	22.250	7.812	7.812
Release/(charge) from trading of financial instruments at fair value through profit or loss	20.849	20.849	6.481	6.481
Release/(charge) from financial instruments trading	**54.644**	**40.818**	**12.483**	**12.483**

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

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

- Gains or losses made from foreign exchange spot transactions of clients legal entities and natural persons;
- Net income from the revaluation of foreign balance sheet assets and liabilities denominated in foreign currencies.

Gains/(losses) from derivatives include:

- Gains or losses from interest rate derivatives transactions;
- Potential gains or losses related to exchange rate derivatives transactions not yet settled at the date of the financial statements (determined by alternative valuation techniques based on observable market inputs);
- Potential gains or losses on fixed income instruments classified in the trading portfolio (determined on the basis of direct quotations).

07. Net income related to the de-recognition of investments in financial instruments at FVOCI

During 2020, the Group recorded a gain of 20.164 thousand RON from the assignment of financial instruments - tresaury bills and government bonds - in the protofolio of fair value through other comprehensive income (2019: 1.538 thousand RON). At the individual level, the Bank recorded a gain of 8,452 thousand RON in 2020 compared to 1,538 thousand RON in 2019.

08. Fee and commission revenues, net

	31 Dec 20		31 Dec 19	
Revenue from commissions	**Group**	**Bank**	**Group**	**Bank**
Revenue from commissions from customer operations	18.388	2.331	689	689
Income from commissions related to guarantees	17.406	16.538	19.178	19.178
Revenue from mandate operations, of which:	50.104	50.104	31.521	31.521
Commissions collected from the Romanian State for mandate operations	23.262	23.262	17.151	17.151
Commissions collected from intermediaries and beneficiaries of products granted on behalf of and for the benefit of the State	26.842	26.842	14.370	14.370
Revenue from commissions from import letters of credit	1.207	1.207	336	336
Revenue from commissions related to bank transactions	749	419	486	488
Fees for credit card transactions	4.130	-	-	-
Other commission income	22.791	4.253	7.741	7.740
	114.775	**74.852**	**59.951**	**59.952**
Commission expenses	**-20.139**	**-8.805**	**-12.795**	**-12.766**
Revenue from commissions, net	**94.636**	**66.047**	**47.156**	**47.186**

Details of how to determine the fees related to mandate operations as well as the variation year-over-year can be found in note 24.

09. Insurance income, net

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Gross written premium income, net of reinsurance (a) of which:	15.137	-	10.995	-
Gross written premiums	23.095	-	16.894	-
Premiums ceded in reinsurance	-7.957	-	-5.899	-
Expenses with changes in technical reserves, net of reinsurance	-1.285	-	-432	-
Income from reinsurance commissions	1.441	-	1.071	-
Acquisition and other underwriting expenses	-2.202	-	-343	-
Other technical expenses, net reinsurance (b) of which:	-96	-	-452	-
Claims under insurance contracts	-8.673	-	-8.563	-
Claims ceded in reinsurance	8.577	-	8.111	-
Insurance income, net	**12.996**	**-**	**10.839**	**-**

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.

10. Other income

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Proceeds from contractual penalties	375	375	457	457
Other income	10.324	99	640	490
Operating leasing income (rents)	4.323	3.992	3.909	3.909
Dividends and similar income	1.213	503	485	485
	16.235	**4.969**	**5.491**	**5.341**

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

11. Salaries and other similar expenses

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Salaries and assimilated expenses	150.191	62.084	72.802	65.717
Provisions cancelled, used and set up	1.740	1.735	-3.169	-3.169
Total salary costs	**69.633**	**63.819**	**69.633**	**62.548**
Indemnities for collaborators (i)	12.534	9.686	15.420	15.420
Provisions cancelled, used and set up	316	316	-4.370	-4.370
Total collaborator costs	**11.050**	**10.002**	**11.050**	**11.050**
Compensation payments layoffs	-	-	-	-
Provisions cancelled, used and set up	-	-	-	-
Total redundancy costs	**-**	**-**	**-**	**-**
Employer's contributions related to wages	**5.050**	**2.027**	**2.354**	**2.181**
Retirement compensatory payments	883	185	48	48
Provisions cancelled, used and set up	49	261	302	302
Total retirement benefits	**932**	**446**	**350**	**350**
Other costs of a salary nature	**4.742**	**1.087**	**1.110**	**1.110**
Total salaries and expenses assimilated	**175.505**	**77.381**	**84.497**	**77.239**

i) 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 and members of the Interministerial Committee on Financing, Guarantees and Insurance, in accordance with the provisions of Law 96/2000 (note 23, "State Funds").

12. Other operating expenses

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Taxes and charges	1.486	955	1.255	1.104
Postal and telecommunications expenses	5.462	3.296	3.299	3.217
Maintenance expenses	30.868	7.610	6.905	6.610
Advertising, protocol and sponsorship expenses	2.026	1.515	1.981	1.821
Supplies	5.360	1.499	1.539	1.389
Water and energy	4.913	1.105	938	938
Rents	1.324	52	55	55
Consulting services	16.871	13.160	3.437	2.898
Other services provided by third parties	**23.316**	**2.977**	**3.116**	**2.579**
Security expenses	2.021	773	751	751
Expenditure on deposit guarantee and bank resolution fund	15.025	10.981	6.485	6.485
Other expenses	8.463	943	673	357
	117.135	**44.866**	**30.434**	**28.204**

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

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Statutory audit expenses	1.597	345	505	283
Non-audit services expenses	266	173	42	42
Expenses with statutory auditor	**1.863**	**518**	**547**	**325**

13. Profit tax

The main components of profit tax are:

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Current profit tax	6.208	6.208	3.093	3.093
Deferred profit tax	-1.916	-2.600	1.861	1.861
	4.292	**3.608**	**4.954**	**4.954**

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

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

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Accounting profit	376.272	19.635	34.020	33.279
Negative goodwill recognized in profit	341.999	-	-	-
Accounting profit before tax (A)	34.273	19.635	34.020	33.279
Tax rate: 16%	5.484	3.142	5.443	5.325
Tax impact of non-taxable income	-10.403	-7.301	-9.265	-9.265
Tax impact of non-deductible expenses	14.486	10.872	7.793	7.492
Fiscal impact on reserve allocation	-244	-157	-268	-266
Impact of deferred tax loss	-2.083	-	-417	-
Income tax before tax credit	7.240	6.556	3.286	3.286
Tax credit	-348	-348	-193	-193
Current corporation tax	6.892	6.208	3.093	3.093
Deferred tax on temporary differences	-2.600	-2.600	1.861	1.861
Income tax on profit and loss account (B) (+) = expenses / (-) =income	4.292	3.608	4.954	4.954

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.

Bank/Group*	**Statement of financial position**		**Profit or loss account**	
Deferred tax	**2020**	**2019**	**2020**	**2019**
Retirement benefits	228	246	42	48
Other provisions relating to employees	1.749	1.421	328	-1,206
Provisions for guarantee letters/credit commitments	4.659	2.544	2.115	-408
Adjustment of fair value at acquisition date	-	-	-	-
Adjustments for expected loss of securities	147	32	115	-295
	6.843	**4.243**	**2.600**	**-1.861**
Deferred by equity				
Revaluation reserve	-4.990	-4.990	-	-
Reassessment of financial instruments at fair value through other comprehensive income	-5.335	804	-	-
Adjustment of fair value at acquisition date	-1,074	-	-	-
Deferred tax, net	**-4.556**	**57**	**2.600**	**-1.861**

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

The Bank/Group calculated the deferred corporation tax using the statutory tax rate of 16% for both 2020 and 2019, 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.

14. Accounts opened at the National Bank of Romania

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Current accounts in RON	589.505	434.250	326.576	326.576
Current accounts in foreign currency	573.484	448.266	359.681	359.681
Adjustments for expected losses	-185	-5	-130	-130
Total	**1.162.804**	**882.336**	**686.127**	**686.127**

The current accounts in RON at the National Bank of Romania ("NBR") are the accounts intended to maintain mandatory minimum reserves, in RON and in EUR. Also, the Bank/Group maintains at the National Bank of Romania accounts in euro for settlement through the TARGET II system.

Exposures to BNR are allocated to stage 1, and for these the Bank/Group has calculated adjustments for expected losses in amount of 180 thousand RON/185 thousand RON at 31 December 2020, and 130 thousand RON at 31 December 2019, according to IFRS 9.

The annual interest rates paid by the National Bank of Romania in 2020 ranged from 0.09% to 0.20% for minimum reserves in RON (2019: between 0.20% and 0.23%), while the minimum reserves maintained in euro were remunerated with an annual interest rate ranging from 0% to 0.01% (2019: 0.01%).

At 31 December 2020, the reserve requirement rate maintained at the National Bank of Romania is 8% for RON and 5% for balances denominated in foreign currency (31 December 2019: 8% for RON and 8% for foreign currency).

15. Amounts owed by credit institutions

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Current accounts and sight deposits	1.162.198	929.961	461.317	460.723
Term deposits	861.447	679.258	431.288	402.866
Collateral deposits	17.409	8.129	5.664	5.664
Adjustments for expected losses	-496	-178	-81	-81
Total	**2.040.558**	**1.617.170**	**898.188**	**869.172**

Exposures to credit institutions are allocated to stage 1, and for these the Bank/Group calculated on 31 December 2020, according to IFRS 9, adjustments for expected losses in amount of 178 thousand RON/496 thousand RON (as of 31 December 2019: adjustments for expected losses in amount of 81 thousand RON for both the Bank and the Group).

Expected loss adjustments for exposures to credit institutions and NBR are in amount of 681 thousand RON at 31 December 2020 at Group level and 358 thousand RON at Bank level (as of 31 December 2019: 211 thousand RON at the level of the Group/Bank).

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

Bank - 2020

Adjustments for expected losses - receivables from financial institutions, including NBR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January 2020	**211**	**-**	**-**	**211**
Increases due to issuance or acquisition	358	-	-	358
Decreases due to derecognition	-211	-	-	-211
Balance as at 31 December 2020	**358**	**-**	**-**	**358**

Group - 2020

Adjustments for expected losses - receivables from financial institutions, including NBR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January 2020	**211**	**-**	**-**	**211**
Increases due to issuance or acquisition	681	-	-	681
Decreases due to derecognition	-211	-	-	-211
Balance as at 31 December 2020	**681**	**-**	**-**	**681**

Bank/Group - 2019

Adjustments for expected losses - receivables from financial institutions, including NBR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January 2019	**438**	**-**	**-**	**438**
Increases due to issuance or acquisition	211	-	-	211
Decreases due to derecognition	-438	-	-	-438
Balance as at 31 December 2019	**211**	**-**	**-**	**211**

16. Derivatives

Transactions in derivatives that are not due and not settled at separate and consolidated level are presented as follows:

		Fair value	
Bank	**Notional**	**Assets**	**Debt**
2020: Financial derivatives	**2,136,783**	**20,604**	**8,968**
Forex swap tools	2,082,002	20,604	8,557
Rating Moody's A1	238,84	2,295	22
Rating Moody's A2	73,041	859	-
Rating Moody's P1	1.130.731	15.132	-
Rating Moody's P2	48.694	207	-
No ratings	590,691	2,111	8,535
Forex Forward Tools (no rating)	54.781	-	411

Group	Notional	Fair value Assets	Fair value Debt
2020: Financial derivatives	**2,333,094**	**22,039**	**7,151**
Forex Swap Tools	2,278,314	22,039	6,740
Rating Moody's A1	483,481	3,563	6,637
Rating Moody's A2	177,083	1,347	73
Rating Moody's P1	1.130.731	15.132	-
Rating Moody's P2	48.694	207	-
No ratings	438,324	1,790	30
Forex Forward Tools (no rating)	54.781	-	411

Bank/Group	Notional	Fair value Assets	Fair value Debt
2019: Financial derivatives	**694.539**	**3.025**	**1.016**
Instrumente Forex Swap	567.227	2.938	-
Rating Moody's A1	-	-	-
Rating Moody's A2	-	-	-
Rating Moody's Baa1	534.809	2.657	-
Rating Moody's P1	23.896	217	-
No rating	8.522	64	-
Forex Forward Tools (no rating)	39.429	86	58
Interest rate instruments (A2)	87.883	-	958

Exchange rate derivatives are revalued against the remaining forward rate to be elapsed determined on the basis of the NBR spot rate and the reference interest rates for the remaining period to elapse, while the market value of interest rate derivatives (denominated in USD) is calculated against the zero-coupon government yield curve published for USD.

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

17. Loans

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Loans in RON - public authorities	1.045.529	1.045.529	613.641	613.641
Loans in RON - other legal entities	3.702.401	3.035.936	2.112.504	2.112.504
Loans in foreign currency - other legal entities	1.791.222	1.501.323	1.276.295	1.276.295
Loans in RON - individuals	1.446.802	-	n.a.	n.a.
Currency loans - individuals	2.155.465	-	n.a.	n.a.
Total exposure	**10.141.419**	**5.582.788**	**4.002.440**	**4.002.440**
Expected losses - public authorities	-183	-183	-93	-93
Expected losses - other legal entities	-168.890	-127.992	-114.993	-114.993
Expected foreign currency losses - other legal entities	-79.810	-56.021	-31.857	-31.857
Expected losses in RON - individuals	-44.905	-	n.a.	n.a.
Expected foreign currency losses - individuals	-123.048	-	n.a.	n.a.
Total adjustments for expected losses	**-416.836**	**-184.196**	**-146.943**	**-146.943**
Credits total, net	**9.724.583**	**5.398.592**	**3.855.497**	**3.855.497**

a) Changes in adjustment for expected losses

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Adjustments for expected losses, opening balance	**146.943**	**146.943**	**99.580**	**99.580**
Reclassification of unrecognized interest on impaired loans	2.654	2.654	5.596	5.596
Adjustments for expected losses, opening balance	**149.597**	**149.597**	**105.176**	**105.176**
Adjustments for expected losses, initial balance, BROM	267.300	-	n.a.	n.a.
Gain (-)/Loss(+) from provisions in the current period	128.898	77.090	43.807	43.807
Use of provisions for impairment	-136.940	-42.787	-	-
Exchange rate differences	7.981	296	614	614
Adjustments for expected losses, closing balance	**416.836**	**184.196**	**149.597**	**149.597**
Unrecognized interest balance on impaired loans	n.a.	n.a.	-2.654	-2.654
Adjustments for expected losses, closing balance after unwinding	**n.a.**	**n.a.**	**146.943**	**146.943**

Legal entities - Bank

Adjustments for expected losses – loans (Bank)	2020				2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance on January 1	**-30.528**	**-16.059**	**-100.356**	**-146.943**	**-34.549**	**-9.759**	**-55.272**	**-99.580**
Reclassification of unrecognized interest on impaired loans	-	-	**-2.654**	**-2.654**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Balance on 1 January adjusted	**-30.528**	**-16.059**	**-103.010**	**-149.597**	**-34.549**	**-9.759**	**-55.272**	**-99.580**
Increases due to issuance or acquisition	-15.170	-12.324	-163	-27.657	-10.347	-7.435	-1.112	**-18.894**
Decreases due to derecognition	14,345	16,060	103,009	133.414	8.349	171	285	**8.805**
Change of credit risk (net) - migration of stages	-1.312	-18.670	-6.200	-26.182	2.645	-679	-12.433	**-10.467**
Increases or decreases due to non-recognition changes (net)	-51,765	-4.659	-100,537	-156,961	3.374	1.643	-31.824	**-26.807**
Decrease of adjustment account due to write-off	-	-	42.787	42.787	-	-	-	-
Balance as at 31 December	**-84,430**	**-35.652**	**-64,114**	**-184,196**	**-30.528**	**-16.059**	**-100.356**	**-146.943**

Legal entities - Group

Adjustments for expected losses - credits (Group)	2020				2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance on January 1	**-30.528**	**-16.059**	**-100.356**	**-146.943**	**-34.549**	**-9.759**	**-55.272**	**-99.580**
Reclassification of unrecognized interest on impaired loans	-	-	**-2.654**	**-2.654**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Balance on 1 January adjusted	**-30.528**	**-16.059**	**-103.010**	**-149.597**	**-34.549**	**-9.759**	**-55.272**	**-99.580**
Balance on 1 January BROM	-7,096	-1,312	-76,932	**-85,340**				
Increases due to issuance or acquisition	-26,444	-12,542	-592	**-39,578**	-10.347	-7.435	-1.112	**-18.894**
Decreases due to derecognition	17,631	16,523	105,670	**139,823**	8.349	171	285	**8.805**
Change of credit risk (net) - migration of stages	-419	-19,118	-26,817	**-46,354**	2.645	-679	-12.433	**-10.467**
Increases or decreases due to non-recognition changes (net)	-52,412	-4,678	-102,343	**-159,433**	3.374	1.643	-31.824	**-26.807**
Decrease of adjustment account due to write-off	-	-	91,595	**91,595**	-	-	-	-
Balance as at 31 December	**-99,267**	**-37,186**	**-112,430**	**-248,883**	**-30.528**	**-16.059**	**-100.356**	**-146.943**

Individuals - Group (through subsidiary Banca Românească)

Adjustments for expected losses - credits (Group)	Stage 1	Stage 2	Stage 3	Total
Balance on January 1	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Balance on 1 January BROM	-9.775	-12.087	-160.099	-181.961
Increases due to issuance or acquisition	-5.219	-27	-306	-5.552
Decreases due to derecognition	474	2.252	-18	2.708
Change of credit risk (net) - migration stages	-145	1.121	-23.731	-22.755
Increases or decreases due to non-recognition changes (net)	-720	-220	-5.249	-6.188
Decrease of adjustment account due to write-off	400	48	45.345	45.793
Balance as at 31 December	**-14.985**	**-8.911**	**-144.058**	**-167.954**

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

b) Analysis by types of industries

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Public authorities	**1.045.529**	**1.045.529**	**613.641**	**613.641**
Other economic sectors, total, of which:	9.095.890	4.537.259	3.388.799	3.388.799
A. Agriculture, forestry and fisheries	697.831	619.004	388.606	388.606
B. Extractive industry	292.495	215.091	230.588	230.588
C. Manufacturing	1.665.623	1.450.443	1.304.380	1.304.380
D. Supply of electricity, natural gas	201.382	115.420	93.898	93.898
E. Water supply	124.067	120.223	100.150	100.150
F. Construction	225.793	225.793	74.320	74.320
G. Retail and wholesale trade	921.158	712.403	506.194	506.194
H. Transport and storage services	696.712	661.320	307.954	307.954
I. Accommodation and restaurant services	52.855	42.693	18.044	18.044
J. Information and communications	112.804	43.598	26.551	26.551
K. Financial intermediation	269.140	213.304	274.532	274.532
L. Real estate activities	41.711	1.427	2.201	2.201
M. Specialized, scientific and technical activities	58.265	58.265	34.458	34.458
N. Administrative services and support activities	72.256	28.672	18.474	18.474
P. Education	977	977	592	592
Q. Human health and social care services	28.467	27.676	7.668	7.668
R. Arts, entertainment and recreational activities	258	258	189	189
S. Other services	31.829	692	-	-
T. Individuals	3.602.267	-	-	-
Total portfolio	**10.141.419**	**5.582.788**	**4.002.440**	**4.002.440**

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

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Total non-impaired claims (stage 1 and 2)	**9.679.043**	**5.419.092**	**3.773.538**	**3.773.538**
Current	9.353.768	5.407.145	3.610.195	3.610.195
Outstanding and non-impaired	325.275	11.947	163.343	163.343
Total impaired claims (stage 3), of which:	**462.376**	**163.696**	**228.902**	**228.902**
With current debt service or less than 30 days	130.586	51.120	146.344	146.344
With debt service over 30 days	331.791	112.576	82.558	82.558
Total portfolio, gross value	**10.141.419**	**5.582.788**	**4.002.440**	**4.002.440**

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Stage 1	**8.061.282**	**4.290.176**	**3.310.460**	**3.310.460**
Individuals	2.937.066	-	-	-
Legal entities	4.078.687	3.244.647	3.310.460	3.310.460
Public authorities	1.045.529	1.045.529	-	-
Stage 2	**1.617.761**	**1.128.916**	**463.078**	**463.078**
Individuals	426.438	-	-	-
Legal entities	1.191.322	1.128.916	463.078	463.078
Public authorities	-	-	-	-
Stage 3	**156.068**	**156.068**	**218.842**	**218.842**
Individuals	-	-	-	-
Legal entities	156.068	156.068	218.842	218.842
Public authorities	-	-	-	-
Originated impaired loans	**306.308**	**7.628**	**10.060**	**10.060**
Individuals	238.760	-	-	-
Legal entities	67.548	7.628	10.060	10.060
Public authorities	-	-	-	-
Total portfolio, gross value	**10.141.419**	**5.582.788**	**4.002.440**	**4.002.440**

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

d) Credit analysis by product and customer segment

Gross book value	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Loans to natural persons, of which:	**3.602.267**	**-**	**-**	**-**
Mortgages	2.524.367	-	-	-
Consumer loans	1.043.632	-	-	-
Credit cards	34.268	-	-	-
Loans to legal entities	**5.493.623**	**4.537.259**	**3.388.799**	**3.388.799**
Loans to public authorities	**1.045.529**	**1.045.529**	**613.641**	**613.641**
Total portfolio at gross value	**10.141.419**	**5.582.788**	**4.002.440**	**4.002.440**

Expected losses from credit risk	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Loans to natural persons, of which:	**-167,954**	**-**	**-**	**-**
Mortgages	-83,602	-	-	-
Consumer loans	-83,456	-	-	-
Credit cards	-896	-	-	-
Loans to legal entities	**-248,699**	**-184,013**	**-146,850**	**-146,850**
Loans to public authorities	**-183**	**-183**	**-93**	**-93**
Total expected losses from credit risk	**-416,836**	**-184,196**	**-146,943**	**-146,943**

e) Migration of credit exposures between stages:

Bank - in 2020:

Transfers between stage 1 and stage 2		Transfers between stage 2 and stage 3	
Stage 1 transfer from stage 2	108.265	Stage 2 transfer from stage 3	33.753
Stage 2 transfer from stage 1	383.580	Stage 3 transfer from stage 2	16.618

Group - in 2020 - legal entities:

Transfers between stage 1 and stage 2		Transfers between stage 2 and stage 3	
Stage 1 transfer from stage 2	108.899	Stage 2 transfer from stage 3	41.086
Stage 2 transfer from stage 1	414.111	Stage 3 transfer from stage 2	18.734

Group - in 2020 - 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	193.501	Stage 2 transfer from stage 3	51.388
Stage 2 transfer from stage 1	57.651	Stage 3 transfer from stage 2	47.428

Group in 2019:

Transfers between stage 1 and stage 2		Transfers between stage 2 and stage 3	
Stage 1 transfer from stage 2	62.220	Stage 2 transfer from stage 3	125
Stage 2 transfer from stage 1	199.479	Stage 3 transfer from stage 2	68.335

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 20		31-Dec-20		31-Dec-19	
	Lending commitments	Lending commitments	Guarantee commitments	Guarantee commitments	Lending commitments	Guarantee commitments
	Group	Bank	Group	Bank	Bank/Group	Bank/Group
A. Agriculture, forestry and fisheries	230.714	224.522	152.277	152.218	229.847	82.556
B. Extractive industry	34.393	34.050	295.856	295.856	123.856	257.144
C. Manufacturing	531.828	455.038	367.462	363.739	265.589	217.198
D. . Supply of electricity, natural gas	34.114	-	343.847	218.062	-	217.140
E. Water supply	101.605	72.661	24.675	7.000	77.038	74
F. Construction	149.444	149.444	522.855	522.855	49.184	422.145
G. . Retail and wholesale trade	223.926	148.179	213.966	210.712	145.441	110.040
H. Transport and storage services	272.417	257.552	38.561	38.537	23.055	1.123
I. Accommodation and restaurant services	45.716	38.925	696	336	4.834	150
J. Information and communications	119.133	114.372	73.670	72.219	10.519	78.008
K. Financial intermediation	243.760	243.760	-	-	205.655	-
L. Real estate transactions	407	-	2.949	2.887	-	35.000
M. Specialized, scientific and technical activities	17.309	17.309	85.134	85.134	53.963	26.210
N. Administrative services and support activities	27.330	13.763	6.083	4.083	7.057	3.567

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

	31 Dec 20		31-Dec-20		31-Dec-19	
	Lending commitments	Lending commitments	Guarantee commitments	Guarantee commitments	Lending commitments	Guarantee commitments
	Group	Bank	Group	Bank	Bank/Group	Bank/Group
O. Public administrations	209.454	209.454	-	-	540.714	-
P. Education	48	48	-	-	199	-
Q. Human health and social care services	7.735	7.690	23	-	3.392	-
R. Arts, entertainment and recreational activities	115	115	760	760	0	760
S. Other services	3.104	2.683	47.541	44.311	2.598	25.077
T. Individuals	80.842	-	-	-	-	0
Total portfolio	**2.333.393**	**1.989.565**	**2.176.356**	**2.018.709**	**1.742.941**	**1.476.192**

g) Subordinated loans to subsidiary Banca Românească

On July 23, 2020, EximBank subrogated itself with respect to the rights and obligations of National Bank of Greece S.A. arising from the subordinated loan agreement granted to Banca Romaneasca in amount of EUR 65 million. In November 2020, EximBank's subordinated credit was converted into CHF, resulting in CHF 70.3 million, equivalent to 316.466 thousand RON, an intragroup line removed from the consolidated financial position.

18. Investments

a) Investments in subsidiaries

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Investments in EximAsig subsidiary	-	81.353	-	81.353
EximAsig impairment adjustments	-	-47.307	-	-47.307
Total	**-**	**34.046**	**-**	**34.046**
% shareholding		98,57%		98,57%
Investments in Banca Românească	-	283.776	-	-
Impairment adjustments Banca Românească	-	-	-	-
Total	**-**	**283.776**	**-**	**-**
% shareholding		99,28%		
Total investments in subsidiaries		**317.822**		**34.046**

Following the impairment test carried out by the Bank for the investment in subsidiary EximAsig, at 31 December 2020, there was no indication of additional impairment according to IAS 36, the cumulative value of the impairment of the investment in the EximAsig subsidiary being appropriate (47,307 thousand RON both at 31 December 2020 and 31 December 2019). As a result, the Bank did not record the impairment expense in 2020 and 2019.

EximBank's shareholding in Banca Romaneasca is valued at cost, with the transaction completed in 2020. EximBank determined the market value of Banca Romaneasca at the time of purchase (January 23, 2020) through the independent valuation report on the allocation of the purchase price.

EximBank's shares in the share capital of its subsidiaries (ExinAsig and Banca Romaneasca) are written off within the consolidated financial position.

b) Investments classified at fair value through other comprehensive income

	31 Dec 20		31 Dec 19	
Debt instruments	**Group**	**Bank**	**Group**	**Bank**
Bonds and government bonds	2.667.935	2.108.658	1.534.078	1.534.078
(Decrease)/increase in fair value	23.957	32.162	-6.210	-6.210
Total investments in debt instruments	**2.691.892**	**2.140.820**	**1.527.868**	**1.527.868**

The expected impairment adjustments of debt instruments at fair value through other comprehensive income are in amount of 321 thousand RON at 2020 (2019: 202 thousand RON).

	31 Dec 20		31 Dec 19	
Equity instruments	**Group**	**Bank**	**Group**	**Bank**
Equity Instruments - Transfond, Swift (no rating)	2.251	1.346	1.347	1.347
Total	**2.251**	**1.346**	**1.347**	**1.347**

The Group/Bank held the following categories of fixed income financial instruments, allocated at stage 1 at 31 December 2020 and 31 December 2019:

A. Central government debt instruments 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 Bucharest City Hall.

Financial instruments at fair value through other comprehensive income are measured on the basis of the market prices of listed securities (classified as Level 1) or by using alternative valuation techniques in the case of bonds issued by other credit institutions (classified as Level 2). Investments in equity instruments are valued at fair value through other comprehensive income, according to IFRS 9 at 31 December 2020.

For the determination of the fair value of financial instruments, classified as Level 1, for which no market prices are available, the Bank/Group uses valuation methods based on directly observable inputs, i.e. sets prices based on observable data (interest rates, swap quotes, CDS quotes), applicable on the markets specific to currencies in which the securities held are denominated.

	31 Dec 20		31 Dec 19	
Debt instruments	**Group**	**Bank**	**Group**	**Bank**
MFP Treasury Certificates (Baa3 *)	289.137	289.137	292.298	292.298
MFP Bonds (Baa3-)	2.191.545	1.640.473	1.026.255	1.026.255
Bucharest City Hall bonds (Baa3)	144.574	144.574	199.429	199.429
Bonds Goldmann Sachs (A2)	56.920	56.920	-	-
Bonds Banque Internationale à Luxembourg (A2)	9.716	9.716	9.886	9.886
Total	**2.691.892**	**2.140.820**	**1.527.868**	**1.527.868**

The ratings presented are assigned by Moody's external rating agency, unless otherwise stated.

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

At 31 December 2020, the Bank/Group pledged bonds with a nominal value of 3,000 thousand RON/16,600 thousand RON (31 December 2019, Bank/Group: 3,000 thousand RON) in favor of the National Bank of Romania, in its capacity as administrator of the real-time gross settlement system - ReGIS, in order to guarantee the settlement of operations carried out by the Bank/Grup through the electronic multilateral interbank compensation system - SENT. In addition, the repo transactions outstanding at 31 December 2020 were guaranteed by bonds in amount of 24,000 thousand RON for the Bank and 103,000 thousand RON for the Group.

c) Investments at amortized cost

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Bonds issued by MFP (Baa3 *)	1.137.659	596.214	539.731	500.193
Accrued interest	31.465	15.448	12.755	11.994
Adjustments for expected losses	-258	-94	-71	-71
Total) **	**1.168.866**	**611.568**	**552.415**	**512.116**

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

Financial instruments at amortized cost are allocated to Stage 1, and for these the Bank/Group has calculated according to IFRS 9 adjustments for expected losses in amount of 94 thousand RON/258 thousand RON at 31 December 2020 (31 December 2019: Bank/Group 71 thousand RON). Both at 31 December 2020 and 31 December 2019, this portfolio of financial instruments of the Bank/Group consists of bonds issued by the Ministry of Public Finance in national currency.

2020 – Bank

Adjustments for expected losses - financial instruments at amortized cost	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2020	**71**	-	-	**71**
Increases or decreases due to non-recognition changes (net)	23	-	-	23
Balance as at 31 December 2020	**94**	-	-	**94**

2020 - Group

Adjustments for expected losses - financial instruments at amortized cost	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2020	**71**	-	-	**71**
Increases due to issuance or acquisition	164	-	-	**164**
Increases or decreases due to non-recognition changes (net)	23	-	-	**23**
Balance as at 31 December 2020	**258**			**258**

2019 – Bank/Group

Adjustments for expected losses - financial instruments at amortized cost	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2019	**99**	-	-	**99**
Increases or decreases due to non-recognition changes (net)	-28	-	-	**-28**
Balance as at 31 December 2019	**71**	-	-	**71**

d) Financial instruments at fair value through profit or loss

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Bonds - MFP (Level 1) (Baa3)	386.317	386.317	110.819	110.819
Total	**386.317**	**386.317**	**110.819**	**110.819**

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).

At 31 December 2020 and 31 December 2019 the Bank/Group's portfolio of financial instruments held for trading consists of bonds issued by the Ministry of Public Finance in national currency.

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

19. Tangible and intangible assets

As of 31 December 2020

Bank **Cost**	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**
As at 1 January 2020	5.887	1.450	29.260	3.793	14	43.546	83.950	35.984	694	**36.678**	**120.628**
Of which impact of IFRS 16, as of 1 January 2020	-	-	-	-	-	-	-	-	-	-	-
Additions	-	542	1.871	-	251	791	3.455	569	-1	**568**	**4.023**
Revaluation *	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-370	-	-	-	-370	-	-24	**-24**	**-394**
Transfers between categories	-	-	-	-	-	-	-	9	-9	-	-
Transfers to investment properties	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2020	**5.887**	**1.992**	**30.761**	**3.793**	**265**	**44.337**	**87.035**	**36.562**	**660**	**37.222**	**124.257**
Accumulated depreciation											
At 1 January 2020	**12**	**1.228**	**24.028**	**3.499**	-	**7.344**	**36.111**	**31.181**	-	**31.181**	**67.292**
Annual depreciation	148	137	2.095	115	-	10.007	12.502	2.609	-	**2.609**	**15.111**
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-368	-	-	-	-368	-	-	-	**-368**
Transfers between categories	-	-	-	-	-	-	-	-	-	-	-
Transfers to investment properties	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2020	160	1.365	25.755	3.614	-	17.351	48.245	33.790	-	**33.790**	**82.035**
Book value as at 31 December 2020	5,727	627	5.006	179	265	26.986	38.790	2.772	660	**3.432**	**42.222**
Book value at 1 January 2020	5,875	222	5.232	294	14	36.202	47.839	4.803	694	**5.497**	**53.336**

*)The last revaluation of the buildings was carried out in 2019 by expert assessors, members of ANEVAR (National Association of Evaluators of Romania). The estimation of the market value was carried out in accordance with the principles and valuation techniques International Valuation Standards.

Bank Cost	Lands and building	Fit-out of rented spaces	Computers, equipment, furniture	Vehicles	Tangible investments in progress	Operational Leasing - Rights of Use	Total tangible assets	Intangible assets	Intangible investments in progress	Total intangible assets	Overall total
1 January 2019	**5.651**	**1.320**	**28.418**	**4.371**	**47**	**28.853**	**68.660**	**33.924**	**870**	**34.794**	**103.454**
Of which impact of IFRS 16, as of 1 January 2019	-	-	-	-	-	28.853	**28.853**	-	-	-	**28.853**
Additions	-	126	2.838	-	-	15.000	**17.964**	2.041	8	**2.049**	**20.013**
Revaluation *	209	-	-	-	-	-	**209**	-	-	-	**209**
Disposals	-	-	-1.998	-578	-	-307	**-2.883**	-165	-	**-165**	**-3.048**
Transfers between categories	**27**	4	2	-	-33	-	-	184	-184	-	-
Transfers to investment properties	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2019	**5.887**	**1.450**	**29.260**	**3.793**	**14**	**43.546**	**83.950**	**35.984**	**694**	**36.678**	**120.628**
Accumulated depreciation											
At 1 January 2019	**296**	**1.156**	**24.105**	**3.775**	-	-	**29.332**	**28.798**	-	**28.798**	**58.130**
Annual depreciation	144	72	1.920	302	-	7.361	**9.799**	2.547	-	**2.547**	**12.346**
Revaluation	-428	-	-	-	-	-	**-428**	-	-	-	**-428**
Disposals	-	-	-1.997	-578	-	-17	**-2.592**	-164	-	**-164**	**-2.756**
Transfers between categories	-	-	-	-	-	-	-	-	-	-	-
Transfers to investment properties	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2019	**12**	**1.228**	**24.028**	**3.499**	-	**7.344**	**36.111**	**31.181**	-	**31.181**	**67.292**
Book value as at 31 December 2019	**5.875**	**222**	**5.232**	**294**	**14**	**36.202**	**47.839**	**4.803**	**694**	**5.497**	**53.336**
Book value as at 1 January 2019	**5.355**	**164**	**4.313**	**596**	**47**	**28.853**	**39.328**	**5.126**	**870**	**5.996**	**45.324**

*) The last revaluation of the buildings was carried out in 2016 by expert assessors, members of ANEVAR (National Association of Evaluators of Romania). The estimation of the market value was carried out in accordance with the principles and valuation techniques International Valuation Standards.

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

As at 31 December 2020

Group Cost	Lands and buildings	Fit-out of rented spaces	Computers, Equipment, Furniture	Vehicles	Tangible investments in progress	Operational Leasing - Rights of Use	**Total tangible assets**	Intangible assets	Investiții necorporale in curs	**Intangible investments in progress**	**Overall total**
As at 1 January 2020	**5.887**	**1.450**	**31.546**	**3.957**	**14**	**44.635**	**87.489**	**40.351**	**694**	**41.045**	**128.534**
Balance 1 January 2020 - BROM	24.192	50.676	74.839	9.448	12	78.584	**237.751**	93.514	1.668	95.182	**332.933**
Inputs	1.029	944	3.451	-	18.570	38.742	**62.736**	20.543	19.178	39.721	**102.457**
Adjustment of fair value at acquisition date	8.098	8.245	7.841	1.945	-	-	**26.129**	30.341	-	30.341	**56.470**
Disposals	-	-4.398	-8.175	-	-	-58.901	**-71.474**	-169	-18.121	-18.290	**-89.764**
Transfers between categories	-	1.632	-	-	-1.632	-	-	9	-9	-	-
Transfers to investment properties	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2020	**39.206**	**58.549**	**109.502**	**15.350**	**16.964**	**103.060**	**342.631**	**184.589**	**3.410**	**187.999**	**530.630**
Cumulative depreciation											
As at 1 January 2020	**12**	**1.228**	**26.002**	**3.581**	-	**7.919**	**38.742**	**35.237**	-	**35.237**	**73.979**
Balance 1 January 2020 - BROM	9.639	50.575	71.236	9.415	-	30.786	**171.651**	88.445	-	88.445	**260.096**
Annual depreciation	663	293	3.991	165	-	37.628	**42.740**	6.591	-	6.591	**49.331**
Adjustment of fair value at acquisition date	281	4.115	5.201	1.058	-	-	**10.655**	5.941	-	5.941	**16.596**
Disposals	-	-4.397	-8.109	-	-	-37.628	**-50.134**	-	-	-	**-50.134**
Transfers between categories	-	-	-	-	-	-	-	-	-	-	-
Transfers to investment properties	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2020	**10.595**	**51.814**	**98.321**	**14.219**	-	**38.705**	**213.654**	**136.214**	-	**136.214**	**349.868**
Book value as at 31 December 2020	**28.611**	**6.735**	**11.181**	**1.131**	**16.964**	**64.355**	**128.977**	**48.375**	**3.410**	**51.785**	**180.762**
Book value as at 1 January 2020	**5.875**	**222**	**5.544**	**376**	**14**	**36.716**	**48.747**	**5.114**	**694**	**5.808**	**54.555**

*) The last revaluation of the buildings was carried out on 31 December 2019 by expert assessors, members of ANEVAR (National Association of Evaluators of Romania).
The estimation of the market value was carried out in accordance with the principles and evaluation techniques International Valuation Standards.

As at 31 December 2019

Group Cost	Lands and buildings	Fit-out of rented spaces	Computers, Equipment, Furniture	Vehicles	Tangible investments in progress	Operational Leasing - Rights of Use	**Total tangible assets**	Intangible assets	Investiții necorporale în curs	**Intangible investments in progress**	**Overall total**
As at 1 January 2020	**5.651**	**1.320**	**30.746**	**4.844**	**47**	**29.942**	**72.550**	**38.106**	**870**	**38.976**	**111.526**
Of which impact of IFRS 16 on 1 January 2019	-	-	-	-	-	29.942	**29.942**	-	-	-	**29.942**
Additions	-	126	2.936	85	-	15.000	**18.147**	2.226	8	2,234	**20.381**
Revaluation*	209	-	-	-	-	-	**209**	-	-	-	**209**
Disposals	-	-	-2,138	-972	-	-307	**-3.417**	-165	-	-165	**-3.582**
Transfers between categories	**27**	4	2	-	33	-	**-**	184	-184	-	**-**
Transfers to investment properties	-	-	-	-	-	-	**-**	-	-	-	**-**
As at 31 December 2019	**5.887**	**1.450**	**31.546**	**3.957**	**14**	**44.635**	**87.489**	**40.351**	**694**	**41.045**	**128.534**
Cumulative depreciation											
As at 1 January 2020	**296**	**1.156**	**25.986**	**4.248**	**-**	**-**	**31.686**	**32.707**	**-**	**32.707**	**64.393**
Annual depreciation	144	72	2.112	305	-	7.936	**10.569**	2.694	-	2.694	**13.263**
Revaluation	-428	-	-	-	-	-	**-428**	-	-	-	**-428**
Disposal	-	-	-2.096	-972	-	-	**-3.805**	-164	-	-164	**-3.249**
Transfers between categories	-	-4.397	-	-	-	-37.628	**-**	-	-	-	**-**
Transfers to investment properties	-	-	-	-	-	-	**-**	-	-	-	**-**
As at 31 December 2020	**12**	**1.228**	**26.002**	**3.581**	**-**	**38.705**	**38.742**	**35.237**	**-**	**35.237**	**73.979**
Book value as at 31 December 2019	**5.875**	**222**	**5.544**	**376**	**14**	**36,716**	**48.747**	**5.114**	**694**	**5.808**	**54.555**
Book value as at 1 January 2019	**5.355**	**164**	**4.760**	**596**	**47**	**29,942**	**40.864**	**5.399**	**870**	**6.269**	**47.133**

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

20. Investment properties

The Bank/Group's investment properties are measured at fair value, using the income approach. The Bank/Group revalued investment properties in 2020 to determine their market value on the basis of a valuation report issued by an independent assessor, member of ANEVAR, using the income approach.
The rental income of investment properties in 2020 was in amount of 3,991 thousand RON at the individual level, respectively at 4,322 thousand RON at consolidated level (Group/Bank 2019: 3,909 thousand RON) (note 10).

	Balance at 1 Jan 2020	Additions	Disposals	Reevaluation		Balance at 31 Dec 2020
				Earning	(Loss)	
Land	10.697	-	-	-	-109	10.588
Buildings	31.479	-	-	458	-160	31.777
Total	**42.176**	**-**	**-**	**458**	**-269**	**42.365**

	Balance at 1 Jan 2019	Additions	Disposals	Reevaluation		Balance at 31 Dec 2019
				Earning	(Loss)	
Land	9,640	-	-	1,057	-	10,697
Buildings	30,947	-	-	784	-252	31,479
Total	**40,587**	**-**	**-**	**1,841**	**-252**	**42,176**

21. Other assets

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Sundry debtors	55.232	12.614	50.621	28.739
Current income tax *)	11.231	-	18.221	18.221
Prepaid expenses	34.476	8.607	9.210	8.793
Insurance reserve - the part ceded to the reinsurer	41.537	-	30.377	-
Deferred acquisition expenses on general insurance	4.192	-	3.345	-
Insurance settlements	2.599	-	2.272	-
Commissions receivable from operations in mandate	4.336	4.336	1.454	1.454
Assets repossessed (giving in payment)	8.098	-	-	-
Amounts in transit - credit cards	991	-	-	-
Others	4.331	75	552	61

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Other assets, gross value	**167.003**	**25.632**	**116.052**	**57.268**
Adjustments for expected losses	-22.623	-8.197	-14.717	-7.057
Adjustments for expected losses	-966	-	-966	-
Adjustments for expected losses	**-23.589**	**-8.197**	**-15.683**	**-7.057**
Other assets, net value	**143.414**	**17.435**	**100.369**	**50.211**

*) At 31 December 2019, EximBank had a debt to recover from the state budget in amount of 18.221 thousand RON, representing mainly advance payments made during 2019 on the basis of the 2018 income tax discounted with the inflation index. The amount was recovered from the state budget during 2020. At 31 December 2020 the amount to be recovered from the advance payments of income tax is 11.231 thousand RON.

22. Bank liabilities

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Current accounts and sight bank deposits	32.039	20.001	-	-
Term deposits	377.731	201.250	313.467	313.467
Loans received	389.909	389.909	-	-
Total bank liabilities	**901.669**	**645.294**	**313.467**	**313.467**

23. Deposits drawn from 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, EximBank 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 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 Banca de Export-Import a României EXIMBANK - S.A. in the Investment Fund of the Three Seas Initiative - Law 96/2000 - Art. 10f.

The funds presented above remain available to the Bank/Group for an indefinite period except for those amounts for which maintenance has been established by convention for periods of at least 5 years.

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

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 at 31 December 2020 and 31 December 2019:

	31-Dec-20	31-Dec-19
Guarantee operations fund	1.266.953	1.248.158
Fund for insurance and reinsurance operations	392.699	380.128
Fund for financing operations	63.969	53.433
Fund for State Aid Measures, Appropriations	1.662.206	-
State Aid Measures FundWarranties	1.334.470	-
Deposits drawn from MFP (principal)	**4.720.297**	**1.681.719**
Interest calculated and defaults	8.800	4.846
Total deposits drawn from MFP	**4.729.097**	**1.686.565**

Interest calculated and outstanding is included in the amortized cost of these sources.

Assets and commitments 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 conditions set out in the International Financial Reporting Standards adopted by the European Union, and are therefore not included in the financial position of the Bank/Group.

The operations carried out by the Bank/Group on behalf of the State are subject to the approval of the Interministerial Committee of Financing, Guarantees and Insurance, in accordance with the provisions of Law 96/2000. The table below shows the exposures on behalf of the State, managed by the Bank/Grup at 31 December 2020 and 31 December 2019:

Exposures in the name of the State	31-Dec-20	31-Dec-19
Commitments-funds for insurance activity	231.778	508.394
Commitments-funds for export guarantees	3.001.402	2.325.546
State aid commitments (guarantees)	202.789	-
State aid commitments (finance)	33.001	-
Commitments-funds for granting financing	562.142	222.956
Commitments-funds for participation in FII3M*	34.152	368
Total	**4.065.263**	**3.057.263**

*FII3M – 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 Financing, Guarantees and Insurance) 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 2019-2020 are commissions, interest and insurance premiums, repayments of financing or recoveries, paid to the State by intermediaries and beneficiaries of the products granted by EximBank 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.
During 2020, funds from the state budget were allocated in amount of 3 billion RON, in the Fund for the implementation of State aid and/or de minimis measures.

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:

- starting August 2020, the interest rate is set as an average between the 3M ROBID and ROBOR, published by the National Bank of Romania on the last working day of the month preceding that for which the interest due is calculated (interest rate at 31 December 2020: 1.895%);
- the interest rate was determined, by August 2020, as the average between the BID and ASK (fixing) reference rates of 1-year government bonds, published by the National Bank of Romania on the last working day of the year preceding the year preceding the year of application (2019: 3.39%, January - August 2020: 3,405%);

- for funds for the specified period

- established as from August 2020, the interest rate is set at the time of establishment of the deposit as the average of the interest offers for that maturity received from the top 5 primary dealers, as shown by the ranking of primary dealers at the time, but does not exceed the average between the BID and ASK fixing reference rates for government securities with the similar maturity of the funds maintained for a fixed period published by the National Bank of Romania.
  There are no such funds in the balance as at 31 December 2020, established according to the amendments of Law no. 96/2000, in effect as of 4 August 2020.
- established by August 2020 , the level of interest due by the Bank is determined as the average between the BID and ASK (fixing) reference rates of 1-year government bonds, published by the National Bank of Romania on the last working day of the year preceding the year of application (the interest rate is 3.39% in 2019, 3.405% in 2020).

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 drawn from MFP/destination (amounts representing principal)		**Guarantee**	**Insurance and reinsurance**	**Financing**	**FII3M***	**State aid**
Initial Balance 01.01.2020		**1.248.158**	**380.128**	**53.433**	**0**	**0**
Budget allocations		-	-	-	34.816	2.999.999
Reallocations between funds		-	-	-	-	-
Uses	Financing	-	-	-1.046.483	-	-8.230
	Investment	-	-	-	-34.816	-
	Enforcements/Damage	-52.256	-102	-	-	-
	Commissions/other payments/reallocations between funds	-17.759	-3.817	-1.148	-	-
Sources	Sources drawn from EximBank	-	-	889.988	-	-
	Refunds sources attracted from EximBank	-	-	-575.000	-	-
	Customer financing refunds	-	-	681.885	-	-
	Rebounds	4.355	2.749	7.627	-	-
	Commissions/interest/premiums/reallocations between funds	84.455	13.741	53.667	-	4.907
Final balance 31 December 2020		**1.266.953**	**392.699**	**63.969**	**-**	**2.996.676**

*FII3M – Investment Fund of the Three Seas Initiative

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

Deposits drawn from MFP/ destination (amounts representing principal)		Guarantee	Insurance and reinsurance	Financing	FII3M*	Total funds
Opening balance 1 January 2019		**1.527.407**	**122.826**	**73.560**		**1.723.793**
Budget allocations		-	-	-	368	368
Reallocations between funds		-345.000	250.000	95.000	-	-
Uses (decrease funds)	Financing	-	-	-163.948	-	-163.948
	Interest compensation	-	-	-	-368	-368
	Enforcements/Damage	-17.929	-3.414	-	-	-21.343
	Commissions other payments	-13.430	-3.797	-623	-	-17.850
Sources (increase funds)	Financing refunds	-	-	40.012	-	40.012
	Recoveries from enforcements	10.756	1.796	2.834	-	15.386
	Commissions/interest/ premiums	86.354	12.717	6.598	-	105.669
Closing balance 31 December 2019		**1.248.158**	**380.128**	**53.433**	**-**	**1.681.719**

*FII3M – Investment Fund of the Three Seas Initiative

24. Remuneration of mandate operations

In order to carry out mandate operations, the Bank/Group makes revenues from commissions collected from the Romanian State as follows:

- Between January 2019 and October 5, 2020, the commissions due to EximBank by the state for carrying out mandate operations were determined according to the agreement with the Ministry of PublicFinance, in force until 5 October 2020, as a percentage (allocation coefficient) of the interest paid to the Romanian State for funds placed in deposits at EximBank. The allocation coefficient is calculated according to the usability of each fund, as the ratio between the commitments in force and the funds available at the end of the reporting month, its maximum amount being limited from 1 July 2010 to the level of 30%, by October 2020, the average allocation coefficient was 30% (2019: 30%).

At the same time Eximbank receives a percentage of the commissions paid by customers for products in the name of the state.
By October 2020, the average allocation coefficient was 30% (2019: 30%).

- As of October 6, 2020, according to the new convention signed with the Ministry of Public Finance, the commissioning scheme has changed. EximBank collects for mandate operations, administration fees in the form of basic commissions and performance fees.

The basic fees for the years 2020 and 2021 are charged for the activity of administration of state commitments and claims carried out by EximBank, as a percentage of 0.40% per year taking as a basis for calculation the year consisting of 365/366 days, applied to the daily balances related to products administered on behalf of the State.

Performance fees are due to EximBank depending on the amount of the amounts related to the products granted, supplemented or extended, on behalf of of the Romanian State.
The basis for the application of performance fees for financing, guarantee, newly issued insurance contracts is the consideration in RON of those contracts in the reference month. The application rates for 2020 and 2021 are 0.75% for independent guarantee ceilings and commitments, financing commitments and insurance contracts.

The performance fees related to the activity carried out by EximBank for the granting of products with de minimis aid in the name of the State are calculated for the years 2020 and 2021 by applying 0.25% to the amount of de minimis aid paid.

The basis for the application of performance fees for additional amounts and/or extensions of validity periods for which EximBank issues notes of approval and documentation subject to the approval of the Interministerial

Committee on Financing, Guarantees and Insurance (CIFGA) is the amount of additional/extension in RON of the respective contracts, and the rate applied in 2020 and 2021 is 0.40%.

The Bank/Group's claims against the Romanian state representing commissions calculated and not due are presented in the consolidated and separate financial position as "Other assets" (Note 21).

The fees earned by the Bank/Group for mandate services provided in the reference year are presented in the consolidated and separate statement of profit or loss as "Commission and fee revenues ", with details in note 8 "Commission revenues, net" of these financial statements.

25. Customer liabilities

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Current accounts	1.807.822	616.955	366.919	366.936
Sight deposits	181.600	159.153	120.213	120.980
Term deposits	7.725.533	3.929.359	3.805.525	3.805.525
Collateral deposits	525.983	389.500	188.716	188.716
Other liabilities	3.065	1	6.387	6.387
Total customer liabilities, of which:	**10.244.003**	**5.094.968**	**4.487.760**	**4.488.544**
Individuals	**3.583.694**	-	-	-
Legal entities	**6.660.309**	**5.094.968**	**4.487.760**	**4.488.544**

Term deposits may be withdrawn before maturity, in which case interest income is calculated on the basis of the interest rate payable to current accounts at the withdrawal date. The client-related debts written off at consolidation are in the amount of 6,088 thousand RON at 31 December 2020, respectively 784 thousand RON at 31 December 2019.

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.

The Bank/Group attracts deposits from individuals through the Romanian Bank branch.

26. Provisions

The Bank/Group has set up provisions for letters of guarantee and commitments granted to customers and obligations to employees, for: unpaid vacations, performance bonuses, pensions and other similar obligations, disputes with employees and other compensatory payments, other disputes.

Provisions recognised as expenditure for the financial year have been revised and adjusted at the balance sheet date to reflect the best estimate of the Bank/Group's obligations. The likely period during which obligations to employees will be recognized as debts and paid is less than 1 year, except for provisions for other salary payments and provisions on retirement benefits.

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

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Provisions for guarantee letters and commitments	31.683	29.112	15.898	15.898
Provisions for other wage obligations, of which:	11.032	6.629	6.167	6.167
-deferred payment for less than 1 year;	1.069	1.069	462	462
- deferred payment for 1-3 years.	361	361	659	659
Provisions for holidays not taken	5.341	4.300	2.711	2.711
Provisions for retirement benefits, of which:	4.522	1.798	1.537	1.537
- deferred payment for less than 1 year;	147	129	177	177
- deferred payment 1-3 years;	318	114	109	109
- deferred payment 3-5 years;	282	190	122	122
- deferred payment for more than 5 years;	1.129	1.129	1.129	1.129
Provisions for insurance regresses	15.259	604	4.641	-
	67.837	**42.443**	**30.954**	**26.313**

Detail of expected perishers established according to IFRS 9 for guarantee letters and loan commitments are presented in stages in the table below:

Provisions for guarantee letters and credit commitments	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Stage 1	18.614	16.605	10.282	10.282
Stage 2	11.043	10.616	4.653	4.653
Stage 3	2.026	1.891	963	963
Total	**31.683**	**29.112**	**15.898**	**15.898**

The creation of provisions for likely resource outflows in the following financial years as well as the use of provisions recognized in previous financial years or their cancellation due to the fact that the outflow of resources is no longer likely is presented as follows:

Fiscal Year 2020

Bank	Balance 01.01.2020	Provisions used	Cancelled provision	Provision set-up	Balance 31.12.2020
Provisions for guarantee letters and commitments - IFRS 9 *)	**15.898**	-	-31,889	45,103	**29,112**
Provisions for other wage obligations	**6.168**	**-9.706**	-	10,167	**6,629**
Provisions for holidays not taken	**2.710**	-	-	1.590	**4,300**
Other provisions	**4.641**	-	-	654	**5,295**

Group	Balance 01.01.2020	Balance Brom 01.01.2020	Provisions used	Cancelled provision	Provision set-up	Balance 31.12.2020
Provisions for guarantee letters and commitments - IFRS 9 *)	**15.898**	1.721	0	-36,815	50,879	**31,683**
Provisions for other wage obligations	**6.168**	**3.268**	-12,928	-46	14,570	**11,032**
Provisions for holidays not taken	**2.710**	**2.079**	-155	**-883**	**1,590**	**5,341**
Other provisions	**4.641**	**9.478**	-267	-3,607	5,014	15,259

Fiscal Year 2019

Group	Balance 01.01.2019	Provisions used	Cancelled provision	Provision set-up	Balance 31.12.2019
Provisions for guarantee letters and commitments - IFRS 9 *)	**18.453**	-	-37.907	35.352	**15.898**
Provisions for other wage obligations, of which:	**13.388**	**-12.127**	-142	5.049	**6,168**
Provisions for wage obligations	**12.317**	-11.185	-13	**5.049**	**6.168**
Provisions for litigation	**1.071**	**-942**	-129	-	-
Provisions for holidays not taken	**3.030**	-892	-2	574	**2,710**
Other provisions - EximAsig	**4.452**	-	0	189	**4.641**

Movements in the pension benefits provision:

Change of provision	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Opening balance	1.537	1.537	1.235	1.235
Opening balance - BROM Branch	3.401	n/a	n/a	n/a
Cost of interest	270	146	29	29
Cost of current service	311	52	74	74
Paid benefits	-887	-189	-48	-48
Actuarial (gains)/loss for the period	-110	252	247	247
Discounted amount of the obligation	**4.522**	**1.798**	**1.537**	**1.537**

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

	31-Dec-20	31-Dec-19
Discount rate	3,4%	4,8%
Future wage increases	1,5%	1,5%

In accordance with IAS 19 “Employee Benefits”, the Bank/Group has recognised in the financial position the liability with the long-term benefits of the employees. In assessing the net liability regarding the benefit plans, the Bank/Group complied with the following actuarial principles in the assessment of obligations:

- the actuarial assessment method must be the method of the projected credit units;
- benefits must be attributed to the period during which the employee earns these benefits;
- actuarial assumptions must be unbiased and mutually compatible.

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

27. Other liabilities

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Contributions to social insurance funds	5.610	2.634	1.287	1.193
Current corporation tax	3.179	3.179	-	-
Other liabilities to employees	3.215	-	258	-
Other sundry liabilities (note 28)	173.658	36.083	121.824	40.674
Other liabilities to the state budget	2.061	820	3.482	3.495
	187.723	**42.716**	**126.851**	**45.362**

28. Other sundry liabilities

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Technical reserves – total, of which:	**66.261**	**-**	**53.830**	**-**
Premium reserve	19.742	-	16.333	-
General insurance claim reserve	46.519	-	37.484	-
Other technical reserves related to the general insurance activity	-	-	13	-
Settlements on reinsurance-total operations, of which	**15.274**	**-**	**25.105**	**-**
Reinsurance operations ceded - loans	13.718	-	23.657	-
Reinsurance operations - guarantee insurance	1.514	-	1.388	-
Reinsurance operations ceded - others	42	-	60	-
Other total sundry debts, of which	**92.123**	**36.083**	**42.889**	**40.674**
Sundry creditors	9.451	2.154	2.746	1107
Currency adjustment accounts	14	4	-	-
Interbank settlements	14.787	8.657	7.736	7.736
Providers	6.085	1.161	1.517	1.470
Lease payables	61.786	24.107	30.890	30.361
	173.658	**36.083**	**121.824**	**40.674**

The part of the technical reserves given in reinsurance is presented in other assets (note 21). Changes in gross and net reserves during 2020 and 2019 are as follows:

	31-Dec-20	31-Dec-19	Net variation
Premium reserve	19.742	16.333	3.409
Claims reserve	46.519	37.484	8.967
Other technical reserves related to the general insurance activity	-	13	-13
Technical reserves - gross value	**66.261**	**53.830**	**12.363**
Premium reserve - the part ceded to the reinsurer	6.891	6.797	94
Claims reserve related to general insurance - the part ceded to the reinsurer	34.646	23.580	11.010
Total technical reserves ceded in reinsurance	**41.537**	**30.377**	**11.104**
Technical reserves - net value	**24.724**	**23.453**	**1.259**

29. Deferred income and cost acrruals

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Deferred income - mandate operations	-	-	10.254	10.254
Deferred income - guarantee/credit operations	17.612	17.612	12.762	12.762
Deferred income on insurance of guarantees	2.427	-	64	-
Cost accruals	7.772	1.239	674	674
	27.811	**18.851**	**23.754**	**23.690**

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-20	31-Dec-19
Nominal share capital, registered with the Trade Registry	800.760	800.760
Adjustment of share capital to hyperinflation (IAS 29)	900.714	900.714
Total share capital	**1.701.474**	**1.701.474**

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

During 2020 and 2019 the Bank's share capital was not changed. There have been no changes in the shareholders structure.

Shareholder's name	Number of shares as at 31 December 2020	Value	Number of shares as at 31 December 2019	Value
Ministry of Public Finance	127.286.457	763.720	127.286.457	763.720
SIF Banat Crisana	414.740	2.488	414.740	2.488
SIF Moldova	414.740	2.488	414.740	2.488
SIF Transylvania	414.740	2.488	414.740	2.488
SIF Muntenia	564.870	3.389	564.870	3.389
SIF Oltenia	4.364.430	26.187	4.364.430	26.187
Total	**133.459.977**	**800.760**	**133.459.977**	**800.760**

The Bank's authorized, subscribed and paid-up capital at 31 December 2020 is 133,459,977 shares, with a nominal value of RON 6 (31 December 2019: 133,459,977 shares with a nominal value of RON 6). All issued shares are paid in full and entitle to one vote each.

The structure of the share capital at 31 December 2020 and 31 December 2019 is as follows:

	31-Dec-20	31-Dec-19
Ministry of Public Finance	95.374%	95.374%
SIF Oltenia	3.270%	3.270%
SIF Muntenia	0.423%	0.423%
SIF Moldova	0.311%	0.311%
SIF Transilvania	0.311%	0.311%
SIF Banat Crișana	0.311%	0.311%
	100%	**100%**

31. Dividends

During 2020 and 2019, the Bank did not pay dividends.

32. Retained earnings

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Undistributed retained earnings	367.161	15.251	27.434	26.867
Retained earnings application of IAS 29	-900.714	-900.714	-900.714	-900.714
Reserves (note 33)	339.261	339.072	311.595	311.429
	-194.292	**-546.391**	**-561.685**	**-562.418**

The undistributed retained earnings comprises 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.

33. Reserves

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Legal reserve	66.051	65.862	65.046	64.880
Reserves for bank risks	22.896	22.896	22.896	22.896
Reserves representing own sources of financing	250.314	250.314	223.653	223.653
	339.261	**339.072**	**311.595**	**311.429**

Legal reserves are constituted within 5% of the profit determined before the deduction of corporation tax.

General reserves for bank risks include reserves established until the end of 2006, at the rates and limits stipulated by law.

Reserves representing own sources of financing are made up of net profit, according to the decision of the General Meeting of Shareholders.

These financial statements include the allocation of the accounting profit of 2020 to the legal reserve in the amount of 982 thousand RON (Group/Bank), constituted within the limit of 5% of the gross profit (2019: Bank/ Group 1.664 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:

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
January 1	26.195	26.195	25.661	25.661
Revaluation surplus	-	-	636	636
Deferred tax surplus revaluation	-	-	-102	-102
December 31	**26.195**	**26.195**	**26.195**	**26.195**

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

34. Other comprehensive income

The position of other comprehensive income registers an increase during 2020, i.e. 38,483 thousand RON for the Bank and 47,819 thousand RON for the Group (in 2019, at Group/Bank level: 12,409 thousand RON), the impact being recognized in equity.

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
January 1	**-4.017**	**-4.017**	**-14.432**	**-14.432**
On 1 January, BROM	1.113	n/a	n/a	n/a
Net gains/(loss)	47.820	38.484	12.409	12.409
Deferred tax	-6.139	-6.139	-1.994	-1.994
December 31	**38.777**	**28.328**	**-4.017**	**-4.017**

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:

	31 Dec 20		31 Dec 19	
	Group	Bank	Group	Bank
Guarantee letters issued to customers	1.280.289	1.142.956	893.735	893.735
Guarantee letters issued to banks	34.061	34.061	33.894	33.894
Unused guarantee commitments	896.067	875.753	582.457	582.457
Letters of credit	64.176	64.176	8.543	8.543
Unused lending commitments	2.333.393	1.989.565	1.742.941	1.742.941
	4.607.986	**4.106.511**	**3.261.570**	**3.261.570**

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),
- 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.

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 derives from the exposures assumed by the Group/Bank, as a debtor's failure to fulfil its contractual obligations may impair profits and capital. The Bank/Group's credit risk policy is to maintain a good asset quality, by properly selecting counterparties and structuring transactions. To effectively manage credit risk, the Group/Bank has established credit criteria, exposure limits and levels of competence for approving transactions. Credit risk also includes residual risk – the risk that the techniques used to mitigate credit risk prove less effective than the respective forecasts the country risk and transfer risk, the risk of credit concentration, the country/transfer risk and the settlement/delivery risk.

When granting facilities and loans, the Bank/Group faces a credit risk, i.e. the risk of non-payment of debts. It affects both balance sheet and off-balance-sheet positions. The concentration of risk related to lending activity could result in a significant loss for the Bank/Group if, for example, a change in economic conditions affected the entire industry or the whole country. A relevant analysis is included in note 37. The Bank/Group minimizes the risk associated with lending activity by carefully assessing and monitoring credit exposures, setting exposure limits and applying a prudent provisioning policy, when the risk of a likely loss to the Bank/Group is expected. Loans are guaranteed by collateral and other types of guarantees. The Group/Bank's exposure to credit risk by industry is set out in Note 17.

Through exposure replacement operations, the characteristics of loans related to value, maturities, credit rates, duration, grace period, period of use, etc. may change by mutual agreement between the bank and customer.
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 in the case of an exposure which can change the maturity and/or payment amount of one or more loan instalments in the balance, whether or not the initial duration of the credit granting period is exceeded, but without an increase in the amount of principal existing at the time of the transaction. It is also the operation by which the term of use of the loan is changed, with the change in the repayment schedule.

Refinancing is the operation of replacing the exposure by which a new loan can be granted or the amount of a credit for repayment of outstanding loan(s), current or outstanding amounts (except interest and penalties) may be increased.

b) Liquidity risk

Liquidity risk is associated either with the difficulties that the Group/Bank has in raising the funds necessary to meet its commitments, or with the inability of the Group/Bank to sell a financial asset in a timely manner at a rate as close to its fair value as possible.

The Bank/Group's liquidity policy is to maintain sufficient liquidity reserves to meet its due obligations. The total value of assets and liabilities at 31 December 2020 and 31 December 2019, analyzed according to the period remaining until maturity is included in Note 38.

c) Market risk

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

To manage market risk, the Bank/Group has set trading limits based on the eligibility of the counterparty, but also on the types of instruments that can be traded.

The debt instruments that the Bank/Group acquires in its portfolios are mainly represented by instruments issued by the central administration (Ministry of Public Finance) denominated in RON or in euro. As types of instruments the Bank/Group owns discount government bonds, coupon treasury bonds, and as an exception, a few bonds issued by other credit institutions and municipalities, which were purchased in previous years.

▪ Interest rate risk

The Group/Bank is exposed to various risks as a result of fluctuations in the main levels of interest on the market influencing financial position and cash flows.

The interest rate may fluctuate, generating volatility in the Bank/Group's equity. The management of the Group/Bank sets limits on possible changes in the interest rate, which is monitored on a daily basis.

The value of total assets and liabilities as at 31 December 2020 and 31 December 2019 analysed over relevant periods of change in interest rates are included in Note 39b.

▪ Currency risk

The Bank/Group operates in a developing economy. Although in the past Romania has experienced high inflation rates and a significant depreciation of the national currency, today the economic environment is considered stable.

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.

d) Operational risk

Operational risk is the risk of loss resulting from system failure, human error, fraud or external events. When the control systems does not work, operational risks may lead to reputational damage, may have legal or regulatory implications or lead to financial losses.

The Bank/Group cannot expect to eliminate all operational risks, but strives to manage them through a framework of control systems and by monitoring or addressing potential risks. Control systems include effective segregation of duties, access, authorisation and reconciliation procedures, staff training and evaluation processes, including the use of internal audit, etc. In the administration of operational risk, the periodic/annual risk assessment process and related controls are used as tools, key operational risk indicators, operational risk event base, plans for remedy and preventive measures.

e) Tax risks

The Romanian tax legislation contains detailed and complex rules, which have undergone several changes in recent years. The interpretation of the law and the practical procedures for implementing the tax legislation could vary, there is a risk that certain transactions, for example, to be interpreted differently by the tax authorities compared to the treatment of Bank/Group.

In addition, the recent switch to IFRS 9 of Romanian banks generates additional tax implications, which are not yet fully clarified in the legislation and could generate potential tax risks, for example as regards the deductibility of adjustments for expected losses and the fiscal impact of the effect of the adoption recognised in retained earnings.

The Romanian government has a number of agencies authorized to carry out the control of companies operating on the territory of Romania. These controls are similar to tax audits in other countries and can cover not only tax issues, but also other legal and regulatory aspects that are of interest to these agencies. The Bank is likely to continue to be subject to controls 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 due on a transaction may be insignificant, penalties can be important because they can be calculated based on the value of the transaction plus: interest of 0.02%, and delay penalties of 0.01%, for each day of delay. The last verification carried out by the Romanian tax authorities covered the periods up to 31 December 2007.

f) Risks related to insurance activity

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 EximBank;
- 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.

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. ExímAsig 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/ Rate of net reinsurance claim rate	31-Dec-20	31-Dec-19
Accident insurance	0,00%	0,00%
Insurance of goods in transit	0,00%	0,00%
Fire insurance and other natural disasters	9,93%	10,10%
Building and property insurance (other insurance)	0,00%	0,00%
Third-party civil liability insurance	51,41%	0,00%
Credit insurance	1.598,83%	214,90%
Guarantee insurance	0,00%	0,00%
Financial loss insurance	0,00%	0,00%

The claim rate net of reinsurance has been calculated for the financial year 2020. The high claim rate for credit insurance was generated by a underwritten risk in 2016, on which the insurance company recorded significant exposure.

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

Class	31-Dec-2020 Insured amounts	31-Dec-2019 Insured amounts
Accident insurance	792.440	3.094
Insurance of goods in transit	-	-
Fire insurance and other natural disasters	7.240.159	4.744.837
Building and property insurance (other insurance)	19.478	-
Third-party civil liability	312.754	379.564
Credit insurance	-	23.100
Guarantee insurance	1.061.381	1.001.502
Financial loss insurance	487	287
Total	**9.426.699**	**6.152.383**

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

Premium reserve for insurances for	31 December 2020			31 December 2019		
	Gross	Reinsurance ceded	Net	Gross	Reinsurance ceded	Net
Accidents	50	-	50	4	-	4
Goods in transit	4	-	4			
Fire and natural disasters	4.260	-	4.260	2.836	-	2.836
Buildings and goods (other insurance)	236	-	236			
Third-party civil liability	1.010	368	642	610	152	458
Credits	-	-	-	47	29	18
Guarantees	14.135	6.523	7.612	12.838	6.617	6.221
Financial losses	47	-	47	-	-	-
Total	**19.742**	**6.891**	**12.851**	**16.335**	**6.798**	**9.537**

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

	31 December 2020			31 December 2019		
Reported claim reserve for insurances for	Gross	Reinsurance ceded	Net	Gross	Reinsurance ceded	Net
Accidents	29	29	-	99	99	-
Fire and natural disasters	407	-	407	118	-	118
Third-party civil liability	9.975	7.076	-	9.508	6.829	2.679
Credits	28.044	23.460	4.584	13.566	11.564	2.002
Guarantees	6.889	3.855	3.034	11.043	3.410	7.633
Total	**45.344**	**34.420**	**10.924**	**34.334**	**21.902**	**12.432**

Unreported claim reserve for insurances for	Gross	Reinsurance ceded	Net	Gross	Cedat	Net
Third-party civil liability	430	226	204	460	243	217
Credit insurance	-	-	-	-	-	-
Guarantees	745	-	-	149	-	149
Total	**1.175**	**226**	**949**	**609**	**243**	**366**

Other technical reserves for general insurance activity:	Gross	Reinsurance ceded	Net	Gross	Reinsurance ceded	Net
Credit insurance	-	-	-	13	-	13
Total	**-**	**-**	**-**	**13**	**-**	**13**

Underwriting risk

In the underwriting activity, the insurance company assumes the risk of incurring damages related to the insurance premium, a risk caused by the inadequate setting of premium tariffs for all risks taken into insurance by the Company and by the inadequate determination of technical reserves compared to the obligations assumed. Concentration of technical risk could result in significant losses to the Company if an event or series of events affected a whole type of policy. The company reduces the technical risk through careful customer evaluation, well-established exposure limits, reinsurance programs and the application of a prudent policy for the establishment of reported and unreported claim technical reserves.
The risks of natural disaster results from the degree of vulnerability calculated at the level of all insured objects within the Company's portfolio, which can be damaged and/or destroyed in the event of an earthquake, flood and landslide event, including unlimited buildings and content belonging to natural and legal persons, losses from interruption of the activity of economic agents, electronic goods, buildings during construction, machinery and construction machinery, etc.
Within the Company, procedures have been developed to collect the information necessary to model the risk of natural disasters: location of the risk, construction year of the building, structural elements. Monthly data verification and control (individual, commercial and industrial risks) is carried out by the functions responsible for portfolio management with exposure to risks of natural disaster.
The Company calculates quarterly the gross and net exposure of the Company to the risks of natural disasters. The elements to be used are: policies that cover risks of natural disasters, the amount insured and the maximum possible damage. The result obtained is checked with the current reinsurance protection capacity.

Evolution of claim history

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 at 31 December 2020 (year 9) and 31 December 2019 (year 8)

Loans and Guarantees - Cumulative Damage

Year of accident	Year of development									
	0	1	2	3	4	5	6	7	8	9
2011	38	43	43	43	43	43	43	43	43	43
2012	197	7.064	4.822	4.822	1.817	153	153	153	153	-
2013	6.198	4.320	4.320	4.320	4.721	6.079	6.364	6.388	-	-
2014	19.684	16.785	16.785	18.278	18.581	3.224	3.208	-	-	-
2015	12	1.731	1.731	12	12	12	-	-	-	-
2016	3.416	4.941	6.125	5.764	5.745	-	-	-	-	-
2017	1.628	1.826	3.000	3.093	-	-	-	-	-	-
2018	2.282	2.282	2.282	-	-	-	-	-	-	-
2019	261	155	-	-	-	-	-	-	-	-
2020	2.617	-	-	-	-	-	-	-	-	-

Buildings and goods - Cumulative damage

Year of accident	Year of development									
	0	1	2	3	4	5	6	7	8	9
2011	-	-	-	-	-	-	-	-	-	-
2012	17	18	18	18	18	18	18	18	18	-
2013	11	5	5	5	5	5	5	5	-	-
2014	274	251	87	87	87	87	87	-	-	-
2015	150	100	54	54	54	54	-	-	-	-
2016	703	66	46	46	46	-	-	-	-	-
2017	213	44	44	44	-	-	-	-	-	-
2018	20	39	39	-	-	-	-	-	-	-
2019	301	200	-	-	-	-	-	-	-	-
2020	470	-	-	-	-	-	-	-	-	-

Civil Liability - Cumulative Damage

Year of accident	Year of development									
	0	1	2	3	4	5	6	7	8	9
2011	-	-	-	-	-	-	-	-	-	-
2012	49	49	-	-	-	-	-	-	-	-
2013	7	3.920	4.707	4.709	6.654	5.564	4.145	3.619	-	-
2014	1.008	1.995	1.930	7.306	7.072	7.409	8.630	-	-	-
2015	82	319	1.694	1.735	1.548	1.643	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	4	4	4	4	-	-	-	-	-	-
2018	13	20	20	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2020	3	-	-	-	-	-	-	-	-	-

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

Liability adequacy test ("LAT")

The liability adequacy test is performed to assess whether liabilities arising from insurance contracts are adequate, using current estimates of future cash flows related to insurance contracts. If this valuation shows that the book value of insurance liabilities minus deferred acquisition costs is inadequate in light of estimates of future cash flows, the entire difference must be recognized in profit or loss.

The adequacy test for technical reserves is carried out annually, on the balance sheet date. The adequacy test for technical reserves of unexpired risks follows the following steps:

- The historical final claim rate for each business line is estimated, adjusted for the final recovery rate; since the unexpired risks come from different years of underwriting for the business line loans and guarantees, the estimated historical final claim rate is a good indicator of future cash flows from damages and expenses with the investigation and liquidation allocated on a file basis related to unexpired risks;
- Add an expense rate including commissions and administrative expenses; acquisition expenses already incurred are excluded because they will not produce future cash flows.

If an insufficiency is obtained, the balance of acquisition expenses carried forward with the observed deficiency will be reduced; if the balance of the carried-forward acquisition expenses is not sufficient, an additional reserve is created.

At 31 December 2020, the liability adequacy test showed a sufficiency of 3,262 thousand RON (31 December 2019 deficiency of 294 thousand RON).

The liability adequacy calculation at 31 December 2019 and 31 December 2018, respectively, as shown in the tables below, also took into account the estimated recovery rate:

	31 December 2020								
Insurance class	**Premium reserve**	**Acquisition expenses carried forward**	**Claim rate**	**Estimated damage**	**Recovery**	**Estimated recoveries**	**Rate of administrative expenditure**	**Estimated expenses**	**Sufficient/ (deficiency) at 31/12/2019**
	a	b	c	d=a*c	e	f=d*e	g	h=a*g	i=a-b-(d-f+h)
Accidents of persons	50	8	15,0%	7	0,0%	-	47.0%	23	11
Cargo	4	1	0,0%	-	0,0%	-	47.0%	2	1
Buildings and goods (calamities)	4.260	800	3,2%	138	1,9%	3	47.0%	2.002	1.322
Buildings and goods (other insurance)	236	11	3,2%	8	1,9%	-	47.0%	111	106
Civil liability	1.010	208	12,3%	124	5,2%	6	47.0%	475	209
Credits	-	-	50,0%	-	0,0%	-	47.0%	-	-
Warranties	14.136	3.153	29,0%	4.106	33,2%	1365	47.0%	6.644	1.598
Financial losses	47	11	0,0%	-	0,0%	-	47.0%	22	15
Total	**19.743**	**4.192**	**33,2%**	**4.383**	**26,1%**	**1.374**	**47.0%**	**9.279**	**3.262**

	31 December 2019								
Insurance class	**Premium reserve**	**Acquisition expenses carried forward**	**Claim rate**	**Estimated damage**	**Recovery**	**Estimated recoveries**	**Rate of administrative expenditure**	**Estimated expenses**	**Sufficient/ (deficiency) at 31/12/2019**
	a	b	c	d=a*c	e	f=d*e	g	h=a*g	i=a-b-(d-f+h)
Accidents of persons	4	1	0.0%	-	0,0%	-	55%	2	1
Buildings and goods	2.835	585	2.5%	70	2.2%	2	55%	1.560	621
Civil liability	609	176	15.9%	97	2.9%	3	55%	335	4
Credits	47	11	50%	24	0.0%	-	55%	26	-13
Warranties	12.838	2.854	40.8%	5.240	27.0%	1.415	55%	7.066	-907
Financial losses	-	-	0.0%	-	0.0%	-	55%	-	-
Total	**16.333**	**3.627**	**33.2%**	**5.431**	**26.1%**	**1.420**	**55.0%**	**8.990**	**-294**

The rate of administrative expenditure decreased from 55% in 2019 to 47% in 2020 as a result of the increase in the volume of gross written premiums.

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 1 January 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).

At 31 December 2020, the status is presented in the table below:

31.12.2020 Group	Total exposure	Maximum exposure to credit risk	Fair value of the guarantees held					
			Collateral deposits	Securities	Guarantees received from the State	Other financial guarantees	Mortgages	Others
Cash	**181.344**	-	-	-	-	-	-	-
Accounts at the National Bank of Romania	**1.162.804**	1.162.804	-	-	-	-	-	-
Due from credit institutions	**2.040.558**	2.040.558	-	-	-	-	-	-
Derivatives	**22.039**	22.039	-	-	-	-	-	-
Debt securities held for trading	**386.317**	386.317	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income, of which:	**2.694.143**	2.691.892	-	-	-	-	-	-
- investments in capital	**2.251**	-	-	-	-	-	-	-
- debt securities	**2.691.892**	2.691.892	-	-	-	-	-	-
Debt securities at amortized cost	**1.168.866**	1.168.866	-	-	-	-	-	-
Loans, net	**9.724.583**	**10.141.419**	**93.251**	-	**2.059.749**	**417.866**	**4.919.606**	**5.738.667**
Loans at gross value	**10.141.419**	10.141.419	93.251	-	1,853,069	211,714	2,216,781	5,427,256
Adjustments for credit impairment	**-416,836**	-416.836	-	-	-	-	-	-

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

31.12.2020 Group	Total exposure	Maximum exposure to credit risk	Fair value of the guarantees held					
			Collateral deposits	Securities	Guarantees received from the State	Other financial guarantees	Mortgages	Others
Tangible assets, net	**128,977**	-	-	-	-	-	-	-
Intangible assets, net	**51,785**	-	-	-	-	-	-	-
Investment properties	**42.365**	-	-	-	-	-	-	-
Other assets	**143.414**	76.730	-	-	-	-	-	-
Total assets	**17.747.195**	**10.295.100**	**45,400**	**-**	**1,853,069**	**211,714**	**2,216,781**	**5,427,256**
Contingent commitments and liabilities:	**4.607.986**	4.607.986	120.913	-	915.658	67.841	137.217	778.563
Letters of credit	**64.176**	64.176	3.538	-	13.406	7.938	197	16.067
Lending commitments	**2.333.393**	2.333.393	446	-	13.663	-	10.276	112.659
Guarantee commitments and guarantee letters issued	**2.210.417**	2.210.417	116.929	-	888.589	59.903	126.744	807.484
Total	**22.355.181**	**14,903,086**	**166,313**	**-**	**2,768,727**	**279,555**	**2,353,998**	**6,205,819**

At 31 December 2019, the status is presented in the table below:

31.12.2019 Group	Total exposure	Maximum exposure to credit risk	Fair value of the guarantees held					
			Collateral deposits	Securities	Guarantees received from the State	Other financial guarantees	Mortgages	Others
Cash	**395**	-	-	-	-	-	-	-
Accounts at the National Bank of Romania	**686.127**		-	-	-	-	-	-
Due from credit institutions	**898.188**	898.188	-	-	-	-	-	-
Derivatives	**3.025**	3.025	-	-	-	-	-	-
Debt securities held for trading	**110.819**	110.819	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income, of which:	**1.529.215**	1.529.215	-	-	-	-	-	-
- investments in capital instruments	**1.348**	1.348	-	-	-	-	-	-
- debt securities	**1.527.867**	1.527.867	-	-	-	-	-	-
Debt securities at amortized cost	**552.415**	552.415	-	-	-	-	-	-
Loans, net	**3.855.497**	**4.002.440**	**32.688**	**-**	**921.036**	**210.047**	**1.734.640**	**4.602.365**
Loans at gross value	**4.002.440**	4.002.440	32.688	-	921.036	210.047	1.734.640	4.602.365
Adjustments for credit impairment	**-146.943**	-	-	-	-	-	-	-
Tangible assets, net	**48.747**	-	-	-	-	-	-	-
Intangible assets, net	**5.808**	-	-	-	-	-	-	-
Investment properties	**42.176**	-	-	-	-	-	-	-
Other assets	**100.369**	92.255	-	-	-	-	-	-
Deferred tax receivables	**57**	-	-	-	-	-	-	-
Total assets	**7.832.838**	**7,188,357**	**32.688**	**-**	**921.036**	**210.047**	**1.734.640**	**4.602.365**
Contingent commitments and liabilities:	**3.261.569**	3.261.569	31.409	-	681.204	50.453	143.612	701.187
Letters of credit	**8.543**	8.543	85	-	1.218	-	4.041	10.889
Lending commitments	**1.742.941**	1.742.941	216	-	5.685	-	18.769	128.032
Guarantee commitments and guarantee letters issued	**1.510.085**	1.510.085	31.108	-	674.301	50.453	120.802	562.266
Total	**11.094.407**	**10,449,926**	**64.097**	**-**	**1.602.240**	**260.500**	**1.878.252**	**5.303.552**

At 31 December 2020, the situation is presented in the table below:

31.12.2020 Bank	Total exposure	Maximum exposure to credit risk	Fair value of the guarantees held					
			Collateral deposits	Securities	Guarantees received from the State	Other financial guarantees	Mortgages	Others
Cash	**362**	-	-	-	-	-	-	-
Accounts at the National Bank of Romania	**882.336**	-	-	-	-	-	-	-
Due from credit institutions	**1.617.170**	1.617.170	-	-	-	-	-	-
Derivatives	**20.604**	20.604	-	-	-	-	-	-
Debt securities held for trading	**386.317**	386.317	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income, of which:	**2.142.166**	2,140,820	-	-	-	-	-	-
- investments in capital instruments	**1.346**	-	-	-	-	-	-	-
- debt securities	**2.140.820**	2.140.820	-	-	-	-	-	-
Debt securities at amortized cost	**611.568**	611.568	-	-	-	-	-	-
Loans, net	**5.398.592**	**5,398,592**	**45.400**	**-**	**1.853.069**	**211.714**	**2.216.781**	**5.427.256**
Loans at gross value	**5.582.788**	5.582.788	45.400	-	1.853.069	211.714	2.216.781	5.427.256
Adjustments for credit impairment	**-184.196**	-184.196	-	-	-	-	-	-
Subordinated loans	**316.466**	316.466	-	-	-	-	-	-
Investments in subsidiaries	**317.822**	-	-	-	-	-	-	-
Tangible assets, net	**38.790**	-	-	-	-	-	-	-
Intangible assets, net	**3.432**	-	-	-	-	-	-	-
Investment properties	**42.365**	-	-	-	-	-	-	-
Other assets	17.435	8.828	-	-	-	-	-	-
Total assets	**11.795.425**	**10,500,365**	**45.400**	**-**	**1.853.069**	**211.714**	**2.216.781**	**5.427.256**
Contingent commitments and liabilities:	**4.106.511**	**4,106,511**	**120,913**	**-**	**915,658**	**67,841**	**137,217**	**778,563**
Letters of credit	**64.176**	64.176	3.538	-	13,406	7.938	197	16.067
Lending commitments	**1.989.565**	1.989.565	446	-	13.663	-	10.276	112.659
Guarantee commitments and guarantee letters issued	**2.052.770**	2.052.770	116.929	-	888.589	59.903	126.744	649.837
Total	**15.901.936**	**14.606.876**	**166.313**	**-**	**2.768.727**	**279.555**	**2.353.998**	**6.205.819**

At 31 December 2019, the status is presented in the table below:

31.12.2019 Bank	Total exposure	Maximum exposure to credit risk	Fair value of the guarantees held					
			Collateral deposits	Securities	Guarantees received from the State	Other financial guarantees	Mortgages	Others
Cash	**394**	-	-	-	-	-	-	-
Accounts at the National Bank of Romania	**686.127**	-	-	-	-	-	-	-
Due from credit institutions	**869.172**	869.172	-	-	-	-	-	-
Derivatives	**3.025**	3.025	-	-	-	-	-	-
Debt securities held for trading	**110.819**	110.819	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income, of which:	**1.529.215**	1.529.867	-	-	-	-	-	-
- investments in capital instruments	**1.348**	1,348	-	-	-	-	-	-
- debt securities	**1.527.867**	1.527.867	-	-	-	-	-	-
Debt securities at amortized cost	**512.116**	512.116	-	-	-	-	-	-
Loans, net	**3.855.497**	**4.002.440**	**32.688**	**-**	**921.036**	**210.047**	**1.734.640**	**4.602.365**

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

31.12.2019 Bank	Total exposure	Maximum exposure to credit risk	Fair value of the guarantees held					
			Collateral deposits	Securities	Guarantees received from the State	Other financial guarantees	Mortgages	Others
Loans at gross value	**4.002.440**	4.002.440	32.688	-	921.036	210.047	1.734.640	4.602.365
Adjustments for credit impairment	**-146.943**	-	-	-	-	-	-	-
Investments in subsidiaries	**34.046**	-	-	-	-	-	-	-
Tangible assets, net	**47.839**	-	-	-	-	-	-	-
Intangible assets, net	**5.497**	-	-	-	-	-	-	-
Investment properties	**42.176**	-	-	-	-	-	-	-
Other assets	**50.211**	42.097	-	-	-	-	-	-
Deferred tax receivables	**57**	-	-	-	-	-	-	-
Total assets	**7.746.191**	**7,068,884**	**32.688**	**-**	**921.036**	**210.047**	**1.734.640**	**4.602.365**
Contingent commitments and liabilities:	**3.261.569**	3.261.569	31.409	-	681.204	50.453	143.612	701.187
Letters of credit	**8.543**	8.543	85	-	1.218	-	4.041	10.889
Lending commitments	**1.742.941**	1.742.941	216	-	5.685	-	18.769	128.032
Guarantee commitments and guarantee letters issued	**1.510.085**	1.510.085	31.108	-	674.301	50.453	120.802	562.266
Total	**11.007.760**	**10.330.453**	**64.097**	**-**	**1.602.240**	**260.500**	**1.878.252**	**5.303.552**

The amount and type of guarantees required depend on the assessment of the counterparty's credit risk. Regulations on the maximum acceptability of guarantee types are implemented. The evaluation of the assets proposed in the guarantee is carried out by ANEVAR authorized valuation companies approved by the Group/Bank and notified to the National Bank of Romania, and all valuation reports are verified by the internal valuers of the Group/Bank.

The Bank/Group monitors the market value of the guarantees, the valuation parameters and requests additional guarantees, according to the basic contract, to ensure that the guarantee covers the entire exposure to the Group/ Bank's credit risk.

A customer's ability to repay is the most relevant indicator of credit risk associated with loans granted. At the same time, collateral provide additional protection for the Bank/Group, and various guarantees are required: real movable guarantees, immovable guarantees, financial guarantees.

As at 31 December 2020, the value of Stage 3 impaired loans at Group/Bank level is 462,376 thousand RON/163,696 thousand RON covered by guarantees in amount of 254,340 thousand RON/55,721 thousand RON (as of 31 December 2019 the impaired loans at the level of the Group and the Bank were in amount of 228.901 thousand RON covered by guarantees in amount of 126,394 thousand RON). The amount of collateral is limited to the amortized cost of the loan. Exposure of the balance sheet position to credit risk, both for the Group and for the Bank, representing loans and advances granted to customers (note 17) is classified by risk categories as follows. Stage 3 loans include originated and impaired loans.

Group	Loans to customers - 2020				Loans to customers - 2019			
Risk category	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
A	2.269.884	22.391	1.349	2.293.624	1.403.915	2.272	-	1.406.187
B	1.753.061	143.515	2.248	1.898.824	1.245.031	136.201	29.122	1.410.354
C	1.045.733	469.818	42.457	1.558.008	478.352	183.281	41.408	703.041
D	5.520	551.199	29.404	586.123	98.683	141.325	96.706	336.714
E	1.869	4.395	148.159	154.423	1.044	-	61.665	62.709
No rating *	48.149	-	-	48.149	83.435	-	-	83.435
Legal entities	**5.124.216**	**1.191.318**	**223.617**	**6.539.151**	**3.310.460**	**463.079**	**228.901**	**4.002.440**
Individuals	**2.937.067**	**426.439**	**238.761**	**3.602.267**	**-**	**-**	**-**	**-**
Total	**8.061.283**	**1.617.757**	**462.378**	**10.141.418**	**3.310.460**	**463.079**	**228.901**	**4.002.440**

Bank	Loans to customers - 2020				Loans to customers - 2019			
Risk category	**Stadiul 1**	**Stadiul 2**	Stadiul 3	Total	**Stadiul 1**	**Stadiul 2**	Stadiul 3	Total
A	2.088.114	17.171	-	2.105.285	1.403.915	2.272	-	1.406.187
B	1.362.672	114.519	1.055	1.478.246	1.245.031	136.201	29.122	1.410.354
C	783.852	463.172	39.874	1.286.898	478.352	183.281	41.408	703.041
D	5.520	531.996	15.239	552.755	98.683	141.325	96.706	336.714
E	1.869	2.057	107.529	111.455	1.044	-	61.665	62.709
No rating *	48.149	0	0	48.149	83.435	-	-	83.435
Legal entities	**4.290.176**	**1.128.915**	**163.697**	**5.582.788**	**3.310.460**	**463.079**	**228.901**	**4.002.440**
Individuals	-	-	-	-	-	-	-	-
Total	**4.290.176**	**1.128.915**	**163.697**	**5.582.788**	**3.310.460**	**463.079**	**228.901**	**4.002.440**

*) 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.

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 equal to the lower between the residual maturity of exposure expressed in the number of months and one year, and in the case of credit lines, ceilings and factoring agreements it is calculated over a one-year horizon, regardless of contractual maturity;

- **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 credit lines, ceilings and factoring agreements 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 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 exited Stage 3 in one of the previous 3 months.

- **Stage 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;
- **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, 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.

Allocation of financial assets representing loans and advances granted to private customers through subsidiary Banca Romaneasca 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:

- number of days pasy due at customer level is more than 90 days (payment delay of more than 90 days is considered for any of the customer's obligations to the bank, without the application of a materiality threshold) or legal proceedings have been initiated against the customer, 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 EximBank;
    - 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 EximBank;
  - 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 EximBank exposed itself to the 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.

For all Stage 3 exposures (non-performing exposures), the Bank/Group determines expected losses based on individual exposure analysis/assessment, and for Stages 1 and 2 the Bank/Group determines expected losses on the basis of collective analysis/assessment (by grouping financial instruments with similar credit risk characteristics).

The Bank/Group applies identical criteria for classifying exposures into non-performing exposures, default exposures and impaired exposures (Stage 3).

Impaired exposures on initial recognition (depreciated originated exposures) are classified as Stage 3, a category that maintains throughout the lifetime of exposures. Expected loss adjustments are determined on the basis of an individual analysis, at amounts equal to the expected losses for the lifetime of these exposures. For these assets, on each reporting date, the amount of the change in expected lifetime credit losses as a gain or loss from impairment is recognized in profit or loss.

The PD model used takes into account the structure and specificity of the Bank/Group portfolio (historical horizon and number of clients with relatively limited exposure, low number of defaults). The model involves dividing the portfolio of exposures into homogeneous segments, so that there are sufficient cases of clients with exposure and default events for a realistic estimate of the PD.

EximBank has segmented its portfolio of customers in order to determine the expected losses as follows:

- non-financial corporations;
- non-banking financial institutions ("IFNs");
- local public authorities and regional administrations ("APL");
- factoring, regardless of the type of assigned debtor/import factor, taking into account the specifics of the product.

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) have been recorded in the EximBank 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 loff 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 2020, the methodology for recognizing impairment adjustments under IFRS 9 was reviewed to predict the negative economic effects of the COVID-19 pandemic on the quality of the loan portfolio.

The forward looking element of the model is the forecast of GDP growth for the next 3 years. The values of the risk parameters used in the calculation of the expected credit losses for 2020 take into account, in a prudent manner, only the values forecasted by the European Commission (whose GDP growth estimates are the lowest) as a base scenario, with a 50% share. In 2019, the base scenario was the average of the values forecasted by the European Commission, the IMF and the World Bank, and the share of the scenario was 45%.

The pessimistic scenario considered a negative deviation from the above base scenario by 80% (2019: 50%) and with a weight of 45% (2019: 40%), and the optimistic scenario includes a positive deviation from the above base scenario by 10% and a share of 5% (2019: 15%), obtaining the following values for each year:

Year	Final value	GDP evolution forecast		
		Scenarios		
		Base (EC forecast)	Pessimistic (Base - 80% decrease)	Optimistic (Base - 10% increase)
		50%	45%	5%
2021	2,13%	3,30%	0,66%	3,63%
2022	2,45%	3,80%	0,76%	4,18%
2023	2,45%	3,80%	0,76%	4,18%

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

Given the pandemic and the moratoriums granted, the Group included in the calculation of the expected credit losses, a 15% increase in the marginal default rate for loans in Stage 2 at 31 December 2020, pro rata with the weight of the balance of loans of clients with payment deferrals in the total loans registered at 30.11.2020. This assumption is based on the similar evolution of payment deferrals registered at the level of the banking system.

EximBank determined the amount of the default rate including information until 31.03.2020 (Banca Romaneasca until 30.06.2020). The period during which the moratoriums were granted was not taken into account.

With regard to exposures for which there were no defaults (non-banking financial institutions, local public authorities and factoring without recourse), the bank considers the minimum levels of the risk parameters, as per EU Regulation 575/2013.

Forborne loans

At the end of 2020, the Group registers gross loans forborne in amount of 315,759 thousand RON (162,427 thousand RON at 31 December 2019), the criteria for classification and maintenance in the category of forborne loans being in accordance with the definitions of the European Banking Authority, and NBR Order 9/2017.

Forborne loans	Gross value	Adjustments	Net value
2020 – Group	315.759	-162.018	153.741
2020 – Bank	144.138	-75.683	68.455
2019 - Group/Bank	162.427	-63.932	98.495

In 2020, the Bank recognized loans in amount of 42,787 thousand RON (Group: 135,921 thousand RON).
The Bank/Group did not proceed to write off the loans in 2019

	Group	Bank	Group/Bank
Exposures still watched off-balance sheet	31-Dec-20	31-Dec-20	31-Dec-19
Total off-balance sheet exposures	566.962	185.200	140.071

Measures implemented in 2020 to support clients in the context of the COVID pandemic

At the end of the first quarter of 2020, the global COVID-19 pandemic started, which had a global and national impact on the banking economy and financial industry, causing disruptions to business and economic activities. On 11 March 2020, the World Health Organization declared the coronavirus epidemic a pandemic, and the President of Romania declared a state of emergency on 16 March 2020. The Group/Bank considers the pandemic to be an unadjustable event at the balance sheet date.

MORATORIUMS

In order to support customers whose financial situation has been affected by the Covid-19 pandemic and to limit the negative effects of the health crisis on the loan portfolios, the Bank offered the possibility to postpone the repayment of instalments due both by the application of the legislative moratorium, on the basis of GEO 37/2020, and by the implementation of non-legislative moratoriums in accordance with the provisions of EBA Guide 02/2020 on legislative and non-legislative moratoriums applied to the payment of loans in the context of the COVID crisis:

LEGISLATIVE MORATORIUM APPLIED BY EXIMBANK AND BANCA ROMÂNEASCĂ FOR LEGAL PERSONS (GEO 37/2020)

Enrollment period: April 2020 - 15 June 2020

Conditions:
- without days past due on the date of submission of the application, a maximum period of suspension of payments 31 December 2020 for legal person clients, they may request suspension only for principal, interest or commissions until the suspension of the entire instalment due;
- capitalisation of the suspended interest on unsecured mortgage loans, an interest accrued during the suspension period for mortgage-backed loans was provided for payment for a period of up to 60 months, without additional interest.

Moratorium details:
Suspension may be requested for a period of 1 to 9 months (which may not, however, exceed 31 December 2020).

LEGISLATIVE MORATORIUM APPLIED BY BANCA ROMÂNEASCĂ FOR INDIVIDUALS (GEO 37/2020)

Deadline: 15.05.2020 (extended until 15.06.2020)

Conditions:

Cumulative credit conditions:
- granted by 30 March 2020 (inclusively);
- the final maturity date of the repayment obligations under the credit agreement is after 30 March 2020 (inclusively);
- the expected maturity has not been declared until 30 March 2020 (inclusively); and
- no overdue instalments are recorded on 16 March 2020 (inclusively), or, otherwise, the debtors have paid the outstanding amounts by the date of the request for suspension.

Eligibility criteria for the debtor:
- the serious situation generated by the COVID-19 pandemic has affected debtors (I) either their own income, (II) or their family income (i.e. applicable only to natural person debtors), directly or indirectly, compared to the level recorded before 16 March 2020 (i.e. when the state of emergency was declared in Romania); and
- debtors are unable to meet the payment obligations of the credit.

Moratorium details:
Suspension may be requested for a period of 1 to 9 months (which may not, however, exceed 31 December 2020).

LEGISLATIVE MORATORIUM APPLIED BY BANCA ROMÂNEASCĂ FOR INDIVIDUALS (GEO 227/2021)

Deadline: 15.03.2021 (receiving requests), 31.03.2021 (implementation of requests received)

Conditions:

The cumulative conditions in order for natural persons to benefit are as follows:
- income obtained has been directly or indirectly affected by the serious situation generated by the COVID-19 pandemic
- the maximum suspension period for an individual exposure does not exceed 9 months cumulatively, irrespective of whether these cumulative 9 months have been granted under a legislative moratorium, a non-legislative moratorium or both;
- the date of the final maturity of the repayment obligations provided for in the loan agreements is following the last request for suspension made under GEO 37/2020, as amended and supplemented in accordance with GEO 227/2020;
- their anticipated maturity has not been declared until 31 December 2020, inclusively;
- do not record instalments, interest or outstanding fees overdue on the date of the request for suspension of the payment obligation under the conditions laid down in Article 2(5) of Government Emergency Ordinance no. 37/2020, as amended and supplemented;

Moratorium details

Customers with outstanding loans, whose income has been directly or indirectly affected by the situation generated by the COVID-19 pandemic, may request that the payment of the instalments be suspended for a period of 1 to 9 months.

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

NON-LEGISLATIVE MORATORIUM (AS PER EBA GUIDELINES) APPLIED BY EXIMBANK AND BANCA ROMÂNEASCĂ/LEGAL PERSONS

Deadline: 30.09.2020

Conditions:
- the credit was granted until the date of entry into force of the provisions of GEO no. 37/2020, i.e. 30 March 2020 inclusively;
- the final maturity date of the repayment obligations provided for in the loan agreements is after the date of entry into force of the provisions of GEO no. 37/2020, i.e. 30 March 2020 inclusively;
- the early repayment date has not been declared by 30 March 2020 inclusively;
- does not record overdue instalments on 16 March 2020 inclusively, or the debtor has made payment of overdue obligations up to and including the date of the request for suspension of the payment obligation.

Moratorium details:
The maximum period of the moratorium – 31 December 2020, independent of the final maturity of the loan. The moratorium consists in the postponement of the payment (granting of a grace period) of debts.

NON-LEGISLATIVE MORATORIUM (AS PER EBA GUIDELINES) APPLIED BY BANCA ROMÂNEASCĂ FOR INDIVIDUALS

Deadline: 06.04.2020

Conditions:
- the credit products covered by the Program, regardless of the currency of the loan are: personal need loans with or without real estate guarantee, credit cards, standard mortgages and "First home" mortgages;
- maximum 90 days past due at the date of the request;
- is not in the process of forced execution or giving in payment.

Moratorium details:
For all credit products covered by the Program, based on customer demand, 2 installments may be postponed.

Suspension of payment of instalments involves:
- One or two installments will not become due;
- The interest applied during the deferral period remains that stipulated in the loan agreement;
- After the expiry of the deferral period, customers will resume payment of the instalments under the following conditions:
    - the principal will be rescheduled throughout the remaining period of the loan, without changing the contractual duration,
    - interest accrued during the deferral period will be fully due on the instalment date immediately following the period of suspension of payment.

From the point of view of clients with loans granted by the Bank/Group who benefited from legislative or non-legislative moratoriums in 2020, the situation is as follows:

	Group			Bank		
	Gross value	Expected losses	Net value	Gross value	Expected losses	Net value
Legislative moratoriums	**495.369**	**-15.724**	**479.646**	**191.345**	**-7.250**	**184.095**
of which: natural persons	297.509	-7.764	289.746	-	-	-
of which: legal persons	197.860	-7.960	189.900	191.345	-7.250	184,095
Non-legislative moratoriums	**710.554**	**-34.365**	**676.189**	**568.372**	**-30.714**	**538**
of which: natural persons	60.783	-2.220	58.563	-	-	-
of which: legal persons	649.770	-32.145	617.626	568.372	-30.714	538
TOTAL	**1.205.923**	**-50.088**	**1.155.835**	**759.716**	**-37.964**	**184.633**

GOVERNMENTAL AID PROGRAMMES:

IMM INVEST

Also, during 2020, the bank participated in the IMM Invest programme for clients of legal entities, which involves the payment of interest by the government.

EximBank has signed the Convention on Guarantee and Payment of Subsidies - Invest Romania SME Programme to support small and medium-sized enterprises with FNGCIMM. FNGCIMM will guarantee on behalf of the Romanian State, expressly, irrevocably and unconditionally, by means of a State guarantee, the obligations to reimburse the individual loan facilities granted by the Bank to SME clients, defined as such in accordance with Law No. 346/2004, for investments and working capital needs.

The interest rate (without interest and due penalties) is fuded by the State until 31 December 2020. The risk fee and the administration fee (usually paid to FNGCIMM) are funded by the State as a subsidy (State aid) for the entire maturity of the loan.

The maximum interest rate allowed by the GEO to be retained throughout the loan period is:

- For investment loans: ROBOR 3M + 2% p.a., any other fee related to the loan must be included in the above percentage;
- For working capital loans: ROBOR 3M + 2.5% p.a., any other fee related to the loan must be included in the above percentage.

LARGE CORPORATIONS

As the SME Investment Programme is not aimed at large enterprises, the CIFGA has approved a State aid framework scheme in the form of subsidised loans with interest and loan guarantees, in the context of the COVID-19 pandemic from which this category of companies can also benefit.

The scheme will be carried out through EximBank (hereinafter referred to as 'EximBank'') as follows:

- aid granted in the form of loan guarantees, pursuant to CIFGA Decision no. 257/2020
- aid granted in the form of subsidised interest loans pursuant to CIFGA Decision no. 258/2020

This program is aimed at companies with a turnover of more than 20 million RON (starting in 2019). The scheme's budget has an amount of 2 billion RON (approximately 400 million EUR), which will allow a portfolio of loan guarantees estimated at 6.5 billion RON (approximately 1.5 billion EUR).

Below is the volume of loans and advances granted to customers through the two programs - IMM Invest and State Aid Scheme for Large Corporations, implemented at Exim Bank:

Newly initiated loans and advances subject to public guarantee schemes	Gross value	Expected loss adjustments	Valoare netă
Group	759.873	-14.438	745.435
Bank	477.756	-9.293	468.463

38. Liquidity risk

The Group/Bank recognises the liquidity risk as representing the current or future risk of negative impairment of profits and capital, caused by the inability of the Group/Bank to fulfill its obligations at their due date.

For the proper management of this risk and for effective liquidity management, the Group monitors on a daily basis 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 on the relevant maturity buckets and actively manages the liquidity reserves necessary to meet its obligations, at minimal costs.

The Group/Bank maintains the minimum reserves imposed by NBR Regulation No. 6/2002 on the minimum reserve regime, the level in force at the end of 2020 being 8% of the sources attracted in RON and 5% for resources in foreign currency (2019: 8% for RON and foreign currency).

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

The Bank/Group ensures that liquid, lien-free assets are maintained as appropriate, eligible for guaranteed financing operations. Liquid assets are composed mainly of government securities, to ensure the necessary liquidities in the event of exceptional market situations. The Bank/Group has an early warning system in the event of a liquidity crisis in the banking system.

The Group/Bank projects cash flows for foreseeable periods of time, using alternative scenarios. These projections are used to analyze liquidity gap, based on assumptions about the future behaviour of assets, liabilities and off-balance sheet items, and to calculate excess or cumulative net liquidity deficit for a time horizon.

The Bank considers three types of crisis scenarios: scenarios related to the internal specifics of the bank, scenarios related to the market in general, and a scenario that combines the first two types.

In the liquidity risk management process, the Bank determines the daily Immediate liquidity, representing the share of liquid assets, free of pledge in the total sources attracted and borrowed and ensures its maintenance within the limits set by internal risk strategies.

Following the transposition into national legislation of EU Regulation No. 575/2013, as of March 2014, the Bank uses the liquidity coverage ratio (LCR) and the net stable financing ratio (NSFR) for liquidity risk monitoring. The LCR indicator was maintained above the regulated limit.

The table below analyzes 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. 31 December 2020:

31.12.2020 - Group Assets	TOTAL	of which: subject to liquidity risk	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Peste 5 years
Cash	181.344	181.344	181.344	-	-	-	-
Accounts at the National Bank of Romania	1.162.804	1.162.804	1.162.804	-	-	-	-
Due from credit institutions	2.040.558	2.040.558	2.018.212	9.399	12.919	28	-
Derivatives	22.039	22.039	12.179	6.560	3.300	-	-
Debt instruments held for trading	386.317	386.317	-	93.709	89.172	167.860	35.576
Financial assets at fair value through other comprehensive income, of which:	2.694.143	2.694.143	27.816	186.754	468.995	1.682.402	327.271
- investments in capital instruments	2.251	2.251	2.251	-	-	-	-
- debt securities	2.691.892	2.691.892	26.470	186.754	468.995	1.682.402	327.271
Debt securities at amortized cost	1.168.866	1.168.866	30.829	21.227	102.487	330.274	684.049
Loans, net	9.724.583	9.724.583	265.647	546.278	2.037.023	4.034.637	2.840.998
Tangible assets, net	128.977	-	-	-	-	-	-
Intangible assets, net	51.785	-	-	-	-	-	-
Investment properties	42.365	-	-	-	-	-	-
Other assets	143.414	143.414	143.414	-	-	-	-
	17.747.195	**17.524.068**	**3.843.150**	**863.927**	**2.713.896**	**6.215.201**	**3.887.894**
Debt							
Derivatives	7.151	7.151	7.121	-	30	-	-
Deposits from banks	901.669	901.669	507.399	394.270	-	-	-
Deposits from MFP	4.729.097	4.729.097	3.325.059	-	-	1.404.038	-
Customers' deposits	10.244.003	10.244.003	4.261.341	1.817.844	3.935.172	222.471	7.175
Deferred income and accruals	27.811	-	-	-	-	-	-
Provisions	67.837	-	-	-	-	-	-
Other liabilities	187.723	187.723	151.912	4.698	10.742	19.509	862
Deferred tax liabilities	4.556	-	-	-	-	-	-
	16.169.847	**16.069.643**	**8.252.832**	**2.216.812**	**3.945.944**	**1.646.018**	**8.037**

31.12.2020 - Group	TOTAL	of which: subject to liquidity risk	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Net Assets	**1.577.348**	**1.189.795**	**-4.409.682**	**-1.352.885**	**-1.232.048**	**4.569.183**	**3.879.857**
OFF-BALANCE SHEET ELEMENTS							
Lending commitments	2.389.808	2.389.808	346.289	88.915	506.709	669.758	778.137
Guarantee commitments	2.193.984	2.193.984	213.114	191.616	712.263	862.577	214.414
Cash inflows from derivatives	2.209.021	2.825.680	1.042.437	919.981	863.262	-	-
Cash outflows from derivatives	-2.193.186	-2.805.356	-1.043.408	-908.231	-853.717	-	-
	4.599.627	**4.604.116**	**558.432**	**292.281**	**1.228.517**	**1.532.335**	**992.551**

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.

31.12.2020 - BanK Assets	TOTAL	of which: subject to liquidity risk	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Cash	362	362	362	-	-	-	-
Accounts at the National Bank of Romania	882.336	882.336	882.336	-	-	-	-
Due from credit institutions	1.617.170	1.617.170	1.617.170	-	-	-	-
Derivatives	20.604	20.604	20.604	-	-	-	-
Debt instruments held for trading	386.317	386.317	-	93.709	89.172	167.860	35.576
Financial assets at fair value through other comprehensive income, of which:	2.142.166	2.142.166	27.816	186.754	468.995	1.147.198	311.403
- investments in capital instruments	1.346	1.346	1.346	-	-	-	-
- debt securities	2.140.820	2.140.820	26.470	186.754	468.995	1.147.198	311.403
Debt securities at amortized cost	611.568	611.568	30.829	5.756	9.693	120.000	445.290
Loans, net	5.398.592	5.398.592	174.030	419.450	1.497.318	2.556.870	750.924
Subordinated loans	316.466	316.466	237	-	-	-	316.229
Investments in subsidiaries	317.822	317.822	317.822	-	-	-	-
Tangible assets, net	38.790	-	-	-	-	-368	-
Intangible assets, net	3.432	-	-	-	-	-	-
Investment properties	42.365	-	-	-	-	-	-
Other assets	17.435	17.435	17.435	-	-	-	-
	11.795.425	**11.710.838**	**3.088.641**	**705.669**	**2.065.178**	**3.991.928**	**1.859.422**
Debt							
Derivatives	8.968	8.968	8.968	-	-	-	-
Deposits from banks	645.294	645.294	382.498	262.796	-	-	-
Deposits from MFP	4.729.097	4.729.097	3.325.059	-	-	1.404.038	-
Customers' deposits	5.094.968	5.094.968	1.923.035	790.225	2.156.470	218.063	7.175
Deferred income and accruals	18.851	-	-	-	-	-	-
Provisions	42.443	-	-	-	-	-	-
Other liabilities	42.716	42.716	42.644	-	-	35	37
Deferred tax liabilities	-	-	-	-	-	-	-
	10.585.819	**10.521.043**	**5.682.204**	**1.053.021**	**2.156.470**	**1.622.136**	**7.212**

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

31.12.2020 - Bank	TOTAL	din care:	< 1 month	1 - 3 months	3 - 12 month	1 - 5 years	Over 5 years
NET ASSETS	**1.209.606**	**1.189.795**	**-2.593.563**	**-347.352**	**-91.292**	**2.369.792**	**1.852.210**
OFF-BALANCE SHEET ELEMENTS							
Lending commitments	2.045.980	2.045.980	2.461	88.915	506.709	669.758	778.137
Guarantee commitments	2.036.337	2.036.337	55.467	191.616	712.263	862.577	214.414
Cash inflows from derivatives	2.209.021	2.209.021	910.068	764.143	534.810	0	0
Cash outflows from derivatives	-2.193.186	-2.193.186	-904.492	-759.741	-528.953	0	0
	4.098.152	**4.098.152**	**63.504**	**284.933**	**1.224.829**	**1.532.335**	**992.551**

The table below analyses the assets and liabilities of the Group/Bank by relevant maturity groups, based on the residual contractual maturity, at the balance sheet date on 31 December 2019:

31.12.2019 - Group Assets	TOTAL	of which: subject to liquidity risk	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Cash	395	395	395	-	-	-	-
Accounts at the National Bank of Romania	686.127	686.127	686.127	-	-	-	-
Due from credit institutions	898.188	898.188	880.696	6.387	-	10.978	127
Derivatives	3.025	3.025	3.025	-	-	-	-
Debt instruments held for trading	110.819	110.819	-	35.610	19.889	55.320	-
Financial assets at fair value through other comprehensive income, of which:	1.529.215	1.529.215	25.762	112.354	231.124	958.764	201.211
- investments in capital instruments	1.348	1.346	-	-	-	-	-
- debt securities	1.527.867	1.527.867	25.762	112.354	231.124	958.764	199.863
Debt securities at amortized cost	552.415	552.415	42.832	2.991	12.143	87.159	407.290
Loans, net	3.855.497	3.855.497	241.369	340.666	1.359.167	1.366.573	547.722
Tangible assets, net	48.747	-	-	-	-	-	-
Intangible assets, net	5.808	-	-	-	-	-	-
Investment properties	42.176	-	-	-	-	-	-
Other assets	100.369	100.369	100.369	-	-	-	-
Deferred tax receivables	57	-	-	-	-	-	-
	7.832.838	**7.736.050**	**1.980.575**	**498.008**	**1.622.323**	**2.478.794**	**1.156.350**
Debt							
Derivatives	1.016	1.016	58	-	-	958	-
Deposits from banks	313.467	313.467	47.623	250.330	15.514	-	-
Deposits from MFP	1.686.565	1.686.565	282.534	-	-	1.404.031	-
Customers' deposits	4.487.760	4.487.760	2.064.932	860.927	1.480.697	70.294	10.910
Deferred income and accruals	23.754	-	-	-	-	-	-
Provisions	30.954	-	-	-	-	-	-
Other liabilities	126.851	126.851	126.851	-	-	-	-
	6.670.367	**6.615.659**	**2.521.998**	**1.111.257**	**1.496.211**	**1.475.283**	**10.910**

31.12.2019 - Group	TOTAL	of which: subject to liquidity risk	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Net assets	**1.162.471**	**1.120.391**	**-541.423**	**-613.249**	**126.112**	**1.003.511**	**1.145.440**
Off-balance sheet elements							
Lending commitments	1.751.483	1.751.483	2.202	40.612	396.226	692.865	619.578
Guarantee commitments	1.510.085	1.510.085	59.663	76.642	438.967	802.435	132.378
Cash inflows from derivatives	755.768	755.768	277.086	282.693	195.989	-	-
Cash outflows from derivatives	-750.832	-750.832	-276.445	-280.991	-193.396	-	-
	3.266.504	**3.266.504**	**62.506**	**118.956**	**837.786**	**1.495.300**	**751.956**

31.12.2019 - Bank Assets	TOTAL	of which: subject to liquidity risk	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Cash	394	394	394	-	-	-	-
Accounts at the National Bank of Romania	686.127	686.127	686.127	-	-	-	-
Due from credit institutions	869.172	869.172	867.834	-	-	1.338	-
Derivatives	3.025	3.025	3.025	-	-	-	-
Debt instruments held for trading	110.819	110.819	-	35.610	19.889	55.320	-
Financial assets at fair value through other comprehensive income, of which:	1.529.215	1.529.215	25.762	112.354	231.124	958.764	201.211
- investments in capital instruments	1.348	1.348	-	-	-	-	1.348
- debt securities	1.527.867	1.527.867	25.762	112.354	231.124	958.764	199.863
Debt securities at amortized cost	512.116	512.116	42.832	2.833	9.161	50.000	407.290
Loans, net	3.855.497	3.855.497	241.369	340.666	1.359.167	1.366.573	547.722
Investments in subsidiaries	34.046	34.046	34.046	-	-	-	-
Tangible assets, net	47,839	-	-	-	-	-	-
Intangible assets, net	5.497	-	-	-	-	-	-
Investment properties	42.176	-	-	-	-	-	-
Other assets	50.211	50.211	50.211	-	-	-	-
Deferred tax receivables	57	-	-	-	-	-	-
	7.746.191	**7.650.622**	**1.951.600**	**491.463**	**1.619.341**	**2.431.995**	**1.156.223**
Debt							
Derivatives	1.016	1.016	58	-	-	958	-
Deposits from banks	313.467	313.467	47.623	250.330	15.514	-	-
Deposits from MFP	1.686.565	1.686.565	282.534	-	-	1.404.031	-
Customers' deposits	4.488.544	4.488.544	2.065.716	860.927	1.480.697	70.294	10.910
Deferred income and accruals	23.690	-	-	-	-	-	-
Provisions	26.313	-	-	-	-	-	-
Other liabilities	45.362	45.362	45.362	-	-	-	-
	6.584.957	**6.534.954**	**2.441.293**	**1.111.257**	**1.496.211**	**1.475.283**	**10.910**

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

31.12.2019 - Bank	TOTAL	of which: subject to liquidity risk	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Net assets	**1.161.234**	**1.115.668**	**-489.693**	**-619.794**	**123.130**	**956.712**	**1.145.313**
Off-balance sheet elements	1.751.483	1.751.483	2.202	40.612	396.226	692.865	619.578
Lending commitments	1.510.085	1.510.085	59.663	76.642	438.967	802.435	132.378
Guarantee commitments	755.768	755.768	277.086	282.693	195.989	-	-
Cash inflows from derivatives	-750.832	-750.832	-276.445	-280.991	-193.396	0	0
	3.266.504	**3.266.504**	**62.506**	**118.956**	**837.786**	**1.495.300**	**751.956**

The financial liabilities of the Group/Bank at the end of 2020, including future cash flows, representing interest unrecognized in the profit and loss account, and in the amortized cost of the liabilities shown in the financial position, are presented in the tables below:

31.12.2019 – Group Financial liabilities, including future interest	TOTAL	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Derivatives	7.151	7.121	-	30	-	-
Deposits from banks	901.834	507.563	394.271	-	-	-
Deposits from MFP	4.866.016	3.327.744	5.370	24.166	1.508.735	-
Customers' deposits	10.280.963	4.261.867	1.819.185	3.953.600	238.676	132.378
Other liabilities	188.099	151.928	4.728	10.850	19.690	903
	16.244.063	**8.256.223**	**2.223.554**	**3.988.646**	**1.767.101**	**8.538**

31.12.2019 – Bank FINANCIAL LIABILITIES, including future interest	TOTAL	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Derivatives	8.968	8.968	-	-	-	-
Deposits of other banks	645.445	382.648	262.797	-	-	-
Deposits from MFP	4.866.016	3.327.744	5.370	24.166	1.508.735	-
Customers' deposits	5.113.781	1.923.552	791.347	2.167.700	223.547	7.635
Other liabilities	42.716	42.644	-	-	35	37
	10.676.926	**5.685.556**	**1.059.514**	**2.191.866**	**1.732.317**	**7.672**

The financial liabilities of the Group/Bank, at the end of 2019 including future cash flows, representing interest unrecognized in the profit and loss account, and in the amortized cost of the liabilities shown in the financial position, are presented in the tables below:

31.12.2019 – Group Financial liabilities, including future interest	TOTAL	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Derivatives	1.016	58	-	-	958	-
Deposits of other banks	315.317	47.628	251.939	15.750	-	-
Deposits from MFP	1.843.744	286.573	8.077	36.348	1.512.745	-
Customers' deposits	4.500.194	2.065.509	862.323	1.489.044	71.764	11.554
Other liabilities	126.851	126.851	-	-	-	-
	6.787.122	**2.526.619**	**1.122.339**	**1.541.142**	**4.585.467**	**11.554**

31.12.2019 – Bank Financial liabilities, including future interest	TOTAL	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Derivatives	1.016	58	-	-	958	-
Deposits of other banks	315.317	47.628	251.939	15.750	-	-
Deposits from MFP	1.843.744	286.573	8.077	36.348	1.512.745	-
Customers' deposits	4.500.978	2.066.293	862.323	1.489.044	71.764	11.554
Other liabilities	45.362	45.362	-	-	-	-
	6.706.417	**2.445.914**	**1.122.339**	**1.541.142**	**1.585.467**	**11.554**

39. Market risk

a) Currency risk

The currency structure of the Group/Bank's financial assets and liabilities at 31 December 2020 is as follows:

31.12.2020 –Group Assets	TOTAL	RON	EUR	USD	Others
Cash	181.344	103.921	41.756	12.483	23.184
Accounts at the National Bank of Romania	1.162.804	589.414	573.390	-	-
Due from credit institutions	2.040.558	1.049.143	799.430	122.894	69.091
Derivatives	22.039	22.039	-	-	-
Debt instruments held for trading	386.317	287.730	98.587	-	-
Financial assets at fair value through other comprehensive income, of which:	2.694.143	2.326.472	367.617	54	-

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

31.12.2020 –Group Assets	TOTAL	RON	EUR	USD	Others
- investments in capital instruments	2.251	2.093	104	54	-
- debt securities	2.691.892	2.324.379	367.513	-	-
Debt securities at amortized cost	1.168.866	1.153.395	15.471	-	-
Loans, net	9.724.583	5.980.848	2.680.007	264.600	799.128
Tangible assets, net	128.977	128.977	-	-	-
Intangible assets, net	51.785	51.785	-	-	-
Investment properties	42.365	42.365	-	-	-
Other assets	143.414	133.660	6.492	2.564	698
Total assets	**17.745.195**	**11.869.749**	**4.582.750**	**402.595**	**892.101**
31.12.2020 –Group Liabilities	**TOTAL**	**RON**	**EUR**	**USD**	**Others**
Derivatives	7.151	7.151	-	-	-
Deposits from banks	901.669	221.021	598.355	961	81.332
Deposits from the Ministry of Public Finance	4.729.097	4.729.097	-	-	-
Customers' deposits	10.244.003	6.433.174	3.420.595	337.321	52.913
Deferred income and accruals	27.811	18.285	5.154	4.339	33
Provisions	67.837	60.859	6.580	398	-
Other liabilities	187.723	119.705	66.509	1.128	381
Deferred tax liabilities	4.556	4.556	-	-	-
Total liabilities	**16.169.847**	**11.593.848**	**4.097.193**	**344.147**	**134.659**
Equity	**1.577.348**	**1.577.348**	**-**	**-**	**-**
Balance sheet position		-1.301.447	485.577	58.448	757.442
Off-balance sheet SPOT position (not settled)		-33.913	27.512	6.401	-
Spot position		**-1.335.361**	**513.069**	**64.849**	**757.442**
Forward position		**1.338.707**	**-473.415**	**-64.026**	**-796.778**
Total position		**3.346**	**39.654**	**823**	**-39.336**

31.12.2020 – Bank Assets	TOTAL	RON	EUR	USD	Others
Cash	362	103	197	59	3
Accounts at the National Bank of Romania	882.336	434.162	448.174	-	-
Due from credit institutions	1.617.170	902.372	611.118	57.234	46.446
Derivatives	20.604	20.604	-	-	-
Debt instruments held for trading	386.317	287.730	98.587	-	-
Financial assets at fair value through other comprehensive income, of which:	2.142.166	1.989.629	152.521	16	-
- investments in capital instruments	1.346	1.330	-	16	-
- debt securities	2.140.820	1.988.299	152.521	-	-
Debt securities at amortized cost	611.568	611.568	-	-	-
Loans, net	5.398.592	3.953.291	1.204.174	241.127	-
Subordinated loans	316.466	-	-	-	-
Investments in subsidiaries	317.822	317.822	-	-	-
Tangible assets, net	38.790	38.790	-	-	-
Intangible assets, net	3.432	3.432	-	-	-
Investment properties	42.365	42.365	-	-	-
Other assets	17.435	12.797	2.897	1.675	66
Total assets	**11.795.425**	**8.614.665**	**2.517.668**	**300.111**	**362,981**
Liabilites					
Derivatives	8.968	8.968	-	-	-
Deposits from banks	645.294	169.745	462.457	1	13.091
Deposits from the Ministry of Public Finance	4.729.097	4.729.097	-	-	-
Customers' deposits	5.094.968	3.659.658	1.306.611	104.088	24.611
Deferred income and accruals	18.851	9.475	5.004	4.339	33
Provisions	42.443	36.714	5.331	398	-
Other liabilities	42.716	13.444	29.125	70	77
Deferred tax liabilities	3.482	3.482	-	-	-
Total liabilities	**10.585.819**	**8.630.583**	**1.808.528**	**108.896**	**37.812**
Equity	**1.209.606**	**1.209.606**	**-**	**-**	**-**
Balance sheet position		-1.225.524	709.140	191.215	325.169
Off-balance sheet SPOT position (not settled)		-9,566	3.165	6.401	-
Spot position		**-1.235.090**	**712.305**	**197.616**	**325.169**
Forward position		**1.182.869**	**-663.270**	**-196.227**	**-323.372**
Total position		**-52.222**	**40.035**	**1.389**	**1.797**

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

The currency structure of the Group/Bank financial assets and liabilities as at 31 December 2019:

31.12.2019 – Group **Assets**	**TOTAL**	**RON**	**EUR**	**USD**	**Others**
Cash	395	128	179	86	2
Accounts at the National Bank of Romania	686.127	326.514	359.613	-	-
Due from credit institutions	898.188	454.182	408.705	24.339	10.962
Derivatives	3.025	3.025	-	-	-
Debt instruments held for trading	110.819	110.819	-	-	-
Financial assets at fair value through other comprehensive income, of which:	1.529.215	1.430.702	-	98.513	-
- investments in capital instruments	1.348	1.330	-	18	-
- debt securities	1.527.867	1.429.372	-	98.495	-
Debt securities at amortized cost	552.415	537.102	15.313	-	-
Loans, net	3.855.497	2.611.060	978.179	266.258	-
Tangible assets, net	48.747	747	-	-	-
Intangible assets, net	5.808	5.808	-	-	-
Investment properties	42.176	42.176	-	-	-
Other assets	100.369	96.677	1.604	1.968	120
Deferred tax receivables	57	57	-	-	-
Total assets	**7.832.838**	**5.666.997**	**1.763.593**	**391.164**	**11.084**
Liabilities					
Derivatives	1.016	58	-	958	-
Deposits from banks	313.467	265.843	-	42.618	5.006
Deposits from the Ministry of Public Finance	1.686.565	1.686.565	-	-	-
Customers' deposits	4.487.760	3.027.458	1.321.809	136.689	1.804
Deferred income and accruals	23.754	12.709	6.347	4.698	-
Provisions	30.954	22.703	6.045	2.206	-
Other liabilities	126.851	91.656	34784	271	140
Total liabilities	**6.670.367**	**5.106.992**	**1.368.985**	**187.440**	**6.950**
Equity	**1,162.471**	**1,162.471**	**-**	**-**	**-**
Balance sheet position		-602.466	394.608	203.724	4.134
Off-balance sheet SPOT position (not settled)		-7.166	-4.301	2.865	-
Spot position		**-609.632**	**398.909**	**206.589**	**4.134**
Forward position		**542.135**	**-333.356**	**-208.779**	**-**
Total position		**-67.497**	**65.553**	**-2.191**	**4.134**

31.12.2019 – Bank Assets	TOTAL	RON	EUR	USD	Others
Cash	394	127	179	86	2
Accounts at the National Bank of Romania	686.127	326.514	359.613	-	-
Due from credit institutions	869.172	431.534	404.764	21.912	10.962
Derivatives	3.025	3.025	-	-	-
Debt instruments held for trading	110.819	110.819	-	-	-
Financial assets at fair value through other comprehensive income, of which:	1.529.215	1.430.702	-	98.513	-
- investments in capital instruments	1.348	1.330	-	18	-
- debt securities	1.527.867	1.429.372	-	98.495	-
Debt securities at amortized cost	512.116	512.116	-	-	-
Loans, net	3.855.497	2.611.060	978.179	266.258	-
Investments in subsidiaries	34.046	747	-	-	-
Tangible assets, net	47.839	47.839	-	-	-
Intangible assets, net	5.497	5.497	-	-	-
Investment properties	42.176	42.176	-	-	-
Other assets	50.211	46.525	1.598	388.737	120
Deferred tax receivables	57	57	-	-	-
Total assets	**7.746.191**	**5.602.037**	**1.744.333**	**388.737**	**11.084**
Liabilities					
Derivatives	1.016	58	-	958	-
Deposits from banks	313.467	265.843	-	42.618	5.006
Deposits from the Ministry of Public Finance	1.686.565	1.686.565	-	-	-
Customers' deposits	4.488.544	3.028.225	1.321.826	136689	1.804
Deferred income and accruals	23.690	12.645	6.347	4.698	-
Provisions	26.313	18.062	6.045	2.206	-
Other liabilities	45.362	10.436	34.515	271	140
Total liabilities	**6.584.957**	**5.021.834**	**1.368.733**	**187.440**	**6.950**
Equity	**1.161.234**	**1.161.234**	-	-	-
Balance sheet position		-581.031	375.600	201.297	4.134
Off-balance sheet SPOT position (not settled)		-7.166	4.301	2.865	-
Spot position		**-588.197**	**379.901**	**204.162**	**4.134**
Forward position		**542.135**	**-333.356**	**-208.779**	-
Total position		**-46.062**	**46.545**	**-4.168**	**4.134**

To ensure the measurement, monitoring and control framework of risks generated by the market fluctuation of the currencies with which the Bank/Group trades, the individual currency position and total currency position is monitored daily.

The net foreign exchange position for the Group/Bank at 31 December 2020, expressed in thousands of RON, is shown below, for each significant currency. Subsidiary EximAsig has an insignificant open currency position, with the company pursuing currency risk coverage:

Group	SPOT *		FORWARD **		Open net position	
Currency	Original amount (thousands)	Equivalent thousand RON	Original amount (thousands)	Equivalent thousand RON	Original amount (thousands)	Equivalent thousand RON
EUR	104,324	513,069	-97,222	-473,415	7,101	39,654
USD	16,247	64,849	-16,144	-64,026	103	823
CHF	174,748	751,655	-176,178	-792,748	-1,430	-41,093
Others	-	5,592	-	-4,030	-	1,562
Net position (+)=long (-)=short		**1.335.165**		**-1.334.219**		**946**

Bank	SPOT *		FORWARD **		Open net position	
Currency	Original amount (thousands)	Equivalent thousand RON	Original amount (thousands)	Equivalent thousand RON	Original amount (thousands)	Equivalent thousand RON
EUR	146,276	712,305	-136,212	-663,270	10,064	49,035
USD						
CHF	71,859	323,344	-71,825	-323,191	34	153
Others						
Net position (+)=long (-)=short		**1.234.865**		**-1.182.869**		**51.996**

*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 at 31 December 2019 is presented in the table below:

Group/Bank	SPOT *		FORWARD **		Open net position	
Currency	Original amount (thousands)	Equivalent thousand RON	Original amount (thousands)	Equivalent thousand RON	Original amount (thousands)	Equivalent thousand RON
EUR	79.489	379.902	-69.750	-333.356	9.739	46.546
USD	47.914	204.164	-49.000	-208.779	-1.086	-4.615
GBP	219	1.227	-	-	219	1.227
CHF	131	577	-	-	131	577
Others	-	2.327	-	-	-	2.327
Net position (+)=long (-)=short		**588.197**		**-542.135**		**46.062**

*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.

In the table below, the analysis reflects the sensitivity of the Group/Bank's profit and loss account at +/-10% or +/-20% variations on the exchange rate against RON. The impact is determined according to the two levels of exchange rate change, chosen hypothetically. For ExinAsig the impact of the exchange rate variation is insignificant, as it covers the currency position.

Group	Open net position			Profitability impact		Equity impact	
Currency	Original amount (thousands)	Equivalent thousands RON	Exchange rate 31 December 2020	+/- 10%	+/- 20%	+/- 10%	+/- 20%
EUR	7.101	39.654	4,8694	3.965	7.931	3.965	7.931
USD	103	823	3,9660	82	165	82	165
CHF	-1.430	-41.093	4,4997	-4.109	-8.219	-4.109	-8.219
Others	-	1.562	-	156	312	156	312
Net position	-	**946**	-	**+/-95**	**+/-189**	**+/-95**	**+/-189**

Bank	Open net position			Profitability impact		Equity impact	
Currency	Original amount (thousands)	Equivalent thousands RON	Exchange rate 31 December 2020	+/- 10%	+/- 20%	+/- 10%	+/- 20%
EUR	10.064	49.035	4,8694	4.904	9.807	4.904	9.807
USD	350	1.389	3,9660	139	278	139	278
CHF	34	153	4,4997	15	31	15	31
Others	-	1.419	-	142	284	142	284
Net position	-	**51.996**	-	**+/-5.200**	**+/-10.399**	**+/-5.200**	**+/-10.399**

At 31 December 2019, the situation for the Group/Bank is as follows:

Bank	Open net position			Profitability impact		Equity impact	
Currency	Original amount (thousands)	Equivalent thousands RON	Exchange rate 31 December 2019	+/- 10%	+/- 20%	+/- 10%	+/- 20%
EUR	9739	46.546	4,7793	4.655	9.309	4.655	9.309
USD	-1.086	-4.615	4,2608	-462	-923	-462	-923
GBP	219	1.227	5,6088	123	245	123	245
CHF	131	577	4,4033	58	115	58	115
Others	-	2.327	-	233	465	233	465
Net position		**46.062**		**+/- 4.606**	**+/- 9.212**	**+/- 4.606**	**+/- 9.212**

b) Interest risk

The Group/Bank treats the interest rate risk for the activity outside the trading portfolio as representing the possibility that changes in interest rates will affect future profits or lead to a decrease in its economic value.

In this respect, the Group/Bank uses the GAP analysis to reflect the sensitivity of the annual financial results to the variation in interest rates and the standard methodology for changing the economic value as a result of the change in interest rates, in accordance with NBR regulations.

The GAP analysis carried out on 31 December 2020 and 31 December 2019 establishes that the balances of the Bank's/Group's assets and liabilities are sensitive to interest rate, broken down according to the timing of the revision of interest rates or their maturity, establishing the differences between them. The potential effects (thousand RON) on equity, estimated for one year, were determined by applying two straight-line but differentiated growth scenarios, of the interest rates for assets and liabilities, respectively increase by + 100 bp assets /+ 50pb liabilities and by + 50 bp assets /+ 100pb liabilities:

	2020	2019
Scenario 1: +100pb (assets) /+50pb (liabilities)	37.778	26.553
Scenario 2: +50pb (assets) /+100pb (liabilities)	- 63.387	- 34.731

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

The average level of interest charged by the Group/Bank in 2020 and in 2019, for the main categories of balance sheet assets and liabilities denominated in RON, EUR and USD are shown in the table below:

	2020			2019		
Financial assets	**RON**	**EUR**	**USD**	**RON**	**EUR**	**USD**
Accounts at the National Bank of Romania*	0.14%	-0.58%	-	0.16%	-0.50%	-
Due from credit institutions	1.69%	-0.34%	0.44%	2.43%	-0.47%	2.00%
Credits	4.65%	2.41%	4.85%	5.34%	2.41%	5.86%
Fixed income instruments	3.52%	0.38%	3.52%	3.20%	-	3.29%
Total Assets	**3.77%**	**1.03%**	**3.97%**	**4.45%**	**1.03%**	**3.42%**
Financial liabilities						
Deposits from banks	2.31%	-0.13%	0.46%	2.79%	-0.30%	2.12%
Deposits from MFP	3.04%	-	-	3.39%	-	-
Customers' deposits	2.44%	0.23%	0.52%	2.56%	0.30%	0.88%
Total liabilities	**2.54%**	**0.20%**	**0.36%**	**2.85%**	**0.28%**	**1.2%**

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

The table below analyzes the Group's/Bank's interest-bearing assets and liabilities by relevant rate change groups. 31 December 2020.

31.12.2020 – Group	TOTAL	of which: subject interest risk	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Assets							
Cash	**181.344**	-	-	-	-	-	-
Accounts at the National Bank of Romania	**1.162.804**	1.162.804	1.162.804	-	-	-	-
Due credit institutions	**2.040.558**	2.015.379	1.997.806	4.616	12.929	28	-
Derivatives	**22.039**	-	-	-	-	-	-
Debt instruments held for trading	**386.317**	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income, of which:	**2.694.143**	2.691.892	5.606	186.991	471.822	1.697.218	330.255
- Investments in capital instruments	**2.251**	-	-	-	-	-	-
- debt securities	**2.691.892**	2.691.892	5.606	186.991	471.822	1.697.218	330.255
Debt securities at amortized cost	**1.168.866**	1.168.866	-	21.228	102.461	332.995	712.182
Loans, net	**9.724.583**	9.757.742	3.078.051	5.072.862	1.310.562	290.777	5.490
Tangible assets, net	**128.977**	-	-	-	-	-	-
Intangible assets, net	**51.785**	-	-	-	-	-	-
Investment properties, net	**42.365**	-	-	-	-	-	-
Other assets	**143.414**	-	-	-	-	-	-
Total assets	**17.747.195**	**16.796.683**	**6.244.267**	**5.285.697**	**1.897.774**	**2.321.018**	**1.047.927**
Liabilities							
Derivatives	**7.151**	-	-	-	-	-	-
Deposits from banks	**901.669**	901.662	507.393	150.466	243.803	-	-
Deposits from MFP	**4.729.097**	4.729.097	4.729.097	-	-	-	-
Customers' deposits	**10.244.003**	10.225.095	4.249.718	1.812.480	3.934.482	221.300	7.115
Deferred income and accruals	**27.811**	-	-	-	-	-	-
Provisions	**67.837**	-	-	-	-	-	-
Other liabilities	**187.723**	-	-	-	-	-	-
Deferred	**4.556**	-	-	-	-	-	-
Total liabilities	**16.169.847**	**15.855.854**	**9.486.208**	**1.962.946**	**4.178.285**	**221.300**	**7.115**
Net assets	**1.577.348**	**940.829**	**-3.241.941**	**3.322.751**	**-2.280.511**	**2.099.718**	**1.040.812**

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

31.12.2020 – Bank Assets	TOTAL	of which: subject interest risk	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Cash	**362**	-	-	-	-	-	-
Accounts at the National Bank of Romania	**882.336**	882.336	882.336	-	-	-	-
Due credit institutions	**1.617.170**	1.591.991	1.591.991	-	-	-	-
Derivatives	**20.604**	-	-	-	-	-	-
Debt instruments held for trading	**386.317**	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income, of which:	**2.142.166**	2.140.820	5.606	186.991	471.822	1.161.805	314.596
- Investments in capital instruments	**1.346**	-	-	-	-	-	-
- debt securities	**2.140.820**	2.140.820	5.606	186.991	471.822	1.161.805	314.596
Debt securities at amortized cost	**611.568**	611.568	-	5.756	9.693	123.410	472.709
Loans, net	**5.398.592**	5.398.592	1.967.876	2.202.894	1.219.704	2.628	5.490
Subordinated loans	**316.466**	316.466	316.466	-	-	-	-
Investments in subsidiaries	**317.822**	-	-	-	-	-	-
Tangible assets, net	**38.790**						
Intangible assets, net	**3.432**	-	-	-	-	-	-
Investment properties	42.365	-	-	-	-	-	-
Investment properties	42.365	-	-	-	-	-	-
Other assets	**17,435**	-	-	-	-	-	-
Total assets	**11.795.425**	**10.941.773**	**4.764.275**	**2.395.641**	**1.701.219**	**1.287.843**	**792.795**
Liabilities							
Derivatives	**8.968**	-	-	-	-	-	-
Deposits from banks	645.294	645.294	-	18.992	243.803	-	-
Deposits from MFP	**4.729.097**	4.729.097	-	-	-	-	-
Customers' deposits	5.094.968	5.094.968	-	790.225	2.156.470	218.063	7.115
Deferred income and accruals	**18.851**	-	-	-	-	-	-
Provisions	42.443	-	-	-	-	-	-
Other liabilities	**42.716**	-	-	-	-	-	-
Deferred	3.482	-	-	-	-	-	-
Total liabilities	**10.585.819**	**10.469.359**	**7.034.691**	**809.217**	**2.400.273**	**218.063**	**7.115**
Net assets	**1,209,606**	**472,414**	**-2,270,416**	**1,586,424**	**-699,054**	**1,069,780**	**785,680**

Items are divided into buckets, depending on the residual maturity, for those with a fixed interest rate, or depending on the nearest date of the change in the interest rate, for those instruments with floating interest rate.

The table below analyses the group/Bank's interest-bearing assets and liabilities, by relevant rate change groups, as at 31 December 2019.

31.12.2019– Group Assets	TOTAL	of which: subject interest risk	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Cash	**395**	-	-	-	-	-	-
Accounts at the National Bank of Romania	**686.127**	686.127	686.127	-	-	-	-
Due credit institutions	**898.188**	898.188	882.034	6.387	9.640	127	-
Derivatives	**3.025**	-	-	-	-	-	-
Debt instruments held for trading	**110.819**	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income, of which:	**1.529.215**	1.527.867	-	208.335	230.255	883.904	205.373
- Investments in capital instruments	**1.348**	-	-	-	-	-	-
- debt securities	**1.527.867**	1.527.867	-	208.335	230.255	883.904	205.373
Debt securities at amortized cost	**552.415**	552.415	-	2.991	12.143	86.970	450.311
Loans, net	**3.855.497**	3.855.497	1.833.991	1.462.342	548.773	4.809	5.582
Tangible assets, net	**48.747**	-	-	-	-	-	-
Intangible assets, net	**5.808**	-	-	-	-	-	-
Investment properties	**42.176**	-	-	-	-	-	-
Other assets	**100.369**	-	-	-	-	-	-
Deferred tax receivables	**57**	-	-	-	-	-	-
Total assets	**7.832.838**	**7.520.094**	**3.402.152**	**1.680.055**	**800.811**	**975.810**	**661.266**
Liabilities							
Derivatives	**1.016**	-	-	-	-	-	-
Deposits from banks	**313.467**	313.467	47.623	250.330	15.514	-	-
Deposits from MFP	**1.686.565**	1.686.565	1.686.565	-	-	-	-
Customers' deposits	**4.487.760**	4.481.373	2.058.603	860.929	1.480.697	70.294	10.850
Deferred income and accruals	**23.754**	-	-	-	-	-	-
Provisions	**30.954**	-	-	-	-	-	-
Other liabilities	**126.851**	-	-	-	-	-	-
Total liabilities	**6.670.367**	6.481.405	3.792.791	1.111.259	1.496.211	70.294	10.850
Net assets	**1.162.471**	**1.038.689**	**-390.639**	**568.796**	**-695.400**	**905.516**	**650.416**

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

31.12.2019 – Bank Assets	TOTAL	of which: subject interest risk	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Cash	**394**	-	-	-	-	-	-
Accounts at the National Bank of Romania	**686.127**	686.127	686.127	-	-	-	-
Due from credit institutions	**869.172**	869.172	869.172	-	-	-	-
Derivatives	**3.025**	-	-	-	-	-	-
Debt instruments held for trading	**110.819**	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income, of which:	**1.529.215**	1.527.867	-	208.335	230.255	883.904	205.373
- Investments in capital instruments	**1.348**	-	-	-	-	-	-
- debt securities	**1.527.867**	1.527.867	-	208.335	230.255	883.904	205.373
Debt securities at amortized cost	**512.116**	512.116	-	2.833	9.161	49.811	450.311
Loans, net	**3.855.497**	3.855.497	1.833.991	1.462.342	548.773	4.809	5.582
Investments in subsidiaries	**34.046**	-	-	-	-	-	-
Tangible assets, net	**47.839**	-	-	-	-	-	-
Intangible assets, net	**5.497**	-	-	-	-	-	-
Investment properties	**42.176**	-	-	-	-	-	-
Other assets	**50.211**	-	-	-	-	-	-
Deferred tax receivables	**57**	-	-	-	-	-	-
Total assets	**7.746.191**	**7.450.779**	**3.389.290**	**1.673.510**	**788.189**	**938.524**	**661.266**

Liabilities	TOTAL	of which: subject interest risk	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Derivatives	**1.016**	-	-	-	-	-	-
Deposits from banks	**313.467**	313.467	47.623	250.330	15.514	-	-
Deposits from MFP	**1.686.565**	1.686.565	1.686.565	-	-	-	-
Customers' deposits	**4.488.544**	4.482.157	2.059.387	860.929	1.480.697	70.294	10.850
Deferred income and accruals	**23.690**	-	-	-	-	-	-
Provisions	**26.313**	-	-	-	-	-	-
Other liabilities	**45.362**	-	-	-	-	-	-
Total liabilities	**6.584.957**	**6.482.189**	**3.793.575**	**1.111.259**	**1.496.211**	**70.294**	**10.850**
Net assets	**1.161.234**	**968.590**	**-404.285**	**562.251**	**-708.022**	**868.230**	**650.416**

Items are divided into buckets, depending on the residual maturity, for those with a fixed interest rate, or depending on the nearest date of the change in the interest rate, for those instruments with floating interest rate.

40. Capital requirements

The Bank/Group's own funds and own funds rate are calculated in accordance with the regulations in force of the National Bank of Romania, and in accordance with the provisions of EU Regulation 575/2013. Both in 2020 and 2019, the Bank/Group falls within the regulated capital adequacy indicators, i.e. a total own funds ratio of at least 8%, a Tier I own funds rate of at least 6% and a Tier I basic own funds rate of at least 4.5%.

In addition, the Bank maintains a capital buffer consisting of Tier 1 basic own funds of 2,5 % of the total value of risk exposures, as well as a capital buffer for systemic risk consisting of Tier 1 basic own funds items, amounting to 2% of the total value of the risk exposure.

The Bank has a properly managed capital position to hedge against all the inherent risks of its activity. The adequacy of the Bank's capital is monitored in accordance with the provisions of EU Regulation No. 575/2013, the direct application of credit institutions in Romania, some national options exercised by the NBR being included in Regulation No. 5/2013, as well as the provisions of European Directive 2013/36/EU which is transposed into national legislation by the amendments made to GEO 99/2006 and by NBR Regulation no. 5/2013.

The adequacy of the Bank's capital requires the maintenance of adequate capital in relation to the nature and risk profile of the Bank. In determining the adequacy of the capital, the effect of market and operational credit risks on the Bank's financial situation is taken into account. The types and size of the risks in the Bank's activity determine the extent to which capital should be above the minimum level required by the regulations in order to deal with unintended consequences.

The capital requirement of subsidiary EximAsig is calculated on the basis of the regulations in force of the Financial Supervisory Authority at 31 December 2020. According to the calculation and unaudited estimates of the management of the subsidiary, at 31 December 2020 EximAsig registers a degree of coverage of the minimum capital requirements above the limits stipulated by 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.

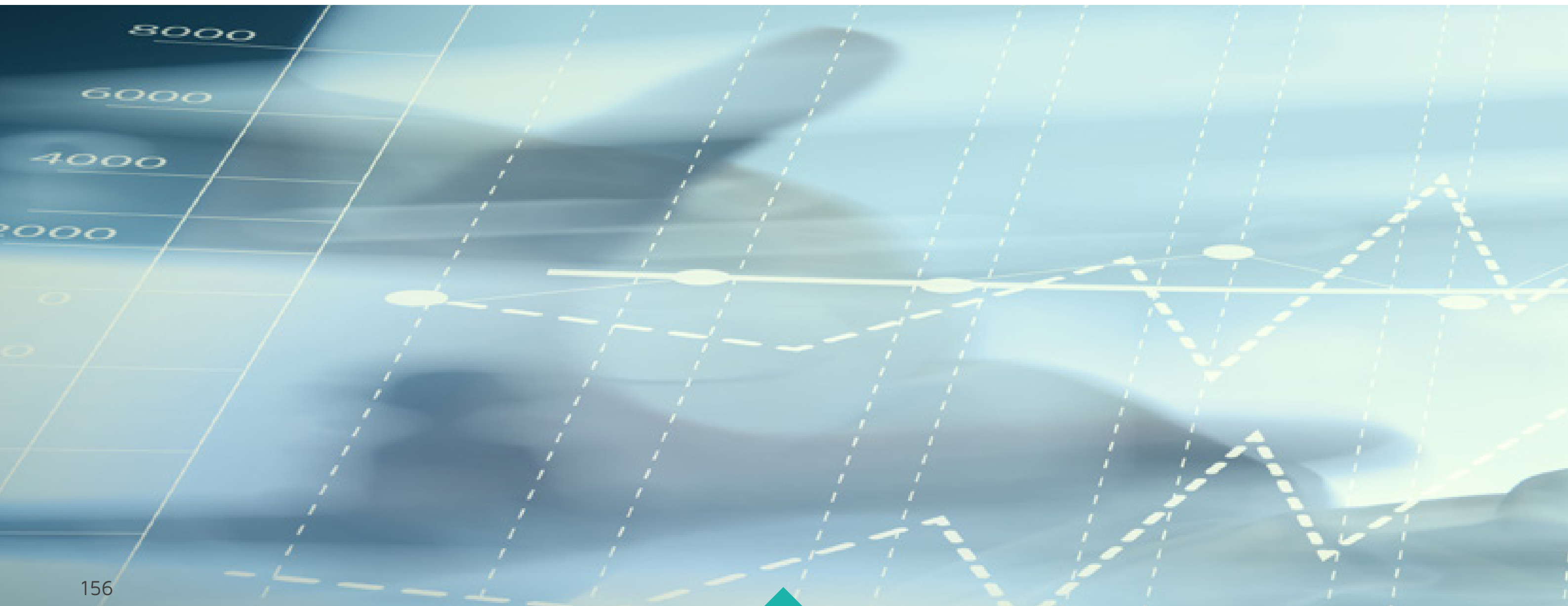
Level 2: valuation techniques based on observable market data. This category includes instruments evaluated using: quotations from an active market for similar instruments; market quotations for similar instruments on markets that are considered less active; or other valuation techniques where significant 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)

The following table shows the Group's financial assets and liabilities at fair value, depending on the hierarchy of its determination:

Group **31.12.2020**	Level 1	Level 2	Level 3	Fair value	Book value
Financial assets					
Accounts at NBR	-	-	1.162.804	1.162.804	1.162.804
Due from credit institutions	-	-	2.040.558	2.040.558	2.040.558
Loans, net	-	-	9.657.385	9.657.385	9.657.385
Debt securities held for trading	386.317	-	-	386.317	386.317
Financial assets at fair value through other comprehensive income, of which:	2.625.256	66.636	2.251	2.694.143	2.694.143
- investments in capital instruments	-	-	2.251	2.251	2.251
- debt securities	2.625.256	66.636	-	2.691.892	2.691.892
Debt securities at amortized cost	1.244.882	-	-	1.244.882	1.168.866
Derivatives	-	22.039	-	22.039	22.039
Total financial assets	**4.256.455**	**88.675**	**12.862.998**	**17.208.128**	**17.199.310**
Financial liabilities					
Deposits from banks	-	-	901.669	901.669	901.669
Deposits from MFP	-	-	4.729.097	4.729.097	4.729.097
Derivatives	-	7.151	-	7.151	7.151
Customers' deposits	-	-	10.244.00	10.244.00	10.244.00
Total financial liabilities	**-**	**7.151**	**15.874.76**	**15.881.92**	**15.881.92**



Group 31.12.2019	Level 1	Level 2	Level 3	Fair value	Book value
Financial assets					
Accounts at NBR	-	-	686.127	686.127	686.127
Due from credit institutions	-	-	898.188	898.188	898.188
Loans, net	-	-	3.796.953	3.796.953	3.855.497
Debt securities held for trading	110.819	-	-	110.819	110.819
Financial assets at fair value through other comprehensive income, of which:	1.517.982	9.886	1.347	1.529.215	1.529.215
- investments in capital instruments	-	-	1.347	1.347	1.348
- debt securities	1.517.982	9.886	-	1.527.868	1.527.867
Debt securities at amortized cost	527.523	-	-	527.523	552.415
Derivatives	-	3.025	-	3.025	3.025
Total financial assets	**2.156.324**	**12.911**	**5.382.615**	**7.551.850**	**7.635.286**
Financial liabilities					
Deposits from banks	-	-	313.467	313.467	313.467
Deposits from MFP	-	-	1.686.565	1.686.565	1.686.565
Derivatives	-	-	1.016	1.016	1.016
Customers' deposits	-	-	4.487.760	4.487.760	4.487.760
Total financial liabilities	-	-	**6.488.808**	**6.488.808**	**6.488.808**

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

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

Bank 31.12.2020	Level 1	Level 2	Level 3	Fair value	Book value
Financial assets					
Accounts at NBR	-	-	882.336	882.336	882.336
Due from credit institutions	-	-	1.617.170	1.617.170	1.617.170
Loans, net	-	-	5.331.394	5.331.394	5.398.592
Debt securities held for trading	386.317	-	-	386.317	386.317
Financial assets at fair value through other comprehensive income, of which:	2.074.184	66.636	1.346	2.142.166	2.142.166
- investments in capital instruments	-	-	1.346	1.346	1.346
- debt securities	2.074.184	66.636	-	2.140.820	2.140.820
Debt securities at amortized cost	653.901	-	-	653.901	611.568
Derivatives	-	20.604	-	20.604	20.604
Total financial assets	**3.114.402**	**87.240**	**8.148.712**	**11.350.354**	**11.375.219**
Financial liabilities					
Deposits from banks	-	-	645.294	645.294	645.294
Deposits from MFP	-	-	4.729.097	4.729.097	4.729.097
Derivatives	-	8.968	-	8,968	8,968
Customers' deposits	-	-	5.094.968	5.094.968	5.094.968
Total financial liabilities	-	**8.968**	**10.469.359**	**10.478.327**	**10.478.327**

Bank 31.12.2019	Level 1	Level 2	Level 3	Fair value	Book value
Financial assets					
Accounts at NBR	-	-	686.127	686.127	686.127
Due from credit institutions	-	-	869.172	869.172	869.172
Loans, net	-	-	3.796.953	3.796.953	3.855.497
Debt securities held for trading	110.819	-	-	110.819	110.819
Financial assets at fair value through other comprehensive income, of which:	1.517.982	9.886	1.347	1.529.215	1.529.215
- investments in capital instruments	-	-	1.347	1.347	1.347
- debt securities	1.517.982	9.886	-	1.527.868	1.527.868
Debt securities at amortized cost	488.036	-	-	488.036	512.116
Derivatives	-	3.025	-	3.025	3.025
Total financial assets	**2.116.837**	**12.911**	**5.353.599**	**7.483.347**	**7.565.971**
Financial liabilities					
Deposits from banks	-	-	**313.467**	**313.467**	**313.467**
Deposits from MFP	-	-	**1.686.565**	**1.686.565**	**1.686.565**
Derivatives	-	-	**1.016**	**1.016**	**1.016**
Customers' deposits	-	-	**4.488.544**	**4.488.544**	**4.488.544**
Total financial liabilities	-	-	**6.489.592**	**6.489.592**	**6.489.592**

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 EximBank Group 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.

The related parties are therefore the following:
- Insurance Company - Reinsurance EximAsig, as subsidiary of EximBank;
- Banca Romaneasca, as subsidiary of EximBank as of 23 January 2020;
- 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 EximBank, 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 Division
Executive Director - Risk Division
Executive Director - Financial and Operations Division
Executive Director - Corporate Network Division
Director - Treasury and Capital Markets Directorate
Director - Directorate of Large Clients and Project Funding
Officer - Credit Risk Directorate
Chief Financial Officer - Financial Accounting Directorate
Officer - Compliance Directorate
Officer - Legal Directorate
Manager - Internal Audit Department
Regional Manager
Branch Manager/Deputy Manager
Agency Manager

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.

31.12.2020 Group	Executive management and key personnel identified	Ministry of Public Finance	Total
Loans, net	-	315.849	315.849
Other assets	-	4.678	4.678
Total assets	**-**	**320.527**	**320.527**
State funds	-	4.729.097	4.729.097
Total liabilities	**-**	**4.729.097**	**4.729.097**

31.12.2020 Group	Executive management and key personnel identified	Ministry of Public Finance	Total
Interest income	-	11.442	11.442
Interest expense	-	65.916	65.916
Revenue from commissions/miscellaneous	-	**23.588**	**23.588**
Short-term benefits	30.955	-	30.955
	30.955	**100.946**	**131.901**

31.12.2020 Bank	Executive management and key personnel identified	Insurance Company - Reinsurance EXIMASIG S.A.	Banca Românească S.A.	Ministry of Public Finance	Total
Loans, net	-	-	-	315.849	315.849
Subordinated loans	-	-	316.466	-	316.466
Investments in subsidiaries	-	34.046	283.775	-	317.821
Other assets	-	-	4	4.678	4.682
Total assets	**-**	**34.046**	**600.245**	**320.527**	**954.818**
State funds	-	-	-	4.729.097	4.729.097
Amounts due to customers - total	-	6.088	-	-	6.088
Deferred income and accruals	-	-	6	-	6
Total liabilities	**-**	**6.088**	**6**	**4.729.097**	**4.729.097**

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

31.12.2020 Bank	Executive management and key personnel identified	Insurance Company - Reinsurance EXIMASIG S.A.	Banca Românească S.A.	Ministry of Public Finance	Total
Interest income	-	-	2.093	11.442	13.535
Interest expense	-	74	433	65.916	66.423
Revenue from commissions/miscellaneous	-	-	-	23.588	23.588
Short-term benefits	15.741	-	-	-	15.741
	15.741	**74**	**2.526**	**100.946**	**119.287**

31.12.2019 Group	Executive management and key personnel identified	Ministry of Public Finance	Total
Other assets	-	1.789	1.789
Total assets	**-**	**1.789**	**1.789**
State funds	-	1.686.565	1.686.565
Total liabilities	-	**1.686.565**	**1.686.565**

31.12.2019 Group	Executive management and key personnel identified	Ministry of Public Finance	Total
Interest income	-	-	-
Interest expense	-	-57.169	-57.169
Revenue from commissions/miscellaneous	-	17.654	17.654
Beneficii pe termen scurt	-24.609	-	-24.609
	-24.609	**-39.515**	**-64.124**

31.12.2019 Bank	Executive management and key personnel identified	Insurance Company - Reinsurance EXIMASIG S.A.	Ministry of Public Finance	Total
Investments in subsidiaries	-	34.046	-	34.046
Other assets	-	-	1.789	1.789
Total assets	**-**	**34.046**	**1.789**	**35.835**
State funds	-	-	1.686.565	1.686.565
Amounts due to customers - total	-	785	-	785
Total liabilities	**-**	**785**	**1.686.565**	**1.687.350**

31.12.2019 Bank	Executive management and key personnel identified	Insurance Company - Reinsurance EXIMASIG S.A.	Ministry of Public Finance	Total
Interest income	-	-	-	-
Interest expense	-	-28	-57.169	-57.197
Revenue from commissions/miscellaneous	**-**	**2**	**17.654**	**17.656**
Short-term benefits	-21.621	-	-	-21.621
	-21.621	**-26**	**-39.515**	**-61.162**

43. Subsequent events

During 2021, up to the date of the signing of these financial statements, there were no other significant subsequent events that had an impact on the financial statements.

Traian Sorin Halalai
Executive President

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Executive Vice president

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OUR VALUES

- PARTNERSHIP AND COLLABORATION
- PROFESSIONALISM AND RESPONSIBILITY
- FLEXIBILITY AND ADAPTABILITY
- CONTINUOUS DEVELOPMENT
- TEAM SPIRIT
- RESPECT AND INTEGRITY

ROMANIA
IS GROWING WITH US

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