Banca Comercială Română S.A.

Consolidated and Separate Financial Statements

(The Group and the Parent Bank)

Prepared in Accordance with
International Financial Reporting Standards
as endorsed by the European Union
LEI Code: 549300ORLU6LN5YD8X90

31 December 2024

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Independent Auditor's Report

To the Shareholders of Banca Comercială Română S.A.

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Banca Comercială Română S.A. (the "Bank") and its subsidiaries (together - the "Group") as at 31 December 2024, and the Group's and Bank's consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the National Bank of Romania (NBR) Order no. 27/2010 for approving accounting Regulations in accordance with International Financial Reporting Standards, republished, and subsequent amendments (the "NBR Order 27/2010").

Our opinion is consistent with our additional report to the Audit Committee dated 31 March 2025.

What we have audited

The Group's and the Bank's consolidated and separate financial statements comprise:

- the consolidated and separate statements of profit or loss for the year ended 31 December 2024;
- the consolidated and separate statements of other comprehensive income for the year ended 31 December 2024;
- the consolidated and separate statements of financial position as at 31 December 2024;
- the consolidated and separate statements of changes in equity for the year ended 31 December 2024;
- the consolidated and separate statements of cash flows for the year ended 31 December 2024; and
- the notes to the consolidated and separate financial statements, comprising material accounting policy information and other explanatory information.

The consolidated and separate financial statements as at 31 December 2024 are identified as follows:

- Total consolidated equity: RON 13,990,154 thousand;
- Consolidated net result for the year: RON 2,767,423 thousand.
- Total separate equity: RON 14,014,165 thousand;
- Separate net result for the year: RON 2,781,752 thousand.

The Bank's registered office is in Orhideelor, no. 15D, 2nd floor, Building The Bridge 1, Bucharest, district 6 and the Bank's unique fiscal registration code is RO361757.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation EU No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC

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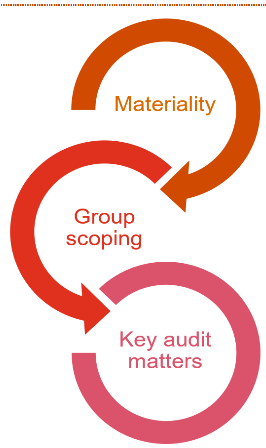
(the “Regulation 537/2014”) and Law 162/2017 regarding statutory audit of annual financial statements and annual consolidated financial statements and regarding changes to other regulations and subsequent amendments (the “Law 162/2017”). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated and separate financial statements section of our report.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Group and the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Regulation 537/2014 and the Law 162/2017 that are relevant to our audit of the consolidated and separate financial statements in Romania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Regulation 537/2014 and the Law 162/2017.
To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Group and the Bank are in accordance with the applicable law and regulations in Romania and that we have not provided non-audit services that are prohibited under Article 5(1) of the Regulation 537/2014.
The non-audit services that we have provided to the Group and the Bank in the period from 1 January 2024 to the date of issuing this report, are disclosed in Note 45 "Audit fees and tax consultancy fees" to the consolidated and separate financial statements.

Our audit approach

Overview



Materiality	Overall materiality for the consolidated financial statements of the Group: RON 164,375 thousand, which represents 5% of Pre-tax result from continuing operations from the Group’s consolidated statement of profit or loss for the year ended 31 December 2024
	Overall materiality for the separate financial statements of the Bank: RON 164,206 thousand, which represents 5% of Pre-tax result from continuing operations from the Bank’s separate statement of profit or loss for the year ended 31 December 2024
Group scoping	We planned and scoped our audit for the financial year 2024 reflecting the Group’s current structure whereby the Bank represents a very significant part of the Group’s assets, liabilities, revenue and pre-tax result from continuing operations. Hence, we defined the Bank as the sole significant component within the Group and so it was subject to a full scope audit of its financial information.
Key audit matters	Application of IFRS 9 in the calculation of expected credit losses for loans and advances to customers (“ECL”)

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

This version of our report is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated and separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group and Bank materiality for the consolidated and separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated and separate financial statements as a whole.

Overall Group and Bank materiality	Group: RON 164,375 thousand
	Bank: RON 164,206 thousand
How we determined it	Group: 5% of Pre-tax result from continuing operations from the Group's consolidated statement of profit or loss for the year ended 31 December 2024
	Bank: 5% of Pre-tax result from continuing operations from the Bank's separate statement of profit or loss for the year ended 31 December 2024
Rationale for the materiality benchmark applied	We chose pre-tax result from continuing operations as the benchmark because, in our view, it is the benchmark against which the performance of the Group and Bank is most commonly measured by its stakeholders, and it is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented entities in this sector.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above RON 8,210 thousand as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

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

.Key audit matter	How our audit addressed the key audit matter
Application of IFRS 9 in the calculation of expected credit losses for loans and advances to customers ("ECL")	
IFRS 9, "Financial Instruments", requires recognition of ECL allowances for all exposures from the time a loan is originated, based on the deterioration of credit risk since initial recognition. If the credit risk has not increased significantly (Stage 1), IFRS 9 requires allowances based on 12-month expected credit losses. If the credit risk has increased significantly since initial recognition (Stage 2) or if the loan is 'credit impaired' (Stage 3), IFRS 9 requires allowances based on lifetime expected credit losses. The calculation of ECL allowance for Stage 1, Stage 2 and non-significant loans and advances to customers in Stage 3 is performed collectively. The key assumptions include the probability of a loan falling into arrears and subsequently entering into default ("PD"), criteria for identifying significant increase in credit risk ("SICR"), the estimated exposure at the moment of default ("EAD"), the estimated loss from defaulted loans ("LGD") and the credit conversion factor ("CCF"). Statistical models are used for determination of the key assumptions for incorporating forward-looking information ("FLI"). The FLI assessment considers a baseline forecast and two alternative scenarios (upside and downside) for selected macroeconomic variables. For significant loans and advances in Stage 3, the ECL allowance is calculated individually based on probability weighted scenarios of cash flow forecasts. The key assumptions are the expected cash flows (from both operating cash flows and recoveries from collateral) and the probability weighting attached to the different scenarios. The uncertainty inherent in the estimation of the ECL allowance for loans and advances, in particular the consideration of future economic conditions, have increased significantly starting 2022 due to the geopolitical and	In relation to application of the ECL statistical models, we assessed the compliance of the key methodologies and models with the IFRS 9 requirements. We engaged our credit risk modelling specialists to assist us in undertaking this assessment. We also assessed the changes in the ECL methodology including the updated macroeconomic model for standard corporate loan portfolio. We also assessed the reasonableness of selecting and using multiple macroeconomic scenarios, including the latest macroeconomic forecasts as well as the severity and weights of modelled scenarios. We assessed the independent statistical models validation framework, validation results and overall governance for IFRS 9 models. We tested, on a sample basis, the key internal controls over the inputs of critical data (e.g. probability of default, loss given default, application of FLI) into the source systems and the flow and transformation of data from the source systems to the ECL calculation engine. We performed detailed risk assessment analytics over the Bank's loan portfolio to identify possible areas of risk and better calibrate our audit procedures described below. We performed substantive testing over the critical data (cash repayments, forbearance and default status, valuation of collateral) used in the ECL calculation as at 31 December 2024. We tested a sample of the statistical models used by the management to determine the key assumptions (probability of default, loss given default and exposure at default) to assess whether the calculation process was consistent with the IFRS 9 requirements and the Bank's own ECL methodology.

Key audit matter	How our audit addressed the key audit matter
economic developments, including the ceiling for energy prices for the eligible end consumers. Despite these developments, low default rates were still observed, resulting in delays in identifying a potential deterioration of the loan portfolio, hence negatively influencing the predictability of statistical credit risk models. Taking into account the significant increase in uncertainty in respect of the key inputs for the ECL estimation, the Bank has addressed the related risk through a mix of measures, including: i. Following the initial BCR Internal Ratings-Based ("IRB") application request from March 2022, new IFRS 9 methodologies were developed, with an aim to harmonize, to the extent possible, the regulatory parameters with the ones used for the ECL assessment for IFRS 9 purposes; ii. Estimation and the update, throughout the year, of the FLI with the latest available macroeconomic forecasts and revision of the probability weighting applied to different scenarios; iii. Update of post-model adjustments (overlays), through which sub-populations of exposures with perceived higher risk (e.g. debtors operating within industries particularly affected by the economic turbulence) are transferred into Stage 2, even though other restaging criteria are not observed. During 2024, the Bank changed the overlays by replacing cyclical industries with updated industries and deleting energy and fiscal overlays; and iv. Recalibrate of the corporate macro model used in application of the FLI estimates. Considering (i) the significant judgement applied by the management in designing the overlays and determining and weighting of the macroeconomic future scenarios, (ii) high degree of uncertainty of future economic developments, which led to a high degree of the auditor judgement, (iii) the complexity and	We verified that the key assumptions (EAD, PD, LGD) resulting from the statistical estimation models and approved by management were the same as the ones effectively implemented in the system and used for the ECL automated calculation. We reconciled the output from the automated ECL calculation engine with the relevant information in the audited consolidated and separate financial statements. With regards to significant exposures of loans and advances to customers within Stage 3, for which ECL is assessed individually, we tested the management approval of the key inputs, assumptions and discounted cash-flows from both operating cash flows and recoveries from collateral that are used in the ECL calculation. We obtained the management approvals for the updated post model adjustments (overlays) and the criteria used for transferring exposures from Stage 1 to Stage 2. We have also independently reperformed the application of the overlays criteria and tested on a sample basis key underlying input data. We tested the application of SICR criteria and default definition used for stage allocation of loans and advances to customers.

Key audit matter	How our audit addressed the key audit matter
assumptions and the resulting increased audit effort and (iv) the volume of the ECL allowance, we identified this area to be a key audit matter. “Material accounting policies information”, Note 15 “Financial assets at amortized cost” and Note 28 “Credit risk” to the consolidated and separate financial statements provide detailed information on the ECL for loans and advances to customers.	For the purpose of testing stage allocation and timely identification of SICR or impairment indicators and also testing the valuation of ECL allowance for significant impaired loans and advances to clients, we have selected a representative sample of (i) individual analysed exposures and (ii) based on risk criteria, performing debtors.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated and separate financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We planned and scoped our audit for the year 2024 reflecting the Group’s current structure whereby the Bank represents the vast majority of the Group’s assets (95%), liabilities (95%) and pre-tax result from continuing operations (97%) of all the consolidated Group subsidiaries before consolidation eliminations. Hence, we defined the Bank as the sole significant component within the Group and so the Bank was subject to an audit of its complete financial information. We applied analytical procedures to the financial information of the three largest subsidiaries of the Group (BCR Banca pentru Locuinte, BCR Leasing IFN SA and BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private SA) and on the remaining components no procedures were considered necessary.

Reporting on other information including the Consolidated and Separate Administrators’ Report

Administrators are responsible for the other information. The other information comprises the Consolidated and Separate Administrators’ Report and the Consolidated Sustainability Statement, which is part of the Consolidated and Separate Administrators’ Report, but does not include the consolidated and separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information, including the Consolidated and Separate Administrators’ Report and the Consolidated Sustainability Statement.

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

With respect to the Consolidated and Separate Administrators’ Report we considered whether it is consistent with the consolidated and separate financial statements and whether the Consolidated and Separate Administrators’ Report, excluding the requirements for the information on sustainability reporting on which the separate limited assurance report on Consolidated Sustainability Statement has been issued by us on 31 March 2025, was prepared in accordance with NBR Order 27/2010 articles 32, 33 and 34.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Consolidated and Separate Administrators’ Report for the financial year for which the consolidated and separate financial statements are prepared is consistent with the consolidated and separate financial statements;

- the Consolidated and Separate Administrators' Report, excluding the requirements for the information on sustainability reporting, has been prepared in accordance with NBR Order 27/2010 articles 32, 33 and 34.

In addition, in light of the knowledge and understanding of the Group and the Bank and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Consolidated and Separate Administrators' Report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated and separate financial statements

Management is responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and NBR Order 27/2010, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank'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 and the Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 or the Bank'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 and the Bank'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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Reporting on report regarding information related to income tax

In accordance with NBR Order 27/2010, article 57^16, in connection with the audit of the consolidated and separate financial statements for the financial year ended as at 31 December 2024, our responsibility is to state if, for the previous financial year ended as at 31 December 2023, the Bank had the obligation, in accordance with articles 57^4 – 57^10 of NBR Order 27/2010, to publish a report regarding information related to income tax for the financial year ended 31 December 2023 and if this is the case, whether such report was published in accordance with article 57^14 of NBR Order 27/2010.

The Bank did not have the obligation to publish the report regarding information related to income tax.

Report on the compliance of the format of consolidated financial statements with the requirements of the European Single Electronic Format ("ESEF")

We have been engaged as part of our audit engagement letter by the Management Board of the Bank to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the consolidated financial statements of Banca Comercială Română S.A.'s Group for the year ended 31 December 2024 in the digital file

549300ORLU6LN5YD8X90-2024-12-31-0-en (the “Presentation of the Consolidated Financial Statements”).

Description of a subject matter and applicable criteria

The Presentation of the Consolidated Financial Statements has been applied by the Management Board of BCR to comply with the requirements of Law 24/2017, Financial Supervision Authority Regulation 7/2021 and the requirements of art. 3 and 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format and subsequent amendments (the “ESEF Regulation”). The applicable requirements regarding the Presentation of the Consolidated Financial Statements are contained in the ESEF Regulation.

The requirements described in the preceding sentence determine the basis for application of the Presentation of the Consolidated Financial Statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the Management Board and the Supervisory Board

The Management Board of BCR is responsible for Presentation of the Consolidated Financial Statements that complies with the requirements of the ESEF Regulation.

This responsibility includes the selection and application of appropriate markups in iXBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the Consolidated Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Members of the Supervisory Board are responsible for overseeing the financial reporting process, which should also be understood as the preparation of Consolidated Financial Statements in accordance with the format resulting from the ESEF Regulation.

Our responsibility

Our responsibility was to express a reasonable assurance conclusion whether the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (R) - Assurance Engagements other than Audits and Reviews of Historical Financial Information (ISAE 3000(R). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000 (R) will always detect the existing material misstatement (significant non-compliance with the requirements).

Quality control requirements and professional ethics

We apply International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements and such application is free from material errors or omissions.
Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the Electronic Reporting Format of the Consolidated Financial Statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- verification whether the XHTML format was applied properly;
- evaluating the completeness of marking up the consolidated financial statements using the iXBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the Group's' use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed, the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

Appointment

We were first appointed by Ordinary General Shareholders Meeting as auditors of Banca Comercială Română S.A. on 27 January 2017. Our appointment has been renewed annually by Ordinary General Shareholders Meeting representing a total period of uninterrupted engagement appointment of eight years, covering the financial years ended 31 December 2017 up to 31 December 2024.

The financial auditor responsible for carrying out the audit resulting in this independent auditor's report is Victor Sasu.

On behalf of
PricewaterhouseCoopers Audit S.R.L.
Audit firm
registered with the Public Electronic Register of financial auditors and audit firms under no. FA6

Refer to the original signed Romanian version

Victor Sasu
Financial Auditor
registered with the Public Electronic Register of financial auditors and audit firms under no. AF4097

Thomas Magill
Representative

Bucharest, 31 March 2025

This version of our report is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

STATEMENTS OF PROFIT OR LOSS

Consolidated and Separate for the year ended 31 December 2024

Statements of profit or loss

	Notes	Group		Bank	
in RON thousands		**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Net interest income	1	**4,400,976**	**3,656,406**	**4,253,358**	**3,476,006**
Interest income		6,692,846	5,897,924	6,720,942	5,860,443
Other similar income		242,463	137,822	77,352	2,068
Interest expenses		(2,504,410)	(2,353,145)	(2,515,429)	(2,360,740)
Other similar expense		(29,923)	(26,195)	(29,507)	(25,765)
Net fee and commission income	2	**1,128,180**	**1,012,615**	**1,071,921**	**966,148**
Fee and commission income		1,450,865	1,277,353	1,387,671	1,221,406
Fee and commission expense		(322,685)	(264,738)	(315,750)	(255,258)
Dividend income	3	6,192	5,103	74,078	65,976
Net trading result	4	487,915	539,745	487,871	522,792
Gains/(losses) from non-trading financial instruments mandatorily measured at fair value through profit or loss		24,723	2,874	24,723	2,874
Foreign currency translation		4,371	8,991	(2,074)	6,376
Net result from equity method investments	41	8,831	6,136	-	-
Rental income from investment properties and other operating leases	5	34,543	43,796	5,346	5,455
Personnel expenses	6	(1,111,044)	(1,072,385)	(1,047,484)	(991,002)
Other administrative expenses	6	(900,699)	(749,178)	(890,171)	(732,021)
Depreciation and amortisation	6	(259,105)	(245,444)	(241,797)	(226,780)
Gains/(losses) from derecognition of financial assets measured at amortised cost	7	(26,881)	-	(26,881)	-
Other gains/(losses) from derecognition of financial instruments not measured at fair value through profit or loss	8	(4,127)	(2,282)	(4,127)	(2,282)
Net impairment gain/ (losses) on financial instruments	9,10	(106,342)	(46,308)	(66,482)	57,884
Other operating result, out of which	11	**(400,038)**	**(165,045)**	**(354,175)**	**(11,299)**
Other operating income		84,752	95,773	50,890	71,386
Other operating expense, out of which		(484,790)	(260,818)	(405,065)	(82,685)
Tax on Bank revenues		*(182,460)*	-	*(181,702)*	-
Pre-tax result from continuing operations		**3,287,495**	**2,995,024**	**3,284,106**	**3,140,127**
Taxes on income	12	(520,072)	(673,800)	(502,354)	(652,784)
Net result for the year		**2,767,423**	**2,321,224**	**2,781,752**	**2,487,343**
Net result attributable to non-controlling interests		8	8	-	-
Net result attributable to owners of the parent		**2,767,415**	**2,321,216**	**2,781,752**	**2,487,343**

AUTHORISED PERSON,

Signature
Executive Vice-President,

Elke Meier

AUTHORISED PERSON,

Signature
Director Accounting Division,

Gina Badea

BCR

STATEMENTS OF OTHER COMPREHENSIVE INCOME
Consolidated and Separate for the year ended 31 December 2024

Statements of other comprehensive income

	Notes	Group		Bank	
in RON thousands		**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Net result for the year		**2,767,423**	**2,321,224**	**2,781,752**	**2,487,343**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gains/(losses) on defined benefit pension plans	37	5,314	(7,521)	5,179	(7,521)
Deferred taxes relating to items that will not be reclassified	12	(820)	1,203	(829)	1,203
Total items that will not be reclassified to profit or loss		**4,494**	**(6,318)**	**4,350**	**(6,318)**
Items that may be reclassified to profit or loss					
Debt instruments at fair value through other comprehensive income		(19,063)	343,156	(15,307)	342,320
Currency translation reserve		3,402	9,309	-	-
Deferred taxes relating to items that may be reclassified	12	2,899	(54,872)	2,449	(54,771)
Total items that may be reclassified to profit or loss		**(12,762)**	**297,593**	**(12,858)**	**287,549**
Total other comprehensive income		**(8,268)**	**291,275**	**(8,508)**	**281,231**
Total comprehensive income		**2,759,155**	**2,612,499**	**2,773,244**	**2,768,574**
Total comprehensive income attributable to non-controlling interests		8	8	-	-
Total comprehensive income attributable to owners of the parent		2,759,147	2,612,491	2,773,244	2,768,574

AUTHORISED PERSON,

Signature

Executive Vice-President,

Elke Meier

AUTHORISED PERSON,

Signature

Director Accounting Division,

Gina Badea

STATEMENTS OF FINANCIAL POSITION

Consolidated and Separate as at 31 December 2024

Statements of financial position

		Group		Bank	
in RON thousands	**Notes**	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Assets					
Cash and cash equivalents	14	10,642,241	16,763,792	10,596,154	16,724,913
Financial assets held for trading		1,912,779	701,088	1,912,779	701,137
Derivative financial instruments held for trading	18	187,806	135,678	187,806	135,727
Debt securities held for trading	19,23	1,724,973	565,410	1,724,973	565,410
thereof pledged as collateral	*24, 25*	*9,898*	-	*9,898*	-
Non-trading financial assets mandatorily at fair value through profit or loss	20	87,862	79,363	87,862	79,363
Equity instruments		75,345	59,350	75,345	59,350
Debt securities		12,517	20,013	12,517	20,013
Financial assets at fair value through other comprehensive income	21, 23	12,767,715	10,135,530	12,767,715	10,135,530
Debt securities	21, 23	12,767,715	10,135,530	12,767,715	10,135,530
thereof pledged as collateral	*24, 25*	*20,797*	*115,714*	*20,797*	*115,714*
Financial assets at amortised cost	15	90,038,137	74,818,710	91,972,536	76,486,958
Debt securities	15.1, 23	20,623,315	17,495,369	20,497,053	17,375,556
thereof pledged as collateral	*24, 25*	*322,960*	*262,429*	*855,579*	*883,837*
Loans and advances to banks	15.2	6,004,729	2,125,746	5,960,826	2,142,421
Loans and advances to customers	15.3	63,410,093	55,197,595	65,514,657	56,968,981
Finance lease receivables	35	2,321,385	2,022,555	15,043	17,393
Property and equipment	31	1,029,795	1,025,930	902,686	843,919
Investment property	31	112,198	133,035	112,198	133,035
Intangible assets	33	496,946	454,257	468,484	430,798
Investments in joint ventures and associates	41	38,838	30,008	25,961	25,961
Current tax assets	12	139	1,110	-	-
Deferred tax assets	12	92,230	118,404	90,567	115,234
Assets held for sale and disposal group	46	729	745,408	729	55,383
Trade and other receivables	16	1,002,936	1,522,407	995,338	1,511,077
Investments in subsidiaries	34,40	-	-	613,371	588,105
Other assets	34	261,005	299,193	115,272	159,277
Total assets		**120,804,935**	**108,850,790**	**120,676,695**	**108,008,083**
Liabilities and Equity					
Financial liabilities held for trading		133,740	165,467	133,740	165,467
Derivative financial instruments held for trading	18	133,740	165,467	133,740	165,467
Financial liabilities measured at amortised cost	17	104,405,296	93,239,094	104,748,753	93,548,921
Deposits from banks	17.1	1,174,726	998,503	1,686,012	1,585,724
Borrowings and financing lines	17.2	533,268	650,435	127,307	152,934
Deposits from customers	17.4	91,007,840	78,481,853	91,281,395	78,724,676
Debt securities issued	17.3	10,407,030	10,170,143	10,407,030	10,170,143
Other financial liabilities	17.5	1,282,432	2,938,160	1,247,009	2,915,444
Lease liabilities	35	500,390	449,467	498,276	448,488
Provisions	37	788,313	1,013,883	768,162	883,960
Current tax liabilities	12	42,508	83,339	38,260	82,494
Deferred tax liabilities	12	25,177	21,801	-	-
Liabilities associated with assets held for sale and disposal group	46	-	560,644	-	-
Other liabilities	36	919,357	839,541	475,339	393,487
Total liabilities		**106,814,781**	**96,373,236**	**106,662,530**	**95,522,817**
Total equity	**39**	**13,990,154**	**12,477,554**	**14,014,165**	**12,485,266**
Attributable to non-controlling interest		64	56	-	-
Attributable to owners of the parent		13,990,090	12,477,498	14,014,165	12,485,266
Share capital		2,952,565	2,952,565	2,952,565	2,952,565
Additional equity instruments		741,555	741,555	741,555	741,555
Retained earnings		8,430,294	6,961,940	8,454,512	6,969,611
Other reserves		1,865,676	1,821,438	1,865,533	1,821,535
Total liabilities and equity		**120,804,935**	**108,850,790**	**120,676,695**	**108,008,083**

AUTHORISED PERSON,

Signature

Executive Vice-President,

Elke Meier

AUTHORISED PERSON,

Signature

Director Accounting Division,

Gina Badea

STATEMENTS OF CHANGES IN EQUITY

Consolidated and Separate for the year ended 31 December 2024

Statements of changes in equity

31.12.2024 Group

in RON thousands	Share capital	Share premium	Additional equity instruments (3)	Retained earnings	Other reserves (1)	Fair value reserve	Currency translation reserve (2)	Actuarial gains/(losses) on defined benefit pension plans	Deferred tax	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total
Total equity as of 01.01.2024	**2,952,565**	**395,483**	**741,555**	**6,961,940**	**1,316,622**	**72,828**	**(3,402)**	**61,197**	**(21,290)**	**12,477,498**	**56**	**12,477,554**
Dividends paid	-	-	-	(1,243,706)	-	-	-	-	-	(1,243,706)	-	(1,243,706)
Reclassification among components of equity	-	-	-	(53,145)	53,145	-	-	-	-	-	-	-
Other changes	-	-	-	(2,210)	(639)	-	-	-	-	(2,849)	-	(2,849)
Total comprehensive income, of which	**-**	**-**	**-**	**2,767,415**	**-**	**(19,063)**	**3,402**	**5,314**	**2,079**	**2,759,147**	**8**	**2,759,155**
Net result for the year	-	-	-	2,767,415	-	-	-	-	-	2,767,415	8	2,767,423
Other comprehensive income	-	-	-	-	-	(19,063)	3,402	5,314	2,079	(8,268)	-	(8,268)
Total equity as of 31.12.2024	**2,952,565**	**395,483**	**741,555**	**8,430,294**	**1,369,128**	**53,765**	**-**	**66,511**	**(19,211)**	**13,990,090**	**64**	**13,990,154**

(1) Other reserves include legal reserves and general banking risk reserve described Note 39;
(2) Refers to translation of financial information of foreign operation to presentation currency;
(3) Capital increases include AT1 instruments issued as described in Note 39.

31.12.2023 Group

in RON thousands	Share capital	Share premium	Additional equity instruments (3)	Retained earnings	Other reserves (1)	Fair value reserve	Currency translation reserve (2)	Actuarial gains/(losses) on defined benefit pension plans	Deferred tax	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total
Total equity as of 01.01.2023	**2,952,565**	**395,483**	**741,555**	**5,904,001**	**1,243,074**	**(270,328)**	**(12,711)**	**68,718**	**32,379**	**11,054,736**	**63**	**11,054,799**
Dividends paid	-	-	-	(1,189,729)	-	-	-	-	-	(1,189,729)	(15)	(1,189,744)
Reclassification among components of equity	-	-	-	(73,548)	73,548	-	-	-	-	-	-	-
Total comprehensive income, of which	**-**	**-**	**-**	**2,321,216**	**-**	**343,156**	**9,309**	**(7,521)**	**(53,669)**	**2,612,491**	**8**	**2,612,499**
Net result for the year	-	-	-	2,321,216	-	-	-	-	-	2,321,216	8	2,321,224
Other comprehensive income	-	-	-	-	-	343,156	9,309	(7,521)	(53,669)	291,275	-	291,275
Total equity as of 31.12.2023	**2,952,565**	**395,483**	**741,555**	**6,961,940**	**1,316,622**	**72,828**	**(3,402)**	**61,197**	**(21,290)**	**12,477,498**	**56**	**12,477,554**

(1) Other reserves include legal reserves and general banking risk reserve as described in Note 39;
(2) Refers to translation of financial information of foreign operation to presentation currency;
(3) Capital increases include AT1 instruments issued as described in Note 39.

Statements of changes in equity *(continued)*

31.12.2024 Bank

in RON thousands	Share capital	Share premium	Additional equity instruments (2)	Retained earnings	Other reserves (1)	Fair value reserve	Actuarial gains/(losses) on defined benefit pension plans	Deferred tax	Total
Total equity as of 01.01.2024	**2,952,565**	**395,483**	**741,555**	**6,969,611**	**1,316,622**	**69,074**	**61,197**	**(20,841)**	**12,485,266**
Dividends paid	-	-	-	(1,243,706)	-	-	-	-	(1,243,706)
Reclassification among components of equity	-	-	-	(53,145)	53,145	-	-	-	-
Other changes	-	-	-	-	(639)	-	-	-	(639)
Total comprehensive income, of which	**-**	**-**	**-**	**2,781,752**	**-**	**(15,307)**	**5,179**	**1,620**	**2,773,244**
Net result for the year	-	-	-	2,781,752	-	-	-	-	2,781,752
Other comprehensive income	-	-	-	-	-	(15,307)	5,179	1,620	(8,508)
Total equity as of 31.12.2024	**2,952,565**	**395,483**	**741,555**	**8,454,512**	**1,369,128**	**53,767**	**66,376**	**(19,221)**	**14,014,165**

(1) Other reserves include legal reserves and general banking risk reserve described Note 39;
(2) Capital increases include AT1 instruments issued as described in Note 39.

31.12.2023 Bank

in RON thousands	Share capital	Share premium	Additional equity instruments (2)	Retained earnings	Other reserves (1)	Fair value reserve	Actuarial gains/(losses) on defined benefit pension plans	Deferred tax	Total
Total equity as of 01.01.2023	**2,952,565**	**395,483**	**741,555**	**5,745,545**	**1,243,074**	**(273,246)**	**68,718**	**32,727**	**10,906,421**
Dividends paid	-	-	-	(1,189,729)	-	-	-	-	(1,189,729)
Reclassification among components of equity	-	-	-	(73,548)	73,548	-	-	-	-
Total comprehensive income, of which	**-**	**-**	**-**	**2,487,343**	**-**	**342,320**	**(7,521)**	**(53,568)**	**2,768,574**
Net result for the year	-	-	-	2,487,343	-	-	-	-	2,487,343
Other comprehensive income	-	-	-	-	-	342,320	(7,521)	(53,568)	281,231
Total equity as of 31.12.2023	**2,952,565**	**395,483**	**741,555**	**6,969,611**	**1,316,622**	**69,074**	**61,197**	**(20,841)**	**12,485,266**

(1) Other reserves include legal reserves and general banking risk reserve described Note 39;
(2) Capital increases include AT1 instruments issued as described in Note 39.

BCR

CASH FLOW STATEMENTS

Consolidated and Separate for the year ended 31 December 2024

Statements of cash flow

in RON thousands	Notes	Group 31.12.2024	Group 31.12.2023	Bank 31.12.2024	Bank 31.12.2023
Net result for the year		**2,767,423**	**2,321,224**	**2,781,752**	**2,487,343**
Non-cash adjustments for items in net result for the period					
Depreciation, amortisation of assets	6	259,105	245,444	241,797	226,780
Allocation and release of impairment of loans and direct write offs	9	151,197	68,035	92,061	(53,932)
Gains/(losses) from the sale of property and equipment and investment properties	11	(8,840)	(22,176)	(12,470)	(23,528)
Gain on disposal of non-current assets held for sale and disposal group	11	(5,747)	21,276	(5,145)	(10,933)
Other provisions	11	(16,762)	5,855	(18,233)	(8,747)
Net impairment of subsidiaries	11	-	-	(25,266)	(97,359)
Impairment tangible and intangible assets	11	27,309	(1,488)	9,568	(7,288)
Impairment of assets held for sale and other assets	11	29,509	6,782	30,758	5,893
Current tax not paid	12	488,605	645,763	476,066	637,036
Deferred tax	12	31,467	28,037	26,288	15,748
Other adjustments		(94,182)	8,165	(59,675)	19,866
Adjustments for items in net profit/(loss) for the year		(4,407,168)	(3,661,421)	(4,327,436)	(3,541,982)
Interest income from operating activities		(6,007,993)	(5,354,422)	(5,877,837)	(5,202,944)
Interest expense for operating activities		1,801,407	1,687,104	1,836,284	1,865,467
Interest income from investing activities		(927,316)	(681,324)	(920,457)	(659,567)
Interest expense for financing activities		732,926	692,236	708,652	521,038
Dividend income from investing activities	3	(6,192)	(5,015)	(74,078)	(65,976)
Changes in assets and liabilities from operating activities after adjustment for non-cash components					
Financial assets - held for trading	19	(1,159,563)	(523,845)	(1,159,563)	(523,428)
Financial assets at fair value through other comprehensive income	21	(2,649,139)	(115,897)	(2,649,104)	(115,231)
Financial assets at amortised cost		(13,163,420)	(5,144,158)	(13,162,298)	(5,343,079)
Loans and advances to banks	15.2	(3,231,699)	(1,973,220)	(3,171,122)	(1,908,111)
Loans and advances to customers	15.3	(9,606,457)	(2,880,451)	(9,993,513)	(3,427,340)
Finance lease receivables	35	(325,264)	(290,487)	2,337	(7,628)
Other assets from operating activities	34	58,277	(93,770)	50,396	(19,291)
Financial liabilities measured at amortised cost	17	11,061,355	4,372,838	10,959,001	4,492,113
Deposits from banks	17.1	240,585	(405,446)	116,152	(531,541)
Deposits from customers	17.4	12,476,497	3,461,416	12,511,285	3,689,936
Other financial liabilities	17.5	(1,655,727)	1,316,868	(1,668,436)	1,333,718
Income tax paid		(526,717)	(361,907)	(520,939)	(353,540)
Other liabilities from operating activities	36	90,224	21,848	81,854	43,482
Interest received from operating activities		6,390,970	5,500,926	6,326,847	5,436,704
Interest paid for operating activities		(1,784,145)	(2,255,205)	(1,798,805)	(2,439,780)
Cash flow from operating activities		**(2,460,242)**	**1,066,326**	**(2,662,546)**	**826,847**
Proceeds of disposal:		2,144,608	1,549,988	2,098,109	1,526,958
Debt securities at amortised cost		1,990,682	1,435,153	1,990,682	1,435,153
Property and equipment, intangible assets, investment properties and assets held for sale	31, 46	97,210	113,168	50,711	90,138
Assets held for sale and disposal group	46	56,716	1,667	56,716	1,667
Acquisition of:		(5,219,382)	(3,875,383)	(5,200,781)	(3,851,823)
Debt securities at amortised cost	15.1	(4,951,396)	(3,612,225)	(4,951,396)	(3,612,225)
Property and equipment, intangible assets, investment properties and assets held for sale	31, 46	(267,986)	(263,158)	(249,385)	(239,598)
Contribution to increase in share capital of subsidiaries and investments in associates		-	-	-	(10,000)
Interest received from investing activities		758,622	628,398	758,143	606,142
Dividends received from investing activities	3	6,192	5,015	74,078	65,976
Cash flow from investing activities		**(2,309,960)**	**(1,691,982)**	**(2,270,451)**	**(1,662,747)**
Dividends paid to equity holders of the parent	13	(1,175,306)	(1,144,291)	(1,175,306)	(1,144,291)
Dividends paid to non-controlling interests	13	(1,295)	(1,271)	(1,295)	(1,271)
Repayment of principal of lease liabilities (IFRS 16)	35	(116,257)	(192,237)	(100,708)	(171,740)
Debt securities issued	17.3	223,835	4,572,136	223,835	4,572,136
AT1 dividends	13	(67,105)	(44,168)	(67,105)	(44,168)
Outflows from other financing activities	17.2	(149,302)	(25,488)	(33,538)	(45,504)
Interest paid for financing activities		(732,926)	(524,956)	(708,652)	(353,758)
Debt securities issued		(732,926)	(345,899)	(708,652)	(345,899)
Other financing activities		-	(179,057)	-	(7,859)
Cash flow from financing activities		**(2,018,356)**	**2,639,725**	**(1,862,769)**	**2,811,404**
Cash and cash equivalents at beginning of period	**14**	**16,763,792**	**15,224,576**	**16,724,913**	**15,224,262**
Cash flow from operating activities		(2,460,242)	1,066,326	(2,662,546)	826,847
Cash flow from investing activities		(2,309,960)	(1,691,982)	(2,270,451)	(1,662,747)
Cash flow from financing activities		(2,018,356)	2,639,725	(1,862,769)	2,811,404
Other non-cash movements in the statement of financial positions	14	667,007	(474,853)	667,007	(474,853)
Cash and cash equivalents at end of period	**14**	**10,642,241**	**16,763,792**	**10,596,154**	**16,724,913**

Notes to the group financial statements of BCR Group

Corporate information

Banca Comercială Română S.A. (the ‘Bank’ or ‘BCR’), together with its subsidiaries (the ‘Group’), is one of Romania’s leading financial institutions, offering a comprehensive range of banking and financial services tailored to individuals, businesses, and institutional clients. With a commitment to innovation, accessibility, and sustainability, the Bank’s expertise spans retail, corporate & investment banking, treasury, capital markets, leasing, and private pensions, delivering solutions that foster financial growth and prosperity. As a result of the privatization process organized by the government of Romania, Erste Bank der oesterreichischen Sparkassen AG (‘Erste Bank‘) purchased 61.88% of the share capital of the Bank pursuant to a share purchase agreement dated 21 December 2005. Until 31 December 2024, Erste Bank purchased further 38.0101% from other shareholders (including employees) of the Bank, adding up to 99.8901%. Erste Bank is the direct parent of the Bank. Erste Bank is owned 100% by Erste Group Bank AG. The ultimate parent of the Group is Erste Group Bank AG.

The Group provides day-to-day banking services and other financial services to governmental institutions, corporate and individual clients operating in Romania and abroad. These services include: accounts opening, domestic and international payments, foreign exchange transactions, working capital finance, medium and long term facilities, retail loans, finance micro and small enterprises, bank guarantees, letters of credit and through subsidiaries also leasing, brokerage, financial consultancy services and asset management.

Banca Comercială Română S.A. is incorporated and domiciled in Romania. Its registered office is at 15D, soseaua Orhideelor, The Bridge - Building 1, 2nd floor, Bucharest, Romania.

The consolidated financial statements for the year ended 31 December 2024 were pre-approved by the Management Board on 18 March 2025 and Supervisory Board on 31 March 2025.

The financial statements are audited by PricewaterhouseCoopers Audit SRL starting with the financial year ended 31 December 2017.

Chapter 1 – Material accounting policies information

The accounting policies apply to both the consolidated (‘Group’) and separate financial statements of the Bank.

a) Basis of preparation

The separate and consolidated financial statements of the Group have been prepared in accordance with applicable International Financial Reporting Standards (IFRS) as adopted by the European Union on the basis of IAS Regulation (EC) No. 1606/2002 and in accordance with NBR Order 27/2010 with further amendments.

The Bank and its subsidiaries which are incorporated in Romania maintain their books of account and prepare their statutory financial statements in accordance with Romanian Accounting Regulations and in the case of the Bank and its subsidiaries ‘BCR Leasing IFN SA‘ and ‘Banca pentru Locuinte‘ in accordance with IFRS and Romanian Banking Regulations. The foreign subsidiaries maintain their books of account and prepare their statutory financial statements in their presentation currencies and in accordance with the regulations of the countries in which they operate. Subsidiaries included in scope of consolidation are presented in Note 40.

The Bank’s separate and Group’s consolidated financial statements are presented in Romanian Lei (‘RON‘), and all values are rounded to the nearest RON thousands, except when otherwise indicated. The tables in these Financial Statements may contain rounding differences.

The Bank’s separate and consolidated financial statements have been prepared on a going concern basis.

The Group presents its statements of financial position in decreasing order of liquidity.

b) Accounting and measurement methods

Foreign currency translation

The financial statements are presented in RON, which is the Bank’s functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

i. Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange applicable at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the rate of exchange applicable at the statements of financial position date. All differences are taken to ‘Foreign currency translation’ in the profit or loss.

Material accounting policies information *(continued)*

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

ii. Group companies

As at the reporting date, the assets and liabilities of foreign subsidiaries are translated into the Bank's presentation currency (RON) at the National Bank of Romania (NBR) rate of exchange ruling at the statements of financial position date, and their profits or losses are translated at the average NBR exchange rates for the year. Exchange differences arising on translation are taken directly to a separate component of equity 'Currency translation reserve'. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the statements of comprehensive income in 'Other operating result'.

c) Significant accounting judgements, assumptions and estimate

The consolidated financial statements contain amounts that have been determined on the basis of judgements and by the use of estimates and assumptions. The estimates and assumptions used are based on historical experience and other factors, such as planning as well as expectations and forecasts of future events that are currently deemed to be reasonable. As a consequence of the uncertainty associated with these assumptions and estimates, actual results could in future periods lead to adjustments in the carrying amounts of the related assets or liabilities. The most significant uses of judgements, assumptions and estimates are described in the notes of the respective assets and liabilities and relate in particular to:

- Taxes on income and deferred tax assets (Note 12 - Taxes on income);
- Impairment of financial instruments (Chapter Financial instruments – Material accounting policies, Note 28 Credit risk);
- Provisions (Note 37 Provisions).

d) Application of amended and new IFRS/IAS New Accounting Pronouncements

Effective Standards and Interpretations

The accounting policies adopted are consistent with those used in the previous financial year except for standards and interpretations that became effective for financial years beginning after 1 January 2024. As regards new standards and interpretations and their amendments, only those that are relevant for the business of the Group are listed below.

No standards and interpretations or their amendments with relevance for Group have become mandatory for the financial year 2024.

Adoption of New or Revised Standards and Interpretations

The standards and amendments set out below have been issued by the IASB but are not yet effective. They have been endorsed by the EU with the exception of IFRS 18.

IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 was issued in April 2024 and become effective for annual periods beginning on or after 1 January 2027. The standard replaces IAS 1. It sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

Application of IFRS 18 is in course of analysis.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability. The amendments to IAS 21 were issued in August 2023 and become effective for annual periods beginning on or after 1 January 2025. The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Application of these amendments is not expected to have a significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7: ***Amendments to the Classification and Measurement of Financial Instruments***. The amendments to IFRS 7 and IFRS 9 were issued in May 2024 and become effective for annual periods beginning on or after 1 January 2026. The Group intends to early apply these amendments in 2025.

The amendments to IFRS 9 permit an entity to deem a financial liability that will be settled using an electronic payment system to be discharged before the settlement date. Further, they bring clarifications for classification of financial assets in the areas of contractual terms which are consistent with a basic lending agreement, assets with non-recourse features and contractually linked instruments.

Material accounting policies information *(continued)*

The amendments to IFRS 7 bring new disclosure requirements for investment in equity instruments measured at fair value through other comprehensive income and for contractual terms that could change the timing or amount of contractual cash flows.

The amendments to IFRS 9 will result in a different SPPI assessment of financial assets whose interest is adjusted based on meeting certain ESG-linked targets by the borrowers. Group will no longer assess them based on whether the effect of adjustments is de-minimis but whether the adjusted cash flows could be significantly different from the contractual cash flows without such a contingent feature. Other amendments to IFRS 9 are not expected to have a significant impact on the Group's financial statements. Amendments to IFRS 7 will result in new disclosures.

Annual Improvements Volume 11. In July 2024 the IASB issued a set of amendments to various standards. The amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 are effective for annual periods beginning on or after 1 January 2026. Application of these amendments is not expected to have a significant impact on the Group's financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027). IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. The Group is not eligible to apply the reduced disclosure requirements introduced by this standard.

Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026). The IASB has made targeted amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Current accounting requirements may not adequately capture how these contracts affect a company's performance. The amendments include:

(a) clarifying the application of the 'own-use' requirements;

(b) relaxing certain hedge accounting requirements if these contracts are used as hedging instruments; and

(c) adding new disclosure requirements to enable investors to understand the effect of these contracts on financial performance and cash flows.

Chapter 2 - Performance/ return

1. Net interest income

Net interest income is broken down into line items of 'interest income', 'other similar income', 'interest expenses' and 'other similar expenses'. The distinguishing factor is whether the effective interest rate (EIR) method is mandatorily applied for recognition of interest income or expense in accordance with IFRS 9.

'Interest income' relates to interest revenue from financial assets measured at amortised cost and at fair value through other comprehensive income. It is calculated using the EIR method as presented in chapter 'Financial instruments – Material accounting policies', 'Measurement methods for financial instruments', part i.' Amortised cost and effective interest rate'. The prepayment fees are not deferred and are assimilated to interest income.

'Other similar income' captures interest-like sources of income resulting from financial leases, non-derivative financial assets measured at fair value through profit or loss and finance lease receivables.

'Interest expenses' relates to interest expense from financial liabilities measured at amortised cost calculated using effective interest rate as discussed in chapter 'Financial instruments', 'Measurement methods for financial instruments', part (i) 'Amortised cost and effective interest rate'.

'Other similar expenses' capture interest-like sources of expense resulting from effect of passage of time on provisions recognised under IFRS 9 and IAS 37 and net defined liability (net interest cost on severance payment, pension and jubilee obligations) under IAS 19.

As regards types of financial instruments, interest income and other similar income include interest income on loans and advances to banks and customers, on cash balances, on debt securities in all measurement categories of financial assets, on trade and other receivables and on finance lease receivables. Interest expenses and other similar expenses include interest paid on deposits from customers, deposits from banks, debt securities issued and other non-derivative financial liabilities in all measurement categories of financial liabilities and interest paid on lease liabilities.

Interest income also includes modification gains and losses recognised on financial assets in Stage 1. Further, the unamortised balance of the origination fees/transaction costs upon derecognition of assets in Stage 1 and 2 considered in the effective interest rate is presented as interest income at the derecognition date.

1. Net interest income *(continued)*

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Interest and other similar income				
Financial assets at amortised cost	6,101,377	5,460,337	6,129,473	5,431,951
Financial assets measured at fair value through other comprehensive income	591,469	437,587	591,469	428,492
Interest income	**6,692,846**	**5,897,924**	**6,720,942**	**5,860,443**
Finance lease receivables	165,934	136,160	823	405
Financial assets held for trading*	76,031	-	76,031	-
Other assets	389	344	389	345
Negative interest from financial liabilities	109	1,318	109	1,318
Other similar income	**242,463**	**137,822**	**77,352**	**2,068**
Total interest and other similar income	**6,935,309**	**6,035,746**	**6,798,294**	**5,862,511**
Interest and other similar expense				
Financial liabilities measured at amortised cost	(2,504,410)	(2,353,145)	(2,515,429)	(2,360,740)
Interest expenses	**(2,504,410)**	**(2,353,145)**	**(2,515,429)**	**(2,360,740)**
Lease liabilities	(18,814)	(13,297)	(18,449)	(12,867)
Other liabilities	(11,085)	(12,887)	(11,034)	(12,887)
Negative interest from financial assets	(24)	(11)	(24)	(11)
Other similar expense	**(29,923)**	**(26,195)**	**(29,507)**	**(25,765)**
Total interest and other similar expense	**(2,534,333)**	**(2,379,340)**	**(2,544,936)**	**(2,386,505)**
Net interest income	**4,400,976**	**3,656,406**	**4,253,358**	**3,476,006**

*Starting with 31 December 2024, on the back of increased volumes, the interest component for Financial assets held for trading was presented in Net interest income. In 2023, the interest component of financial assets held for trading was included in Net trading result.

Net interest income increased driven by higher business volumes coupled with higher market rates.

2. Net fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. Fee and commission income is measured based on the consideration specified in the contract with a customer. The Group recognises revenue when it performs a promised service to a customer. Fee income can be divided into the following two categories:

Fee income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period, being recognized in statements of profit or loss gradually. These fees include commitment fees, premiums received for financial guarantees and other fees from lending business, commission income from asset management, custody and other management and advisory fees. Services provided over a period of time also include certain payment services like periodic card fees.

Loan commitment given and received fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognized as an adjustment to the effective interest rate on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognized over the commitment period on a straight-line basis.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria. Fees that are recognized when the service is provided are securities – brokerage, clearing and settlement, custody, payment services, customer resources distributed but not managed, structured finance.

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent). This determination is made by identifying each specified (i.e. distinct) good or service promised to the customer in the contract and evaluation whether the entity obtains control of the specified goods or service before it is transferred to the customer (e.g. intermediation for insurance, pension and leasing products).

When the Group is a principal, it recognizes as revenue the 'gross' amount paid by the customer for the specified good or service and records a corresponding expense for the commission or fee that it has to pay to any agent, in addition to the direct costs of satisfying the contract.

2. Net fee and commission income *(continued)*

Group

in RON thousands	31.12.2024		31.12.2023	
	Income	Expenses	Income	Expenses
Securities - brokerage	**66,235**	**(8,190)**	**91,919**	**(24,307)**
Transfer orders	66,235	(8,190)	91,919	(24,307)
Clearing and settlement	11,477	(3,921)	9,850	(4,320)
Asset management	40,689	-	32,132	-
Custody	26,116	(7,059)	20,925	(5,127)
Payment services	**933,101**	**(259,308)**	**805,128**	**(199,288)**
Card business	436,688	(164,253)	345,725	(132,087)
Other	496,413	(95,055)	459,403	(67,201)
Customer resources distributed but not managed	**197,327**	**(9,496)**	**149,008**	**(7,738)**
Collective investment	51,506	-	34,410	-
Insurance products	142,972	(4,242)	113,098	(2,575)
Foreign exchange transactions	-	(5,254)	-	(5,163)
Other	2,849	-	1,500	-
Structured finance	29,220	-	3,674	-
Lending business	**89,100**	**(30,299)**	**151,359**	**(20,440)**
Guarantees given, guarantees received	10,287	(113)	21,718	(230)
Loan commitments given, loan commitments received	63,473	-	46,744	-
Other lending business	15,340	(30,186)	82,897	(20,210)
Other	57,600	(4,412)	13,358	(3,518)
Total fee and commission income and expenses	**1,450,865**	**(322,685)**	**1,277,353**	**(264,738)**
Net fee and commission income	**1,128,180**		**1,012,615**	

Bank

in RON thousands	31.12.2024		31.12.2023	
	Income	Expenses	Income	Expenses
Securities - brokerage	**66,235**	**(8,190)**	**91,919**	**(24,307)**
Transfer orders	66,235	(8,190)	91,919	(24,307)
Clearing and settlement	11,483	(3,826)	9,858	(4,157)
Custody	26,116	(4,154)	20,925	(2,527)
Payment services	**933,526**	**(258,984)**	**799,379**	**(195,820)**
Card business	436,691	(164,252)	342,311	(129,353)
Other	496,835	(94,732)	457,068	(66,467)
Customer resources distributed but not managed	**179,431**	**(9,496)**	**136,026**	**(7,738)**
Collective investment	51,506	-	34,410	-
Insurance products	121,757	(4,242)	96,831	(2,575)
Foreign exchange transactions	-	(5,254)	-	(5,163)
Other	6,168	-	4,785	-
Structured finance	29,220	-	3,674	-
Lending business	**91,065**	**(30,038)**	**150,993**	**(19,501)**
Guarantees given, guarantees received	12,228	(113)	21,511	(64)
Loan commitments given, loan commitments received	63,497	-	46,795	-
Other lending business	15,340	(29,925)	82,687	(19,437)
Other	50,595	(1,062)	8,632	(1,208)
Total fee and commission income and expenses	**1,387,671**	**(315,750)**	**1,221,406**	**(255,258)**
Net fee and commission income	**1,071,921**		**966,148**	

3. Dividend income

Revenue is recognized when the Group's or Bank's right to receive the payment is established. This line item includes dividends from all shares and other equity investments, i.e. from those that are held for trading, non-trading equity instruments at FVPL and at FVOCI.

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Non-trading financial assets at fair value through profit or loss (i)	6,192	5,103	6,192	5,015
Dividend income from investment in subsidiaries and associates (ii)	-	-	67,886	60,961
Dividend income	**6,192**	**5,103**	**74,078**	**65,976**

(i) Dividends received from non-trading financial assets at fair value through profit or loss: Biroul de Credit, BCR Asigurari de Viata, Transfond SA, Bursa de Valori Bucuresti, Visa and Omniasig Vienna Insurance Group;

(ii) Dividends received from subsidiaries: Suport Colect and BCR Payments Services.

4. Net trading result

Results arising from trading activities include all gains and losses from changes in fair value (clean price) of financial assets classified as held for trading and from derivatives not designated as hedging instruments and gains and losses from their derecognition. Also, foreign exchange gains and losses on all monetary assets and liabilities and from spot currency conversions are included here. Transactions with related parties are presented in Note 44.

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Securities and derivatives trading	104,941	128,204	104,941	128,204
Foreign exchange transactions	382,974	411,541	382,930	394,588
Net trading result	**487,915**	**539,745**	**487,871**	**522,792**

5. Rental income from investment properties and other operating leases

Rental income from investment properties and other operating leases is recognised on a straight-line basis over the lease term. Other expenses for investment properties are reported in line item 'Other operating result'. For further details we refer to Note 11 Other operating result.

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Investment properties	3,115	2,989	3,598	3,523
Other operating leases	31,428	40,807	1,748	1,932
Rental income from investment properties and other operating leases	**34,543**	**43,796**	**5,346**	**5,455**

Operating leases are mainly from car fleets rentals and other buildings which do not meet the criteria for investment property. Reported decrease is in line with expectation of operating leasing business of the Group (see Note 35).

6. General administrative expenses

Personnel expenses

Personnel expenses include wages and salaries, bonuses, statutory and voluntary social security contributions, staff-related taxes, levies and cash-settled share-based payments, service costs for severance payments.

Short-term employee benefits include wages, salaries, bonuses and social security contributions. Short-term employee benefits are recognized as expense when services are rendered.

The Bank and the subsidiaries in Romania, in the normal course of business make payments to the Romanian State funds on behalf of its Romanian employees for pension, health care and income tax and unemployment benefit. All employees of the Bank and of the subsidiaries in Romania are members and are also legally obliged to make defined contributions (included in the social security contributions) to the Romanian State pension plan (a State defined contribution plan). All relevant contributions to the Romanian State pension plan are recognized as an expense in the profit or loss as incurred. The Bank and its subsidiaries in Romania make payments to the Romanian state's funds on behalf of its Romanian employees for contributions due to the state social insurance budget, contributions due to the single health insurance fund. Contributions are paid by the employer. The amounts paid in 2024 to the Romanian State Pension Plan are RON 277,263 thousands for Group (2023: RON 236,404 thousands) and RON 240,283 thousands for the Bank (2023: RON 224,594 thousands). BCR pays the labour insurance contribution to the state funds, the contribution is relevant to the profit and loss account.

6. General administrative expenses *(continued)*

For Management Board members, all executive directors and Other Identified staff, variable remuneration is subject to a deferral mechanism from accounting treatment point of view in accordance with Remuneration Policy.

Depending on the amount, a pre-set % of the variable remuneration payment is allocated immediately (meaning upfront payment) and a pre-set % of the variable remuneration payment is deferred over the minimum five (5) years for Management Board members and minimum four (4) years (equal instalments) for all Executive Managers and Other Identified Staff. 50% of the entire variable remuneration has to be effected in cash and 50% in remuneration certificates. BCR uses a remuneration certificate as an alternative to non-monetary payment. The nominal value of a certificate shall be 1 leu (at granting date). The value of a certificate at the payment date shall be set based on its current price observing the calculation method detailed in the Remuneration Policy.

Other administrative expenses

Other administrative expenses include primarily information technology expenses (IT), expenses for office space, office operating expenses, advertising and marketing and expenditures for legal and other consultants. Furthermore, the line item contains deposit insurance contributions.

As of December 2024, the amounts of sponsorship expenses which are subject of tax credit in accordance with the applicable law are presented under this line item, which is different from how the Bank presented it as of December 2023 (being netted under income tax line item). The change in presentation followed a detailed analysis of the main features of the tax incentive scheme and the regulatory guidance available. The comparatives have not been restated for this matter as management believes that this would not have an impact over the users of financial statements. Refer to Note 12 for further details relating to fiscal treatment of sponsorship expenses.

Depreciation and amortisation

This line item comprises depreciation of property and equipment, depreciation of investment property and amortisation of intangible assets.
In the line item 'Depreciation and amortisation', also the depreciation of right-of-use assets according to IFRS 16 is disclosed.

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Personnel expenses (i)	(1,111,044)	(1,072,385)	(1,047,484)	(991,002)
Other administrative expenses (ii)	(900,699)	(749,178)	(890,171)	(732,021)
Depreciation and amortisation (iii)	(259,105)	(245,444)	(241,797)	(226,780)
Total	**(2,270,848)**	**(2,067,007)**	**(2,179,452)**	**(1,949,803)**
Personnel expenses	**(1,111,044)**	**(1,072,385)**	**(1,047,484)**	**(991,002)**
Wages and salaries	(1,056,624)	(1,005,895)	(996,074)	(930,833)
Compulsory social security	(28,527)	(29,260)	(26,925)	(24,519)
Long-term employee provisions	(507)	(1,747)	(28)	(1,747)
Other personnel expenses	(25,386)	(35,483)	(24,457)	(33,903)
Other administrative expenses	**(900,699)**	**(749,178)**	**(890,171)**	**(732,021)**
Payments into deposit insurance fund	(19,988)	(23,141)	(19,582)	(20,152)
IT expenses	(387,974)	(335,262)	(380,930)	(327,252)
Expenses for office space maintenance	(66,538)	(74,708)	(65,822)	(73,062)
Office operating expenses	(155,443)	(152,918)	(162,072)	(158,694)
Security services	(11,753)	(11,657)	(11,753)	(11,347)
Operating leases	(18,566)	(21,792)	(18,362)	(21,055)
Advertising / Marketing	(137,191)	(60,466)	(134,206)	(57,994)
Legal and consulting costs	(64,615)	(32,305)	(61,395)	(28,730)
Sundry administrative expenses	(38,631)	(36,929)	(36,049)	(33,735)
Depreciation and amortisation	**(259,105)**	**(245,444)**	**(241,797)**	**(226,780)**
Software and other intangible assets	(88,432)	(67,270)	(82,378)	(63,290)
Owner occupied real estate	(15,164)	(13,931)	(15,012)	(13,919)
Investment properties	(5,127)	(5,446)	(5,127)	(5,446)
Right of use assets	(77,466)	(86,804)	(73,357)	(82,637)
Office furniture and equipment and sundry property and equipment	(72,916)	(71,993)	(65,923)	(61,488)
General administrative expenses	**(2,270,848)**	**(2,067,007)**	**(2,179,452)**	**(1,949,803)**

(i) Personnel expenses increased in 2024 as compared to 2023 by RON 38,659 thousand at consolidated level mainly impacted by wage inflation in line with 2023 and 2024 Collective Labour Agreement.

The number of own employees of the Bank at 31 December 2024 was 4,851 employees (31 December 2023: 5,046 employees). The number of own employees of the Group at 31 December 2024 was 5,158 employees (31 December 2023: 5,444 employees).

Starting 2022, WeShare program was implemented in BCR Bank and its subsidiaries in Romania. WeShare program is a cash-settled share-based payment transaction and consists of two parts: WeShare-Investment Plus and WeShare-Participation. Both parts are offered to employees of BCR Group provided that the specific requirements detailed in the Remuneration Policy are met.

6. General administrative expenses *(continued)*

Under the WeShare-Investment Plus part program all employees, who had been employed by an entity of the Group, from March/April 2024 until June 2024 (service condition) could voluntarily invest in Erste Group (EGB) shares and receive free shares depending on the amount of their personal investment. The WeShare-Investment Plus part was settled in June 2024. The number of free shares, which were granted under this program for the period, is 25.123. Personnel expenses in the amount of RON 5,487 thousands were booked.

In June 2024 was implemented the WeShare-Participation part of 2023 program. All employees who have been employed by an entity of the Group for at least six months in 2023 and were still employed until the transfer of the shares in June 2024 (service condition) were entitled to receive shares in an equivalent amount of EUR 350. The number of free shares, which were granted under this program for the period, was 31,792. Personnel expenses in the amount of RON 12,100 thousands were booked for the period July 2023 – June 2024.

In the WeShare-Participation part all employees, who have been employed by an entity of the Group for at least six months in 2024 and are still employed until the transfer of the shares to the employees in 2025 (service condition) are entitled to receive shares in an equivalent amount of EUR 350. The number of shares granted is calculated using the on-grant date expected EGB share price on settlement date. Based on the number of entitled employees, personnel expenses in the amount of RON 6,085 thousands were booked for the period July – December 2024;

(ii) Other administrative expenses for the Group in 2024 were higher (+20% / 151,521 thousand) compared with 2023, mainly due to marketing (incl. impact of methodology change for sponsorship expenses), IT and consultancy costs (mainly projects related), partly offset by positive impact from HQ consolidation in one building (lower utilities costs, service charge etc.);

(iii) Depreciation and amortization for the Group in 2024 were higher (+6% / RON 13,661 thousand) compared with 2023, mainly coming from IT depreciation (software and other intangible assets - projects related), partly offset by lower Right of use assets depreciation (positive impact from HQ consolidation in one building – as space is rented).

The key management remuneration for the Bank

	2024				2023			
in RON thousands	Expenses	Employer taxes	Accrued liability	Employer taxes	Expenses	Employer taxes	Accrued liability	Employer taxes
Short-term benefits	**16,205**	**205**	**-**	**-**	**14,567**	**173**	**-**	**-**
Salaries	10,784	161	-	-	9,317	132	-	-
Short-term bonus	-	-	-	-	-	-	-	-
Benefits in kind	5,421	44	-	-	5,250	41	-	-
Share-based compensation:	**-**	**-**	**26,066**	**586**	**2**	**-**	**24,810**	**558**
Cash-settled share-based compensation (bonus cash)	-	-	26,066	586	2	-	24,810	558

The actual cash out for share-based compensation was of 7,150 thousands RON in 2024 and 6,136 thousands RON in 2023.

The average numbers of own employees during the financial years are presented below (weighted according to the period of employment):

	2024	2023
Domestic	**5,227**	**5,403**
Banca Comerciala Romana	4,924	5,082
BCR Leasing IFN SA	149	146
BCR Banca pentru Locuinte SA	31	42
BCR Payments Services SRL	64	70
BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private SA	52	51
BCR Fleet Management SRL	3	7
Suport Colect SRL	4	5
Abroad	**-**	**92**
BCR Chisinau SA	-	92
Total	**5,227**	**5,495**

7. Gains/losses from derecognition of financial assets measured at amortised cost

For Bank this line item includes selling and other derecognition gains or losses on financial assets measured at amortised cost.

In order to optimise the portfolio of debt securities measured at amortised cost certain bonds were sold during 2024. The objective was to sell low yielding bonds thereby improving the net interest income in the consecutive years. There were no such sales during recent years.

A sale of bonds with nominal value of EUR 25,000 (RON equivalents 124,376 thousands) in September and a carrying amount of EUR 20,419 thousands (RON equivalents 101,584 thousands) generated a loss of RON 23,711 thousands.

A sale of bonds with nominal value of EUR 25,000 thousands (RON equivalents 124,370 thousands) in December and a carrying amount of EUR 24,680 thousands (RON equivalents 122,779 thousands) generated a loss of RON 3,170 thousands.

8. Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss (FVOCI)

For Bank this line item includes selling and other derecognition gains or losses on financial assets at FVOCI.

In 2024, sales of bonds with nominal value of RON 529,245 thousands and a carrying amount of RON 541,005 thousands generated a loss of RON 4,127 thousands.

9. Net impairment loss on financial instruments

Net impairment losses on financial instruments comprise impairment losses and reversals of impairment on all types of financial instruments, to which the IFRS 9 expected credit loss impairment model applies. The impairment result also includes recoveries on written-off financial assets. Modification gains and losses recognised on financial assets in Stage 2 and Stage 3 and POCI assets are also included in this line item. Moreover, gains/losses from derecognition of financial assets in Stage 3 and POCI assets are presented as part of the impairment result – see section D Impairment of Financial Instruments.

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
(Allocation)/Release of risk provisions	(144,390)	(79,221)	(85,261)	43,890
Financial assets at fair value through other comprehensive income	(929)	6,066	(929)	6,733
Financial assets at amortised cost	(218,335)	(52,921)	(185,469)	53,724
Finance lease receivables	(26,435)	(13,295)	(13)	1,360
Commitments and guarantees given	101,309	(19,071)	101,150	(17,927)
Direct write-offs	(6,807)	(7,885)	(6,800)	(7,885)
Recoveries recorded directly to the income statements	53,598	42,509	34,322	23,594
Modification gains or losses	(8,743)	(1,711)	(8,743)	(1,715)
Net impairment gain/ (losses) on financial instruments	**(106,342)**	**(46,308)**	**(66,482)**	**57,884**

At group level the impairment result of RON 106 mn. consist mainly in allocations for new defaults and existing non-performing portfolio, partially offset by recoveries and healings registered on both segments, coupled with collective provisions releases driven by implementation of new industry overlays, forward looking indicators (FLI) update and Corporate exposure reimbursements. The movement of provisions for commitments and guarantees given is mainly due to collective provisions releases driven by the update of risk parameters, coupled with healings and recoveries on financial guarantees given, partially offset by allocations for new defaulted exposures on loan commitments given.

10. Reconciliation of the net impairment result to the changes in the credit loss allowances (CLA)

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Opening balance of credit loss allowances	**(3,393,930)**	**(3,111,546)**	**(3,227,088)**	**(3,035,691)**
(Allocation)/Release of risk provisions	(144,390)	(79,221)	(85,261)	43,890
(Increase)/ decrease attributable to write-offs	156,722	(49,661)	97,863	(76,688)
(Increase) due to passage of time (UWC)	(93,567)	(64,560)	(89,729)	(71,815)
CLA decreases due to sales	65,793	478	65,793	-
Other CLA changes	5,509	(89,420)	2,944	(86,784)
Closing balance of credit loss allowances (total)	**(3,403,863)**	**(3,393,930)**	**(3,235,478)**	**(3,227,088)**

Balance of credit loss allowance includes allowances for cash and cash equivalents in amount of RON 1,156 thousands for Group (2023: RON 946 thousands) and RON 1,066 thousands for the Bank (2023: RON 1,050 thousands).

11. Other operating result

The other operating results reflect all other income and expenses not directly attributable to Group’s primary activities.

In particular, this includes impairment losses or any reversal of impairment losses as well as results on the sale of property and equipment, investment property and intangible assets. The main reasons for impairment losses to be recognized are summarized hereinafter:

- the intention to sell fixed assets and accordingly their re-measurement before reclassifying them based on IFRS 5;
- not fully occupied buildings that triggered a lower recoverable amount;
- recurring measurement for foreclosed assets at the balance sheet date;
- recurring measurement for own used items of property at the balance sheet date; and
- concessions and other intangibles for which measurable economic benefits are no longer expected in the future.

11. Other operating result *(continued)*

In addition, the other operating result encompasses the following: Recovery and resolution fund contribution, expenses for other taxes, income from the release of and expenses for allocations to provisions and gains or losses from impairment of subsidiaries.

Furthermore, tax on bank revenues is considered as part of the other operating result. Group recognises a liability for the tax when the activity that triggers payment, as identified by the relevant legislation, occurs.

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Other income, of which:	**84,752**	**95,773**	**50,890**	**71,386**
Gain on disposal of property and equipment	4,847	21,648	8,477	23,000
Gain on disposal of investment properties	3,993	528	3,993	528
Gain on disposal of non-current assets held for sale and disposal group (ii)	5,747	-	5,145	10,933
Gains on other assets	25,733	22,556	12,341	5,107
Other income (iii)	44,432	51,041	20,934	31,818
Other expense, of which:	**(484,790)**	**(260,818)**	**(405,065)**	**(82,685)**
Other provisions - net (allocation)/release (iv)	16,762	36,158	18,233	36,838
Losses on other assets	(21,150)	(23,612)	(7,555)	(3,932)
Losses on non-current assets held for sale and disposal group (vi)	-	(21,276)	-	-
Impairment of subsidiaries - net (allocation)/release (i)	-	-	25,266	97,359
Impairment of tangible and intangible assets - net (allocation)/release (v)	(27,309)	1,488	(9,568)	7,288
Impairment of assets held for sale and other assets (vi)	(29,509)	(6,782)	(30,758)	(5,893)
Recovery and resolution fund	(27,393)	(47,347)	(27,383)	(46,815)
Insurance premiums	(59,925)	(62,511)	(56,749)	(58,115)
Other taxes	(20,183)	(30,107)	(16,386)	(21,837)
Tax on bank revenues	(182,460)	-	(181,702)	-
Other expenses(vii)	(133,623)	(106,829)	(118,463)	(87,578)
Total	**(400,038)**	**(165,045)**	**(354,175)**	**(11,299)**

(i) Impairment of subsidiaries is eliminated at Group level. For 2024, the Bank registered a release of impairment. Further details are presented in Note 40;
(ii) In 2024 the Bank sold various lands and buildings held for sale and in 2023 was sold the participation of Fondul de garantare a creditului rural IFN SA;
(iii) Includes the income related to nonbanking activities, such as cash processing and transportations and car fleet management activities;
(iv) The movement in other provisions are presented in Note 37;
(v) The book value of fixed assets was adjusted to the recoverable amount based on an external valuator report in 2024, as a result of annual impairment test as presented in Note 31;
(vi) in 2024, impairment repossessed assets RON (16) million and impairment sundry debtors RON (11) million; impairment for non-current assets held for sale and disposal group on Group level in 2023 are mainly related to reclassification of BCR Chisinau subsidiary as assets held for sale and disposal group;
(vii) Includes sundry expenses: litigations, penalties, inventory impairment, cash transportations.

12. Taxes on income

12.1. Current and deferred tax

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period. However, they are recognised in other comprehensive income (OCI) or directly in equity if they arise from a transaction or event which itself is recognised in OCI or equity.

i. Current tax

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statements of financial position date.

ii. Deferred tax

Deferred tax assets are recognized for all deductible temporary differences.

The Group recognizes both deferred tax assets and liabilities within different entities across the Group which have no enforceable right to be compensated.

Taxes on income are made up of current taxes on income calculated in each of the Group companies based on the results reported for tax purposes and the change in deferred taxes.

12. Taxes on income *(continued)*

Material Accounting Judgements, Assumptions and Estimates

Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. For this purpose a planning period of 5 years is used. Income tax uncertainties in accounting have been considered by weighting possible outcome scenarios.
Taxes on income are made up of current taxes on income calculated in each of the Group entities based on the results reported for tax purposes, corrections to taxes on income for previous years and the change in deferred taxes.

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Current tax expense/income	**(488,605)**	**(645,763)**	**(476,066)**	**(637,036)**
Current period	(488,605)	(645,763)	(476,066)	(637,036)
Deferred tax expense/income	**(31,467)**	**(28,037)**	**(26,288)**	**(15,748)**
Current period	(31,467)	(28,037)	(26,288)	(15,748)
Taxes on income	**(520,072)**	**(673,800)**	**(502,354)**	**(652,784)**

The following table reconciles the income taxes reported in the statements of profit or loss to the pre-tax profit/loss multiplied by the nominal Romanian tax rate.

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Pre-tax profit/(loss)	**3,287,495**	**2,995,024**	**3,284,106**	**3,140,127**
Income tax expense for the financial year at the domestic statutory tax rate (16%)	(525,999)	(479,204)	(525,457)	(502,420)
Impact of tax-exempt income and other similar income (i)	344,990	324,135	301,230	306,036
Tax increases due to non-deductible expenses and similar elements (ii)	(391,318)	(579,273)	(339,739)	(516,942)
Impact of other elements (iii)	52,255	60,542	61,612	60,542
Income tax (expense) / release reported in the income statements	**(520,072)**	**(673,800)**	**(502,354)**	**(652,784)**
The effective tax rate	**15.82%**	**22.50%**	**15.30%**	**20.79%**

(i) Includes mainly the releases of the provisions for off-balance sheet exposures, releases of the provisions for litigations;
(ii) Includes mainly the allocation of the provisions for off-balance sheet exposures, allocations of the provisions for litigations and other provisions, tax on Bank revenues;
(iii) Includes sponsorship, tax exemption for reinvested profit.

The decrease of income tax from RON 652,784 thousands in 2023 to RON 502,354 thousands in 2024 for the Bank is due to derecognition of tax asset related to ANAF litigation in amount of RON 176,247 thousands in 2023 partially compensated by the increase of the pre-tax profit due to a strong operating profit in 2024 versus 2023 .

12.2. Pillar 2

Law no. 431/2023 transposes the provisions of Directive (EU) 2022/2523 (hereinafter referred to as “Pillar 2 Directive”) to introduce into the Romanian legislation a complex system of rules for an effective minimum taxation of 15% for multinational enterprise groups and large-scale domestic groups with annual consolidated revenues of at least EUR 750 million in at least two of the four previous financial exercises. The law is applied to financial exercises starting as of December 2024.

For the transition year 2024, the reporting deadline for the top-up tax is 18 months from the last day of the reporting financial exercise. The law is applied starting with January 2024. For the following years, the deadline will be 15 months from the last day of reporting financial year. This is also the deadline for payment of the top-up tax. Following the positive result of the analysis regarding the eligibility of the country by country report Safe harbour regime, the Group calculated the simplified effective tax rate that is above the minimum imposed of 15%, meaning that no qualified domestic minimum top-up tax is due for 2024.

12.3 Tax on Bank revenues

Starting with financial year 2024, in addition to the profit tax, the Bank is liable for tax on Bank revenues (“Impozit suplimentar pentru institutiile de credit”) in accordance with the provisions of Fiscal Code, calculated by applying the following tax rates to the Bank revenues:

- 2% for 1 January 2024 – 31 December 2025;
- 1% as of 1 January 2026.

To determine the fiscal result, this tax is a non-deductible expense. The tax on Bank revenues is computed, declared and paid quarterly, up to and including the 25th day of the month following the quarter for which the payment is made, for quarters I–III, and up to and including 25 March of the following year, for quarter IV. The Bank revenues, treated as turnover is calculated as total interest income, fee and commission income, dividend income, net trading result, net gains on financial instruments and other income according to National Bank of Romania Order 8/2024.

12. Taxes on income *(continued)*

12.4 Reinvested profit

Tax exemption on reinvested profit is a tax relief/incentive available for profit reinvested in technical equipment (subgroup 2.1 or 2.2.9 of the Catalogue of the Classification and the Normal Useful Life of Fixed Assets) and software or license rights produced/acquired during the relevant tax period and is represented by the acquisition value (including VAT) of the respective investment (investment go live in the current year) deducted from the cumulative accounting profit before tax from the beginning of the year (no more than the level of the accounting profit recorded at the end of the fiscal year).

In order to benefit from this tax exemption, BCR has to keep the equipment for at least half of the normal useful economic life, in accordance with the applicable accounting rules, but no more than 5 years. Otherwise, corporate income tax is recalculated accordingly and late payment interest and penalties are imposed.

The amount of RON 6,352 thousand represents the tax exemption on the reinvested profit booked in 2024, in total amount of RON 39,706 thousand, that will be recorded in Other Reserves, after obtaining the approval of the General Meeting of Shareholders, according to the legal provisions. In the event that, in the future, it will be decided to use/distribute this reserve in any form, the tax exemption on the profit recorded in Other Reserves will be cancelled and the tax will be paid at that time.

12.5 Sponsorship

All companies registered as corporate income taxpayers that record sponsorship expenses in accordance with the relevant legislation may benefit from tax credit (deduction from the corporate income tax due) for sponsorship, which means that part of the tax due to the state budget is redirected towards the recipients of the sponsorships granted by the company.

To qualify for the tax credit, sponsorship must fulfil the conditions set out in the Law no. 32/1994 on sponsorship, as further amended and the Fiscal Code, it must be supported by a sponsorship contract and the beneficiaries of the sponsorships must be registered, at the date of conclusion of the contract, in the Register of organizations/religious entities for which tax deductions are granted.

In 2024, the Bank paid 55,259 thousands RON for sponsorships (2023: RON 52,039 thousands) which allow to benefit from tax credit in an equal amount. If the minimum amount established according to the Fiscal Code has not been used in full, the taxpayer could order to tax authority to redirect an additional amount to beneficiaries that are listed in the Register of entities for which tax deductions are granted.

The following table shows the income tax effects relating to each component of other comprehensive income:

Group

in RON thousands	2024 Before-tax amount	2024 Tax benefit/ (expense)	2024 Net-of-tax amount	2023 Before-tax amount	2023 Tax benefit/ (expense)	2023 Net-of-tax amount
Fair value reserve	53,765	(8,601)	45,164	72,828	(11,500)	61,328
Remeasurement of net gain/ (losses) on benefit plans	66,511	(10,610)	55,901	61,197	(9,790)	51,407
Currency translation reserve of foreign subsidiary	-	-	-	(3,402)	-	(3,402)
Other comprehensive income	**120,276**	**(19,211)**	**101,065**	**130,623**	**(21,290)**	**109,333**

Bank

in RON thousands	2024 Before-tax amount	2024 Tax benefit/ (expense)	2024 Net-of-tax amount	2023 Before-tax amount	2023 Tax benefit/ (expense)	2023 Net-of-tax amount
Fair value reserve	53,767	(8,601)	45,166	69,074	(11,050)	58,024
Remeasurement of net gain/ (losses) on benefit plans	66,376	(10,620)	55,757	61,197	(9,791)	51,406
Other comprehensive income	**120,143**	**(19,221)**	**100,923**	**130,271**	**(20,841)**	**109,430**

12. Taxes on income *(continued)*

Major components for deferred tax assets and deferred tax liabilities

					31.12.2024		Group
					Net variance 2024		
in RON thousands	Tax assets 2024	Tax assets 2023	Tax liabilities 2024	Tax liabilities 2023	Total	Through profit or loss	Through other comprehensive income
Temporary differences relate to the following items:							
Financial assets at fair value through other comprehensive income	(8,601)	(11,500)	-	-	2,899	-	2,899
Property and equipment (useful life in tax law different)	2,548	10,899	-	-	(8,351)	(8,351)	-
Long-term employee provisions (tax valuation different)	(10,610)	(9,790)	-	-	(820)	-	(820)
Other provisions (tax valuation different)	151,453	162,150	-	-	(10,697)	(10,697)	-
Intangible assets	(49,141)	(42,387)	-	-	(6,754)	(6,754)	-
Other	6,581	9,032	(25,177)	(21,801)	(5,665)	(5,665)	-
Total deferred taxes	**92,230**	**118,404**	**(25,177)**	**(21,801)**	**(29,388)**	**(31,467)**	**2,079**
Total current taxes	**139**	**1,110**	**(42,508)**	**(83,339)**	**(488,605)**	**(488,605)**	**-**
Total taxes	**92,369**	**119,514**	**(67,685)**	**(105,140)**	**(517,993)**	**(520,072)**	**2,079**

					31.12.2024		Bank
					Net variance 2024		
in RON thousands	Tax assets 2024	Tax assets 2023	Tax liabilities 2024	Tax liabilities 2023	Total	Through profit or loss	Through other comprehensive income
Temporary differences relate to the following items:							
Financial assets at fair value through other comprehensive income	(8,603)	(11,052)	-	-	2,449	-	2,449
Property and equipment (useful life in tax law different)	6,463	14,462	-	-	(7,999)	(7,999)	-
Long-term employee provisions (tax valuation different)	(10,620)	(9,791)	-	-	(829)	-	(829)
Other provisions (tax valuation different)	151,212	162,956	-	-	(11,744)	(11,744)	-
Intangible assets	(47,885)	(41,341)	-	-	(6,545)	(6,545)	-
Total deferred taxes	**90,567**	**115,234**	**-**	**-**	**(24,668)**	**(26,288)**	**1,620**
Total current taxes	**-**	**-**	**(38,260)**	**(82,494)**	**(476,066)**	**(476,066)**	**-**
Total taxes	**90,567**	**115,234**	**(38,260)**	**(82,494)**	**(500,734)**	**(502,354)**	**1,620**

13. Dividends paid

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Group's shareholders.

Following the Decision of the Ordinary General Meeting of shareholders, BCR distributed for financial year 2023: dividends related to AT1 instruments in amount of EUR 13,485,000 (RON 67,105,405 equivalent) as described in Note 39 and dividends related to ordinary shares in amount of RON 1,176,600,923.

Chapter 3 – Financial instruments – Material accounting policies

A financial instrument is any contract giving rise to a financial asset of one party and a financial liability or equity instrument of another party. In accordance with IFRS 9, all financial assets and liabilities – which also include derivative financial instruments – have to be recognised on the statements of financial position and measured in accordance with their assigned categories.

A. Measurement methods for financial instruments

Measurement of financial assets and financial liabilities is subject to two primary measurement methods.

i. Amortised cost and effective interest rate

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount. For financial assets, the amount is adjusted for any loss allowance.

Chapter 3 – Financial instruments – Material accounting policies *(continued)*

ii. Fair value

Details on valuation techniques applied for fair value measurement and on the fair value hierarchy are disclosed in Note 23 “Fair value of financial assets and liabilities”.

B. Classification and subsequent measurement of financial assets

In accordance with IFRS 9, the classification and subsequent measurement of financial assets depend on the following two criteria:

- the business model for managing the financial assets and
- the cash flow characteristics of the financial assets.

Application of these criteria leads to classification of financial assets into three measurement categories described in the notes:

- Note 15 - Financial assets at amortised cost;
- Note 21 - Financial assets at fair value through other comprehensive income;
- Note 20 – Non-trading financial assets mandatorily at fair value through profit or loss.

C. Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at amortised cost unless they are measured at fair value through profit or loss. Interest expense is calculated by applying the EIR to the amortised cost of a financial liability. Further details on financial liabilities at amortised cost and financial liabilities at FVPL are in the notes: Note 17 Financial liabilities at amortised costs and section Financial instruments at fair value.

D. Impairment of financial instruments

BCR Group recognises loss allowances for impairment on its debt instrument financial assets, other than those measured at FVPL, its lease receivables and its off-balance credit risk exposures arising from financial guarantees and irrevocable loan commitments.

The amount of the impairment loss is recognised as a loss allowance. For the purpose of the measurement of the amount of expected credit loss and recognition of interest income, BCR Group distinguishes between three stages of impairment.

As per IFRS 9 requirements, the following definitions of expected credit losses are used:

- lifetime expected credit losses - the expected credit losses that result from all possible default events over the expected life of a financial instrument;
- 12-month expected credit losses - the portion of lifetime expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Stage 1 relates to financial instruments for which no significant increase in credit risk has been recorded since their initial recognition. The impairment is measured in the amount of the 12-month expected credit loss. Interest income is recognised by effective interest rate (EIR) applied to the gross carrying amount of the financial asset.

Financial instruments in Stage 2 are subject to significant increase in credit risk since their initial recognition. The impairment is measured in the amount of the lifetime expected credit loss. Interest income is recognised by EIR applied to the gross carrying amount of the financial asset.

Financial assets in Stage 3 are credit-impaired. In respect of applying the ‘credit-impaired’ concept of IFRS 9, BCR Group generally adopted the approach of aligning it with the regulatory concept of ‘default’. The impairment for such financial assets is measured in the amount of lifetime expected credit loss. Interest income is recognised by EIR applied to the amortised cost (i.e. the net carrying amount) of the financial asset.

From statements of financial position perspective, interest is accrued based on the financial assets’ gross carrying amount. The difference between the interest accrued on the assets and the interest income on the net carrying amount recognised is reflected through the allowance account (without impacting the impairment loss).

The loss allowances decrease the value of the assets, i.e. for financial assets measured at amortised cost, the net carrying amount of the financial asset presented on the balance sheet is the difference between the gross carrying amount and the cumulative loss allowance, that is recognised in the statements of profit or loss. However, for financial assets measured at FVOCI, the loss allowance is recognised in accumulated OCI, specifically under ‘Fair value reserve’ in the statements of changes in equity and it does not reduce the carrying amount of the financial asset on the statements of financial position.

Chapter 3 – Financial instruments – Material accounting policies *(continued)*

For financial assets that are credit-impaired at initial recognition (purchased or originated credit-impaired – POCI – financial assets) lifetime expected credit losses are initially reflected in the credit-adjusted effective interest rate. As a result, no loss allowance is recognised at inception. Subsequently, only adverse changes in lifetime expected credit losses after the initial recognition are recognised as loss allowance, whilst favourable changes are recognised as impairment gains increasing the gross carrying amount of the POCI financial assets.

Loss allowances for loan commitments and financial guarantees are presented under the balance sheet line item 'Provisions'. Measurement of ECL for credit lines and other facilities with undrawn component is done separately for the undrawn component.

In the statements of income, impairment losses and their reversals (gains) on all categories of financial instruments are presented in the line item 'Net impairment loss on financial instruments'. Disclosures concerning impairment of financial assets are in Note 9.

E. Derecognition of financial instruments including treatment of contractual modifications

i. Derecognition of financial assets

The difference between the carrying amount of the derecognised asset and the consideration received is presented in the statements of profit or loss in the line 'Gains/losses from derecognition of financial assets measured at amortised cost' (if the case) or, for debt financial assets at FVOCI, in the line 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss'. For financial assets measured at FVPL, the derecognition gains or losses are recognised together with the measurement result in the lines 'Net trading result' or 'Gains/losses from financial instruments measured at fair value through profit or loss'.

ii. Derecognition criteria with respect to contractual modifications of financial assets

In the normal course of running its lending business and in agreement with the respective debtors, BCR Group may renegotiate or otherwise modify some terms or conditions of the underlying contracts. This can involve either market-driven commercial renegotiations or contractual changes aimed at alleviating or preventing borrower's financial difficulty. For the purpose of capturing the economic substance and financial effect of such contractual modifications, BCR Group has developed a set of criteria to assess whether or not the modified terms are substantially different from the original terms and thus the financial asset should be derecognised.

Substantial modifications lead to derecognition of the original financial asset and initial recognition of the modified financial asset as a new financial instrument. They include the following events:

- change of the contractual counterparty (unless this is a formal change such as changes in legal name);
- change in the currency of the contract (unless the change results from exercising an embedded option in the original contract with pre-agreed conditions of the change, or if the new currency is pegged to the original currency);
- introduction of a non-SPPI contractual feature (unless it is intended to improve recoveries from debtors by granting concessions supporting them to recover from financial difficulties);
- removal of a non-SPPI contractual feature; and
- the modification which alters floating interest rate into fixed interest rate (such as Euribor-based interest rate into fixed interest rate, e.g. 2.0%) or vice versa for the entire remaining life of the financial asset.

Some derecognition criteria distinguish whether contractual modifications are applied to debtors facing financial difficulties. Application of certain modifications to debtors in financial difficulties is not considered as substantial since they are aimed at improving the prospects of the Bank to recover the claims by tailoring the repayment schedules to specific financial conditions of those debtors. On the other hand, such contractual modifications applied to performing debtors may be considered as substantial enough to warrant the derecognition, as further detailed below.

From this perspective, the following criteria lead to derecognition unless they are considered as forbearance measures, they are applied to customers in default or they trigger default:

- repayment schedule changed in a way that the weighted remaining maturity of the assets is modified by more than 100% and not less than two years compared to the original asset;
- change in timing/amount of contractual cash flows resulting in the present value of the modified cash flows (discounted at pre-modification effective interest rate) being different by more than 10% of the gross carrying amount of the asset immediately before the modification (cumulative assessment considering all modifications occurring over the last twelve months).

If contractual modifications that qualify as forbearance measures are applied to customers in default or trigger default are so significant that they are qualitatively assessed as an extinguishment of original contractual rights, they result in derecognition. Examples of such modifications are:

- a new agreement with materially different terms signed up as part of distressed restructuring following a standstill agreement suspending the rights of the original assets;
- consolidation of multiple original loans into one with substantially different terms; or
- transformation of a revolving loan into non-revolving.

Chapter 3 – Financial instruments – Material accounting policies *(continued)*

Contractual modifications leading to derecognition of the related original assets result in the initial recognition of new financial assets. If the debtor is in default or the significant modification leads to the default, then the new asset will be treated as POCI. The difference between the carrying amount of the derecognised asset and initial fair value of the new POCI asset is presented in the statements of income in the line 'Impairment result from financial instruments'.

If the debtor is not in default or the significant modification does not lead to default, the new asset recognised after derecognition of the original asset will be in Stage 1. For loans measured at amortised cost, the unamortized balance of the origination fees/transaction costs considered in the effective interest rate is presented in the line 'Net interest income' at the derecognition date. The release of the credit loss allowance attached to the original asset at the date of that significant modification as well as the credit loss allowance recognised for the new asset are presented in the line 'Impairment result from financial instruments'.

For financial assets measured at FVPL, irrespective of whether they are in default, the derecognition gains and losses are included in the same line items of the statements of income as their measurement result, i.e. in 'Gains/losses from financial instruments measured at fair value through profit or loss'.

For debt instrument assets not measured at FVPL that are subject to contractual modifications that do not result in derecognition, the gross carrying amount of the asset is adjusted against recognising a modification gain or loss in profit or loss. The modification gain or loss equals the difference between the gross carrying amount before the modification and the present value of the cash flows based on the modified terms discounted with the original effective interest rate. In the statements of income, the modification gain or loss is presented in the line 'Net interest income' if the modification relates to financial assets in Stage 1. For financial assets in Stage 2 and 3 and POCI financial assets, the modification gain or loss is presented in the line 'Impairment result from financial instruments'. However, to the extent that the contractual modification involves the Bank giving up its rights of collecting cash flows in respect of an outstanding amount of the asset, such as waiving (part of) principal or accrued interest amount, it is treated as a write-off.

iii. Write-offs

BCR Group writes off a financial asset or a part of it when it has no reasonable expectations of recovering the respective cash flows. When performing the write-off, the gross carrying amount of the asset is reduced simultaneously with the related loss allowance balance.

BCR Group has specified criteria for writing off the unrecoverable balances in its loan business.

As a general rule, the write-off can only occur after all applicable and appropriate workout measures have been exhausted in order to recover the exposure towards the client to the largest extent possible.

Usually, write offs occurs in the following situations:

- If all possible and reasonable legal actions to achieve further recovery of the credit claim have been exhausted and the decision about the final closing of the case is made, the remaining exposure is written-off (debt forgiveness);
- the contractual rights of the relevant loan have been transferred to a third party, the respective exposure in default is sold and/or assigned without recourse; upon the derecognition due to sale the gross carrying amount is removed against the selling price and the existing credit loss allowance;
- in exceptional cases, when the value of the collateral is only minor or the marketability is not given and/or the costs for the realization of the collateral would exceed the proceeds from the collateral.

Still, during a final restructuring agreement aiming at restoration of the financial sustainability of the customer, the Bank may consent to conditional debt forgiveness. Usually this happens under the condition of a substantial participation from the owners' side (in particular equity injection from original owners and/or new investors). Also, the discount in an insolvency proceeding is treated as a contractual (conditional) debt forgiveness.

Write-off can result from forbearance measures whereby the Bank contractually waives part of the existing balance in order to help the customers overcome financial difficulties and thus improve the prospects of recovering the remaining loan balance (normally this relates to going concern scenarios for corporate customers). In non-going concern scenarios with corporate customers, write-offs of the unrecoverable exposure parts are triggered by enforcement activities such as filing or termination of legal proceedings (bankruptcy, liquidation, court case).

Other write-off triggers may result from decisions about no enforcement due to worthlessness of the claim/collateral or generally from assessment that the receivable is economically lost.

For retail customers, the non-recoverability, the timing and amounts of write-off crystallise during the collection process when it becomes evident that the amount due cannot be collected, e.g. due to ongoing bankruptcy proceedings. Residual uncollectable balances are written off after the finalization of the collection process.

Chapter 3 – Financial instruments – Material accounting policies *(continued)*

F. Significant accounting judgements, assumptions and estimates

i. SPPI assessment

The assessment of whether the contractual cash flows of financial assets give rise to cash flows that are solely payments of principal and interest (SPPI) is subject to the application of significant judgements which rely on the guidance in IFRS 9. These judgements are crucial in accordance with IFRS 9 classification and measurement process as they determine whether the asset must be measured at FVPL or, depending on the business model assessment, at amortised cost or at FVOCI. When taking into consideration specific features of loans in the business of BCR Group, significant areas of judgement are project financing loans and benchmark test for loans with interest mismatch features.

The assessment whether the prepayment fees applied to loans can be considered as a reasonable compensation for early terminations or prepayments is based on comparing the level of the fees with the economic costs incurred by the Bank upon the early termination. For these purposes, BCR Group uses a quantitative test where the costs relate to the lost interest margin and the lost interest differential due to a decrease in the interest rates upon early termination or prepayment.

The evaluation is normally performed on a portfolio level. The adequacy of the fees can also be defended on a qualitative basis such, as common market practice regarding level of prepayment fees and their acceptance by authorities.

For project financing loans, BCR Group assesses whether they represent basic loan agreements rather than investments in the financed projects. In this respect credit rating, level of collateralisation, existing sponsor guarantees and the extent of equity funding of the financed projects are considered.

Interest mismatches relate mainly to floating rate agreements for which the floating base rate is contractually repriced based on past date price (ex. loans with rate linked to 3-month Euribor and reset frequency of 3 months but the rate is always fixed as of the last day of previous month).

For assets with interest mismatches resulting only from prior and average rates (i.e. no mismatches resulting from a tenor different from the reset frequency), SPPI compliance is considered to be met based on a qualitative assessment if the time lag between the fixation of the rate and the start of the interest period does not exceed one month.

For assets with interest mismatches resulting from prior and average rates (i.e. no mismatches resulting from a tenor different from the reset frequency) with the lag between the fixation of the rate and the start of the interest period higher than 1 month, BCR Group has developed what is called a 'benchmark test' to assess whether the interest mismatch feature could result in contractual (undiscounted) cash flows that are significantly different from the (undiscounted) benchmark cash-flows (that would arise if the time value of money element was not modified).

Apart from the interest mismatch features, the terms of this benchmark deal correspond to the asset in the test (i.e. if the floating rate reset frequency is 3 months, then the floating rate would be the 3-month Euribor and/or no time lag exists in the floating rate fixation).

The quantitative significance threshold is set to 5% for the cumulative cash flow ratio (ratio between the simulated cash flow of the actual deal and the benchmark deal). If the significance thresholds are breached, the benchmark test is not passed and the financial asset must be measured at fair value through profit or loss.

IRCC is a regulated rate mandatorily used for pricing the loans granted to individuals which was assessed as being a proxy for the time value of money element because it provides consideration that is broadly consistent with the passage of time. The IRCC based loans would not fail SPPI merely because IRCC replaced ROBOR.

In the last years financial assets whose interest is adjusted based on meeting certain ESG-linked targets by the borrowers (e.g. meeting specified CO2 emission targets) became part of BCR Group's business. No specific guidance currently exists in IFRS 9 for assessing the SPPI compliance of such features. BCR Group has concluded that ESG-related interest adjustments have a de minimis effect on the contractual cash flows. As a result, they do not affect the SPPI assessment.

ii. Business model assessment

For each SPPI-compliant financial asset at initial recognition, BCR Group must assess whether it is part of a business model where the assets are held in order to collect contractual cash flows, to both collect the contractual cash flows and sell the assets or they are held in other business models. As a consequence, the critical aspect in distinguishing the business models is frequency and significance of sales of assets in the respective business model. Since asset allocation to business models is based on the initial assessment, it may happen that in subsequent periods cash flows are realised differently than originally expected, and a different measurement method may seem to be appropriate. In accordance with IFRS 9, such subsequent changes do not generally lead to reclassifications or prior period error corrections in respect of existing financial assets.

Chapter 3 – Financial instruments – Material accounting policies *(continued)*

The new information on how cash flows are realised may, however, indicate that the business model, and thus the measurement method changes for newly acquired or newly originated financial assets.

At BCR Group, sales due to increases in credit risk, sales close to assets' maturity, infrequent sales triggered by a non-recurring event (such as changes in regulatory or tax environment, major internal reorganisation or a business combination, severe liquidity crisis, etc.) are considered as not contradicting the held to collect contractual cash flows business model. Other kinds of sales carried out in the 'held to collect' business model is assessed retrospectively and if they exceed certain quantitative thresholds or whenever it is considered necessary with regard to new expectations, BCR Group performs a prospective test. If the outcome was that the carrying amount of assets expected to be sold over the expected life of the current business model portfolio, for reasons other than the cases above, exceeds 10% of the carrying amount of the portfolio, any new acquisitions or originations of assets would be classified in a different business model.

iii. Impairment of financial instruments

The expected credit loss impairment model is inherently based on judgement since it requires assessment of significant increases in credit risk and measurement of expected credit losses without providing detailed guidance. In respect of significant increases in credit risk, BCR Group has determined specific assessment rules consisting of qualitative information and quantitative thresholds. Another area of complexity relates to establishing groups of similar assets when credit risk deterioration has to be assessed on a collective basis before specific information is available at individual instrument level. Measurement of expected credit losses involves complex models relying on historical statistics of probabilities of default and loss rates in case of defaults, their extrapolations in case of insufficient observations, individual estimates of credit-adjusted cash flows and probabilities of various scenarios including forward-looking information. In addition, the life of the instruments has to be modelled in respect of behavioural life of revolving credit facilities. The impairment loss on loans and advances is disclosed in more detail in Note 28 Credit risk.

Chapter 4 – Financial instruments held at amortised cost

Financial assets are measured at amortised cost if they are held in a business model whose objective is to collect contractual cash flows, and their contractual cash flows are SPPI.

On the balance sheet, these assets are carried at amortised cost, i.e. the gross carrying amount net of the credit loss allowance. They are presented under the line 'Financial assets at amortised cost', 'Trade and other receivables', and 'Cash and cash balances'.

Interest income on these assets is calculated by effective interest method and is included under the line 'Interest income' under 'Net interest income'. Impairment gains or losses are included in the line 'Impairment result from financial instruments'.

At Group level, financial assets at amortised cost constitute the largest measurement category, which includes the vast majority of loan business to customers, interbank lending business (including reverse repo transactions), deposits with central banks, amounts in the course of settlement, trade and other receivables.

For description of financial liabilities at measured amortised cost refer to Note 17 Financial liabilities at amortised costs.

14. Cash and cash equivalents

Cash balances include cash in hand, claims (deposits) against central banks and credit institutions that are repayable on demand. Repayable on demand means that they may be withdrawn at any time or with a term of notice of only one business day or 24 hours. Mandatory minimum reserves are also shown under this item.

Starting with January 2025 according to NBR Regulation no. 5/2024 credit institutions maintain mandatory minimum reserves in mandatory minimum reserve accounts, in RON and in euros, opened at the NBR. First calculation was performed based on balances as of 31st December 2024.

Credit institutions determine the basis for calculating the minimum mandatory reserves, in lei and in foreign currency, using the balance at the end of the previous month of the following liabilities reported according to art. 7 of the NBR Regulation no. 4/2021: deposits and issued debt securities. Application period means the period for which the fulfilment of the minimum reserves requirements is evaluated mandatory. The application period is the interval between the 24th of the current month and the 23rd of the following month.

14. Cash and cash equivalents *(continued)*

Until January 2025, the mandatory minimum reserve base was established as the average daily balances (during the observance period) of both local and foreign currency-denominated liabilities from Bank's balance sheets (except interbank liabilities, obligations to the National Bank of Romania (NBR) and own capital). The observance period and the maintenance period are one-month long and successive (the observance period lasts from the 24 of the previous months to the 23 of the current month).

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Cash on hand	3,116,586	3,228,552	3,116,586	3,228,552
Mandatory cash balances and other cash with central banks (i)	7,215,740	7,372,323	7,215,733	7,372,313
Correspondent accounts and overnight placements with other banks	264,089	121,192	263,835	121,965
Overnight placements with central bank	45,826	6,041,725	-	6,002,083
Cash and cash equivalents	**10,642,241**	**16,763,792**	**10,596,154**	**16,724,913**

(i) The current accounts held by the Bank with National Bank of Romania ensure the compliance with minimum mandatory reserves requirements of National Bank. Mandatory reserve rates at the end of 2024 were for RON 8% (December 2023: 8%) and for foreign currencies 5% (December 2023: 5%). All cash and cash equivalents are in Stage 1, for more details please see Note 28.

At 31 December 2024, the balance of the amounts relating to representing physical cash collected from BCR clients but not yet processed, has been presented in cash and cash equivalents (RON 385,835 thousand) which is different from how the Bank presented it in trade and other receivables as at 31 December 2023 (RON 667,007 thousands). The change in presentation followed a more detailed analysis of the nature of these balances (in substance, the Bank has ownership of the cash and controls the timing of its processing) and regulatory guidance available. The comparatives have not been restated for this matter as management believes that given the nature of the amount this would not have an impact over the users of the financial statements.

15. Financial assets at amortised cost

15.1. Debt securities

Investments in debt securities measured at amortised cost may be acquired with different business objectives (such as fulfilling internal/external liquidity risk requirements and efficient placement of the structural liquidity surplus, strategic positions decided by the board of directors, initiation and fostering of client relationships, substitution of loan business or other yield enhancement activities). Their common attribute is that significant and frequent sales of such securities are not expected. For a description of what sales are considered as compliant with the held to collect contractual cash flows business model, see paragraph 'Business model assessment' in section 'Financial instruments - Material accounting policies'.

										31.12.2024	Group
in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Debt securities	**20,631,560**	**640**	**-**	**-**	**20,632,200**	**(8,880)**	**(5)**	**-**	**-**	**(8,885)**	**20,623,315**
General governments	20,631,560	640	-	-	20,632,200	(8,880)	(5)	-	-	(8,885)	20,623,315

										31.12.2023	Group
in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Debt securities	**17,480,371**	**22,528**	**-**	**-**	**17,502,899**	**(7,494)**	**(36)**	**-**	**-**	**(7,530)**	**17,495,369**
General governments	17,480,371	22,528	-	-	17,502,899	(7,494)	(36)	-	-	(7,530)	17,495,369

										31.12.2024	Bank
in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Debt securities	**20,505,245**	**640**	**-**	**-**	**20,505,885**	**(8,827)**	**(5)**	**-**	**-**	**(8,832)**	20,497,053
General governments	20,505,245	640	-	-	20,505,885	(8,827)	(5)	-	-	(8,832)	20,497,053

										31.12.2023	Bank
in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Debt securities	**17,360,506**	**22,529**	**-**	**-**	**17,383,035**	**(7,443)**	**(36)**	**-**	**-**	**(7,479)**	**17,375,556**
General governments	17,360,506	22,529	-	-	17,383,035	(7,443)	(36)	-	-	(7,479)	17,375,556

15.1. Debt securities *(continued)*

The year-end total gross carrying amount of AC debt securities that were initially recognized (purchased) during the reporting period and not fully derecognized by 31 December 2024 amounts to RON 5,176,996 thousands at Group level, RON 5,132,423 thousands for the Bank (2023: RON 3,907,512 thousands for the Group, RON 3,767,454 thousands for the Bank.) The gross carrying amount (GCA) of amortised cost (AC) debt securities that were held on 1 January 2024 and fully derecognized during the reporting period amounts to RON 1,979,780 thousands at Group level, RON 1,941,312 thousands for the Bank (2023: RON 1,533,858 thousands for the Group, RON 1,524,990 thousands for the Bank).

Impact from sale of debt securities is presented in Note 7 Gain/losses from derecognition of financial assets at amortised cost.

15.2. Loans and advances to banks

31.12.2024 Group

in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Loans and advances to banks	**6,004,786**	**-**	**-**	**-**	**6,004,786**	**(57)**	**-**	**-**	**-**	**(57)**	**6,004,729**
Credit institutions	6,004,786	-	-	-	6,004,786	(57)	-	-	-	(57)	6,004,729

31.12.2023 Group

in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Loans and advances to banks	**2,125,779**	**-**	**-**	**-**	**2,125,779**	**(33)**	**-**	**-**	**-**	**(33)**	**2,125,746**
Credit institutions	2,125,779	-	-	-	2,125,779	(33)	-	-	-	(33)	2,125,746

31.12.2024 Bank

in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Loans and advances to banks	**5,960,867**	**-**	**-**	**-**	**5,960,867**	**(41)**	**-**	**-**	**-**	**(41)**	**5,960,826**
Credit institutions	5,960,867	-	-	-	5,960,867	(41)	-	-	-	(41)	5,960,826

31.12.2023 Bank

in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Loans and advances to banks	**2,133,920**	**9,035**	**-**	**-**	**2,142,955**	**(311)**	**(223)**	**-**	**-**	**(534)**	**2,142,421**
Credit institutions	2,133,920	9,035	-	-	2,142,955	(311)	(223)	-	-	(534)	2,142,421

15.3. Loans and advances to customers

31.12.2024 Group

in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Loans and advances to customers	**54,827,405**	**9,732,261**	**1,648,431**	**155,447**	**66,363,544**	**(432,363)**	**(1,067,655)**	**(1,424,806)**	**(28,627)**	**(2,953,451)**	**63,410,093**
General governments	9,856,205	372,147	1,280	5,583	10,235,215	(9,925)	(39,334)	(687)	(15)	(49,961)	10,185,254
Other financial corporations	1,198,013	198,959	870	-	1,397,842	(6,526)	(7,953)	(776)	-	(15,255)	1,382,587
Non-financial corporations	16,803,841	5,200,841	649,788	15,170	22,669,640	(243,586)	(602,003)	(506,031)	(2,295)	(1,353,915)	21,315,725
Households	26,969,346	3,960,314	996,493	134,694	32,060,847	(172,326)	(418,365)	(917,312)	(26,317)	(1,534,320)	30,526,527

31.12.2023 Group

in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Loans and advances to customers	**44,161,649**	**12,086,842**	**1,425,397**	**351,818**	**58,025,706**	**(351,154)**	**(1,289,433)**	**(1,151,635)**	**(35,889)**	**(2,828,111)**	**55,197,595**
General governments	5,456,658	509,171	1,679	6,835	5,974,343	(5,665)	(33,176)	(838)	(19)	(39,698)	5,934,645
Other financial corporations	921,925	260,223	823	-	1,182,971	(5,651)	(10,317)	(653)	-	(16,621)	1,166,350
Non-financial corporations	15,400,716	6,424,189	452,980	188,535	22,466,420	(230,654)	(696,746)	(305,793)	(2,650)	(1,235,843)	21,230,577
Households	22,382,350	4,893,259	969,915	156,448	28,401,972	(109,184)	(549,194)	(844,351)	(33,220)	(1,535,949)	26,866,023

31.12.2024 Bank

in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Loans and advances to customers	**57,320,766**	**9,336,176**	**1,580,235**	**155,447**	**68,392,624**	**(411,688)**	**(1,049,491)**	**(1,388,161)**	**(28,627)**	**(2,877,967)**	**65,514,657**
General governments	9,856,205	372,147	1,280	5,583	10,235,215	(9,925)	(39,334)	(687)	(15)	(49,961)	10,185,254
Other financial corporations	5,458,365	197,683	724	-	5,656,772	(9,401)	(7,920)	(720)	-	(18,041)	5,638,731
Non-financial corporations	15,063,074	4,811,417	591,603	15,170	20,481,264	(220,314)	(584,419)	(477,777)	(2,295)	(1,284,805)	19,196,459
Households	26,943,122	3,954,929	986,628	134,694	32,019,373	(172,048)	(417,818)	(908,977)	(26,317)	(1,525,160)	30,494,213

31.12.2023 Bank

in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Loans and advances to customers	**46,430,106**	**11,578,746**	**1,367,148**	**351,818**	**59,727,818**	**(336,580)**	**(1,270,535)**	**(1,115,833)**	**(35,889)**	**(2,758,837)**	**56,968,981**
General governments	5,456,660	509,171	1,679	6,835	5,974,345	(5,665)	(33,176)	(838)	(19)	(39,698)	5,934,647
Other financial corporations	4,609,799	247,500	586	-	4,857,885	(10,753)	(9,668)	(557)	-	(20,978)	4,836,907
Non-financial corporations	14,014,909	5,932,480	404,230	188,535	20,540,154	(211,513)	(678,835)	(279,281)	(2,650)	(1,172,279)	19,367,875
Households	22,348,738	4,889,595	960,653	156,448	28,355,434	(108,649)	(548,856)	(835,157)	(33,220)	(1,525,882)	26,829,552

15. Financial assets at amortised cost *(continued)*

15.3. Loans and advances to customers *(continued)*

The movement in gross exposure is presented below

31.12.2024 Group

in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Thereof arising from: out of which write-offs	Thereof arising from: out of which repayments	Exchange-rate and other changes (+/-)	Closing Balance
Loans and advances to banks	2,125,779	5,942,887	(2,063,879)	-	(2,063,879)	-	6,004,787
Loans and advances to customers	58,025,706	18,799,823	(10,461,150)	(152,454)	(9,274,956)	(835)	66,363,544
Total	**60,151,485**	**24,742,710**	**(12,525,029)**	**(152,454)**	**(11,338,835)**	**(835)**	**72,368,331**

31.12.2023 Group

in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Thereof arising from: out of which write-offs	Thereof arising from: out of which repayments	Exchange-rate and other changes (+/-)	Closing Balance
Loans and advances to banks	148,606	2,084,963	(107,790)	-	(107,790)	-	2,125,779
Loans and advances to customers	55,330,253	13,837,378	(11,183,521)	(152,454)	(10,274,361)	41,596	58,025,706
Total	**55,478,859**	**15,922,341**	**(11,291,311)**	**(152,454)**	**(10,382,151)**	**41,596**	**60,151,485**

31.12.2024 Bank

in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Thereof arising from: out of which write-offs	Thereof arising from: out of which repayments	Exchange-rate and other changes (+/-)	Closing Balance
Loans and advances to banks	2,142,955	5,902,870	(2,084,958)	-	(2,084,958)	-	5,960,867
Loans and advances to customers	59,727,818	18,330,501	(9,664,860)	(96,173)	(8,478,731)	(835)	68,392,624
Total	**61,870,773**	**24,233,371**	**(11,749,818)**	**(96,173)**	**(10,563,689)**	**(835)**	**74,353,491**

31.12.2023 Bank

in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Thereof arising from: out of which write-offs	Thereof arising from: out of which repayments	Exchange-rate and other changes (+/-)	Closing Balance
Loans and advances to banks	225,710	2,084,963	(167,718)	-	(167,718)	-	2,142,955
Loans and advances to customers	56,568,319	13,709,239	(10,591,336)	(125,428)	(9,709,215)	41,596	59,727,818
Total	**56,794,029**	**15,794,202**	**(10,759,054)**	**(125,428)**	**(9,876,933)**	**41,596**	**61,870,773**

In 2024 and 2023, the Group and the Bank derecognized a part of non-performing loan portfolio, as follows:

Group

in RON thousands	31.12.2024		31.12.2023	
Transfer of loans	**Gross carrying amount**	**Related allowance**	**Gross carrying amount**	**Related allowance**
Sale on balance loans	69,009	69,009	34,579	34,579
Write off on balance loans	155,041	155,041	152,454	152,454
Total exposure reduction from sale and write-offs	**224,050**	**224,050**	**187,033**	**187,033**

Bank

in RON thousands	31.12.2024		31.12.2023	
Transfer of loans	**Gross carrying amount**	**Related allowance**	**Gross carrying amount**	**Related allowance**
Sale on balance loans	68,941	68,941	32,000	32,000
Write off on balance loans	96,174	96,174	125,428	125,428
Total exposure reduction from sale and write-offs	**165,115**	**165,115**	**157,428**	**157,428**

16. Trade and other receivables

The main items under 'Trade and other receivables' position are represented by factoring assets. Recourse factoring is initially recognized against the Seller at the date when the Bank becomes contractually bound to the terms and conditions of the underlying factoring contract with the seller (typically, the sign-up date of that underlying factoring contract).

In case of non-recourse factoring, the related assets are recognized against the underlying buyers at the dates when the Bank acquires from the seller the right to collect from the underlying buyers the contractual cash-flows of the related underlying invoices (typically, the date of a down-payment required by the seller).

Regarding the timing and amount of revenue recognition, the IFRS 15 requirements are applied in case of all fees related to non-recourse factoring and in case of the fees derived from recourse factoring which are not part of the effective interest rate.

										31.12.2024	Group
in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
General governments	45,242	186	91	125	**45,644**	(37)	(10)	(91)	(125)	**(263)**	**45,381**
Credit institutions	228,205	12	-	110	**228,327**	(126)	(4)	-	-	**(130)**	**228,197**
Other financial corporations	128,179	25,883	34	-	**154,096**	(798)	(1,272)	(27)	-	**(2,097)**	**151,999**
Non-financial corporations	417,589	45,829	19,266	467	**483,151**	(5,978)	(2,719)	(16,053)	(467)	**(25,217)**	**457,934**
Households	115,988	3,682	6,931	69	**126,670**	(99)	(216)	(6,871)	(59)	**(7,245)**	**119,425**
Total	**935,203**	**75,592**	**26,322**	**771**	**1,037,888**	**(7,038)**	**(4,221)**	**(23,042)**	**(651)**	**(34,952)**	**1,002,936**

										31.12.2023	Group
in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
General governments	70,839	2,531	276	90	**73,736**	(16)	(36)	(276)	(90)	**(418)**	**73,318**
Credit institutions	116,226	63,271	-	-	**179,497**	(201)	(2,761)	-	-	**(2,962)**	**176,535**
Other financial corporations	37,059	4,626	124	-	**41,809**	(49)	(238)	(113)	-	**(400)**	**41,409**
Non-financial corporations	975,254	161,027	31,660	521	**1,168,462**	(3,859)	(15,582)	(27,925)	(521)	**(47,887)**	**1,120,575**
Households	79,540	32,641	5,320	65	**117,566**	(28)	(1,607)	(5,303)	(58)	**(6,996)**	**110,570**
Total	**1,278,918**	**264,096**	**37,380**	**676**	**1,581,070**	**(4,153)**	**(20,224)**	**(33,617)**	**(669)**	**(58,663)**	**1,522,407**

										31.12.2024	Bank
in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
General governments	44,838	184	91	125	**45,238**	(37)	(10)	(91)	(125)	**(263)**	**44,975**
Credit institutions	228,205	12	-	110	**228,327**	(126)	(4)	-	(110)	**(240)**	**228,087**
Other financial corporations	128,693	25,881	11	-	**154,585**	(742)	(1,272)	(11)	-	**(2,025)**	**152,560**
Non-financial corporations	416,365	42,947	6,984	467	**466,763**	(5,899)	(2,646)	(6,984)	(467)	**(15,996)**	**450,767**
Households	115,698	3,528	6,797	69	**126,092**	(76)	(211)	(6,797)	(59)	**(7,143)**	**118,949**
Total	**933,799**	**72,552**	**13,883**	**771**	**1,021,005**	**(6,880)**	**(4,143)**	**(13,883)**	**(761)**	**(25,667)**	**995,338**

										31.12.2023	Bank
in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
General governments	70,435	2,531	276	90	**73,332**	(16)	(36)	(276)	(90)	**(418)**	**72,914**
Credit institutions	116,226	63,275	-	-	**179,501**	(201)	(2,761)	-	-	**(2,962)**	**176,539**
Other financial corporations	36,817	4,598	88	-	**41,503**	(49)	(237)	(88)	-	**(374)**	**41,129**
Non-financial corporations	971,073	158,407	11,739	521	**1,141,740**	(3,702)	(15,479)	(11,739)	(521)	**(31,441)**	**1,110,299**
Households	79,222	32,589	5,182	65	**117,058**	(17)	(1,605)	(5,182)	(58)	**(6,862)**	**110,196**
Total	**1,273,773**	**261,400**	**17,285**	**676**	**1,553,134**	**(3,985)**	**(20,118)**	**(17,285)**	**(669)**	**(42,057)**	**1,511,077**

The year-end total gross carrying amount of trade receivables that were initially recognized (purchased) during the year 2024 and not fully derecognized by 31 December 2024 amounts to RON 541,408 thousands (2023: RON 469,446 thousands) at Group level, RON 531,081 thousands (2023: RON 460,012 thousands) at Bank level. The gross carrying amount of trade receivables that were held on 1 January 2024 and derecognized during the year 2024 amounts to RON 43,776 thousand at Group level (2023: RON 80,852 thousand), RON 43,435 thousands (2023: RON 80,792 thousands) at Bank level.

The 31 December 2024, balance of the amounts related to physical cash is presented in "Cash and cash equivalents" in Statements of financial position and more details in Note 14 Cash and cash equivalents.

17. Financial liabilities measured at amortised cost

The financial liabilities measured at amortised cost are further broken down into: 'Deposits from banks' 'Borrowings and financing lines', 'Deposits from customers', 'Debt securities issued' and 'Other financial liabilities'.

Interest expenses incurred are calculated using effective interest method are reported in the line item 'Interest expenses' under 'Net interest income' in the statements of income. Gains and losses from derecognition (mainly repurchase) are reported under the line item 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss'.

17.1 Deposits from banks

	Group		Bank	
in RON thousands	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Current accounts / overnight deposits	664,852	486,083	528,440	478,812
Term deposits from other banks	192,876	141,726	331,539	157,220
Repurchase agreements	316,998	370,694	826,033	949,692
Deposits from banks	**1,174,726**	**998,503**	**1,686,012**	**1,585,724**
Borrowings and financing lines	533,268	650,435	127,307	152,934
Total	**1,707,994**	**1,648,938**	**1,813,319**	**1,738,658**

17.2 Borrowings and financing lines

Maturity of financing lines is on September 2030, the interest rates are fixed or variable in a range between 3.5% and 6.07%.

Liabilities from financing activities	Group
in RON thousands	Other borrowed funds
Borrowings at 01.01.2023	**648,189**
Outflows from other financing activities	(25,488)
Foreign exchange adjustments	2,376
Accrued interest	25,358
Borrowings at 31.12.2023	**650,435**
Outflows from other financing activities	(149,302)
Foreign exchange adjustments	(92)
Accrued interest	32,227
Borrowings at 31.12.2024	**533,268**

Liabilities from financing activities	Bank
in RON thousands	Other borrowed funds
Borrowings at 01.01.2023	**189,261**
Outflows from other financing activities	(45,504)
Foreign exchange adjustments	840
Accrued interest	8,337
Borrowings at 31.12.2023	**152,934**
Outflows from other financing activities	(33,538)
Foreign exchange adjustments	(42)
Accrued interest	7,953
Borrowings at 31.12.2024	**127,307**

17.3 Debt securities issued

	Group		Bank	
in RON thousands	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Subordinated debt securities issued	1,251,505	1,252,349	1,251,505	1,252,349
Senior non-preferred bonds	8,554,268	8,322,190	8,554,268	8,322,190
Other debt securities issued	601,257	595,604	601,257	595,604
Debt securities issued	601,257	595,604	601,257	595,604
Debt securities issued	**10,407,030**	**10,170,143**	**10,407,030**	**10,170,143**

		Bank
in RON thousands	2024	2023
Debt securities issued at beginning of the period	**10,170,143**	**5,424,406**
Debt securities issued (cash flow)	223,835	4,572,136
Foreign exchange adjustments	13,052	173,601
Debt securities issued at end of period	**10,407,030**	**10,170,143**

17. Financial liabilities measured at amortised cost *(continued)*

BCR's current debt issuance programme implemented in 2013 is a programme for issuing debt instruments in various currencies and maturities with a limited range of interest rate structures.

In April 2018, BCR's Extraordinary Shareholders General Meeting has approved the extension of the Debt Issuing Programme (DIP) for a period of 10 years, as well as new bond structures (e.g. subordinated notes, Minimum requirement for eligible liabilities (MREL) notes). In 2019, the debt issuance programme has been integrated into the Multi Issuer Programme (MIP) arranged by Erste Group Bank and is approved by Financial Market Authority (Austria) and listed on the Vienna Stock Exchange.

In 2024, 1 bond issue (2023: 3) was executed under the MIP, a Senior Non-Preferred bond with a volume of EUR 45m (RON 224 m equiv.) (2023: RON 4.56bn), listed on the Vienna Stock Exchange.

As of 31 December 2024, BCR had 11 bond issues outstanding under the Multi Issuer Programme, in total amount of RON 8.88 bn RON, out of which 9 bonds listed on the Bucharest Stock Exchange (www.bvb.ro), 4 bonds issues listed in the Vienna Stock Exchange (https://www.wienerborse.at/en/search/?q=BCR).

The proceeds of the Green Bond are used to finance and/or refinance the loans and investments of the Issuer dedicated to the financing of Eligible Green Projects (i.e. (i) Green Buildings (Residential), (ii) Green Buildings (Commercial) and (iii) Renewable Energy) with environmental benefits ("Green Loans") in accordance with the Erste Group Sustainable Finance Framework dated April 2021 (as amended and/or replaced periodically). Green Loans are identified and reported in accordance with Sustainable Finance Guidelines of Erste Group, available to define and identify assets and investments that can be considered as environmental and/or social eligible to mobilize funds for a transition towards a low carbon economy. Loans are classified and measured in accordance with Financial assets measured at amortised cost policy.

The summary of the bonds is presented below:

ISIN	Issue date	Maturity date	Category	Type	Currency	Issue value	Paying Agent	Listing Venue
ROEAZVK5DFP8	12/16/2019	12/16/2026	SENIOR	NON-PREFERRED	RON	600,000,000	BCR	BVB
RO1AQREPLMW7	5/21/2021	5/21/2028	SENIOR	NON-PREFERRED	RON	1,000,000,000	BCR	BVB
ROMU2ND4VHC6	10/14/2021	10/14/2028	SENIOR	PREFERRED	RON	500,000,000	BCR	BVB, VSE
ROPQT4NGMLM3	12/09/2021	12/09/2028	SENIOR	NON-PREFERRED	RON	600,000,000	BCR	BVB
RO451CMZH2K1	3/31/2022	3/31/2027	SENIOR	NON-PREFERRED	RON	351,500,000	BCR	BVB
ROPC9F84ZSG4	6/14/2022	6/14/2027	SENIOR	NON-PREFERRED	RON	702,000,000	BCR	BVB
ROGJ5KD9L1W9	10/06/2022	10/06/2028	SENIOR	NON-PREFERRED	RON	334,000,000	BCR	BVB
AT0000A32YQ4	3/7/2023	12/15/2029	SENIOR	PREFERRED	USD	20,000,000	EGB	VSE
AT0000A34CN3	5/19/2023	5/19/2027	SENIOR	NON-PREFFERED	EUR	700,000,000	EGB	VSE, BVB
ROM2PE1DEUG5	12/11/2023	12/11/2029	SENIOR	NON-PREFERRED	RON	1,000,000,000	BCR	BVB
AT0000A3DBN9	6/14/2024	1/14/2028	SENIOR	NON-PREFERRED	EUR	45,000,000	EGB	VSE

17.4 Deposits from customers

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Overnight deposits	50,738,116	44,942,196	50,951,041	45,193,360
Savings deposits	4,256,125	2,902,660	4,256,067	2,902,510
Other financial corporations	40,602	32,080	40,602	32,080
Non-financial corporations	482,019	510,938	482,019	510,938
Households	3,733,504	2,359,642	3,733,446	2,359,492
Non-savings deposits	46,481,991	42,039,536	46,694,974	42,290,850
General governments	6,014,999	5,198,234	6,014,999	5,198,234
Other financial corporations	1,266,016	1,181,386	1,477,626	1,401,479
Non-financial corporations	15,060,950	14,141,643	15,062,324	14,169,025
Households	24,140,026	21,518,273	24,140,025	21,522,112
Term deposits	40,269,724	33,539,657	40,330,354	33,531,316
Deposits with agreed maturity	40,269,724	33,539,657	40,330,354	33,531,316
Savings deposits	323,603	383,862	235,062	216,633
Households	323,603	383,862	235,062	216,633
Non-savings deposits	39,946,121	33,155,795	40,095,292	33,314,683
General governments	7,812,908	3,358,747	7,812,908	3,358,747
Other financial corporations	726,658	1,020,240	807,767	1,092,660
Non-financial corporations	11,033,398	10,491,234	11,101,460	10,581,541
Households	20,373,157	18,285,574	20,373,157	18,281,735
Deposits from customers	**91,007,840**	**78,481,853**	**91,281,395**	**78,724,676**
General governments	13,827,907	8,556,981	13,827,907	8,556,981
Other financial corporations	2,033,276	2,233,706	2,325,995	2,526,219
Non-financial corporations	26,576,367	25,143,815	26,645,803	25,261,504
Households	48,570,290	42,547,351	48,481,690	42,379,972

17. Financial liabilities measured at amortised cost *(continued)*

17.5 Other financial liabilities

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Intra-banking settlement liabilities	314,147	1,567,912	315,956	1,567,916
Settlement liabilities due to clients	347,609	855,590	344,396	851,811
Client accounts for securities transactions	154,730	204,264	154,730	204,264
Financial liabilities - suppliers	377,238	214,990	343,219	196,281
Other financial liabilities	88,708	95,404	88,708	95,172
Total other financial liabilities	**1,282,432**	**2,938,160**	**1,247,009**	**2,915,444**

Chapter 5 – Financial instruments at fair value

Financial instruments at fair value through profit or loss

Financial assets whose contractual cash flows are not considered as SPPI are automatically measured at FVPL. In the business of BCR Group, this concerns certain debt securities being measured at fair value because the contractual cash flows have not passed the SPPI test.

Other source of FVPL measurement relates to financial assets that are part of residual business models, i.e., they are neither held to collect contractual cash flows nor held to either collect contractual cash flows or sell the assets. These financial assets are generally expected to be sold before their maturity or they are managed and their performance is evaluated on a fair value basis.

In the statements of financial position, debt instrument financial assets measured at FVPL are presented as 'Financial assets held for trading', sub-items 'Debt securities held for trading". Financial assets are mandatorily measured at fair value through profit or loss either because their contractual cash flows are not SPPI or they are held as part of residual business models that are other than held for trading.

In the statements of income, the profit or loss effects of non-derivative financial assets measured at FVPL are split into dividend income and fair value gains and losses to determine the realised income. The dividend income on equity instruments is presented in the line 'Dividend income'. The fair value gains or losses are calculated net of the dividend income. The transaction costs and origination fees are immediately recognized in profit or loss. These are reported in the line 'Net trading result' for financial assets held for trading and in the line 'Gains/losses from non-trading financial instruments mandatorily measured at fair value through profit or loss' in case of non-trading financial assets at FVPL.

Financial liabilities at FVPL consist of financial liabilities held for trading.

The gains or losses on financial liabilities held for trading are reported in the line 'Net trading result' in the statements of income.

18. Derivatives financial instruments held for trading

Derivative financial instruments are used by BCR Group to manage exposures to interest rates, foreign currencies and other market price risks. Derivatives used by BCR Group include mainly interest rate swaps, futures, forward rate agreements, interest rate options, currency swaps and currency options as well as credit default swaps.

Derivative financial instruments are carried at fair value (dirty price) on the balance sheet. Derivatives are carried as assets if their fair value is positive and as liabilities if their fair value is negative.

Derivatives – held for trading are those that are not designated as hedging instruments for hedge accounting. They are presented in the line item 'Derivatives' under the heading 'Financial assets/Financial liabilities held for trading'. All kinds of non-hedging derivatives without regard to their internal classification, i.e. both derivatives held in the trading book and banking book, are presented in this line item.

Changes in the fair value (dirty price) of derivatives – held for trading are reported in the statements of income in the line item 'Net trading result'.

Derivatives held for trading

						Group
		2024			**2023**	
in RON thousands	**Notional amount**	**Fair value**		**Notional amount**	**Fair value**	
		Positive	**Negative**		**Positive**	**Negative**
Derivatives held in Trading book	**21,573,006**	**132,934**	**130,836**	**9,143,731**	**135,039**	**137,671**
Interest rate instruments and related derivatives	9,393,407	98,721	104,010	7,668,889	132,697	133,762
Foreign exchange trading and related derivatives	12,179,599	34,213	26,826	1,474,842	2,342	3,909
Derivatives held in Banking Book	**3,307,662**	**54,872**	**2,904**	**2,562,252**	**639**	**27,796**
Foreign exchange trading and related derivatives	3,307,662	54,872	2,904	2,562,252	639	27,796
Total	**24,880,668**	**187,806**	**133,740**	**11,705,983**	**135,678**	**165,467**

18. Derivatives financial instruments held for trading *(continued)*

						Bank
in RON thousands	2024 Notional amount	2024 Fair value Positive	2024 Fair value Negative	2023 Notional amount	2023 Fair value Positive	2023 Fair value Negative
Derivatives held in Trading book	**21,573,006**	**132,934**	**130,836**	**9,248,197**	**135,088**	**137,671**
Interest rate instruments and related derivatives	9,393,407	98,721	104,010	7,668,889	132,697	133,762
Foreign exchange trading and related derivatives	12,179,599	34,213	26,826	1,579,308	2,391	3,909
Derivatives held in Banking Book	**3,307,662**	**54,872**	**2,904**	**2,562,252**	**639**	**27,796**
Foreign exchange trading and related derivatives	3,307,662	54,872	2,904	2,562,252	639	27,796
Total	**24,880,668**	**187,806**	**133,740**	**11,810,449**	**135,727**	**165,467**

19. Other financial assets held for trading

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Debt securities	1,724,973	565,410	1,724,973	565,410
General governments (i)	1,724,973	565,410	1,724,973	565,410
Debt securities held for trading	**1,724,973**	**565,410**	**1,724,973**	**565,410**

(i) Debt securities include treasury bills and bonds denominated in RON. The amount increased at the end of 2024 due to acquisition of investments in treasury bills and bonds, both issued by Ministry of Public Finance.

20. Non-trading financial assets mandatorily at fair value through profit or loss

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
	Mandatorily at fair value		**Mandatorily at fair value**	
Equity instruments	75,345	59,350	75,345	59,350
Debt securities	12,517	20,013	12,517	20,013
Other financial corporations	12,517	20,013	12,517	20,013
Non-trading financial assets mandatorily at fair value through profit or loss	**87,862**	**79,363**	**87,862**	**79,363**

21. Financial assets at fair value through other comprehensive income

Debt instrument financial assets are measured at fair value through other comprehensive income (FVOCI) if their contractual cash flows are SPPI-compliant and they are held within a business model whose objective is achieved by both to collect contractual cash flows and sell the assets (they relate to various business objectives such as fulfilling internal/external liquidity risk requirements and efficient placement of the structural liquidity surplus, strategic positions decided by the Management Board, initiation and fostering of client relationships, substitution of loan business or other yield-enhancement activities). In the statements of financial position, they are included as 'Debt securities' under the line 'Financial asset at fair value through other comprehensive income'.

Interest income on these assets is calculated using the effective interest method and is included under the line 'Net interest income' in the statements of profit or loss. Impairment gains and losses are recognised in profit or loss in the line 'Net impairment loss on financial instruments'. As a result, the measurement impact recognised in profit or loss is the same as for financial assets measured at amortised cost.

The difference between the fair value at which the assets are carried in the statements of financial position and the amortised cost component is recognised as accumulated OCI in equity specifically under 'Fair value reserve' in the statements of changes in equity. The change for the period is reported as OCI in the statements of comprehensive income in the line 'Debt instruments at fair value through other comprehensive income'. When the debt financial asset is derecognised, the amount previously accumulated in OCI is reclassified to profit or loss and reported under the line 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss'.

The common attribute for investments in debt instruments at FVOCI is that an active yield optimisation via sales is integral to achieving the objectives. The sales are carried out in order to optimise the liquidity position or to realise the fair value gains or losses. As a result, the business objectives are achieved through both collecting contractual cash flows and sales of the securities.

									31.12.2024	Group
in RON thousands	**Gross carrying amount**				**Credit loss allowances**				**Accumulated other fair value changes**	**Carrying amount**
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**		
Debt securities	**12,719,382**	**-**	**-**	**12,719,382**	**(5,434)**	**-**	**-**	**(5,434)**	**48,333**	**12,767,715**
General governments	11,885,062	-	-	11,885,062	(5,065)	-	-	(5,065)	40,900	11,925,962
Credit institutions	834,320	-	-	834,320	(369)	-	-	(369)	7,433	841,753
Total	**12,719,382**	**-**	**-**	**12,719,382**	**(5,434)**	**-**	**-**	**(5,434)**	**48,333**	**12,767,715**

21. Financial assets at fair value through other comprehensive income *(continued)*

31.12.2023 Group

in RON thousands	Gross carrying amount				Credit loss allowances				Accumulated other fair value changes	Carrying amount
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total		
Debt securities	**10,044,867**	**26,308**	**-**	**10,071,175**	**(7,089)**	**(196)**	**-**	**(7,285)**	**64,355**	**10,135,530**
General governments	9,596,911	-	-	9,596,911	(6,625)	-	-	(6,625)	55,809	9,652,720
Credit institutions	447,956	26,308	-	474,264	(464)	(196)	-	(660)	8,546	482,810
Total	**10,044,867**	**26,308**	**-**	**10,071,175**	**(7,089)**	**(196)**	**-**	**(7,285)**	**64,355**	**10,135,530**

31.12.2024 Bank

in RON thousands	Gross carrying amount				Credit loss allowances				Accumulated other fair value changes	Carrying amount
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total		
Debt securities	**12,719,382**	**-**	**-**	**12,719,382**	**(5,434)**	**-**	**-**	**(5,434)**	**48,333**	**12,767,715**
General governments	11,885,062	-	-	11,885,062	(5,065)	-	-	(5,065)	40,900	11,925,962
Credit institutions	834,320	-	-	834,320	(369)	-	-	(369)	7,433	841,753
Total	**12,719,382**	**-**	**-**	**12,719,382**	**(5,434)**	**-**	**-**	**(5,434)**	**48,333**	**12,767,715**

31.12.2023 Bank

in RON thousands	Gross carrying amount				Credit loss allowances				Accumulated other fair value changes	Carrying amount
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total		
Debt securities	**10,044,901**	**26,308**	**-**	**10,071,209**	**(4,557)**	**(196)**	**-**	**(4,753)**	**64,321**	**10,135,530**
General governments	9,596,945	-	-	9,596,945	(4,093)	-	-	(4,093)	55,775	9,652,720
Credit institutions	447,956	26,308	-	474,264	(464)	(196)	-	(660)	8,546	482,810
Total	**10,044,901**	**26,308**	**-**	**10,071,209**	**(4,557)**	**(196)**	**-**	**(4,753)**	**64,321**	**10,135,530**

The year-end total gross carrying amount of FVOCI debt securities that were initially recognized (purchased) during the year 2024 and not fully derecognized by 31 December 2024 amounts to RON 4,600,862 thousands (2023: RON 4,505,984 thousands) at Group level, RON 4,600,862 thousands (2023: RON 4,425,632 thousands) at Bank level. The gross carrying amount of FVOCI debt securities that were held on 1 January 2024 and derecognized during the year 2024 amounts to RON 1,992,154 thousand at Group level (2023: RON 4,153,391 thousand), RON 1,992,154 thousands (2023: RON 4,150,349 thousands) at Bank level.

Chapter 6 – Financial instruments - other disclosure matters

22. Securities

Group

in RON thousands	2024 Financial Assets: Financial assets at amortised cost	Trading financial assets	Financial assets mandatorily measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income	2023 Financial Assets: Financial assets at amortised cost	Trading financial assets	Financial assets mandatorily measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income
Bonds and other interest-bearing securities	**20,623,315**	**1,724,973**	**12,517**	**12,767,715**	**17,495,369**	**565,410**	**20,013**	**10,135,530**
Listed	17,987,558	561,837	-	9,305,444	16,791,783	565,410	-	9,792,933
Unlisted	2,635,757	1,163,136	12,517	3,462,271	703,586	-	20,013	342,597
Equity related securities	**-**	**-**	**75,345**	**-**	**-**	**-**	**59,350**	**-**
Listed	-	-	6,549	-	-	-	8,680	-
Unlisted	-	-	68,796	-	-	-	50,670	-
Total	**20,623,315**	**1,724,973**	**87,862**	**12,767,715**	**17,495,369**	**565,410**	**79,363**	**10,135,530**

Bank

in RON thousands	2024 Financial Assets: Financial assets at amortised cost	Trading financial assets	Financial assets mandatorily measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income	2023 Financial Assets: Financial assets at amortised cost	Trading financial assets	Financial assets mandatorily measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income
Bonds and other interest-bearing securities	**20,497,053**	**1,724,973**	**12,517**	**12,767,715**	**17,375,556**	**565,410**	**20,013**	**10,135,530**
Listed	17,861,296	561,837	-	9,305,444	16,690,388	565,410	-	9,792,933
Unlisted	2,635,757	1,163,136	12,517	3,462,271	685,168	-	20,013	342,597
Equity related securities	**-**	**-**	**75,345**	**-**	**-**	**-**	**59,350**	**-**
Listed	-	-	6,549	-	-	-	8,680	-
Unlisted	-	-	68,796	-	-	-	50,670	-
Total	**20,497,053**	**1,724,973**	**87,862**	**12,767,715**	**17,375,556**	**565,410**	**79,363**	**10,135,530**

23. Fair value of financial assets and liabilities

Financial assets and financial liabilities measured at fair value are categorized under the three levels of the IFRS fair value hierarchy.

For financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include pricing models or discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is market related rate at the statements of financial position date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the statements of financial position date. Where a fair value cannot reliably be estimated, unquoted equity instruments e.g., investments in subsidiaries (see note 40) that do not have a quoted market price in an active market are measured at cost and periodically tested for impairment.

The fair value is best evidenced by a quoted market price if such exists. Credit Value Adjustment/Debt Value Adjustment is included in the fair value of derivatives, not representing a significant amount both at 31 December 2024 and 31 December 2023.

Level 1 of the fair value hierarchy

The fair value of financial instruments assigned to level 1 of the fair value hierarchy is determined based on quoted prices in active markets for identical financial assets and liabilities. More particular, the evaluated fair value can qualify as a level 1 input if transactions occur with sufficient frequency, volume and pricing consistency on an ongoing basis. This will be used as fair value and there is no need for a valuation model in this case. These include exchange traded derivatives (futures, options), shares, government bonds, as well as other bonds and funds which are traded in highly liquid and active markets.

Level 2 of the fair value hierarchy

In case a market quote is used for valuation but due to restricted liquidity the market does not qualify as active (derived from available market liquidity indicators) the instrument is classified as level 2.

If no market prices are available, the fair value is measured by using valuation models which are based on observable market data. If all the significant inputs in the valuation model are observable, the instrument is classified as level 2 of the fair value hierarchy. For level 2 valuations typically yield curves, credit spreads and implied volatilities are used as observable market parameters. These include over-the-counter (OTC) derivatives, less liquid shares, bonds and funds, as well as and own issues. Should the spread not be observable, it has to be tested if the unobservable input parameter is significant. An unobservable input parameter for theoretical priced securities is considered significant if the effect of the unobservable input on the fair value of the respective security is higher than 2%.

Level 3 of the fair value hierarchy

In some cases, the fair value can be determined neither on the basis of sufficiently frequent quoted market prices nor of valuation models that rely entirely on observable market data. In these cases, individual valuation parameters not observable in the market are estimated on the basis of reasonable assumptions. If any unobservable input in the valuation model is significant or the price quote used is updated infrequently the instrument is classified as level 3 fair value hierarchy. For level 3 valuations, besides observable parameters, typically credit spreads derived from internally calculated historical probability of default (PD) and loss given default (LGD) measures are used as unobservable parameters.

23. Fair value of financial assets and liabilities *(continued)*

The following table shows fair values and fair value hierarchy of financial instruments whose fair value is disclosed in the notes for the year-end:

31.12.2024

in RON thousands	Group					Bank				
	Carrying amount	Fair value	Fair value hierarchy			Carrying amount	Fair value	Fair value hierarchy		
			Level 1	Level 2	Level 3			Level 1	Level 2	Level 3
Assets										
Cash and cash balances	10,642,241	10,642,241	10,642,241	-	-	10,596,154	10,596,154	10,596,154	-	-
Financial assets at amortised cost	90,038,137	88,708,963	19,112,022	521,927	69,075,014	91,972,536	90,635,148	18,995,220	516,323	71,123,605
Loans and advances to banks	6,004,729	6,007,731	-	-	6,007,731	5,960,826	5,963,806	-	-	5,963,806
Loans and advances to customers	63,410,093	63,061,810	-	-	63,061,810	65,514,657	65,154,326	-	-	65,154,326
Debt securities	20,623,315	19,639,422	19,112,022	521,927	5,473	20,497,053	19,517,016	18,995,220	516,323	5,473
Finance lease receivables	2,321,385	2,267,782	-	-	2,267,782	15,043	14,702	-	-	14,702
Trade and other receivables	1,002,936	999,951	-	-	999,951	995,338	991,717	-	-	991,717
Liabilities										
Financial liabilities measured at amortised cost	104,405,296	104,148,242	-	7,242,206	96,906,036	104,748,753	104,489,796	-	7,242,206	97,247,590
Deposits from banks, borrowings and financial lines	1,707,994	1,689,548	-	-	1,689,548	1,813,319	1,793,736	-	-	1,793,736
Deposits from customers	91,007,840	90,753,018	-	-	90,753,018	91,281,395	91,025,807	-	-	91,025,807
Debt securities in issue	10,407,030	10,423,244	-	7,242,206	3,181,038	10,407,030	10,423,244	-	7,242,206	3,181,038
Other financial liabilities	1,282,432	1,282,432	-	-	1,282,432	1,247,009	1,247,009	-	-	1,247,009
Lease liabilities	500,390	500,390	-	-	500,390	498,276	498,276	-	-	498,276
Financial guarantees and commitments	**-**	**562,342**	**-**	**-**	**562,342**	**-**	**562,415**	**-**	**-**	**562,415**
Financial guarantees	-	(5,436)	-	-	(5,436)	-	(5,510)	-	-	(5,510)
Irrevocable commitments	-	567,778	-	-	567,778	-	567,925	-	-	567,925

31.12.2023

in RON thousands	Group					Bank				
	Carrying amount	Fair value	Fair value hierarchy			Carrying amount	Fair value	Fair value hierarchy		
			Level 1	Level 2	Level 3			Level 1	Level 2	Level 3
Assets										
Cash and cash balances	16,763,792	16,763,792	16,763,792	-	-	16,724,913	16,724,913	16,724,913	-	-
Financial assets at amortised cost	74,818,710	74,215,584	16,560,461	321,688	57,333,435	76,486,958	75,944,895	16,444,954	315,755	59,184,186
Loans and advances to banks	2,125,746	2,124,873	-	-	2,124,873	2,142,421	2,141,765	-	-	2,141,765
Loans and advances to customers	55,197,595	55,207,238	-	-	55,207,238	56,968,981	57,041,097	-	-	57,041,097
Debt securities	17,495,369	16,883,473	16,560,461	321,688	1,324	17,375,556	16,762,033	16,444,954	315,755	1,324
Finance lease receivables	2,022,555	2,024,196	-	-	2,024,196	17,393	17,393	-	-	17,393
Trade and other receivables	1,522,407	1,523,997	-	-	1,523,997	1,511,077	1,512,668	-	-	1,512,668
Liabilities										
Financial liabilities measured at amortised cost	93,239,094	93,022,688	-	10,054,378	82,968,310	93,548,921	93,330,833	-	10,054,378	83,276,455
Deposits from banks, borrowings and financial lines	1,648,938	1,635,795	-	-	1,635,795	1,738,658	1,723,830	-	-	1,723,830
Deposits from customers	78,481,853	78,298,143	-	-	78,298,143	78,724,676	78,540,968	-	-	78,540,968
Debt securities in issue	10,170,143	10,150,590	-	10,054,378	96,212	10,170,143	10,150,590	-	10,054,378	96,212
Other financial liabilities	2,938,160	2,938,160	-	-	2,938,160	2,915,444	2,915,445	-	-	2,915,445
Lease liabilities	449,467	449,467	-	-	449,467	448,488	448,488	-	-	448,488
Financial guarantees and commitments	**-**	**434,577**	**-**	**-**	**434,577**	**-**	**435,948**	**-**	**-**	**435,948**
Financial guarantees	-	(5,718)	-	-	(5,718)	-	(6,185)	-	-	(6,185)
Irrevocable commitments	-	440,295	-	-	440,295	-	442,133	-	-	442,133

23. Fair value of financial assets and liabilities *(continued)*

The fair value of loans and advances to customers and credit institutions has been calculated by discounting future cash flows while taking into consideration interest and credit spread effects. The interest rate impact is based on the movements of market rates, while credit spread changes are derived from PD's used for internal risk calculations. For the calculation of fair value loans and advances were grouped into homogeneous portfolios based on rating method, rating grade, maturity, and the country where they were granted.

The fair values of financial assets at amortized cost are either taken directly from the market or they are determined by directly observable input parameters (i.e., yield curves).

The fair value of issued securities and subordinated liabilities measured at amortized cost is based on market prices or on observable market parameters, if these are available, otherwise it is estimated by taking into consideration the actual interest rate environment and in this case, they are allocated to Level 2.

The fair value of deposits and other financial liabilities measured at amortized cost is estimated by taking into consideration the actual interest rate environment and own credit spreads, and these are allocated to Level 3.

The fair value for commitments is based on the commitment amounts by rating method and rating grade for which hypothetical loans are created through applying credit conversion factors, which finally will be subject to the regular fair value calculation procedure described above for loans and advances.

Guarantees are seen as having two types of cash-flows or legs representing the regular fee payments received, and a single potential compensation payment, respectively. The first leg consists of the sum of the discounted fee payments, weighted by the survival probability (annualized marginal default probability), while the second leg consists of the negative sum of discounted potential protection payments, i.e., the sum of the discounted loss weighted by the default probability. The fair value of the guarantee is derived as the value of the premium leg minus the value of the compensation leg.

Financial instruments measured at fair value in the statements of financial position

Group

in RON thousands	Quoted market prices in active markets Level 1		Marked to model based on observable market data Level 2		Marked to model based on non-observable inputs Level 3		Total	
Assets	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Financial assets - held for trading	**1,060,225**	**565,410**	**852,554**	**135,678**	**-**	**-**	**1,912,779**	**701,088**
Derivative financial instruments	-	-	187,806	135,678	-	-	187,806	135,678
Debt securities held for trading	1,060,225	565,410	664,748	-	-	-	1,724,973	565,410
Non-trading financial assets at fair value through profit or loss	**4,674**	**8,680**	**1,875**	**-**	**81,313**	**70,683**	**87,862**	**79,363**
Equity instruments	4,674	8,680	1,875	-	68,796	50,670	75,345	59,350
Debt securities	-	-	-	-	12,517	20,013	12,517	20,013
Financial assets at fair value through other comprehensive income	**10,795,661**	**9,464,173**	**1,966,327**	**640,335**	**5,727**	**31,022**	**12,767,715**	**10,135,530**
Debt securities	10,795,661	9,464,173	1,966,327	640,335	5,727	31,022	12,767,715	10,135,530
Total assets	**11,860,560**	**10,038,263**	**2,820,756**	**776,013**	**87,040**	**101,705**	**14,768,356**	**10,915,981**
Liabilities								
Financial liabilities held for trading	-	-	133,740	165,467	-	-	133,740	165,467
Derivative financial instruments	-	-	133,740	165,467	-	-	133,740	165,467
Total liabilities	**-**	**-**	**133,740**	**165,467**	**-**	**-**	**133,740**	**165,467**

Bank

in RON thousands	Quoted market prices in active markets Level 1		Marked to model based on observable market data Level 2		Marked to model based on non-observable inputs Level 3		Total	
Assets	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Financial assets - held for trading	**1,060,225**	**565,410**	**852,554**	**135,727**	**-**	**-**	**1,912,779**	**701,137**
Derivative financial instruments	-	-	187,806	135,727	-	-	187,806	135,727
Debt securities held for trading	1,060,225	565,410	664,748	-	-	-	1,724,973	565,410
Non-trading financial assets at fair value through profit or loss	**4,674**	**8,680**	**1,875**	**-**	**81,313**	**70,683**	**87,862**	**79,363**
Equity instruments	4,674	8,680	1,875	-	68,796	50,670	75,345	59,350
Debt securities	-	-	-	-	12,517	20,013	12,517	20,013
Financial assets at fair value through other comprehensive income	**10,795,661**	**9,464,173**	**1,966,327**	**665,998**	**5,727**	**5,359**	**12,767,715**	**10,135,530**
Debt securities	10,795,661	9,464,173	1,966,327	665,998	5,727	5,359	12,767,715	10,135,530
Total assets	**11,860,560**	**10,038,263**	**2,820,756**	**801,725**	**87,040**	**76,042**	**14,768,356**	**10,916,030**
Liabilities								
Financial liabilities held for trading	-	-	133,740	165,467	-	-	133,740	165,467
Derivative financial instruments	-	-	133,740	165,467	-	-	133,740	165,467
Total liabilities	**-**	**-**	**133,740**	**165,467**	**-**	**-**	**133,740**	**165,467**

23. Fair value of financial assets and liabilities *(continued)*

Financial assets held for trading position has increased during 2024 compared 2023 mostly due to an increase in the government bonds portfolio.

Non-trading financial assets at fair value through profit or loss position includes:

- equity instruments, in principal minority interests classified as level 3 instruments for which the fair value is determined based on internal assessment. The most common valuation methods used in the evaluation of minority interest are: Quoted price in active markets, Expert opinion or Recent transaction value, Discounted Cash Flow Method / Dividend Discount Model, the adjusted Net Asset Value, Simplified income approach;
- Visa Inc Preferred Share equity for which fair value is computed based on internal assessment for class C.

Financial assets at fair value through other comprehensive income include:

- Debt securities issued by Ministry of Finance which are actively traded classified on level 1 and 2;
- Two debt securities issued by the Ministry of Finance, which is theoretically priced is presented on level 3.

Valuation of level 3 financial instruments

The volume of level 3 financial assets can be allocated to the following two categories:

- market values of derivatives where the credit value adjustment (CVA) has a material impact and is calculated based on unobservable parameters (i.e., internal estimates of PDs and LGDs);
- illiquid bonds, shares and funds not quoted in an active market where either valuation models with non-observable parameters have been used (e.g., credit spreads) or broker quotes have been used that cannot be allocated to Level 1 or Level 2.

The unobservable inputs from CVA calculation are the probability of default (PD) and loss given default (LGD). The probabilities of default are the result of the rating models development internally (at Erste Group level) and are used to evaluate the credit risk including CVA. According to the allocated rating, each counterparty has assigned a probability of default. The value of LGD parameter for the calculation of CVA is 60%.

As at December 2024, the fair valuation of VISA Inc class C preferred shares was based on reasonable assumptions and estimations and was consequently classified in level 3. The sale of shares is limited to certain conditions which may restrict the conversion of preferred shares into tradable VISA Inc shares. Due to these limiting conditions, and in order to reflect the potential price volatility of Class A common shares and the limited liquidity of preferred shares the fair value of the preferred shares was capped based on assumptions compared to free tradable VISA Inc. class A common shares. The price of class C preferred shares was determined based on the conversion ratio of 1: 1.786 and an additional haircut of 27.07% was applied.

Movements in Level 3 of financial instruments carried at fair value

Group

in RON thousands	Balance	Gain/(loss) in profit or loss	Gain/(loss) in other comprehensive income	Disposals out of the group	Transfers out of Level 3	Exchange rate differences	Balance
Assets	**01.01.2024**						**31.12.2024**
Non-trading financial assets at fair value through profit or loss	**70,683**	**25,907**	**-**	**-**	**(14,074)**	**(1,203)**	**81,313**
Equity instruments	50,670	18,126	-	-	-	-	68,796
Debt securities	20,013	7,781	-	-	(14,074)	(1,203)	12,517
Financial assets at fair value through other comprehensive income	**31,022**	**-**	**63**	**(25,663)**	**-**	**305**	**5,727**
Debt securities	31,022	-	63	(25,663)	-	305	5,727
Total assets	**101,705**	**25,907**	**63**	**(25,663)**	**(14,074)**	**(898)**	**87,040**

Group

in RON thousands	Balance	Gain/(loss) in profit or loss	Purchases	Transfers into Level 3	Transfers out of Level 3	Exchange rate differences	Balance
Assets	**01.01.2023**						**31.12.2023**
Non-trading financial assets at fair value through profit or loss	**63,145**	**(66)**	**10,000**	**-**	**(2,396)**	**-**	**70,683**
Equity instruments	46,817	(3,751)	10,000	-	(2,396)	-	50,670
Debt securities	16,328	3,685	-	-	-	-	20,013
Financial assets at fair value through other comprehensive income	**54,856**	**-**	**25,164**	**5,359**	**(54,856)**	**499**	**31,022**
Debt securities	54,856	-	25,164	5,359	(54,856)	499	31,022
Total assets	**118,001**	**(66)**	**35,164**	**5,359**	**(57,252)**	**499**	**101,705**

23. Fair value of financial assets and liabilities *(continued)*

Bank

in RON thousands	Balance	Gain/(loss) in profit or loss	Gain/(loss) in other comprehensive income	Transfers out of Level 3	Exchange rate differences	Balance
Assets	**01.01.2024**					**31.12.2024**
Non-trading financial assets at fair value through profit or loss	**70,683**	**25,907**	**-**	**(14,074)**	**(1,203)**	**81,313**
Equity instruments	50,670	18,126	-	-	-	68,796
Debt securities	20,013	7,781	-	(14,074)	(1,203)	12,517
Financial assets at fair value through other comprehensive income	**5,359**	**-**	**63**	**-**	**305**	**5,727**
Debt securities	5,359	-	63	-	305	5,727
Total assets	**76,042**	**25,907**	**63**	**(14,074)**	**(898)**	**87,040**

Bank

in RON thousands	Balance	Gain/(loss) in profit or loss	Purchases	Transfers into Level 3	Transfers out of Level 3	Balance
Assets	**01.01.2023**					**31.12.2023**
Non-trading financial assets at fair value through profit or loss	**63,145**	**(66)**	**10,000**	**-**	**(2,396)**	**70,683**
Equity instruments	46,817	(3,751)	10,000	-	(2,396)	50,670
Debt securities	16,328	3,685	-	-	-	20,013
Financial assets at fair value through other comprehensive income	**54,856**	**-**	**-**	**5,359**	**(54,856)**	**5,359**
Debt securities	54,856	-	-	5,359	(54,856)	5,359
Total assets	**118,001**	**(66)**	**10,000**	**5,359**	**(57,252)**	**76,042**

Unobservable inputs and sensitivity analysis for Level 3 measurements

In case the fair value measurement of a financial asset is retrieved from input parameters which are not observable in the market, those parameters can be retrieved from a range of alternative parameters. For the preparation of the statements of financial position, the parameters were chosen to reflect the market situation at the reporting date.

Range of unobservable valuation parameters used in Level 3 measurement

Financial assets	Type of instrument	Valuation technique	Significant unobservable inputs	Range of unobservable inputs (weighted average)
Dec-24				
Financial assets at FVOCI	Fixed and variable coupon bonds	Discounted cash flow	Credit Spread	2.41%
Financial assets at FVOCI / at FVPL	Non-trading equity instruments (participations)	Dividend Discount Model; Simplified Income Approach	Beta relevered	Industries: Insurance (General) 0.96 Financial Svcs. (Non-bank & Insurance) 0.98 - 1.07
			Country risk premium	Romania 2.39%-2.68%
		Adjusted Net Asset Value	Adjusted Equity	Depending on accounting equity of investment.

Range of unobservable valuation parameters used in Level 3 measurement

Financial assets	Type of instrument	Valuation technique	Significant unobservable inputs	Range of unobservable inputs (weighted average)
Dec-23				
Financial assets at FVOCI	Fixed and variable coupon bonds	Discounted cash flow	Credit Spread	1.57%
Financial assets at FVOCI / at FVPL	Non-trading equity instruments (participations)	Dividend Discount Model; Simplified Income Approach	Beta relevered	Industries: Insurance (General) 0.97 Financial Svcs. (Non-bank & Insurance) 1.05
			Country risk premium	Romania 2.35%-2.69%
		Adjusted Net Asset Value	Adjusted Equity	Depending on accounting equity of investment.

23. Fair value of financial assets and liabilities *(continued)*

In estimating these impacts, mainly changes in credit spreads (for bonds), and market values of comparable equities were considered. An increase (decrease) of spreads result in a decrease (increase) of the corresponding fair values. For non-trading equity instruments increases (decreases) in any of the inputs used for the cost of equity calculation in isolation would result in a lower (higher) fair value.

The following ranges of reasonably possible alternatives of the unobservable inputs were considered in the sensitivity analysis table:

- for debt securities range of credit spreads between +100 basis points and -75 basis points;
- for equity related instruments the price range between -10% and +5%;
- for unquoted equity instruments measured by the adjusted net asset value the price range between -10% and +10%;
- for unquoted equity instruments measured by dividend discount model/simplified income approach the cost of equity range between -2% and +2%.

	Bank	
	Fair value changes	
	Positive	Negative
in RON thousands	Dec. 2024	Dec. 2024
Debt securities	52	(69)
Other comprehensive income	52	(69)
Equity instruments	13,559	(10,205)
Income statements	13,559	(10,205)
Total	**13,611**	**(10,274)**
Income statements	**13,559**	**(10,205)**
Other comprehensive income	**52**	**(69)**

24. Encumbered assets

	Group		Bank	
in RON thousands	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Financial assets at amortised cost	322,960	262,429	855,579	883,837
Financial assets held for trading	9,898	-	9,898	-
Financial assets at fair value through other comprehensive income	20,797	115,714	20,797	115,714
Total	**353,655**	**378,143**	**886,274**	**999,551**

Encumbered assets include securities used for repo transactions (see further details in note 25).

25. Transfers of financial assets

Repurchase transactions

Transactions involving sales of securities under an agreement to repurchase them at a specified future date are also known as 'repos' or 'sale and repurchase agreements'. Securities sold in such transactions are not derecognized from the statements of financial position, as Group retains substantially all the risks and rewards of ownership because the securities are repurchased when the repo transaction ends. Furthermore, the Group is the beneficiary of all the coupons and other income payments received on the transferred assets over the period of the repo transactions. These payments are remitted to the Group or are reflected in the repurchase price.

The corresponding cash received is recognized on the statements of financial position with a corresponding obligation to return it as a liability under the line item 'Financial liabilities measured at amortized cost', sub-items 'Deposits from banks' or 'Deposits from customers' reflecting the transaction's economic substance as a loan to the Group. The difference between the sale and repurchase prices is treated as interest expense and recorded in the statements of profit or loss under the line item 'Net interest income' and is accrued over the life of the agreement. Conversely, securities purchased under agreements to resell at a specified future date are not recognized on the statements of financial position. Such transactions are also known as 'reverse repos'.

The consideration paid is recorded on the statements of financial position under the respective line items 'Financial assets at amortised cost', sub-item 'Loans and advances to banks' or 'Loans and receivables to customers', reflecting the transaction's economic substance as a loan by the Group. The difference between the purchase and resale prices is treated as interest income and is accrued over the life of the agreement and recorded in the statements of profit or loss under the line item 'Net interest income'.

25. Transfers of financial assets *(continued)*

				Group
in RON thousands	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
	31.12.2024		31.12.2023	
Financial assets held for trading	9,898	9,910	-	-
Financial assets at fair value through other comprehensive income	20,797	20,703	115,714	115,554
Financial assets at amortised cost	322,960	286,385	262,429	255,141
Total	**353,655**	**316,998**	**378,143**	**370,695**

				Group
in RON thousands	Fair value of transferred assets	Fair value of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities
	31.12.2024		31.12.2023	
Financial assets held for trading	9,898	9,910	-	-
Financial assets at fair value through other comprehensive income	20,797	20,703	115,738	115,738
Financial assets at amortised cost	288,090	283,292	258,276	258,276
Total	**318,785**	**313,905**	**374,014**	**374,014**

				Bank
in RON thousands	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Repurchase agreements	31.12.2024		31.12.2023	
Financial assets held for trading	9,898	9,910	-	-
Financial assets at fair value through other comprehensive income	20,797	20,703	115,714	115,554
Financial assets at amortised cost	855,579	795,420	883,837	834,138
Total	**886,274**	**826,033**	**999,551**	**949,692**

The transferred financial instruments consist of government bonds issued by Romania.

The following table shows fair values of the assets pledged and associated liabilities which have recourse only to the transferred assets. These assets and liabilities relate to repo transactions.

				Bank
in RON thousands	Fair value of transferred assets	Fair value of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities
Repurchase agreements	31.12.2024		31.12.2023	
Financial assets held for trading	9,898	9,910	-	-
Financial assets at fair value through other comprehensive income	20,797	20,703	115,738	115,738
Financial assets at amortised cost	818,362	786,830	861,671	861,671
Total	**849,057**	**817,443**	**977,409**	**977,409**

Repurchase agreements are primarily financing transactions. They are structured as a sale and subsequent repurchase of securities at a pre-agreed price and time. This ensures that the securities stay in hands of lender as collateral in case that borrower defaults in fulfilling any of its obligations.

Cash and non-cash financial collateral involved in these transactions is restricted from using it by the transferor during the time of the pledge. The carrying amount of assets pledged is included in note 24.

As at 31 December 2024, reverse repurchase transactions in amount of RON 5,852,878 thousands were concluded (2023: RON 2,015,296 thousands). The Bank received as collateral financial assets consisting in bonds. The fair value of collateral as of December 31, 2024 was in amount of RON 5,958,285 thousands (31.12.2023: RON 2,054,454 thousands). The Bank has the right to sell or repledge the assets in the absence of default situation of the owner of the collateral.

Chapter 7 – Risk and capital management

26. Risk management

Risk Management is embedded within the daily operation of the Bank, from strategy formulation and capital projects, through to operational planning and processes. In adopting this approach, the Bank provides a visible assurance of transparency and effective self-governance to stakeholders. At the same time the risk process assists the Bank in the planning of its resources, setting priorities, identifying opportunities, agreeing a relevant program of internal control and audit, and ensures that clear responsibility exists for the management of each area of risk.

The core function of the Bank is to take risks in a conscious and selective manner and to manage the risks professionally. The Group's proactive risk policy and risk strategy aims at achieving balanced risk and return in order to generate a sustainable and adequate return on equity.

The Group uses a risk management and control system that is forward-looking and tailored to its business and risk profile. This system is based on a clear risk strategy that is consistent with the business strategy and focused on early identification and management of risks and trends. In addition to meeting the internal goal of effective and efficient risk management, the Group's risk management and control system has been developed to fulfil external requirements and, in particular, regulatory requirements.

Given the Group's business strategy, the key risks for the Group are credit risk, market risk, operational risks, and liquidity risk. In addition, a risk materiality assessment is undertaken on at least an annual basis. It is ensured that all relevant material risks are covered by the Group's control and risk management framework. This entails a set of different tools and governance to ensure adequate oversight of the overall risk profile and sound execution of the risk strategy, including appropriate monitoring and escalation of issues that could materially impact the risk profile of the group. The Bank always seeks to enhance and complement existing methods and processes in all areas of risk management.

Risk governance structure

The Bank has developed a governance model based on a framework which ensures efficiently organized corporate governance. It also helps ensuring the Bank's stability and maintains the corporate governance standards and of business conduct.

The Risk Governance structure is presented below:

Supervisory Board

The Supervisory Board secures the supervision, manages and coordinates the Management Board activity and monitors the compliance with the applicable legislation and the BCR Charter provisions including the decisions of the General Meeting of Shareholders and the Bank's strategies and policies. The Supervisory Board functions based on its own Internal Rules.

The Risk and Compliance Committee of the Supervisory Board

The Risk and Compliance Committee assists the Supervisory Board in carrying out its attributions in relation to risk management and is a consultative body which revises, reports to, counsels and assists the Supervisory Board in fulfilling attributions which fall in its responsibility in relation to risk management, compliance, litigations, business continuity and security management and issues recommendations according to the authority limits established through the Internal Rules. The Risk and Compliance Committee is in permanent contact and collaboration with the head of the risk management function and takes into account its recommendations and expertise in taking decisions or preparing reports towards the Management Board and Supervisory Board in relation to the key risk issues of the Bank.

Audit Committee of the Supervisory Board

The Audit Committee has a consultative role, as it was established in order to assist the Supervisory Board in carrying out its attributions, drafting recommendations within the limits of its competencies, according to its responsibilities and attributions provisioned in the Internal Rules, in relation to internal control, financial reporting process, annual financial statements and audit (internal and external).

Management Board

The Management Board fulfils the management, according to the law and secures the operational management of the Bank and effective administration of the compliance risk, having responsibilities established by the applicable legislation and by the Management Board Internal Rules, approved by the Supervisory Board.

The Management Board is responsible for the overall risk strategy of the Bank, including the risk tolerance/risk appetite, as well as for the risk management framework.

Risk Committee

Risk Committee is organized and works as analysis/approval body referring to the main subjects linked to operational risk administration, within the authority limits established through the Internal Rules and other specific internal regulations, delegated by the Management Board.

26. Risk management *(continued)*

Credit Committee

The Credit Committee is a decisional body which is subordinated to the MB that carries out its activities in the corporate and retail credit areas as well as Workout area.

Sustainability Committee

Sustainability Committee is an analysis, consultative and decision-making body for all the sustainability related topics within the authority limits established through the Internal Rules and other specific internal regulations, delegated by the Management Board.

Risk management organization

Risk control and risk steering within the Group are performed based on the strategy and risk appetite approved by the Supervisory Board. Risk monitoring and control are achieved through a clear organizational structure with defined roles and responsibilities, delegated authorities and risk limits.

The Chief Risk Officer (CRO) has the role of Compliance Function and Risk Management Function coordinator and oversees the management of retail and corporate credit risk, market risk, operational risk, liquidity as well as reputational risk and strategic risk, the assessment of collaterals and other risk related activities and the compliance risk.

Also, CRO as BCR Compliance Officer coordinates the implementation of the internal policies and procedures for complying with the stipulations of the Law no. 129/2019 for AML/CFT:

- Coordinates the enforcement of the policies, procedures and the approved controls;
- Enacts the risk mitigation measures in case of non-compliance situations regarding AML/CFT/KYC/international sanctions;
- Participates in the meetings of the Bank's commissions and working committees on topics regarding situations that expose the bank to a higher level of risk AML/ CFT/ KYC/ international sanctions.

Within this framework, the risk management specialists are clearly delimited from an organizational point of view from the employees of the operational and support functions.

The Risk Management function is a central organizational function, structured so it can implement risk policies and control the risk management framework.

The main roles of the Risk Management function are:

- Ensures that all material risks are identified, measured and properly reported;
- Implements the Enterprise Risk Management principles and ensures that adequate and consistent risk management policies are developed and implemented for all material risks; and
- Ensures that the Bank has effective risk management processes in place by being involved the elaboration and review of the strategies, in the decision-making process, as well as in the risk monitoring process.

The Risk Management function performs regular reports both at individual material risk level and at bank-wide risk exposure level (i.e. complete view of the whole range of risks) to the Management Board, the Risk Committee, Credit Committee, Assets and Liabilities Committee, the Risk and Compliance Committee of the Supervisory Board and the Supervisory Board of the risk aspects that are considered within the decision-making process of the Bank.

Reports include information on aspects such as:

- Risk exposures and their development;
- Key risk indicators evolution and specific limits;
- Results of the stress testing exercises;
- Internal capital adequacy (risks coverage capacity).

As of 31.12.2024, the risk management function is consolidated under Risk Functional Line, coordinated by the Chief Risk Officer and consists from the following divisions: Retail Risk Management Division, Corporate Risk Management Division, Strategic Risk Management Division, Security Management and Business Continuity Division, Compliance Division, Legal Division.

26. Risk management *(continued)*

Group-wide risk and capital management

The main purposes of the Group’s capital management policies and practices are to support its business strategy and to ensure that it is sufficiently capitalised to withstand even severe macroeconomic downturns.

The Group considers the management of risk and capital to be among its core responsibilities and a key factor in providing a stable, high return to shareholders. The Group's capital management aims to ensure efficient use of capital to meet the Group's overall capital targets.

The risk management framework enables an increased focus on holistic risk management and ensures comprehensive, cross-risk Group-wide risk portfolio steering. Also, it drives key strategic cross-risk initiatives to establish greater cohesion between the risk strategy including the risk appetite and limit steering. ERM involves all risk functions and key divisions to strengthen risk oversight group-wide, covering capital (RWA and ICAAP), credit, liquidity (ILAAP), market, operational and other risks.

At the Bank level, Strategic Risk Management Division is responsible for the group’s Internal Capital Adequacy Assessment Process (ICAAP) including the stress testing framework, and furthermore for the proper calculation of risk-weighted assets (RWA), risk portfolio steering with respect to material risks, risk planning and risk input into capital planning, risk appetite and limit management, as well as liquidity & market risk / operational risk steering.

As in prior years, the Group’s risk management framework has been continuously strengthened. This includes as its fundamental pillar the Internal Capital Adequacy Assessment Process (ICAAP), as required under Pillar II of the Basel framework.

The risk management framework is designed to support the bank’s management in managing the risk portfolios as well as the coverage potential to ensure that the bank holds at all times adequate capital for the nature and magnitude of the bank’s risk profile. It is tailored to the Group’s business and risk profile, and it reflects the strategic goal of protecting shareholders while ensuring the sustainability of the organization.

The risk management framework is a modular and comprehensive management and steering system within the Group and is an essential part of the overall steering and management instruments. It can be clustered as follows:

- Risk appetite statement, limits and risk strategy;
- Portfolio & risk analytics, including:
    - Risk materiality assessment,
    - Concentration risk management,
    - Stress testing
- Risk-bearing capacity calculation
- Risk planning & forecasting, including:
    - Risk-weighted asset management,
    - Capital allocation
- Recovery planning.

In addition to the ICAAP’s ultimate goal of ensuring ongoing and prospective capital adequacy, the risk management framework serves to support the Bank’s management in pursuing and achieving its strategy.

27. Own funds and capital requirements

Own funds disclosure

Regulatory Requirements

Capital management at the Group and Bank level is done on total own funds. Since 1 January 2014, Group has been calculating the regulatory capital and the regulatory capital requirements according to Basel 3. The requirements have been implemented within the EU by the CRR and the CRD IV as well as within various technical standards issued by European Bank Authority, which were enacted in national law in the National Bank of Romania, Regulation No 5/2013 with further modifications and amendments.

27. Own funds and capital requirements *(continued)*

All requirements as defined in the CRR, the NBR and the aforementioned technical standards are fully applied by the Group and the Bank.

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Common equity tier 1 capital (CET1)	10,026,595	9,927,607	10,085,447	9,949,859
Additional tier 1 capital (AT1)	741,555	741,555	741,555	741,555
Tier 1 Capital	10,768,150	10,669,162	10,827,002	10,691,414
Tier 2 Capital	1,202,642	1,243,650	1,202,642	1,243,650
Total own funds	**11,970,792**	**11,912,812**	**12,029,644**	**11,935,064**
Risk Weighted Exposure Amounts For Credit, Counterparty Credit And Dilution Risks And Free Deliveries	46,751,877	43,585,347	43,582,713	40,147,246
Total Risk Exposure Amount for Position, Foreign Exchange and Commodities Risks	243,834	412,391	243,834	85,940
Total Risk Exposure Amount for Operational Risk	10,036,906	7,813,608	9,335,409	7,264,220
Total Risk Exposure Amount for Credit Valuation Adjustment	133,254	92,909	133,254	92,909
Total Risk Exposure amount for settlement	2	-	2	-
Total Risk Exposure Amount	**57,165,873**	**51,904,255**	**53,295,212**	**47,590,315**
Capital Ratios				
CET 1 Capital ratio	17.54%	19.13%	18.92%	20.91%
T1 Capital ratio	18.84%	20.56%	20.32%	22.47%
Total capital ratio	20.94%	22.95%	22.57%	25.08%

For 2023 comparatives were updated with the final figures, as approved by GSM on 26th April 2024.

During 2023 and 2024, the Group and also the Bank were fully compliant with the limits imposed by the above regulations.

Starting with February 2025, in order to determine the Risk Weighted Amounts for Credit Risk, BCR has switch from current standardised (STD) approach to Internal Rating Based (IRB) approach according to the received approval. Impact in Solvency Ratios is presented below, as of December 2024:

	Group		Bank	
in RON thousands	**31.12.2024 - STD**	**31.12.2024 - IRB**	**31.12.2024 - STD**	**31.12.2024 - IRB**
Common equity tier 1 capital (CET1)	10,026,595	10,026,595	10,085,447	10,085,447
Additional tier 1 capital (AT1)	741,555	741,555	741,555	741,555
Tier 1 Capital	10,768,150	10,768,150	10,827,002	10,827,002
Tier 2 Capital	1,202,642	1,416,804	1,202,642	1,421,856
Total own funds	**11,970,792**	**12,184,954**	**12,029,644**	**12,248,858**
Risk Weighted Exposure Amounts For Credit, Counterparty Credit And Dilution Risks And Free Deliveries	46,751,877	56,247,696	43,582,713	53,703,978
Total Risk Exposure Amount for Position, Foreign Exchange and Commodities Risks	243,834	243,834	243,834	243,834
Total Risk Exposure Amount for Operational Risk	10,036,906	10,036,906	9,335,409	9,335,409
Total Risk Exposure Amount for Credit Valuation Adjustment	133,254	133,254	133,254	133,254
Total Risk Exposure amount for settlement	2	2	2	2
Total Risk Exposure Amount	**57,165,873**	**66,661,692**	**53,295,212**	**63,416,477**
Capital Ratios				
CET 1 Capital ratio	17.54%	15.04%	18.92%	15.90%
T1 Capital ratio	18.84%	16.15%	20.32%	17.07%
Total capital ratio	20.94%	18.28%	22.57%	19.31%

The risk-weighted assets for credit risk under the STD approach are determined by assigning a standardized set of risk weights predefined by the regulator to the bank's exposures. According to the IRB approach, the credit institution may use internal models as inputs for determining the risk-weighted assets for credit risk, subject to supervisory approval.

28. Credit Risk

ESG Risk Management

Environmental, Social and Governance (ESG) risks remained a key focus area in 2024. BCR integrated ESG factors in the risk management and industry strategy framework. To evaluate small and medium-sized enterprises, the ESG Factor Heatmap is utilized as a screening tool, identifying specific segments (out of the existing segmentation) that may be exposed to ESG risks, and highlighting industries more susceptible to such risks. Based on these insights, the Bank develops industry strategies and lending standards aimed at guiding its portfolio while considering ESG risks.

For large corporate the Bank conducts a systemic ESG analysis via an internal digital ESG Assessment questionnaire. The questionnaire is a mandatory prerequisite in the loan origination and monitoring process. Through this comprehensive assessment, BCR is able to determine to which extent a client's ESG strategy is aligned with the Bank's industry strategies and how certain ESG factors may have a positive or negative impact on the financial performance of clients. Questions cover various dimensions, such as current and targeted greenhouse gas emissions, impact of carbon prices on profitability, EU Taxonomy aligned and eligible financial data, waste, water consumption, biodiversity, physical risk impact, workers and human rights, governance topics and compliance with minimum safeguards. The questionnaire forms an integral part of the credit application and is updated at least annually, allowing the Bank to understand the client's business model in the context of carbon transition.

Furthermore, ESG relevant data (e.g. building's environmental footprint, including information on land consumption, space efficiency) is collected for certain types of collateral, as defined in the Collateral Management Policy for real estate collateral valuations, documentation and reporting purposes. Environmental aspects which affect the value of the collateral have to be included in the real estate valuations, which can lead to a higher or lower valuation result.

BCR acknowledges the additional challenges caused by ESG risks and is in the process of analyses how these risks can be incorporated into expected credit loss measurement. As of 31 December 2024 no overlays are deemed necessary. In the Risk Materiality Assessment, climate and environment related risks are overall assessed as medium. This assessment is driven by the transition risk as a share of the portfolio still has high greenhouse gas emissions and would therefore be exposed to increased risk in the event of a disorderly transition scenario.

Definition

Credit risk is the risk of a partial or complete default on contractually agreed payment obligations. Credit risk refers to the negative consequences associated with defaults or the non-fulfilment of concluded contracts in banking operations due to deterioration in the counterparty's credit quality.

The Bank also defines credit risk as the current or prospective risk to earnings and capital arising from a borrower's failure to meet the terms of any contract with the credit institution or its failure to perform as agreed. Credit risk arises in BCR's traditional lending and investment activities.

Internal rating system

BCR has business and risk strategies in place that govern policies for lending and credit approval processes. These policies are reviewed and adjusted regularly, at minimum on a yearly basis. They cover the entire lending business, taking into account the nature, scope and risk level of the transactions and the counterparties involved. Credit approval considers individual information on the creditworthiness of the customer, the type of credit, collateral, covenant package and other risk mitigation factors involved.

The assessment of counterparty default risk within the Group is based on the customer's probability of default (PD). For each credit exposure and lending decision, the Group assigns an internal rating, which is a unique measure of the counterparty default risk. The internal rating of each customer is updated event-specific, however, at least once a year (annual rating review). Ratings of workout customers are reviewed with higher frequency.

The main purpose of the internal ratings is to support the decision-making for lending and for the terms of credit facilities. Internal ratings also determine the level of decision-making authority within the Group and the monitoring procedures for existing exposures. At a quantitative level, internal ratings influence the level of required risk pricing, risk allowances and risk-weighted assets.

Internal ratings take into account all available significant information for the assessment of counterparty default risk. For non-retail borrowers, internal ratings take into account the financial strength of the counterparty, the possibility of external support, flexibility in corporate financing, general company information and external credit history information, where available. For retail clients, internal ratings are based mainly on payment behaviour versus the Bank and, where applicable, credit bureau information, supplemented with information provided by the respective client and general demographic information. Rating ceiling rules on credit quality are applied based on membership in a group of economically related entities and the country of main economic activity (applicable to cross-border financing facilities).

Internal specialist teams develop and improve internal rating models and risk parameters in cooperation with risk managers. Model development follows an internal group-wide methodological standard and utilises relevant data covering the respective market.

28. Credit risk *(continued)*

All rating models and their components (scorecards), whether retail or non-retail, are regularly validated by the central validation unit based on a Erste Group standard methodology. Validation uses statistical techniques to evaluate the accuracy of default prediction, rating stability, data quality, completeness and relevance, reviews the quality of documentation and degree of user acceptance. The results of this validation process are reported to the Group's management body. In addition to the validation process, the Group applies a regular monitoring process on the performance of rating tools, reflecting developments in new defaults and early delinquencies.

Credit risk classification

For the purpose of disclosing asset quality, the Group assigns each customer to one of the following four risk categories:

Low risk: Typically regional customers with well-established and rather long-standing relationships or large internationally recognized customers. A strong and good financial position and no foreseeable financial difficulties. Retail clients having long relationships with the Group, or clients with a wide product pool use. No relevant late payments currently or in the most recent 12 months. New business is generally with clients in this risk category.

Management attention: Vulnerable non-retail clients that may have overdue payments or defaults in their credit history or may encounter debt repayment difficulties in the medium term. Retail clients with limited savings or payment problems in the past triggering early collection reminders. These clients typically have a good recent payment history.

Substandard: The borrower is vulnerable to negative financial and economic developments and shows an elevated probability of failure. In some cases, restructuring measures are possible or already in place. Such loans are managed in specialized risk management departments.

Non-performing: In line with EBA's Technical Standards on forbearance and non-performing exposure. This category includes the non-performing exposure to defaulted customers in the sense of art. 178 of EU Regulation no. 575/2013 including unlikeliness to pay, overdue material amounts with more than 90 days past due, restructuring resulting into a loss to the lender, realization of a loan loss and initiation of Bankruptcy proceedings. BCR applies the customer view for all customer segments, including retail clients; if an obligor defaults on one deal, then the customer's performing transactions are classified as non-performing as well.

The materiality of 90 days past due credit obligation is applied for on-balance exposure at client level and assessed daily against the group-wide defined materiality threshold (except the local regulator has defined different thresholds) for the:

- retail exposures: absolute limit on client level of 150 RON and relative 1% on client level;
- non-retail exposures: absolute limit on client level of 1000 RON and relative 1% on client level.

The assignment of exposures to risk categories is based on the calibration of PDs for regulatory purposes to the default rates published by rating agencies, the equivalent external customer rating was used for the assignment to risk categories. For the agency ratings, average one-year default rates resulting from long-term time series were applied.

In order to manage the credit risk for large corporates, banks, sovereigns and country risk, credit limits are established to reflect the maximum exposure that the Group is willing to have towards a particular customer or group of connected clients. All credit limits and the transactions booked within the limits are reviewed at least once a year.

For corporate clients there is a procedure in place related to Early Warning Signals identification and monitoring, through which it is ensured the detection at early stage of the sensitive exposure through a pro-active approach of the clients and maintaining an adequate payment behaviour of the corporate clients. Once adverse developments are identified, an action plan containing corrective measures is initiated.

For smaller enterprises (micro-banking) and private individuals (PI) customers, the portfolio monitoring and management is based on an automated early warning system and MIS (Management Integrated System) Group standards. In retail risk management the following early warning signals indicate potential adverse portfolio developments if left unaddressed:

- deterioration of new business quality;
- decreasing collections efficiency;
- average portfolio rating deterioration.

Credit portfolio reports for asset classes and business lines are prepared on a regular basis. Watch-list meetings are held on a regular basis to monitor customers with a poor credit standing and to discuss pre-emptive measures to help a particular debtor avoid default.

28. Credit risk *(continued)*

Credit risk review and monitoring

Credit risk exposure relates to the following statements of financial position items:

- cash and cash balances - demand deposits to credit institutions;
- debt instruments held for trading;
- non-trading debt instruments at fair value through profit or loss (FVPL);
- debt instruments at fair value through other comprehensive income (FVOCI);
- debt instruments at amortised cost (AC), other than trade and other receivables;
- trade and other receivables (for disclosure purposes in the tabular summaries below, any contract assets are also included in this category);
- finance lease receivables;
- debt instruments held for sale in disposal groups;
- off-balance sheet exposures (primarily financial guarantees and undrawn loan commitments).

For credit risk purposes debt instruments shall include debt securities and loans and advances. Equity instruments are not included in the credit risk exposure.

The credit risk exposure equates the gross carrying amount (or nominal value in the case of off-balance sheet positions) excluding:

- credit loss allowances for financial assets;
- credit loss allowances for loan commitments and financial guarantees;
- provisions for other commitments;
- any collateral held (including risk transfer to guarantors);
- netting effects;
- other credit enhancements;
- credit risk mitigating transactions.

The gross carrying amount of the credit risk exposure of the Group increased by RON 23,421,011 thousands from almost RON 117,638,316 thousands as of 31 December 2023 to approximately RON 141,059,322 thousands as of 31 December 2024.

The gross carrying amount of the credit risk exposure of the Bank increased by RON 23,670,945 thousands, from almost RON 117,232,713 thousands as of 31 December 2023 to approximately RON 140,903,658 thousands as of 31 December 2024.

Reconciliation between the gross carrying amount and the carrying amount of the credit risk exposure components

	Group				Bank			
in RON thousands	Credit risk exposure	Credit loss allowances	Adjustments*	Carrying amount	Credit risk exposure	Credit loss allowances	Adjustments*	Carrying amount
	31.12.2024							
Cash and cash balances - demand deposits to central banks and credit institutions	264,333	(244)	-	264,089	263,995	(160)	-	263,835
Debt instruments held for trading	1,912,779	-	-	1,912,779	1,912,779	-	-	1,912,779
Non-trading debt instruments at FVPL	12,517	-	-	12,517	12,517	-	-	12,517
Debt securities	12,517	-	-	12,517	12,517	-	-	12,517
Debt instruments at FVOCI	12,719,382	(5,435)	48,333	12,767,715	12,719,382	(5,434)	48,333	12,767,715
Debt securities	12,719,382	(5,435)	48,333	12,767,715	12,719,382	(5,434)	48,333	12,767,715
Debt instruments at AC	93,000,530	(2,962,393)	-	90,038,137	94,859,377	(2,886,841)	-	91,972,536
Debt securities	20,632,200	(8,885)	-	20,623,315	20,505,886	(8,833)	-	20,497,053
Loans and advances to banks	6,004,786	(57)	-	6,004,729	5,960,867	(41)	-	5,960,826
Loans and advances to customers	66,363,544	(2,953,451)	-	63,410,093	68,392,624	(2,877,967)	-	65,514,657
Trade and other receivables	1,037,882	(34,946)	-	1,002,936	1,021,004	(25,666)	-	995,338
Finance lease receivables	2,405,189	(83,804)	-	2,321,385	16,229	(1,186)	-	15,043
Off balance-sheet exposures	**29,706,710**	**(316,171)**	**-**	**-**	**30,098,375**	**(315,330)**	**-**	**-**
Financial guarantees	2,166,804	(15,671)	-	-	2,317,499	(16,339)	-	-
Loan commitments	23,455,975	(300,500)	-	-	23,684,971	(298,991)	-	-
Other commitments	4,083,931	-	-	-	4,095,905	-	-	-
Total	**141,059,322**	**(3,402,993)**	**48,333**	**108,319,558**	**140,903,658**	**(3,234,617)**	**48,333**	**107,939,763**

*Adjustments refer to the fair value changes of the carrying amount for financial assets at FVOCI.

28. Credit risk *(continued)*

in RON thousands	Group				Bank			
	Credit risk exposure	Credit loss allowances	Adjustments*	Carrying amount	Credit risk exposure	Credit loss allowances	Adjustments*	Carrying amount
	31.12.2023							
Cash and cash balances - demand deposits to central banks and credit institutions	121,205	(12)	-	121,193	122,097	(132)	-	121,965
Debt instruments held for trading	701,088	-	-	701,088	701,136	-	-	701,137
Non-trading debt instruments at FVPL	20,013	-	-	20,013	20,013	-	-	20,013
Debt securities	20,013	-	-	20,013	20,013	-	-	20,013
Debt instruments at FVOCI	10,071,207	(8,472)	64,323	10,135,530	10,071,206	(4,752)	64,323	10,135,530
Debt securities	10,071,207	(8,472)	64,323	10,135,530	10,071,206	(4,752)	64,323	10,135,530
Debt instruments at AC	77,654,384	(2,835,674)	-	74,818,710	79,253,807	(2,766,848)	-	76,486,958
Debt securities	17,502,898	(7,529)	-	17,495,369	17,383,035	(7,478)	-	17,375,556
Loans and advances to banks	2,125,778	(32)	-	2,125,746	2,142,955	(534)	-	2,142,421
Loans and advances to customers	58,025,708	(2,828,113)	-	55,197,595	59,727,817	(2,758,836)	-	56,968,981
Trade and other receivables	1,581,064	(58,657)	-	1,522,407	1,553,133	(42,056)	-	1,511,077
Finance lease receivables	2,102,889	(80,334)	-	2,022,555	18,567	(1,174)	-	17,393
Debt instruments held for sale in disposal groups	762,868	(18,069)	-	744,799	-	-	-	-
Off balance-sheet exposures	**24,623,598**	**(411,032)**	**-**	**-**	**25,492,754**	**(411,202)**	**-**	**-**
Financial guarantees	2,373,590	(35,416)	-	-	2,552,878	(36,739)	-	-
Loan commitments	19,553,072	(375,614)	-	-	20,233,218	(374,463)	-	-
Other commitments	2,696,936	-	-	-	2,706,659	-	-	-
Total	**117,638,316**	**(3,412,250)**	**64,323**	**90,086,295**	**117,232,713**	**(3,226,164)**	**64,323**	**88,994,073**

*Adjustments refer to the fair value changes of the carrying amount for financial assets at FVOCI.

Credit loss allowances comprise impairments for financial assets measured at amortised cost (including finance lease receivables and trade and other receivables) and at fair value through other comprehensive income (FVOCI), as well as provisions for off-balance sheet exposures.

Credit loss allowances do not include provisions for cash at central banks (2024: RON 1,021 thousands in case of Bank and RON 1,109 thousands in case of Group).

The gross carrying amount of contingent liabilities refers to the nominal value, while credit risk provisions refer to provisions for financial guarantees. A carrying amount is not presented in the case of contingent liabilities.

Breakdown of credit risk exposure

On the following pages the credit risk exposure is categorized in the following way:

- industry and risk category;
- region and risk category;
- business segment and risk category;
- financial instrument and collateral.

Credit risk exposure by industry and risk category

				31.12.2024	Group
in RON thousands	Low risk	Management attention	Substandard	Non-performing	Total
Natural Resources & Commodities	1,751,252	2,569,418	739,332	174,703	5,234,705
Energy	9,798,040	1,897,963	185,312	25,687	11,907,002
Construction and building materials	4,070,298	3,194,446	679,393	305,559	8,249,696
Automotive	1,558,926	540,656	109,959	56,127	2,265,668
Cyclical Consumer Products	703,624	838,333	251,060	51,261	1,844,278
Non-Cyclical Consumer Products	2,327,249	1,630,360	340,644	43,769	4,342,022
Machinery	326,529	648,297	148,108	19,416	1,142,350
Transportation	1,894,002	2,249,198	326,251	144,747	4,614,198
TMT and Paper & Packaging	308,607	341,728	72,733	22,632	745,700
Healthcare & Services	979,519	1,681,766	137,221	25,776	2,824,282
Hotels, Gaming & Leisure Industry	186,277	187,546	101,251	18,154	493,228
Real Estate	3,561,790	276,923	61,108	5,943	3,905,764
Public Sector	48,223,420	76,092	62,727	218	48,362,457
Financial Institutions	10,407,678	502,429	32,710	495	10,943,312
Private Households	28,669,784	3,439,403	779,574	1,041,560	33,930,321
Other	-	-	254,339	-	254,339
Total	**114,766,995**	**20,074,558**	**4,281,722**	**1,936,047**	**141,059,322**

28. Credit risk *(continued)*

				31.12.2023	Group
in RON thousands	Low risk	Management attention	Substandard	Non-performing	Total
Natural Resources & Commodities	2,939,621	2,962,083	200,980	254,084	6,356,768
Energy	8,878,278	1,130,720	207,688	63,503	10,280,189
Construction and building materials	3,252,779	3,452,305	620,646	193,876	7,519,606
Automotive	674,737	477,223	67,692	21,702	1,241,354
Cyclical Consumer Products	1,474,729	756,642	231,331	54,226	2,516,928
Non-Cyclical Consumer Products	2,058,183	1,768,402	162,850	43,060	4,032,495
Machinery	446,671	456,543	133,360	28,009	1,064,583
Transportation	2,879,725	1,090,388	143,092	135,777	4,248,982
TMT and Paper & Packaging	349,446	334,343	49,193	39,173	772,155
Healthcare & Services	1,035,330	784,265	243,781	16,539	2,079,915
Hotels, Gaming & Leisure Industry	221,334	145,445	51,696	13,836	432,311
Real Estate	3,546,432	103,374	116,841	5,500	3,772,147
Public Sector	35,999,302	197,629	3,094	297	36,200,322
Financial Institutions	5,893,765	389,878	56,421	1,107	6,341,171
Private Households	26,036,586	2,926,198	785,761	1,030,633	30,779,178
Other	212	-	-	-	212
Total	**95,687,130**	**16,975,438**	**3,074,426**	**1,901,322**	**117,638,316**

				31.12.2024	Bank
in RON thousands	Low risk	Management attention	Substandard	Non-performing	Total
Natural Resources & Commodities	1,680,887	2,257,921	635,926	152,234	4,726,968
Energy	9,705,879	1,847,712	179,053	24,514	11,757,158
Construction and building materials	3,828,142	2,642,110	553,671	253,213	7,277,136
Automotive	1,451,299	367,567	75,339	25,953	1,920,158
Cyclical Consumer Products	651,029	722,369	214,449	44,773	1,632,620
Non-Cyclical Consumer Products	2,227,262	1,471,165	309,236	39,258	4,046,921
Machinery	310,766	574,108	128,729	17,839	1,031,442
Transportation	1,759,953	1,148,602	203,524	105,605	3,217,684
TMT and Paper & Packaging	302,539	297,270	62,280	21,797	683,886
Healthcare & Services	933,224	1,488,888	87,067	18,261	2,527,440
Hotels, Gaming & Leisure Industry	168,874	82,521	70,712	14,857	336,964
Real Estate	3,552,008	210,008	29,761	4,024	3,795,801
Public Sector	48,097,024	73,553	62,366	218	48,233,161
Financial Institutions	15,032,297	480,510	30,897	2,766	15,546,470
Private Households	28,663,794	3,438,745	778,685	1,034,286	33,915,510
Other	-	-	254,339	-	254,339
Total	**118,364,977**	**17,103,049**	**3,676,034**	**1,759,598**	**140,903,658**

				31.12.2023	Bank
in RON thousands	Low risk	Management attention	Substandard	Non-performing	Total
Natural Resources & Commodities	2,201,551	2,795,327	187,559	222,358	5,406,795
Energy	8,708,269	1,127,301	207,172	61,887	10,104,629
Construction and building materials	2,700,131	3,399,373	612,342	166,344	6,878,190
Automotive	658,293	555,477	67,692	21,568	1,303,030
Cyclical Consumer Products	867,205	663,899	227,717	31,232	1,790,053
Non-Cyclical Consumer Products	2,016,554	1,767,969	162,850	42,861	3,990,234
Machinery	436,083	456,543	133,360	28,009	1,053,995
Transportation	1,761,481	947,223	137,023	91,229	2,936,956
TMT and Paper & Packaging	287,871	331,663	48,868	38,177	706,579
Healthcare & Services	866,922	772,533	238,159	11,280	1,888,894
Hotels, Gaming & Leisure Industry	146,984	139,161	49,843	10,971	346,959
Real Estate	3,370,384	91,217	114,498	446	3,576,545
Public Sector	35,876,316	62,021	3,034	297	35,941,668
Financial Institutions	10,143,845	332,061	118,480	3,930	10,598,316
Private Households	25,979,478	2,924,567	785,019	1,020,806	30,709,870
Total	**96,021,367**	**16,366,335**	**3,093,616**	**1,751,395**	**117,232,713**

With 81.4%, the low-risk exposure has the highest share in total credit risk exposure, while management attention represents 14.2% for BCR Group as of December 2024. The substandard exposure contributes 3% and the non-performing category with 1.4%. In case of BCR standalone the low risk exposure increased by RON 22,343,610 thousands (from almost RON 96,021,367 thousands as of 31 December 2023 to approximately RON 118,364,977 thousands as of 31 December 2024), representing the highest share in total credit risk exposure 84%. Management attention represents 12.1% for BCR standalone as of December 2024 while the substandard exposure contributes 2.6% and the non-performing category with 1.2%.

28. Credit risk *(continued)*

Credit risk exposure by region and risk category

in RON thousands	Low risk	Management attention	Substandard	Non-performing 31.12.2024	Total Group
Core markets	**109,808,608**	**19,880,497**	**4,247,392**	**1,932,565**	**135,869,062**
Austria	3,500,844	14,745	3	184	3,515,776
Croatia	106	-	-	1	107
Romania	106,049,619	19,865,409	4,239,117	1,932,378	132,086,523
Serbia	-	1	-	1	2
Slovakia	13,715	341	8,271	-	22,327
Czech Republic	51,228	1	-	-	51,229
Hungary	193,096	-	1	1	193,098
Other EU	**4,615,381**	**41,522**	**28,510**	**2,273**	**4,687,686**
Other industrialised countries	**324,648**	**225**	**5,326**	**1,008**	**331,207**
Emerging markets	**18,358**	**152,314**	**494**	**201**	**171,367**
Southeastern Europe/CIS	1,812	26,745	273	83	28,913
Asia	13,482	73	103	60	13,718
Latin America	-	1	-	2	3
Middle East/Africa	3,064	125,495	118	56	128,733
Total	**114,766,995**	**20,074,558**	**4,281,722**	**1,936,047**	**141,059,322**

in RON thousands	Low risk	Management attention	Substandard	Non-performing 31.12.2023	Total Group
Core markets	**92,029,663**	**16,767,936**	**3,015,731**	**1,867,705**	**113,681,035**
Austria	1,052,236	98	2	17,761	1,070,097
Croatia	-	-	-	1	1
Romania	90,835,093	16,767,836	3,006,684	1,849,939	112,459,552
Serbia	-	-	-	1	1
Slovakia	7	-	9,045	-	9,052
Czech Republic	9,150	-	-	-	9,150
Hungary	133,177	2	-	3	133,182
Other EU	**2,806,517**	**3,834**	**6,576**	**25,219**	**2,842,146**
Other industrialised countries	**544,099**	**198**	**1**	**214**	**544,512**
Emerging markets	**306,851**	**203,470**	**52,118**	**8,184**	**570,623**
Southeastern Europe/CIS	300,526	203,395	3	7,941	511,865
Asia	2,869	43	1	2	2,915
Latin America	292	-	-	2	294
Middle East/Africa	3,164	32	52,114	239	55,549
Total	**95,687,130**	**16,975,438**	**3,074,426**	**1,901,322**	**117,638,316**

in RON thousands	Low risk	Management attention	Substandard	Non-performing 31.12.2024	Total Bank
Core markets	**113,406,590**	**16,908,991**	**3,644,886**	**1,756,116**	**135,716,583**
Austria	3,500,844	14,652	3	184	3,515,683
Croatia	106	-	-	1	107
Romania	109,647,601	16,894,335	3,636,611	1,755,929	131,934,476
Serbia	-	1	-	1	2
Slovakia	13,715	-	8,271	-	21,986
Czech Republic	51,228	2	-	-	51,230
Hungary	193,096	1	1	1	193,099
Other EU	**4,615,381**	**41,522**	**25,328**	**2,273**	**4,684,504**
Other industrialised countries	**324,648**	**225**	**5,326**	**1,008**	**331,207**
Emerging markets	**18,358**	**152,311**	**494**	**201**	**171,364**
Southeastern Europe/CIS	1,812	26,745	273	83	28,913
Asia	13,482	70	103	60	13,715
Latin America	-	1	-	2	3
Middle East/Africa	3,064	125,495	118	56	128,733
Total	**118,364,977**	**17,103,049**	**3,676,034**	**1,759,598**	**140,903,658**

28. Credit risk *(continued)*

				31.12.2023	Bank
in RON thousands	**Low risk**	**Management attention**	**Substandard**	**Non-performing**	**Total**
Core markets	**92,875,079**	**16,362,177**	**3,034,921**	**1,725,639**	**113,997,816**
Austria	1,008,500	98	2	17,761	1,026,361
Croatia	-	-	-	1	1
Romania	91,724,245	16,362,077	3,025,874	1,707,873	112,820,069
Serbia	-	-	-	1	1
Slovakia	7	-	9,045	-	9,052
Czech Republic	9,150	-	-	-	9,150
Hungary	133,177	2	-	3	133,182
Other EU	**2,595,664**	**3,834**	**6,576**	**25,219**	**2,631,293**
Other industrialised countries	**544,099**	**198**	**1**	**214**	**544,512**
Emerging markets	**6,525**	**126**	**52,118**	**323**	**59,092**
Southeastern Europe/CIS	200	51	3	80	334
Asia	2,869	43	1	2	2,915
Latin America	292	-	-	2	294
Middle East/Africa	3,164	32	52,114	239	55,549
Total	**96,021,367**	**16,366,335**	**3,093,616**	**1,751,395**	**117,232,713**

The geographic analysis of credit risk exposure is based on the country of risk of borrowers and counterparties. It also includes obligors domiciled in other countries if the economic risk exists in the respective country of risk.

Credit risk exposure increased in absolute figures mainly in Romania with RON 19,626,971 thousands from RON 112,459,552 thousands in 2023 to RON 132,086,523 thousands in 2024 in case of Group. The increase in exposure in main market - Romania registered at Group level is also observed at Bank level: increase with RON 19,114,407 thousands from RON 112,820,069 thousands in 2023 to RON 131,934,476 thousands in 2024. In total, BCR Group's core markets and the EU accounted for 99.6% (2023: 99.1%) of credit risk exposure.

Credit risk exposure by business segment and risk category

				31.12.2024	Group
in RON thousands	**Low risk**	**Management attention**	**Substandard**	**Non-performing**	**Total**
Retail	29,653,493	4,884,939	2,144,923	1,280,544	37,963,899
Corporates	37,684,247	14,932,558	1,854,898	655,296	55,126,999
Group Markets	9,443,212	254,906	25,389	-	9,723,507
Asset/Liability Management and Local Corporate Center	37,986,043	2,155	256,512	207	38,244,917
Total	**114,766,995**	**20,074,558**	**4,281,722**	**1,936,047**	**141,059,322**

				31.12.2023	Group
in RON thousands	**Low risk**	**Management attention**	**Substandard**	**Non-performing**	**Total**
Retail	27,094,482	3,839,473	1,661,113	1,177,069	33,772,137
Corporates	35,128,078	13,037,747	1,358,934	716,908	50,241,667
Group Markets	2,934,137	21,739	53,936	1,054	3,010,866
Asset/Liability Management and Local Corporate Center	30,530,433	76,479	443	6,291	30,613,646
Total	**95,687,130**	**16,975,438**	**3,074,426**	**1,901,322**	**117,638,316**

				31.12.2024	Bank
in RON thousands	**Low risk**	**Management attention**	**Substandard**	**Non-performing**	**Total**
Retail	29,437,189	4,082,601	1,682,815	1,210,935	36,413,540
Corporates	36,870,611	12,698,901	1,711,317	546,086	51,826,915
Group Markets	9,449,994	261,882	25,390	-	9,737,266
Asset/Liability Management and Local Corporate Center	42,607,183	59,665	256,512	2,577	42,925,937
Total	**118,364,977**	**17,103,049**	**3,676,034**	**1,759,598**	**140,903,658**

				31.12.2023	Bank
in RON thousands	**Low risk**	**Management attention**	**Substandard**	**Non-performing**	**Total**
Retail	25,930,577	3,679,834	1,637,066	1,109,255	32,356,732
Corporates	32,094,945	12,495,063	1,339,622	631,973	46,561,603
Group Markets	3,233,460	53,714	65,183	1,054	3,353,411
Asset/Liability Management and Local Corporate Center	34,762,385	137,724	51,745	9,113	34,960,967
Total	**96,021,367**	**16,366,335**	**3,093,616**	**1,751,395**	**117,232,713**

28. Credit risk *(continued)*

Low risk exposure has a significant share in total credit risk exposure (Group: 81.4% and Bank: 84%) as of December 2024, higher than 2023 (Group: 81.3% and Bank: 81.9%).

Non-performing risk category registered a decrease in 2024, for both Group (2024: 1.4% and 2023: 1.6%) and Bank (2024: 1.2% and 2023: 1.5%). This evolution is reflecting the continuous workout efforts to diminish the non-performing stock through recoveries, healings and write-offs.

Main types of collateral

The following types of collateral are accepted:

- real estate comprises residential and commercial real estate;
- financial collateral: such as securities, cash deposits and life insurance policies;
- guarantees given by sovereigns, public sector entities, financial institutes, companies and individuals. All guarantors must have a minimum credit rating, which is reviewed annually;
- movables: such as equipment, investment goods, machineries and motor vehicles;
- claims and rights: such as account receivables of trade, leasehold rights and shares in a company's capital.

The following table compares the credit risk exposure and allocated collateral broken down by financial instrument.

The allocated collateral values are capped by the amount of the secured transaction.

Credit risk exposure by financial instrument and collateral

							31.12.2024		Group
			Collateralised by				IFRS9 impairment relevant		
in RON thousands	Total credit risk exposure	Collateral total	Guarantees	Real estate	Other	Credit risk exposure net of collateral	Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
Cash and cash balances - demand deposits to central banks and credit institutions	264,333	-	-	-	-	264,333	264,333	-	-
Debt instruments held for trading	1,912,779	-	-	-	-	1,912,779	-	-	-
Non-trading debt instruments at FVPL	12,517	-	-	-	-	12,517	-	-	-
Debt instruments at FVOCI	12,719,382	-	-	-	-	12,719,382	12,719,382	-	-
Debt instruments at AC	**96,443,601**	**34,321,991**	**6,119,371**	**18,073,120**	**10,129,500**	**62,121,610**	**90,729,889**	**3,893,227**	**1,820,485**
Debt securities	20,632,200	-	-	-	-	20,632,200	20,632,200	-	-
Loans and advances to banks	6,004,786	5,836,990	-	-	5,836,990	167,796	6,004,786	-	-
Loans and advances to customers	66,363,544	26,593,224	6,119,371	18,067,418	2,406,435	39,770,320	60,898,683	3,769,533	1,695,328
Trade and other receivables	1,037,882	3,851	-	9	3,842	1,034,031	996,932	13,976	26,974
Finance lease receivables	2,405,189	1,887,926	-	5,693	1,882,233	517,263	2,197,288	109,718	98,183
Off balance-sheet exposures	**29,706,710**	**6,453,502**	**297,265**	**376,084**	**5,780,153**	**23,253,208**	**25,507,326**	**-**	**115,453**
out of which: other commitments	4,083,931	3,046,162	-	12,920	3,033,242	1,037,769	-	-	-
Total	**141,059,322**	**40,775,493**	**6,416,636**	**18,449,204**	**15,909,653**	**100,283,829**	**129,220,930**	**3,893,227**	**1,935,938**

						-		31.12.2023	Group
			Collateralised by				IFRS9 impairment relevant		
in RON thousands	Total credit risk exposure	Collateral total	Guarantees	Real estate	Other	Credit risk exposure net of collateral	Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
Cash and cash balances - demand deposits to central banks and credit institutions	121,205	-	-	-	-	121,205	121,205	-	-
Debt instruments held for trading	701,088	-	-	-	-	701,088	-	-	-
Non-trading debt instruments at FVPL	20,013	-	-	-	-	20,013	-	-	-
Debt instruments at FVOCI	10,071,207	-	-	-	-	10,071,206	10,071,207	-	-
Debt instruments at AC	81,338,337	31,101,394	7,874,401	17,216,171	6,010,821	50,236,943	76,625,159	2,946,399	1,766,779
Debt securities	17,502,898	-	-	-	-	17,502,898	17,502,898	-	-
Loans and advances to banks	2,125,778	2,015,296	-	-	2,015,296	110,482	2,125,778	-	-
Loans and advances to customers	58,025,708	27,433,944	7,873,951	17,209,672	2,350,321	30,591,764	53,530,427	2,833,099	1,662,182
Trade and other receivables	1,581,064	5,092	450	750	3,892	1,575,972	1,534,823	8,192	38,049
Finance lease receivables	2,102,889	1,647,062	-	5,749	1,641,312	455,827	1,931,233	105,108	66,548
Debt instruments held for sale in disposal groups	762,868	-	-	-	-	762,868	762,868	-	-
Off balance-sheet exposures	**24,623,598**	**5,469,034**	**482,796**	**352,377**	**4,633,862**	**19,154,564**	**21,768,633**	**23,486**	**134,543**
out of which: other commitments	2,696,936	1,582,410	-	9,622	1,572,788	1,114,526	-	-	-
Total	**117,638,316**	**36,570,428**	**8,357,197**	**17,568,548**	**10,644,683**	**81,067,887**	**109,349,072**	**2,969,885**	**1,901,322**

28. Credit risk *(continued)*

									31.12.2024 Bank
			Collateralised by				IFRS9 impairment relevant		
in RON thousands	Total credit risk exposure	Collateral total	Guarantees	Real estate	Other	Credit risk exposure net of collateral	Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
Cash and cash balances - demand deposits to central banks and credit institutions	263,995	-	-	-	-	263,995	263,995	-	-
Debt instruments held for trading	1,912,779	-	-	-	-	1,912,779	-	-	-
Non-trading debt instruments at FVPL	12,517	-	-	-	-	12,517	-	-	-
Debt instruments at FVOCI	12,719,382	-	-	-	-	12,719,382	12,719,382	-	-
Debt instruments at AC	**95,896,610**	**30,744,454**	**6,119,371**	**18,066,762**	**6,558,321**	**65,152,156**	**90,669,880**	**3,582,587**	**1,644,143**
Debt securities	20,505,886	-	-	-	-	20,505,886	20,505,886	-	-
Loans and advances to banks	5,960,867	5,836,990	-	-	5,836,990	123,877	5,960,867	-	-
Loans and advances to customers	68,392,624	24,907,464	6,119,371	18,066,762	721,331	43,485,160	63,193,727	3,571,768	1,627,129
Trade and other receivables	1,021,004	-	-	-	-	1,021,004	995,541	10,819	14,644
Finance lease receivables	16,229	-	-	-	-	16,229	13,859	-	2,370
Off balance-sheet exposures	**30,098,375**	**6,453,502**	**297,265**	**376,084**	**5,780,153**	**23,644,873**	**25,887,016**	**-**	**115,454**
out of which: other commitments	4,095,905	3,046,162	-	12,920	3,033,242	1,049,743	-	-	-
Total	**140,903,658**	**37,197,956**	**6,416,636**	**18,442,846**	**12,338,474**	**103,705,702**	**129,540,273**	**3,582,587**	**1,759,597**

									31.12.2023 Bank
			Collateralised by				IFRS9 impairment relevant		
in RON thousands	Total credit risk exposure	Collateral total	Guarantees	Real estate	Other	Credit risk exposure net of collateral	Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
Cash and cash balances - demand deposits to central banks and credit institutions	122,097	-	-	-	-	122,097	122,097	-	-
Debt instruments held for trading	701,136	-	-	-	-	701,136	-	-	-
Non-trading debt instruments at FVPL	20,013	-	-	-	-	20,013	-	-	-
Debt instruments at FVOCI	10,071,206	-	-	-	-	10,071,206	10,071,206	-	-
Debt instruments at AC	80,825,507	27,926,280	7,874,401	17,209,703	2,842,176	52,899,227	76,539,884	2,668,739	1,616,884
Debt securities	17,383,035	-	-	-	-	17,383,035	17,383,035	-	-
Loans and advances to banks	2,142,955	2,015,296	-	-	2,015,296	127,659	2,142,955	-	-
Loans and advances to customers	59,727,817	25,909,784	7,873,951	17,208,963	826,870	33,818,033	55,467,250	2,664,460	1,596,107
Trade and other receivables	1,553,133	1,200	450	740	10	1,551,933	1,530,900	4,279	17,954
Finance lease receivables	18,567	-	-	-	-	18,567	15,744	-	2,823
Off balance-sheet exposures	25,492,754	5,470,870	482,796	352,377	4,635,698	20,021,884	22,628,101	23,486	134,509
out of which: other commitments	2,706,659	1,584,247	-	9,622	1,574,625	1,122,412	-	-	-
Total	**117,232,713**	**33,397,150**	**8,357,197**	**17,562,080**	**7,477,874**	**83,835,563**	**109,361,288**	**2,692,225**	**1,751,393**

Development of Credit Loss Allowances (CLA)

The following tables give an overview over the development of credit loss allowances per balance sheet line item. The exposures are presented in Note 15.1.

The movements in allowances for financial assets at amortised cost - Debt securities

						31.12.2024	Group
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Exchange-rate and other changes (+/-)	Closing Balance
Debt securities							
Stage 1	**(7,494)**	**(3,214)**	**1,804**	**(109)**	**26**	**107**	**(8,880)**
General governments	(7,494)	(3,214)	1,804	(109)	26	107	(8,880)
Stage 2	**(36)**	**-**	**-**	**38**	**(7)**	**-**	**(5)**
General governments	(36)	-	-	38	(7)	-	(5)
Total	**(7,530)**	**(3,214)**	**1,804**	**(71)**	**19**	**107**	**(8,885)**

						31.12.2023	Group
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Exchange-rate and other changes (+/-)	Closing Balance
Debt securities							
Stage 1	**(15,001)**	**(9,216)**	**6,026**	**9,843**	**16**	**838**	**(7,494)**
Central banks	-	(758)	-	-	-	758	-
General governments	(15,001)	(8,458)	6,026	9,843	16	80	(7,494)
Stage 2	**(239)**	**-**	**-**	**239**	**(36)**	**-**	**(36)**
General governments	(239)	-	-	239	(36)	-	(36)
Total	**(15,240)**	**(9,216)**	**6,026**	**10,082**	**(20)**	**838**	**(7,530)**

28. Credit risk *(continued)*

						31.12.2024	Bank
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Exchange-rate and other changes (+/-)	Closing Balance
Debt securities							
Stage 1	**(7,443)**	**(3,195)**	**1,790**	**(111)**	**26**	**107**	**(8,826)**
General governments	(7,443)	(3,195)	1,790	(111)	26	107	(8,826)
Stage 2	**(36)**	**-**	**-**	**38**	**(8)**	**-**	**(6)**
General governments	(36)	-	-	38	(8)	-	(6)
Total	**(7,479)**	**(3,195)**	**1,790**	**(73)**	**18**	**107**	**(8,832)**

						31.12.2023	Bank
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Exchange-rate and other changes (+/-)	Closing Balance
Debt securities							
Stage 1	**(14,920)**	**(4,773)**	**3,053**	**9,198**	**16**	**(17)**	**(7,443)**
General governments	(14,920)	(4,773)	3,053	9,198	16	(17)	(7,443)
Stage 2	**(239)**	**-**	**-**	**239**	**(36)**	**-**	**(36)**
General governments	(239)	-	-	239	(36)	-	(36)
Total	**(15,159)**	**(4,773)**	**3,053**	**9,437**	**(20)**	**(17)**	**(7,479)**

In column 'Increases due to origination and acquisition' increases of CLA due to the initial recognition of debt securities at AC during the current reporting period are disclosed.

Releases of CLA following the derecognition of the related debt securities at AC are reported in column 'Decreases due to derecognitions'.

In column 'Transfers between stages' CLA net changes due to changes in credit risk that triggered re-assignments of the related AC debt securities from Stage 1 (on 1 January 2024 or initial recognition date) to Stages 2 or 3 at 31 December 2024 or vice-versa are reported. The effects of transfers from Stage 1 to Stages 2 or 3 on the related CLAs are adverse and presented in lines attributable to Stages 2 or 3. The effects of transfers from Stages 2 or 3 to Stage 1 on the related CLAs are favourable and presented in line 'Stage 1'.

Any other changes in credit risk which do not trigger a transfer between Stage 1 and Stage 2 or 3 or vice-versa are disclosed in column 'Net changes due to change in credit risk (net)'.

The movements in allowances loans and advances to banks

The exposures are presented in Note 15.2.

				31.12.2024	Group
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Closing Balance
Loans and advances to banks					
Stage 1	**(33)**	**(150)**	**127**	**(1)**	**(57)**
Credit institutions	(33)	(150)	127	(1)	(57)
Total	**(33)**	**(150)**	**127**	**(1)**	**(57)**

						31.12.2023	Group
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Exchange-rate and other changes (+/-)	Closing Balance
Loans and advances to banks							
Stage 1	**(262)**	**(14,947)**	**16,127**	**(1,513)**	**554**	**8**	**(33)**
Central banks	-	1	-	(1)	-	-	-
Credit institutions	(262)	(14,948)	16,127	(1,512)	554	8	(33)
Stage 2	**-**	**(1)**	**-**	**225**	**(217)**	**(7)**	**-**
Credit institutions	-	(1)	-	225	(217)	(7)	-
Total	**(262)**	**(14,948)**	**16,127**	**(1,288)**	**337**	**1**	**(33)**

				31.12.2024	Bank
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Closing Balance
Loans and advances to banks					
Stage 1	**(311)**	**(133)**	**405**	**(2)**	**(41)**
Credit institutions	(311)	(133)	405	(2)	(41)
Stage 2	**(223)**	**-**	**223**	**-**	**-**
Credit institutions	(223)	-	223	-	-
Total	**(534)**	**(133)**	**628**	**(2)**	**(41)**

28. Credit risk *(continued)*

						31.12.2023	Bank
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Exchange-rate and other changes (+/-)	Closing Balance
Loans and advances to banks							
Stage 1	**(2,073)**	**(14,948)**	**16,127**	**21**	**554**	**8**	**(311)**
Credit institutions	(2,073)	(14,948)	16,127	21	554	8	(311)
Stage 2	**-**	**(1)**	**-**	**2**	**(217)**	**(7)**	**(223)**
Credit institutions	-	(1)	-	2	(217)	(7)	(223)
Stage 3	**(66,938)**	**-**	**66,878**	**60**	**-**	**-**	**-**
Credit institutions	(66,938)	-	66,878	60	-	-	-
Total	**(69,011)**	**(14,949)**	**83,005**	**83**	**337**	**1**	**(534)**

In column 'Increases due to origination and acquisition' increases of CLA due to the initial recognition of loans and advances to banks at AC during the current reporting period are disclosed. Releases of CLA following the derecognition of the related loans and advances to banks at AC are reported in column 'Decreases due to derecognition'.

Any changes in credit risk which do not trigger a transfer between Stage 1 and Stage 2 or 3 or vice-versa are disclosed in column 'Net changes due to change in credit risk'.

The movements in allowances - loans and advances to customers

The exposures are presented in Note 15.3.

								31.12.2024	Group
in RON thousands	Opening balance	Increases due to origination and acquisition (1)	Decreases due to derecognition (2)	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3 (3)	Net changes due to modifications without derecognition (4)	Decrease in allowance account due to write-offs and POCI loans (5)	Exchange-rate and other changes (+/-)	Closing Balance
Loans and advances to customers									
Stage 1	**(351,154)**	**(338,701)**	**115,653**	**(405,482)**	**553,216**	**-**	**34**	**(5,929)**	**(432,363)**
General governments	(5,665)	(7,110)	5,358	(12,176)	8,878	-	-	790	(9,925)
Other financial corporations	(5,651)	(2,287)	21	1,433	479	-	-	(521)	(6,526)
Non-financial corporations	(230,654)	(131,243)	78,083	(170,243)	206,930	-	-	3,541	(243,586)
Households	(109,184)	(198,061)	32,191	(224,496)	336,929	-	34	(9,739)	(172,326)
Stage 2	**(1,289,433)**	**(134,321)**	**313,747**	**177,517**	**(97,890)**	**7,231**	**33**	**(44,539)**	**(1,067,655)**
General governments	(33,176)	-	94	(3,286)	(1,716)	1,033	-	(2,283)	(39,334)
Other financial corporations	(10,317)	-	92	2,469	(236)	-	-	39	(7,953)
Non-financial corporations	(696,746)	(127,429)	231,116	81,916	(65,358)	184	-	(25,686)	(602,003)
Households	(549,194)	(6,892)	82,445	96,418	(30,580)	6,014	33	(16,609)	(418,365)
Stage 3	**(1,151,635)**	**-**	**150,971**	**(534,817)**	**(6,578)**	**1,341**	**111,552**	**4,360**	**(1,424,806)**
General governments	(838)	-	-	228	-	-	-	(77)	(687)
Other financial corporations	(653)	-	-	(123)	-	-	-	-	(776)
Non-financial corporations	(305,793)	-	33,356	(298,399)	(6,262)	61	71,014	(8)	(506,031)
Households	(844,351)	-	117,615	(236,523)	(316)	1,280	40,538	4,445	(917,312)
POCI	**(35,889)**	**-**	**2,664**	**1,975**	**-**	**171**	**1,319**	**1,133**	**(28,627)**
General governments	(19)	-	-	4	-	-	-	-	(15)
Non-financial corporations	(2,650)	-	362	(1,375)	-	(23)	75	1,316	(2,295)
Households	(33,220)	-	2,302	3,346	-	194	1,244	(183)	(26,317)
Total	**(2,828,111)**	**(473,022)**	**583,035**	**(760,807)**	**448,748**	**8,743**	**112,938**	**(44,975)**	**(2,953,451)**

								31.12.2023	Group
in RON thousands	Opening balance	Increases due to origination and acquisition (1)	Decreases due to derecognition (2)	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3 (3)	Net changes due to modifications without derecognition (4)	Decrease in allowance account due to write-offs and POCI loans (5)	Exchange-rate and other changes (+/-)	Closing Balance
Loans and advances to customers									
Stage 1	**(236,621)**	**(174,226)**	**71,407**	**(124,235)**	**113,596**	**4**	**7**	**(1,086)**	**(351,154)**
General governments	(4,308)	(320)	1,260	(2,474)	178	-	-	(1)	(5,665)
Other financial corporations	(2,438)	(1,192)	433	(2,513)	93	-	-	(34)	(5,651)
Non-financial corporations	(120,364)	(115,819)	53,953	(107,931)	60,511	-	-	(1,004)	(230,654)
Households	(109,511)	(56,895)	15,761	(11,317)	52,814	4	7	(47)	(109,184)
Stage 2	**(1,301,973)**	**(73,610)**	**143,684**	**619,836**	**(677,108)**	**777**	**328**	**(1,367)**	**(1,289,433)**
General governments	(7,933)	(8,102)	9	(11,626)	(1,210)	(4,314)	-	-	(33,176)
Other financial corporations	(33,582)	-	11	24,099	(834)	-	-	(11)	(10,317)
Non-financial corporations	(410,438)	(42,912)	67,596	41,709	(356,626)	4,555	-	(630)	(696,746)
Households	(850,020)	(22,596)	76,068	565,654	(318,438)	536	328	(726)	(549,194)
Stage 3	**(1,062,712)**	**-**	**110,074**	**(179,892)**	**(148,134)**	**948**	**129,151**	**(1,070)**	**(1,151,635)**
General governments	(2,824)	-	-	(600)	-	-	2,586	-	(838)
Other financial corporations	(8,174)	-	-	(362)	(60)	-	7,943	-	(653)
Non-financial corporations	(288,961)	-	67,178	(68,866)	(36,762)	33	20,102	1,483	(305,793)
Households	(762,753)	-	42,896	(110,064)	(111,312)	915	98,520	(2,553)	(844,351)
POCI	**(46,799)**	**-**	**1,911**	**5,125**	**-**	**(8)**	**4,058**	**(176)**	**(35,889)**
General governments	(51)	-	-	-	-	32	-	-	(19)
Non-financial corporations	(1,966)	-	406	(1,020)	-	(3)	-	(67)	(2,650)
Households	(44,782)	-	1,505	6,145	-	(37)	4,058	(109)	(33,220)
Total	**(2,648,105)**	**(247,836)**	**327,076**	**320,834**	**(711,646)**	**1,721**	**133,544**	**(3,699)**	**(2,828,111)**

28. Credit risk *(continued)*

31.12.2024 Bank

in RON thousands	Opening balance	Increases due to origination and acquisition (1)	Decreases due to derecognition (2)	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3 (3)	Net changes due to modifications without derecognition (4)	Decrease in allowance account due to write-offs and POCI loans (5)	Exchange-rate and other changes (+/-)	Closing Balance
Loans and advances to customers									
Stage 1	**(336,580)**	**(322,837)**	**115,652**	**(407,750)**	**545,722**	**-**	**34**	**(5,929)**	**(411,688)**
General governments	(5,665)	(7,110)	5,358	(12,176)	8,878	-	-	790	(9,925)
Other financial corporations	(10,753)	(2,013)	21	3,829	36	-	-	(521)	(9,401)
Non-financial corporations	(211,513)	(115,835)	78,083	(174,506)	199,916	-	-	3,541	(220,314)
Households	(108,649)	(197,879)	32,190	(224,897)	336,892	-	34	(9,739)	(172,048)
Stage 2	**(1,270,535)**	**(134,321)**	**313,747**	**162,881**	**(83,988)**	**7,231**	**33**	**(44,539)**	**(1,049,491)**
General governments	(33,176)	-	94	(3,286)	(1,716)	1,033	-	(2,283)	(39,334)
Other financial corporations	(9,668)	-	92	1,622	(5)	-	-	39	(7,920)
Non-financial corporations	(678,835)	(127,429)	231,116	68,172	(51,941)	184	-	(25,686)	(584,419)
Households	(548,856)	(6,892)	82,445	96,373	(30,326)	6,014	33	(16,609)	(417,818)
Stage 3	**(1,115,833)**	**-**	**150,971**	**(519,954)**	**(165)**	**1,341**	**89,211**	**6,268**	**(1,388,161)**
General governments	(838)	-	-	228	-	-	-	(77)	(687)
Other financial corporations	(557)	-	-	(163)	-	-	-	-	(720)
Non-financial corporations	(279,281)	-	33,356	(284,489)	(48)	61	50,723	1,901	(477,777)
Households	(835,157)	-	117,615	(235,530)	(117)	1,280	38,488	4,444	(908,977)
POCI	**(35,889)**	**-**	**2,664**	**1,975**	**-**	**171**	**1,319**	**1,133**	**(28,627)**
General governments	(19)	-	-	4	-	-	-	-	(15)
Non-financial corporations	(2,650)	-	362	(1,375)	-	(23)	75	1,316	(2,295)
Households	(33,220)	-	2,302	3,346	-	194	1,244	(183)	(26,317)
Total	**(2,758,837)**	**(457,158)**	**583,034**	**(762,848)**	**461,569**	**8,743**	**90,597**	**(43,067)**	**(2,877,967)**

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in RON thousands	Opening balance	Increases due to origination and acquisition (1)	Decreases due to derecognition (2)	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3 (3)	Net changes due to modifications without derecognition (4)	Decrease in allowance account due to write-offs and POCI loans (5)	Exchange-rate and other changes (+/-)	Closing Balance
Loans and advances to customers									
Stage 1	**(217,828)**	**(159,104)**	**71,042**	**(141,532)**	**111,321**	**-**	**7**	**(486)**	**(336,580)**
General governments	(4,308)	(320)	1,260	(2,474)	178	-	-	(1)	(5,665)
Other financial corporations	(5,779)	(1,093)	433	(4,351)	71	-	-	(34)	(10,753)
Non-financial corporations	(98,786)	(101,177)	53,731	(123,277)	58,401	-	-	(405)	(211,513)
Households	(108,955)	(56,514)	15,618	(11,430)	52,671	-	7	(46)	(108,649)
Stage 2	**(1,296,995)**	**(73,077)**	**142,775**	**623,000**	**(666,006)**	**774**	**328**	**(1,334)**	**(1,270,535)**
General governments	(7,933)	(8,102)	9	(11,626)	(1,210)	(4,314)	-	-	(33,176)
Other financial corporations	(33,565)	-	11	24,447	(550)	-	-	(11)	(9,668)
Non-financial corporations	(406,327)	(42,380)	66,850	45,159	(346,081)	4,555	-	(611)	(678,835)
Households	(849,170)	(22,595)	75,905	565,020	(318,165)	533	328	(712)	(548,856)
Stage 3	**(1,031,430)**	**-**	**109,595**	**(171,241)**	**(140,584)**	**949**	**119,678**	**(2,800)**	**(1,115,833)**
General governments	(2,824)	-	-	(600)	-	-	2,586	-	(838)
Other financial corporations	(8,131)	-	-	(343)	(26)	-	7,943	-	(557)
Non-financial corporations	(274,984)	-	66,980	(56,708)	(29,366)	33	15,145	(381)	(279,281)
Households	(745,491)	-	42,615	(113,590)	(111,192)	916	94,004	(2,419)	(835,157)
POCI	**(46,799)**	**-**	**1,911**	**5,125**	**-**	**(8)**	**4,058**	**(176)**	**(35,889)**
General governments	(51)	-	-	-	-	32	-	-	(19)
Non-financial corporations	(1,966)	-	406	(1,020)	-	(3)	-	(67)	(2,650)
Households	(44,782)	-	1,505	6,145	-	(37)	4,058	(109)	(33,220)
Total	**(2,593,052)**	**(232,181)**	**325,323**	**315,352**	**(695,269)**	**1,715**	**124,071**	**(4,796)**	**(2,758,837)**

(1) Increases of CLA due to the initial recognition of loans and advances to customers at AC during the current reporting period are disclosed. According to the Bank's principles for stage 2 allocation, events such as transfer of the client to workout department, forbearance or client's;
(2) releases of CLA following the derecognition of the related loans and advances to customers at AC are reported;
(3) changes in credit risk that triggered re-assignments of the related AC loans and advances to customers from Stage 1 at 1 January 2024 (or initial recognition date, if later) to Stages 2 or 3 at 31 December 2024 or vice-versa are reported. The effects of transfers from Stage 1 to Stages 2 or 3 on the related CLAs are adverse (incremental year-on-year allocations) and presented in lines attributable to Stages 2 or 3.The effects of transfers from Stages 2 or 3 to Stage 1 on the related CLAs are favourable (incremental year-on-year releases) and presented in the line Stage 1;
(4) reflects the effect on CLA arising from contractual modifications of loans and advances to customers at AC which do not trigger their full derecognition;
(5) the use of CLA triggered by full or partial write-offs of AC loans and advances to customers is reported in columns 'Write-offs'.

The reconciliation between movement in allowances and net impairment loss is presented in Note 10.

28. Credit risk *(continued)*

Transfers between impairment stages (gross exposures) for loans and advances to customers are presented below

The exposures are presented in Note 15.1.

					31.12.2024	Group
	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3	
in RON thousands	To Stage 2 from Stage 1	To Stage 1 from Stage 2	To Stage 3 from Stage 2	To Stage 2 from Stage 3	To Stage 3 from Stage 1	To Stage 1 from Stage 3
General governments	154,282	230,020	-	-	-	-
Other financial corporations	7,900	14,788	62	73	188	-
Non-financial corporations	2,898,120	2,294,254	210,867	44,629	177,450	1,053
Households	1,888,031	1,100,621	162,018	40,303	158,285	16,645
Total	**4,948,333**	**3,639,683**	**372,947**	**85,005**	**335,923**	**17,698**

					31.12.2023	Group
	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3	
in RON thousands	To Stage 2 from Stage 1	To Stage 1 from Stage 2	To Stage 3 from Stage 2	To Stage 2 from Stage 3	To Stage 3 from Stage 1	To Stage 1 from Stage 3
General governments	208,180	238,117	1,155	-	-	-
Other financial corporations	9,975	323,399	585	-	123	-
Non-financial corporations	3,277,409	1,330,235	171,621	33,324	69,088	82
Households	2,385,259	2,623,537	183,717	24,799	117,975	12,093
Total	**5,880,823**	**4,515,288**	**357,078**	**58,123**	**187,186**	**12,175**

					31.12.2024	Bank
	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3	
in RON thousands	To Stage 2 from Stage 1	To Stage 1 from Stage 2	To Stage 3 from Stage 2	To Stage 2 from Stage 3	To Stage 3 from Stage 1	To Stage 1 from Stage 3
General governments	154,282	230,020	-	-	-	-
Other financial corporations	2,010	132	62	-	113	-
Non-financial corporations	2,326,643	1,964,867	173,908	31,570	155,585	737
Households	1,879,798	1,098,843	159,723	40,254	157,217	16,645
Total	**4,362,733**	**3,293,862**	**333,693**	**71,824**	**312,915**	**17,382**

					31.12.2023	Bank
	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3	
in RON thousands	To Stage 2 from Stage 1	To Stage 1 from Stage 2	To Stage 3 from Stage 2	To Stage 2 from Stage 3	To Stage 3 from Stage 1	To Stage 1 from Stage 3
General governments	208,180	238,117	1,155	-	-	-
Other financial corporations	946	323,276	435	-	28	-
Non-financial corporations	2,821,597	1,275,827	145,425	31,159	43,119	82
Households	2,380,932	2,621,909	183,696	24,718	117,975	12,093
Total	**5,411,655**	**4,459,129**	**330,711**	**55,877**	**161,122**	**12,175**

The above transfers include stage changes against the opening of the financial year or initial recognition of the impairment stage.

28. Credit risk *(continued)*

The movements in allowances for financial assets at amortised cost – trade and other receivables

The exposures are presented in Note 16.

in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Decrease in allowance account due to write-offs and POCI loans	31.12.2024 Exchange-rate and other changes (+/-)	Group Closing Balance
Stage 1	**(4,153)**	**(11,263)**	**5,561**	**(4,620)**	**6,227**	**1,208**	**2**	**(7,038)**
General governments	(16)	(2,800)	3,531	(752)	-	-	-	(37)
Credit institutions	(201)	(639)	702	12	-	-	-	(126)
Other financial corporations	(49)	(605)	17	(161)	-	-	-	(798)
Non-financial corporations	(3,859)	(7,108)	1,256	(2,489)	6,197	23	2	(5,978)
Households	(28)	(111)	55	(1,230)	30	1,185	-	(99)
Stage 2	**(20,224)**	**-**	**3,722**	**14,503**	**(4,559)**	**2,331**	**6**	**(4,221)**
General governments	(36)	-	2	23	-	1	-	(10)
Credit institutions	(2,761)	-	-	2,757	-	-	-	(4)
Other financial corporations	(238)	-	59	(1,098)	(2)	2	5	(1,272)
Non-financial corporations	(15,582)	-	3,301	13,764	(4,523)	320	1	(2,719)
Households	(1,607)	-	360	(943)	(34)	2,008	-	(216)
Stage 3	**(33,617)**	**-**	**1,325**	**(5,842)**	**(153)**	**13,648**	**1,597**	**(23,042)**
General governments	(276)	-	4	180	-	1	-	(91)
Other financial corporations	(113)	-	-	85	-	1	-	(27)
Non-financial corporations	(27,925)	-	288	(2,039)	(143)	12,164	1,602	(16,053)
Households	(5,303)	-	1,033	(4,068)	(10)	1,482	(5)	(6,871)
POCI	**(669)**	**-**	**77**	**(103)**	**-**	**44**	**-**	**(651)**
General governments	(90)	-	-	(35)	-	-	-	(125)
Non-financial corporations	(521)	-	63	(45)	-	36	-	(467)
Households	(58)	-	14	(23)	-	8	-	(59)
Total	**(58,663)**	**(11,263)**	**10,685**	**3,938**	**1,515**	**17,231**	**1,605**	**(34,952)**

in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Decrease in allowance account due to write-offs and POCI loans	31.12.2023 Exchange-rate and other changes (+/-)	Group Closing Balance
Stage 1	**(5,135)**	**(8,066)**	**5,235**	**(201)**	**3,976**	**35**	**3**	**(4,153)**
General governments	(11)	(152)	245	(118)	20	-	-	(16)
Credit institutions	(576)	(1,923)	2,297	(1)	-	-	2	(201)
Other financial corporations	(72)	(51)	36	38	-	-	-	(49)
Non-financial corporations	(4,438)	(5,813)	2,599	(103)	3,894	1	1	(3,859)
Households	(38)	(127)	58	(17)	62	34	-	(28)
Stage 2	**(15,705)**	**-**	**6,302**	**(1)**	**(11,021)**	**202**	**(1)**	**(20,224)**
General governments	(28)	-	96	(23)	(81)	-	-	(36)
Credit institutions	(5,344)	-	-	2,583	-	-	-	(2,761)
Other financial corporations	(241)	-	2	2	(1)	-	-	(238)
Non-financial corporations	(8,341)	-	5,912	(2,449)	(10,744)	41	(1)	(15,582)
Households	(1,751)	-	292	(114)	(195)	161	-	(1,607)
Stage 3	**(39,265)**	**-**	**2,455**	**(10,232)**	**(2,156)**	**15,265**	**316**	**(33,617)**
General governments	(120)	-	1	(161)	-	4	-	(276)
Other financial corporations	(89)	-	-	(35)	-	11	-	(113)
Non-financial corporations	(34,872)	-	1,543	(7,699)	(1,711)	14,494	320	(27,925)
Households	(4,184)	-	911	(2,337)	(445)	756	(4)	(5,303)
POCI	**(763)**	**-**	**114**	**(42)**	**-**	**22**	**-**	**(669)**
General governments	(90)	-	-	-	-	-	-	(90)
Non-financial corporations	(610)	-	114	(37)	-	12	-	(521)
Households	(63)	-	-	(5)	-	10	-	(58)
Total	**(60,868)**	**(8,066)**	**14,106**	**(10,476)**	**(9,201)**	**15,524**	**318**	**(58,663)**

28. Credit risk *(continued)*

in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Decrease in allowance account due to write-offs and POCI loans	31.12.2024 Exchange-rate and other changes (+/-)	Bank Closing Balance
Stage 1	**(3,985)**	**(10,896)**	**5,560**	**(4,930)**	**6,161**	**1,208**	**2**	**(6,880)**
General governments	(16)	(2,793)	3,531	(759)	-	-	-	(37)
Credit institutions	(201)	(639)	702	12	-	-	-	(126)
Other financial corporations	(49)	(486)	17	(224)	-	-	-	(742)
Non-financial corporations	(3,702)	(6,889)	1,255	(2,719)	6,131	23	2	(5,899)
Households	(17)	(89)	55	(1,240)	30	1,185	-	(76)
Stage 2	**(20,118)**	**-**	**3,722**	**14,323**	**(4,407)**	**2,331**	**6**	**(4,143)**
General governments	(36)	-	2	23	-	1	-	(10)
Credit institutions	(2,761)	-	-	2,757	-	-	-	(4)
Other financial corporations	(237)	-	59	(1,101)	-	2	5	(1,272)
Non-financial corporations	(15,479)	-	3,301	13,598	(4,387)	320	1	(2,646)
Households	(1,605)	-	360	(954)	(20)	2,008	-	(211)
Stage 3	**(17,285)**	**-**	**1,202**	**309**	**-**	**1,994**	**(103)**	**(13,883)**
General governments	(276)	-	4	180	-	1	-	(91)
Other financial corporations	(88)	-	-	76	-	1	-	(11)
Non-financial corporations	(11,739)	-	249	4,094	-	510	(98)	(6,984)
Households	(5,182)	-	949	(4,041)	-	1,482	(5)	(6,797)
POCI	**(669)**	**-**	**77**	**(213)**	**-**	**44**	**-**	**(761)**
General governments	(90)	-	-	(35)	-	-	-	(125)
Credit institutions	-	-	-	(110)	-	-	-	(110)
Non-financial corporations	(521)	-	63	(45)	-	36	-	(467)
Households	(58)	-	14	(23)	-	8	-	(59)
Total	**(42,057)**	**(10,896)**	**10,561**	**9,489**	**1,754**	**5,577**	**(95)**	**(25,667)**

in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Decrease in allowance account due to write-offs and POCI loans	31.12.2023 Exchange-rate and other changes (+/-)	Bank Closing Balance
Stage 1	**(4,818)**	**(7,712)**	**5,234**	**(655)**	**3,925**	**35**	**6**	**(3,985)**
General governments	(11)	(152)	245	(118)	20	-	-	(16)
Credit institutions	(575)	(1,923)	2,297	(2)	-	-	2	(201)
Other financial corporations	(69)	(51)	36	35	-	-	-	(49)
Non-financial corporations	(4,130)	(5,480)	2,598	(538)	3,843	1	4	(3,702)
Households	(33)	(106)	58	(32)	62	34	-	(17)
Stage 2	**(15,377)**	**-**	**6,300**	**(1,042)**	**(10,202)**	**202**	**1**	**(20,118)**
General governments	(28)	-	96	(23)	(81)	-	-	(36)
Credit institutions	(5,344)	-	-	2,583	-	-	-	(2,761)
Other financial corporations	(241)	-	2	2	-	-	-	(237)
Non-financial corporations	(8,017)	-	5,910	(3,477)	(9,937)	41	1	(15,479)
Households	(1,747)	-	292	(127)	(184)	161	-	(1,605)
Stage 3	**(15,706)**	**-**	**2,420**	**(4,802)**	**(610)**	**1,097**	**316**	**(17,285)**
General governments	(120)	-	1	(161)	-	4	-	(276)
Other financial corporations	(89)	-	-	(10)	-	11	-	(88)
Non-financial corporations	(11,439)	-	1,541	(2,321)	(166)	326	320	(11,739)
Households	(4,058)	-	878	(2,310)	(444)	756	(4)	(5,182)
POCI	**(763)**	**-**	**114**	**(42)**	**-**	**22**	**-**	**(669)**
General governments	(90)	-	-	-	-	-	-	(90)
Non-financial corporations	(610)	-	114	(37)	-	12	-	(521)
Households	(63)	-	-	(5)	-	10	-	(58)
Total	**(36,664)**	**(7,712)**	**14,068**	**(6,541)**	**(6,887)**	**1,356**	**323**	**(42,057)**

28. Credit risk *(continued)*

The movements in allowances for financial assets at fair value through other comprehensive income – debt securities

The exposures are presented in Note 21.

Allowances for financial assets at fair value through other comprehensive income						31.12.2024	Group
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Exchange-rate and other changes (+/-)	Closing Balance
Debt securities							
Stage 1	**(7,089)**	**(4,859)**	**3,450**	**2,618**	**198**	**248**	**(5,434)**
General governments	(6,625)	(2,078)	3,424	213	-	1	(5,065)
Credit institutions	(464)	(2,781)	26	2,405	198	247	(369)
Stage 2	**(196)**	**-**	**-**	**196**	**-**	**-**	**-**
Credit institutions	(196)	-	-	196	-	-	-
Total	**(7,285)**	**(4,859)**	**3,450**	**2,814**	**198**	**248**	**(5,434)**

Allowances for financial assets at fair value through other comprehensive income					31.12.2023		Group
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Exchange-rate and other changes (+/-)	Closing Balance
Debt securities							
Stage 1	**(11,451)**	**(7,371)**	**7,121**	**4,300**	**141**	**171**	**(7,089)**
General governments	(11,022)	(7,025)	7,023	4,227	-	172	(6,625)
Credit institutions	(333)	(346)	98	72	46	(1)	(464)
Non-financial corporations	(96)	-	-	1	95	-	-
Stage 2	**(1,761)**	**-**	**568**	**1,761**	**(761)**	**(3)**	**(196)**
Credit institutions	(1,761)	-	-	1,761	(193)	(3)	(196)
Non-financial corporations	-	-	568	-	(568)	-	-
Total	**(13,212)**	**(7,371)**	**7,689**	**6,061**	**(620)**	**168**	**(7,285)**

Allowances for financial assets at fair value through other comprehensive income						31.12.2024	Bank
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Exchange-rate and other changes (+/-)	Closing Balance
Debt securities							
Stage 1	**(4,557)**	**(4,859)**	**918**	**2,420**	**396**	**248**	**(5,434)**
General governments	(4,093)	(2,078)	892	15	198	1	(5,065)
Credit institutions	(464)	(2,781)	26	2,405	198	247	(369)
Stage 2	**(196)**	**-**	**-**	**196**	**-**	**-**	**-**
Credit institutions	(196)	-	-	196	-	-	-
Total	**(4,753)**	**(4,859)**	**918**	**2,616**	**396**	**248**	**(5,434)**

Allowances for financial assets at fair value through other comprehensive income						31.12.2023	Bank
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Exchange-rate and other changes (+/-)	Closing Balance
Debt securities							
Stage 1	**(9,941)**	**(4,906)**	**5,610**	**4,318**	**142**	**220**	**(4,557)**
General governments	(9,512)	(4,560)	5,512	4,246	-	221	(4,093)
Credit institutions	(333)	(346)	98	72	46	(1)	(464)
Non-financial corporations	(96)	-	-	-	96	-	-
Stage 2	**(1,761)**	**-**	**568**	**1,761**	**(761)**	**(3)**	**(196)**
Credit institutions	(1,761)	-	-	1,761	(193)	(3)	(196)
Non-financial corporations	-	-	568	-	(568)	-	-
Total	**(11,702)**	**(4,906)**	**6,178**	**6,079**	**(619)**	**217**	**(4,753)**

28. Credit risk *(continued)*

The movements in allowances for finance lease are presented below:

The exposures are presented in Note 35.

							31.12.2024	Group
in RON thousands	**Opening balance**	**Increases due to origination and acquisition**	**Decreases due to derecognition**	**Net changes due to change in credit risk**	**Transfers between Stage 1 and Stages 2/3**	**Decrease in allowance account due to write-offs and POCI loans**	**Exchange-rate and other changes (+/-)**	**Closing Balance**
Stage 1	**(15,723)**	**(15,023)**	**129**	**(2,262)**	**12,398**	**-**	**-**	**(20,481)**
General governments	(28)	(17)	-	11	-	-	-	(34)
Other financial corporations	(121)	(333)	2	(306)	248	-	-	(510)
Non-financial corporations	(15,199)	(14,474)	126	(2,157)	12,101	-	-	(19,603)
Households	(375)	(199)	1	190	49	-	-	(334)
Stage 2	**(26,306)**	**-**	**410**	**22,018**	**(15,171)**	**-**	**-**	**(19,049)**
General governments	-	-	-	(47)	-	-	-	(47)
Other financial corporations	(346)	-	13	500	(210)	-	-	(43)
Non-financial corporations	(25,420)	-	365	21,385	(14,772)	-	-	(18,442)
Households	(540)	-	32	180	(189)	-	-	(517)
Stage 3	**(38,302)**	**-**	**745**	**(25,556)**	**(3,802)**	**24,872**	**(1,911)**	**(43,954)**
Other financial corporations	(202)	-	57	(214)	(56)	256	-	(159)
Non-financial corporations	(37,595)	-	616	(24,879)	(3,668)	24,295	(1,911)	(43,142)
Households	(505)	-	72	(463)	(78)	321	-	(653)
POCI	**-**	**-**	**-**	**(320)**	**-**	**-**	**-**	**(320)**
Non-financial corporations	-	-	-	(320)	-	-	-	(320)
Total	**(80,331)**	**(15,023)**	**1,284**	**(6,120)**	**(6,575)**	**24,872**	**(1,911)**	**(83,804)**

							31.12.2023	Group
in RON thousands	**Opening balance**	**Increases due to origination and acquisition**	**Decreases due to derecognition**	**Net changes due to change in credit risk**	**Transfers between Stage 1 and Stages 2/3**	**Decrease in allowance account due to write-offs and POCI loans**	**Exchange-rate and other changes (+/-)**	**Closing Balance**
Stage 1	**(23,479)**	**(12,650)**	**117**	**18,083**	**2,366**	**-**	**(160)**	**(15,723)**
General governments	(12)	(34)	-	18	-	-	-	(28)
Other financial corporations	(307)	(87)	7	272	7	-	(13)	(121)
Non-financial corporations	(22,783)	(12,150)	110	17,510	2,261	-	(147)	(15,199)
Households	(377)	(379)	-	283	98	-	-	(375)
Stage 2	**(6,315)**	**-**	**33**	**(4,612)**	**(15,355)**	**-**	**(57)**	**(26,306)**
Other financial corporations	(38)	-	8	(126)	(190)	-	-	(346)
Non-financial corporations	(5,383)	-	25	(5,145)	(14,860)	-	(57)	(25,420)
Households	(894)	-	-	659	(305)	-	-	(540)
Stage 3	**(37,944)**	**-**	**94**	**1,368**	**(2,600)**	**3,386**	**(2,606)**	**(38,302)**
Other financial corporations	(20)	-	-	(182)	-	-	-	(202)
Non-financial corporations	(37,883)	-	94	1,884	(2,470)	3,386	(2,606)	(37,595)
Households	(41)	-	-	(334)	(130)	-	-	(505)
Total	**(67,738)**	**(12,650)**	**244**	**14,839**	**(15,589)**	**3,386**	**(2,823)**	**(80,331)**

		31.12.2024	Bank
in RON thousands	**Opening balance**	**Net changes due to change in credit risk**	**Closing Balance**
Stage 1	**(13)**	**4**	**(9)**
Other financial corporations	(12)	6	(6)
Non-financial corporations	(1)	(2)	(3)
Stage 2	**(8)**	**3**	**(5)**
Other financial corporations	(5)	3	(2)
Non-financial corporations	(3)	-	(3)
Stage 3	**(1,154)**	**(18)**	**(1,172)**
Credit institutions	(1,154)	(18)	(1,172)
Total	**(1,175)**	**(11)**	**(1,186)**

			31.12.2023	Bank
in RON thousands	**Opening balance**	**Net changes due to change in credit risk**	**Exchange-rate and other changes (+/-)**	**Closing Balance**
Stage 1	**(6)**	**6**	**(13)**	**(13)**
Other financial corporations	(5)	6	(13)	(12)
Non-financial corporations	(1)	-	-	(1)
Stage 2	**(3)**	**(5)**	**-**	**(8)**
Other financial corporations	(2)	(3)	-	(5)
Non-financial corporations	(1)	(2)	-	(3)
Stage 3	**(2,512)**	**1,358**	**-**	**(1,154)**
Credit institutions	(2,512)	1,358	-	(1,154)
Total	**(2,521)**	**1,359**	**(13)**	**(1,175)**

28. Credit risk *(continued)*

In column 'Increases due to originations and acquisition' increases of CLA due to the initial recognition of finance lease receivables during the current reporting period are disclosed. Releases of CLA following the derecognition of the related finance lease receivables are reported in column 'Decreases due to derecognitions'.
In column 'Transfers between stages' CLA net changes due to changes in credit risk that triggered re-assignments of the related finance lease receivables from Stage 1 as of 1 January 2024 or initial recognition date to Stages 2 or 3 as of 31 December 2024 or vice-versa are reported. The effects of transfers from Stage 1 to Stages 2 or 3 on the related CLAs are adverse and presented in lines attributable to Stages 2 or 3. The effects of transfers from Stages 2 or 3 to Stage 1 on the related CLAs are favourable and presented in line 'Stage 1'.

Any other changes in credit risk which do not trigger a transfer between Stage 1 and Stage 2 or 3 or vice-versa are disclosed in column 'Other changes in credit risk (net)'.

Transfers between stages for finance lease

The exposures are presented in Note 35.

					31.12.2024	Group
	To Stage 2 from Stage 1		To Stage 3 from Stage 2		To Stage 3 from Stage 1	
in RON thousands	To Stage 2 from Stage 1	To Stage 1 from Stage 2	To Stage 3 from Stage 2	To Stage 2 from Stage 3	To Stage 3 from Stage 1	To Stage 1 from Stage 3
Other financial corporations	4,412	10,283	232	-	143	-
Non-financial corporations	418,495	338,677	63,351	7,156	20,624	409
Households	4,934	2,482	781	215	797	-
Total	**427,841**	**351,442**	**64,364**	**7,371**	**21,564**	**409**

					31.12.2023	Group
	To Stage 2 from Stage 1		To Stage 3 from Stage 2		To Stage 3 from Stage 1	
in RON thousands	To Stage 2 from Stage 1	To Stage 1 from Stage 2	To Stage 3 from Stage 2	To Stage 2 from Stage 3	To Stage 3 from Stage 1	To Stage 1 from Stage 3
Other financial corporations	6,171	304	153	42	-	-
Non-financial corporations	712,576	100,625	23,666	5,786	14,945	5,491
Households	6,089	1,271	783	346	610	-
Total	**724,836**	**102,200**	**24,602**	**6,174**	**15,555**	**5,491**

Movement in allowances for loan commitments and financial guarantees

The exposures are presented in Note 28.

						2024	Group
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Transfers between Stage 1 and Stages 2/3	Other changes in credit risk (net)	Exchange-rate and other changes (+/-)	Closing Balance
Stage 1	92,018	115,572	(30,951)	(27,638)	(17,554)	(5,736)	125,711
Stage 2	239,349	-	(110,373)	82,750	(49,775)	(43,332)	118,619
Defaulted	79,664	19	(17,759)	4,963	2,267	2,687	71,841
Total	**411,031**	**115,591**	**(159,083)**	**60,075**	**(65,062)**	**(46,381)**	**316,171**

						2023	Group
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Transfers between Stage 1 and Stages 2/3	Other changes in credit risk (net)	Exchange-rate and other changes (+/-)	Closing Balance
Stage 1	38,812	93,778	(21,673)	(48,804)	12,987	16,918	92,018
Stage 2	231,653	-	(106,585)	144,645	(48,665)	18,301	239,349
Defaulted	33,882	1,990	(15,121)	4,613	5,840	48,460	79,664
Total	**304,347**	**95,768**	**(143,379)**	**100,454**	**(29,838)**	**83,679**	**411,031**

						2024	Bank
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Transfers between Stage 1 and Stages 2/3	Other changes in credit risk (net)	Exchange-rate and other changes (+/-)	Closing Balance
Stage 1	92,351	110,768	(27,736)	(27,638)	(17,386)	(5,743)	124,616
Stage 2	239,188	-	(109,282)	82,750	(50,452)	(43,331)	118,873
Defaulted	79,664	19	(17,759)	4,963	2,268	2,686	71,841
Total	**411,203**	**110,787**	**(154,777)**	**60,075**	**(65,570)**	**(46,388)**	**315,330**

28. Credit risk *(continued)*

						2023	Bank
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Transfers between Stage 1 and Stages 2/3	Other changes in credit risk (net)	Exchange-rate and other changes (+/-)	Closing Balance
Stage 1	38,305	88,797	(17,547)	(48,804)	14,848	16,752	92,351
Stage 2	233,586	-	(106,526)	144,368	(50,563)	18,323	239,188
Defaulted	33,902	1,990	(15,121)	4,603	5,832	48,458	79,664
Total	**305,793**	**90,787**	**(139,194)**	**100,167**	**(29,883)**	**83,533**	**411,203**

In column 'increases due to origination and acquisition' increases of CLA due to the initial recognition of loan commitments and financial guarantees during the current reporting period are disclosed. Releases of CLA following the derecognition of the related loan commitments and financial guarantees are reported in column 'Decreases due to derecognitions'.
In the column 'Transfers between stage 1 and Stages 2/3' CLA net changes due to changes in credit risk that triggered re-assignments of the related loan commitments and financial guarantees from Stage 1 (on 1 January 2024 or initial recognition date) to Stages 2 or defaulted on 31 December 2024 or vice-versa are reported. The effects of transfers from Stage 1 to Stages 2 or Defaulted on the related CLAs are adverse and presented in lines attributable to Stages 2 or Defaulted. The effects of transfers from Stages 2 or Defaulted to Stage 1 on the related CLAs are favourable and presented in line 'Stage 1'. The P&L-neutral effect from cross-stage transferring of the related CLA amounts recognized prior to stage re-assignments are presented above in column 'Other changes in credit risk (net)'. This column also captures the passage-of-time adverse effect ('unwinding') over the lifetime expected cash shortfalls of defaulted loan commitments and financial guarantees.

Measurement of expected credit loss

The Expected Credit Loss (ECL) model

The general principles and standards for expected credit loss measurement are governed by internal policies, methodologies and procedures. According to IFRS 9, credit loss allowances are calculated for all components of the credit risk exposure which are measured at amortised cost (AC) or at fair value through other comprehensive income and include other demand deposits, debt securities, loans and advances to customers as well as finance lease and trade receivables. Provisions for loan commitments and financial guarantees are calculated if they meet the applicable IFRS 9 respective definitions.

According to the IFRS 9, there are three main stages outlined for expected credit loss (ECL) determination:

- A financial instrument that is not credit-impaired on initial recognition or for which credit risk has not increased significantly since initial recognition is classified in Stage 1. Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months;
- If a significant increase in credit risk (SICR) since initial recognition is identified but the exposure is not yet deemed to be credit-impaired, the financial instrument is moved to Stage 2. Instruments in Stage 2 have their ECL measured based on lifetime ('LT') expected credit losses arising from default events that are possible over the expected life of the instrument. In the case of drawings by non-defaulted customers on previously committed credit lines, depending on the development of credit risk between the commitment date and the drawing date, the whole exposure (on-balance and off-balance) is categorised as either Stage 1 or Stage 2;
- If the financial instrument is considered credit-impaired, it is moved to Stage 3. Instruments in Stage 3 have their ECL measured based on lifetime expected credit losses;
- Purchased or originated credit-impaired (POCI) financial instruments are those financial instruments that are credit-impaired on initial recognition. Their ECL is always measured on LT basis.

The key judgments and assumptions adopted by the Group in addressing the requirements of the standard are presented below:

Significant increase in credit risk determination

In the area of expected credit loss (ECL) modelling and calculation of ensuring credit loss allowances (CLA), the Group has concluded that one of the key drivers of the impact from applying the ECL model required by IFRS 9 is the assessment of significant increase in credit risk (SICR) for exposures that are not identified as credit-impaired as at the reporting date. In this respect, across portfolios and product types, quantitative and qualitative criteria are defined for assessing SICR, including the 30 days-past-due (DPD) criteria as a backstop.

28. Credit risk *(continued)*

Quantitative criteria

Quantitative SICR indicators include adverse changes in lifetime probability of default with significance being assessed by comparison to the thresholds. The Bank has established thresholds for significant increases in credit risk based on both a percentage (relative) and absolute change in PD compared to initial recognition. SICR occurs for a particular financial instrument, when both the relative and the absolute thresholds are breached.

The relative measure is calculated as a ratio between current annualised LT PD and annualised LT PD value on initial recognition, considering remaining maturity of the instrument. The breach means that such ratio has reached or is higher than the established threshold. These relative thresholds for SICR assessment are established at PD segment level or client rating level.

Relative thresholds for SICR assessment

Romania	Threshold	
	Min	Max
31.12.2024	1.06	3.37
31.12.2023	1.06	3.37

There are certain portfolios where SICR quantitative criteria are assessed based on the ratings rather than PDs. The main rule in those cases is that downgrading of the ratings would lead to a positive conclusion on SICR. These rules are applied primarily to leasing and factoring business receivables.

The relative thresholds in place since the IFRS9 implementation have remained consistent as one of the most significant estimates in ECL measurement.

Absolute threshold is treated jointly with relative threshold for staging purposes in order to mitigate the potential impact of relative threshold might have on better rating grades (with potentially higher relative PD increase).

Qualitative criteria

Some of the main qualitative SICR criteria used include:

- forbearance-type flags (identification of regulatory forbearance);
- work-out transfer flag (when account starts being monitored by work-out department);
- information from early-warning-system (if it is not sufficiently considered in rating) and;
- fraud indicators.

The assignment of some of the qualitative indicators inherently relies on experienced credit risk judgment being exercised adequately and timely. The related group-wide and entity-level credit risk controlling policies and procedures ensure the necessary governance framework. These indicators are used internally for identification of insolvency or increased probability that a borrower will enter bankruptcy and there is increased risk of default in the foreseeable future.

Besides the qualitative indicators defined on client level, the assessment of significant increase in credit risk is performed on portfolio level if the increase in credit risk on individual instrument or client level is only available with a certain time lag or is observable exclusively on portfolio level.

In December 2024, BCR reassessed cyclical industries overlays to improve alignment with internal risk management processes.

More details about stage overlays were included in section Collective assessment.

Backstop

A backstop is applied and the financial instruments are considered to have experienced a SICR if the borrower is more than 30 days past due on contractual payments. As observed during validation, this does not represent a major trigger for Stage 2 classification.

28. Credit risk *(continued)*

Low credit risk exemption

The 'low credit risk exemption' allowed by IFRS 9 for 'investment grade' assets or other assets deemed 'low risk' (and resulting in 12 months expected credit losses being calculated irrespective of SICR quantitative measures) has been implemented with limitations in Group. Thus, the potential activation of this exemption is limited to particular types of debt instruments (sovereign bonds) and counterparty categories, and only if supported by sufficient 'low risk' evidence. On this basis, the 'low risk exemption' is expected to be occasionally applied only to banks and sovereigns. As of 31 December 2024, the Group registered low credit risk exposures for sovereign clients with PD of 0.5% in amount of RON 38,513,801 thousands (2023: RON 28,129,775 thousands).

Purchased or Originated Credit Impaired ('POCI') exposures

POCI includes financial instruments which were credit-impaired at initial recognition, irrespective of whether they are still credit-impaired at the reporting date. Expected credit losses against POCI exposures are always calculated on a lifetime basis and are reflected in the credit-adjusted effective interest rate at initial recognition. As a result, no loss allowance is recognised at inception. Subsequently, only adverse changes in lifetime expected credit losses after the initial recognition are recognised as loss allowance, whilst favourable changes are recognised as impairment gains increasing the gross carrying amount of the POCI financial assets.

Credit-impaired assets

Stage 3 includes financial instruments which are credit-impaired at the reporting date but were not credit-impaired at initial recognition. In principle, a financial instrument becomes credit-impaired when the customer defaults. The default definition applied in the Group has been developed in accordance with EBA/GL/2016/07 'Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013. The Group generally applies a customer view in applying the default definition, which leads to an impairment of all claims even if the customer defaults only on one of several transactions ('pulling effect'). On the other side, an upgrade to a non-defaulted rating grade implies that the total exposure ceases to be impaired.

Measurement of expected credit loss

The measurement of ECLs is a probability-weighted average estimate of credit losses that reflect the time value of money. A credit loss is the difference between the cash flows that are due to the Group in accordance with the contractual terms of the instrument and the cash flows that the Group expects to receive (i.e. cash shortfalls) discounted at the original effective interest rate ('EIR') of the same instrument, or the credit-adjusted EIR in case of purchased or originated credit impaired assets.

For the purposes of measuring ECL, the Group estimates expected cash shortfalls, which reflect the cash flows expected from all possible sources including collateral and other credit enhancements that are part of the contractual terms. In the case of a collateralized financial instrument, the estimated expected cash flows related to the collateral reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the discounted costs of obtaining and selling the collateral. ECL is calculated over the residual period over which the Bank is exposed to credit risk. The residual period is defined based on the substantive terms of the instrument, including the Group's ability to demand repayment or cancellation and the customer's ability to require extension. However, for revolving credit facilities (i.e. those that include both a loan and an undrawn commitment component) the period of exposure is determined in accordance with the Group's expected credit risk management actions to mitigate credit risk, including terminating or limiting credit exposure. In doing so, the Group considers its normal credit risk mitigation process, its past practice, future intentions and expected credit risk mitigation actions.

For exposures to non-defaulted customers (i.e. in Stage 1 and Stage 2) the Bank determines ECL on a collective basis irrespective of the significance of the customer. The calculation of ECL for non-defaulted customers requires grouping the related exposures into homogenous groups on the basis of shared credit risk characteristics. The grouping criteria may differ on the customer segment (retail, corporate) and include product type, collateral type, repayment type, loan to value band or credit rating band/rating method. The calculation of credit loss allowances is done on a monthly basis on a single exposure level and in the contractual currency of the exposure.

ECL is determined as the product of exposure at default ('EAD') that also includes a credit conversion factor in case of off-balance sheet exposures, probability of default ('PD') and loss given default ('LGD'), discounted with the original EIR, as follows:

- PD represents the likelihood of a borrower defaulting on its financial obligation (as per definition of default below), either over the next 12 month ('1Y PD') or over the remaining lifetime ('LT PD');

- EAD is based on the amounts the Group expects to be owed at the time of default, over next 12 months ('1Y EAD') or over remaining lifetime ('LT EAD'). The estimation includes current balance, expected repayments and expected drawings up to the current contractual limit by the time of default, should it occur;

28. Credit risk *(continued)*

- LGD represents the Group's expectation of the extent of loss on defaulted exposures. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit exposure at the time of default (EAD).

Following the successfully initial BCR IRB application from March 2022, new IFRS 9 methodologies were developed in order to meet an IRB requirement in terms of capital parameters usage. These methodologies aimed to harmonize the regulatory parameters with the ones used for internal purposes and were adopted for the purposes of deriving the final IFRS 9 lifetime curves used for ECL determination in 2023.

Lifetime parameters

The LT PD is developed through observation of historical defaults from initial recognition through the lifetime of the loans. It is assumed to be the same across all assets in the same portfolio and rating band. The 1Y and LT EADs are determined based on the expected payment profiles, which vary by different product types. The LT EAD calculation utilizes repayment schedule or repayment type (annuity, linear, bullet). In the case of undrawn commitments, a credit conversion factor is estimated for reflecting the expected credit exposure in the EAD. The LGD is estimated as a life-time curve for any point in time, based on the historical loss observations.

The risk parameters used in the ECL calculation take into account available information at the reporting date about past events, current conditions and forecasts on future economic trends. Generally, the risk parameters applied in the calculation of IFRS 9 ECL differ from the risk parameters compliant with capital requirement regulations, calculated on a through-the-cycle basis.

Credit risk exposure by region and IFRS 9 treatment

						31.12.2024	Group
in RON thousands	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Credit risk exposure (AC and FVOCI)**	**Not subject to IFRS 9 impairment**	**Total**
Core markets	**115,728,014**	**12,174,359**	**1,884,160**	**163,450**	**129,949,983**	**5,919,079**	**135,869,062**
Austria	3,321,094	14,533	184	-	3,335,811	179,965	3,515,776
Croatia	106	-	1	-	107	-	107
Romania	112,148,435	12,151,552	1,883,972	163,450	126,347,409	5,739,114	132,086,523
Serbia	-	-	2	-	2	-	2
Slovakia	14,055	8,272	-	-	22,327	-	22,327
Czech Republic	51,228	1	-	-	51,229	-	51,229
Hungary	193,096	1	1	-	193,098	-	193,098
Other EU	**4,562,540**	**58,682**	**2,084**	**240**	**4,623,546**	**64,140**	**4,687,686**
Other industrialised countries	**304,384**	**5,639**	**1,008**	**-**	**311,031**	**20,176**	**331,207**
Emerging markets	**136,401**	**28,934**	**202**	**-**	**165,537**	**5,830**	**171,367**
Southeastern Europe/CIS	1,974	24,370	83	-	26,427	2,486	28,913
Asia	11,625	168	60	-	11,853	1,865	13,718
Latin America	-	-	3	-	3	-	3
Middle East/Africa	122,802	4,396	56	-	127,254	1,479	128,733
Total	**120,731,339**	**12,267,614**	**1,887,454**	**163,690**	**135,050,097**	**6,009,225**	**141,059,322**

						31.12.2023	Group
in RON thousands	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Credit risk exposure (AC and FVOCI)**	**Not subject to IFRS 9 impairment**	**Total**
Core markets	**90,880,611**	**17,446,333**	**1,635,224**	**362,574**	**110,324,742**	**3,356,293**	**113,681,035**
Austria	792,416	64,509	17,761	-	874,686	195,411	1,070,097
Croatia	-	-	1	-	1	-	1
Romania	89,945,868	17,372,770	1,617,458	362,574	109,298,670	3,160,882	112,459,552
Serbia	-	-	1	-	1	-	1
Slovakia	-	9,052	-	-	9,052	-	9,052
Czech Republic	9,150	-	-	-	9,150	-	9,150
Hungary	133,177	2	3	-	133,182	-	133,182
Other EU	**2,780,498**	**16,911**	**25,168**	**160**	**2,822,737**	**19,409**	**2,842,146**
Other industrialised countries	**522,498**	**360**	**214**	**-**	**523,072**	**21,440**	**544,512**
Emerging markets	**412,747**	**128,799**	**8,184**	**-**	**549,730**	**20,893**	**570,623**
Southeastern Europe/CIS	378,732	125,192	7,941	-	511,865	-	511,865
Asia	276	16	2	-	294	2,621	2,915
Latin America	291	1	2	-	294	-	294
Middle East/Africa	33,448	3,590	239	-	37,277	18,272	55,549
Total	**94,596,354**	**17,592,403**	**1,668,790**	**362,734**	**114,220,281**	**3,418,035**	**117,638,316**

28. Credit risk *(continued)*

						31.12.2024	Bank
in RON thousands	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Credit risk exposure (AC and FVOCI)**	**Not subject to IFRS 9 impairment**	**Total**
Core markets	**116,603,106**	**11,311,265**	**1,708,345**	**162,813**	**129,785,529**	**5,931,054**	**135,716,583**
Austria	3,321,001	14,533	184	-	3,335,718	179,965	3,515,683
Croatia	106	-	1	-	107	-	107
Romania	113,023,959	11,288,458	1,708,157	162,813	126,183,387	5,751,089	131,934,476
Serbia	-	-	2	-	2	-	2
Slovakia	13,715	8,271	-	-	21,986	-	21,986
Czech Republic	51,228	2	-	-	51,230	-	51,230
Hungary	193,097	1	1	-	193,099	-	193,099
Other EU	**4,562,539**	**55,500**	**2,085**	**240**	**4,620,364**	**64,140**	**4,684,504**
Other industrialised countries	**304,384**	**5,639**	**1,008**	**-**	**311,031**	**20,176**	**331,207**
Emerging markets	**136,398**	**28,934**	**201**	**-**	**165,533**	**5,831**	**171,364**
Southeastern Europe/CIS	1,973	24,370	83	-	26,426	2,487	28,913
Asia	11,622	168	60	-	11,850	1,865	13,715
Latin America	-	-	3	-	3	-	3
Middle East/Africa	122,803	4,396	55	-	127,254	1,479	128,733
Total	**121,606,427**	**11,401,338**	**1,711,639**	**163,053**	**134,882,457**	**6,021,201**	**140,903,658**

						31.12.2023	Bank
in RON thousands	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Credit risk exposure (AC and FVOCI)**	**Not subject to IFRS 9 impairment**	**Total**
Core markets	**92,517,452**	**16,258,571**	**1,493,156**	**362,574**	**110,631,753**	**3,366,063**	**113,997,816**
Austria	748,680	64,509	17,761	-	830,950	195,411	1,026,361
Croatia	-	-	1	-	1	-	1
Romania	91,626,445	16,185,008	1,475,390	362,574	109,649,417	3,170,652	112,820,069
Serbia	-	-	1	-	1	-	1
Slovakia	-	9,052	-	-	9,052	-	9,052
Czech Republic	9,150	-	-	-	9,150	-	9,150
Hungary	133,177	2	3	-	133,182	-	133,182
Other EU	**2,572,554**	**14,001**	**25,168**	**160**	**2,611,883**	**19,410**	**2,631,293**
Other industrialised countries	**522,498**	**360**	**214**	**-**	**523,072**	**21,440**	**544,512**
Emerging markets	**34,255**	**3,621**	**323**	**-**	**38,199**	**20,893**	**59,092**
Southeastern Europe/CIS	240	14	80	-	334	-	334
Asia	276	16	2	-	294	2,621	2,915
Latin America	291	1	2	-	294	-	294
Middle East/Africa	33,448	3,590	239	-	37,277	18,272	55,549
Total	**95,646,759**	**16,276,553**	**1,518,861**	**362,734**	**113,804,907**	**3,427,806**	**117,232,713**

Stage 1 and Stage 2 comprise not impaired credit risks while Stage 3 includes impaired credit risks. POCI (purchased or originated credit impaired) consists of credit risks already impaired when purchased or originated.

The defaulted part of POCI amounted to RON 48,598 thousands (2023: RON 232,533 thousands), the non-defaulted part to RON 115,092 thousands (2023: RON 130,200 thousands) in case of BCR Group. The defaulted part of POCI in case of BCR amounted to RON 47,961 thousands (2023: RON 232,533 thousands), while the non-defaulted part is similar with the Group.

Credit risk exposure and IFRS 9 treatment by business segment

											31.12.2024	Group
	Credit risk exposure					**Credit loss allowances**				**Coverage ratio**		
in RON thousands	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Not subject to IFRS 9 impairment**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Stage 2**	**Stage 3**	**POCI**
Retail	31,214,415	5,362,023	1,244,664	141,946	850	(220,930)	(569,984)	(1,127,317)	(26,899)	11%	91%	19%
Corporates	43,555,914	6,868,288	642,693	21,634	4,038,469	(356,417)	(637,430)	(435,964)	(2,965)	9%	68%	14%
Group Markets	7,807,554	35,126	-	-	1,880,828	(8,111)	(2,112)	-	-	6%	-	-
Asset/Liability Management and Local Corporate Center	38,153,456	2,177	97	110	89,078	(14,697)	(70)	(97)	-	3%	100%	-
Total	**120,731,339**	**12,267,614**	**1,887,454**	**163,690**	**6,009,225**	**(600,155)**	**(1,209,596)**	**(1,563,378)**	**(29,864)**	**10%**	**83%**	**18%**

											31.12.2023	Group
	Credit risk exposure					**Credit loss allowances**				**Coverage ratio**		
in RON thousands	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Not subject to IFRS 9 impairment**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Stage 2**	**Stage 3**	**POCI**
Retail	25,704,556	6,771,420	1,130,935	164,471	753	(154,684)	(742,557)	(964,837)	(33,889)	11%	85%	21%
Corporates	36,246,825	10,640,653	530,510	198,263	2,625,416	(327,720)	(824,913)	(328,837)	(5,306)	8%	62%	3%
Group Markets	2,267,906	8,639	1,054	-	733,268	(2,503)	(3,221)	(316)	-	37%	30%	
Asset/Liability Management and Local Corporate Center	30,377,067	171,691	6,291	-	58,598	(12,023)	(4,851)	(6,593)	-	3%	105%	
Total	**94,596,354**	**17,592,403**	**1,668,790**	**362,734**	**3,418,035**	**(496,930)**	**(1,575,542)**	**(1,300,583)**	**(39,195)**	**9%**	**78%**	**11%**

28. Credit risk *(continued)*

											31.12.2024	Bank
	Credit risk exposure					Credit loss allowances				Coverage ratio		
in RON thousands	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Not subject to IFRS 9 impairment**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Stage 2**	**Stage 3**	**POCI**
Retail	30,150,238	4,945,450	1,175,059	141,946	850	(203,930)	(550,363)	(1,091,684)	(26,899)	11%	93%	19%
Corporates	40,840,144	6,393,188	534,114	20,997	4,038,471	(326,928)	(619,474)	(381,839)	(2,645)	10%	71%	13%
Group Markets	7,809,336	35,126	-	-	1,892,802	(8,113)	(2,112)	-	-	6%	-	-
Asset/Liability Management and Local Corporate Center	42,806,709	27,574	2,466	110	89,078	(18,636)	(615)	(1,269)	(110)	2%	51%	-
Total	**121,606,427**	**11,401,338**	**1,711,639**	**163,053**	**6,021,201**	**(557,607)**	**(1,172,564)**	(1,474,792)	(29,654)	**10%**	**86%**	**18%**

											31.12.2023	Bank
	Credit risk exposure					Credit loss allowances				Coverage ratio		
in RON thousands	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Not subject to IFRS 9 impairment**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Stage 2**	**Stage 3**	**POCI**
Retail	24,834,164	6,294,221	1,063,121	164,473	752	(140,016)	(721,274)	(924,395)	(33,889)	11%	87%	21%
Corporates	33,566,141	9,726,214	445,573	198,261	2,625,416	(283,442)	(798,959)	(278,840)	(5,306)	8%	63%	3%
Group Markets	2,574,935	34,382	1,054	-	743,040	(3,121)	(3,821)	(316)	-	11%	30%	
Asset/Liability Management and Local Corporate Center	34,671,519	221,736	9,113	-	58,598	(18,790)	(6,248)	(7,747)	-	3%	85%	
Total	**95,646,759**	**16,276,553**	**1,518,861**	**362,734**	**3,427,806**	**(445,369)**	**(1,530,302)**	**(1,211,298)**	**(39,195)**	**9%**	**80%**	**11%**

Incorporation of Forward-Looking Information (FLI)

Parameters are determined to reflect the risk as a ‘point-in-time’ measure and with consideration of forward-looking information (FLI). This approach considers a baseline forecast and a number of alternative scenarios for selected macroeconomic variables. The alternative scenarios are derived, together with their probabilities of occurrence, as a deviation from baseline forecasts. The baseline forecasts are, with a few exceptions, internally determined by BCR’s research department. Given multiple scenarios, the ‘neutral’ PDs (and, with a few exceptions, also LGDs) are adjusted using macro models that link relevant macroeconomic variables with risk drivers.

The same macro-shift models as for external and internal stress test are used. Forward-looking information is incorporated for first three years of ECL measurement and has at least a yearly frequency of update.

Thus, the unbiased probability weighted ECL considering FLI is derived using the weights representing the probability of occurrence of each macroeconomic scenario. Typical macroeconomic variables may include real gross domestic product, unemployment rate, inflation rate, production price index, wages and market interest rates. The main indicators are GDP development for Corporate and wages for Retail.

In addition, economic effects of the war in Ukraine led to increasing inflation and/or interest rates, as well as uncertainty about energy carriers' availability and their prices. The Bank adjusted macro-shift models to properly reflect expected effects of those into credit risk parameters.

The Bank reviewed the scenarios used in forward looking information in 2024 according to the disclosed forecasts for baseline, downside and upside scenarios and decided to use 26% probability of occurrence assigned for upside forecast and 24% for downside forecast due to more stable macroeconomic forecasts than as compared which the ones observed during previous year.

Baseline, upside and downside scenarios of GDP growth by geographic region

		Probability weights	GDP growth in %		
31.12.2024	**Scenario**	**2025-2027**	**2025**	**2026**	**2027**
Romania	Upside	26%	4.35	5.55	4.95
	Baseline	50%	1.20	2.40	1.80
	Downside	24%	(3.02)	(1.02)	(0.67)

31.12.2023	**Scenario**	**2024-2026**	**2024**	**2025**	**2026**
Romania	Upside	1%	4.5	6.0	7.2
	Baseline	40%	1.4	2.9	4.1
	Downside	59%	(3.0)	(1.0)	0.6

28. Credit risk *(continued)*

Baseline, upside and downside scenarios of the inflation development

	Upside scenario			Baseline scenario			Downside scenario			Scenario weighted outcome		
31.12.2024	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
GDP growth	4.35	5.55	4.95	1.20	2.40	1.80	(3.02)	(1.02)	(0.67)	1.01	2.40	2.03
Interest Rate (ROBOR 3M)	2.34	1.54	1.44	5.20	4.40	4.30	8.15	7.65	6.90	5.17	4.44	4.18
Inflation (CPI)	2.14	1.24	1.14	4.10	3.20	3.10	7.97	5.42	4.17	4.52	3.22	2.85

	Upside scenario			Baseline scenario			Downside scenario			Scenario weighted outcome		
31.12.2023	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026
GDP growth	4.49	5.99	7.19	1.40	2.90	4.10	(3.00)	(1.05)	0.55	(0.72)	1.00	2.39
Interest Rate (ROBOR 3M)	3.40	2.40	1.40	6.30	5.30	4.30	9.11	8.11	7.11	7.65	6.65	5.65
Inflation (CPI)	4.80	2.45	1.40	6.60	4.25	3.20	9.87	6.70	4.42	8.18	5.43	3.78

ECL for Stage 3 or POCI

ECL on Stage 3 or POCI exposures are calculated individually or collectively. The individual approach is applied in case of exposures to significant defaulted customers and consists of the individual assessment of the difference between the gross carrying amount and the net present value of the expected cash flows which are estimated by workout or risk managers. More than one scenario of expected future cash flows shall be considered in ECL calculation to ensure the unbiased and probability weighted result. In accordance with internal workout processes, the following scenarios should be accounted for: approved workout strategy (base scenario), alternative base case (if applicable), contingency scenario (e.g. bankruptcy/liquidation) and exit scenario (e.g. NPL sale).

The discounting of the cash flows is based on the effective interest rate (POCI: credit-adjusted effective interest rate). However, for financial guarantees the discount rate shall reflect the current market assessment of the time value of money and the risks that are specific to the cash flows which in Group's implementation means using a risk free rate as a proxy. A defaulted customer is classified as individually significant if the total on- and off-balance exposure exceeds a predefined materiality limit. The materiality limit on client level is 400,000 EUR (2024: RON equivalent 1,990 thousands) for non-retail clients and 250,000 EUR (2024: RON equivalent 1,244 thousands) for retail clients. Otherwise, the customer is considered as insignificant and a rule-based approach is used for the calculation of the related credit loss allowance. Under this approach, credit loss allowances are calculated as the product of gross carrying amount and LGD, where the LGD depends on characteristics such as time in default or the stage of the workout process, collateralization level. Specifically for retail clients ECL calculation is based on Expected Loss Best Estimates (ELBE) model, depending on the client's payment behaviour, the following categories can be assigned: cooperative, non-cooperative and average. The cooperative reflects the good payments behaviour of the client for which high recovery rates are expected, whereas the non-cooperative reflects low recovery expectations.

Collective assessment

War in Ukraine and energy crisis

The Ukraine-Russia war intensified challenges for both risk and business divisions: a rally in energy prices on the one hand and disruptions in supply chains on the other hand. The first ones had implications on various industries, mainly those with energy intensive production processes, but also impacting segments with high fuel cost shares. Issues with supply chains are managed by affected clients with diverse measures aiming to safeguard the business activity and liquidity, in some cases also by ensuring back-up/liquidity financing. Developments as mentioned above are reflected in the regular updates of the industry strategies.

During 2024, BCR eliminated energy overlays triggering a decrease in ECL of RON 10,831 thousands, given that the clients from energy sector have not been affected by the geopolitical context. The additional stricter rules for credit risk classification under IFRS 9 were introduced by the Bank in 2022 and further reviewed in 2023.

In December 2024, BCR reassessed cyclical industries overlays introduced in 2022 in order to ensure a better connectivity with internal risk management processes and thus industry strategy review. The revision included the change in scope of affected industries combined with the criteria of PD greater than a threshold of 250 bps.

Exemptions of these migrations are allowed based on individual review and documentation.

As of December 31st, 2024, credit risk exposure pertaining to new industry overlays was RON 2,335,567 thousands with a corresponding expected credit loss of RON 112,480 thousands. This overlay was introduced during 2024 decreasing the ECL with an approximate impact of RON 44,549 thousands driven by the change in scope of affected industries.

28. Credit risk *(continued)*

In May 2024, the Bank released fiscal overlays measures triggering a decrease in ECL of RON 74,032 thousands. The fiscal overlays introduced by the Bank in October 2023 were related to clients employed in construction, IT and public sector with a PD higher than 150 bps, as a response to the Romanian Government fiscal measures intended to reduce the budget deficit and ensure long-term financial stability.

Effect on Expected Credit Loss (ECL)

The analysis tables below present the effects of the portfolio overlays and FLI on both exposure migration to Stage 2 and the resulting increase of ECL. Additional sensitivities to the baseline, upside and downside scenarios are simulated.

Scenario simulation presents sensitivity analyses taking into consideration only changes due to the different values of PDs, if baseline, upside or downside FLI scenarios had 100% weight. Sensitivities of these scenarios are calculated in comparison to current production - weighted scenarios FLI shifted – PDs. Weights and scenarios are disclosed in the "Incorporation of forward-looking information" section. Both staging and resulting ECL were simulated with the scenario PDs.

The incorporation of 100% upside scenario instead of the currently applied weighted scenario outcome would lead to a decrease of Stage 2 exposure by RON 1,589,000 thousands (2023: RON 2,334,000 thousands), resulting in a decrease in expected credit loss of RON 331,000 thousands (2023: RON 575,000 thousands).

The baseline scenario would lead to a decrease of Stage 2 exposure by RON 397,000 thousands (2023: RON 805,000 thousands), resulting in a decrease in expected credit loss of RON 82,000 thousands (2023: RON 221,000 thousands).

The downside scenario would lead to additional RON 3,035,000 thousands of exposure migration to Stage 2 in comparison with scenario weighted FLI (2023: RON 941,000 thousands), resulting in a increase in expected credit loss of RON 675,000 thousands (2023: RON 259,000 thousands).

For the ECL change a positive sign (+) equals a release while a negative sign (-) equals an allocation. Values presented sensitivities are results of internal simulations.

Impact on credit risk exposure

31.12.2024 Bank

in RON thousands	Current status –parameters (FLI shifted)							Simulations - change of FLI shifts effect		
	Stage 1	Stage 2	Total	Stage 2 affected by						
				UA war - Energy	PI	Industry / Cyclical	FLI shifts	Upside scenario	Baseline scenario	Downside scenario
Romania	121,606,427	11,401,338	133,007,765	-	-	2,336,000	1,481,000	(1,589,000)	(397,000)	3,035,000
Total	**121,606,427**	**11,401,338**	**133,007,765**	**-**	**-**	**2,336,000**	**1,481,000**	**(1,589,000)**	**(397,000)**	**3,035,000**

31.12.2023 Bank

in RON thousands	Current status –parameters (FLI shifted)							Simulations - change of FLI shifts effect		
	Stage 1	Stage 2	Total	Stage 2 affected by						
				UA war - Cyclical	UA war - Energy	PI	FLI shifts	Upside scenario	Baseline scenario	Downside scenario
Romania	95,646,759	16,276,553	111,923,312	2,898,000	1,404,000	-	2,556,000	(2,334,000)	(805,000)	941,000
Total	**95,646,759**	**16,276,553**	**111,923,312**	**2,898,000**	1,404,000	-	**2,556,000**	**(2,334,000)**	**(805,000)**	**941,000**

Impact on credit loss allowances

31.12.2024 Bank

in RON thousands	Current status –parameters (FLI shifted)							Simulations - change of FLI shifts effect		
	Stage 1	Stage 2	Total	Stage 2 affected by						
				UA war - Energy	PI	Industry / Cyclical	FLI shifts	Upside scenario	Baseline scenario	Downside scenario
Romania	(557,607)	(1,172,564)	(1,730,171)	-	-	(54,000)	(303,000)	331,000	82,000	(675,000)
Total	**(557,607)**	**(1,172,564)**	**(1,730,171)**	**-**	**-**	**(54,000)**	**(303,000)**	**331,000**	**82,000**	**(675,000)**

28. Credit risk *(continued)*

								31.12.2023		Bank
in RON thousands	Current status –parameters (FLI shifted)							Simulations - change of FLI shifts effect		
	Stage 1	Stage 2	Total	Stage 2 affected by						
				UA war - Cyclical	UA war - Energy	PI	FLI shifts	Upside scenario	Baseline scenario	Downside scenario
Romania	(445,369)	(1,530,302)	(1,975,671)	(108,000)	(10,000)	-	(617,000)	575,000	221,000	(259,000)
Total	**(445,369)**	**(1,530,302)**	**(1,975,671)**	**(108,000)**	(10,000)	-	**(617,000)**	**575,000**	**221,000**	**(259,000)**

Credit loss allowances and loss allowances for loan commitments and financial guarantees are computed based on IFRS 9 requirements, while provisions for other commitments are subject to IAS 37.

Restructuring and renegotiation

Business restructuring in the retail segment or Commercial renegotiation in the corporate segment is a potential and effective customer retention tool involving re-pricing or the offering of an additional loan or both in order to maintain the bank's valuable, good customers.

Forbearance

BCR's definition of 'forbearance' follows the EBA's Technical Standards on forbearance included in Regulation (EU) 2015/227. A restructuring is considered 'forbearance' if it entails a concession towards a customer facing or about to face financial difficulties in meeting their contractual financial commitments. A borrower is in financial difficulties if any of the following conditions are met:

- the customer has an active default event;
- the customer was more than 30 days past due in the past 3 months;
- the customer would be 30 days past due or more without receiving forbearance;
- the contract modification involves total or partial cancellation by write-off of the debt on any of the customer's credit obligations while at customer level open credit exposure still remains (only for retail clients);
- riskier ratings are assigned following a deterioration by minimum 2 points of the previous rating (applicable only for non-retail clients).

Forborne exposure is assessed at loan contract level and means only the exposure to which forbearance measures have been extended and excludes any other exposure the customer may have, as long as no forbearance was extended to these.

Concession means that any of the following conditions are met:

- modification/refinancing of the contract would not have been granted, had the customer not been in financial difficulty;
- there is a difference in favour of the customer between the modified/refinanced terms of the contract and the previous terms of the contract;
- the modified/refinanced contract includes more favourable terms than other customers with a similar risk profile would have obtained from the same institution.

Forbearance can be initiated by the Bank or by the customer (on account of loss of employment, illness etc.). Components of forbearance can be instalment reduction, tenor extension, interest reduction or forgiveness, principal reduction or forgiveness, revolving exposure change to instalment and/or others.

Forbearance measures are divided and reported as:

- performing forbearance (incl. performing forbearance under probation that was upgraded from non-performing forbearance);
- non-performing forbearance (incl. non-performing forbearance and defaulted/impaired forbearance); starting with May 2019 also the non-performing forbearance has assigned a default event.

Forborne exposures are considered performing when:

- the exposure did not have non-performing status at the time the extension of or application for forbearance was approved;
- granting the forbearance has not led to classifying the exposure as non-performing or default.

28. Credit risk *(continued)*

Performing forborne exposures become non-performing when one of the following forbearance classifications is fulfilled during the monitoring period of a minimum of two years:

- an additional forbearance measure is extended and in the past the customer was in the non-performing forbearance category;
- the customer becomes more than 30 days past due on forborne exposure and in the past the customer was in the non-performing forbearance category;
- the customer meets any of the default event criteria defined in the default definition;
- for corporate customers, when a final restructuring agreement cannot be concluded within 18 months after the first forbearance measure.

The performing forbearance classification can be discontinued and the account can become a non-forborne account when all of the following conditions are met:

- a minimum of two years has passed from the date of classifying the exposure as performing forbearance (probation period);
- under the forborne payment plan, at least 50% of the original (pre-forbearance) instalment has been regularly repaid at least during half of the probation period (in the case of retail customers);
- regular repayments in a significant amount during at least half of the probation period have been made (in the case of corporate customers);
- none of the exposure of the customer is more than 30 days past due at the end of the probation period.

An exposure is considered as non-performing forborne, if at the moment of forbearance measures implementation client meets at least one of the conditions mentioned below:

- the account/product is already classified as non-performing exposure;
- the account/product becomes non-performing after the concession implementation.

Nonperforming forbearance can be allocated as a result of a downgrade from a performing/ performing under probation forbearance status.

If for a performing forborne contract the customer meets any of the default event criteria defined in the Group internal default definition, the account will be classified as non-performing.

If for or a performing under probation contract at least one of the below triggers will take place, the account will be classified as non-performing:

- an additional forbearance measure is extended at account level, this being at least the 2nd restructuring measure at client level, in more than 2 years from receiving the last forbearance measure or
- the account has more than 30 days past due during the monitoring period, or
- the customer meets any of the default event criteria defined in the Group internal default definition.

The non-performing forbearance classification can be discontinued and reclassified as performing under probation when all of the following conditions are met:

- one year has passed from the date of classifying the exposure as non-performing forbearance;
- the forbearance has not led the exposure to be classified as non-performing;
- retail customers: the customer has demonstrated the ability to comply with the post-forbearance conditions by either of the following:
    - the customer has never been more than 30 days past due during the last 6 months and there is no delinquent amount;
    - the customer has repaid the full past due amount or the written-off amount (if there was any).
- corporate customers: analysis of financial development that leaves no concern about future compliance with post-forbearance terms and conditions. Furthermore, the customer has never been more than 30 days past due during the monitoring period and there is no delinquent amount.

28. Credit risk *(continued)*

In the corporate segment, recognition of forbearance measures typically leads to the involvement of the responsible local workout unit. The largest part of the forbearance measures are set and monitored within the responsibility of the local workout units according to the internal regulations and standards for the workout involvement. Forbearance measures are defined as qualitative trigger events in the SICR concept according to the internal regulations of the Bank.

Credit risk exposure, forbearance exposure and credit loss allowances

				31.12.2024	Group
in RON thousands	**Loans and advances**	**Debt securities**	**Other on- and off-balance-sheet positions**	**Loan commitments**	**Total**
Gross exposure	**75,811,407**	**33,364,099**	**8,427,846**	**23,455,975**	**141,059,327**
thereof gross forborne exposure	1,622,886	-	-	279,393	1,902,279
Performing exposure	**73,990,813**	**33,364,099**	**8,426,502**	**23,341,866**	**139,123,280**
thereof performing forborne exposure	979,807	-	-	276,596	1,256,403
Credit loss allowances for performing exposure	**(1,553,285)**	**(14,319)**	**(14,704)**	**(229,999)**	**(1,812,307)**
thereof credit loss allowances for performing forborne exposure	(180,669)	-	-	(29,198)	(209,867)
Non-performing exposure	**1,820,594**	**-**	**1,344**	**114,109**	**1,936,047**
thereof non-performing forborne exposure	643,079	-	-	2,797	645,876
Credit loss allowances for non-performing exposure	**(1,518,975)**	**-**	**(1,210)**	**(70,501)**	**(1,590,686)**
thereof credit loss allowances for non-performing forborne exposure	(512,860)	-	-	(1,612)	(514,472)

				31.12.2023	Group
in RON thousands	**Loans and advances**	**Debt securities**	**Other on- and off-balance-sheet positions**	**Loan commitments**	**Total**
Gross exposure	**63,835,441**	**27,594,117**	**6,655,686**	**19,553,072**	**117,638,316**
thereof gross forborne exposure	1,743,538	-	-	377,627	2,121,165
Performing exposure	**62,068,662**	**27,594,117**	**6,629,408**	**19,444,807**	**115,736,994**
thereof performing forborne exposure	916,743	-	-	319,693	1,236,436
Credit loss allowances for performing exposure	**(1,710,644)**	**(16,002)**	**(28,466)**	**(317,029)**	**(2,072,141)**
thereof credit loss allowances for performing forborne exposure	(74,720)	-	-	(25,705)	(100,425)
Non-performing exposure	**1,766,779**	**-**	**26,278**	**108,265**	**1,901,322**
thereof non-performing forborne exposure	826,795	-	-	57,934	884,729
Credit loss allowances for non-performing exposure	**(1,256,492)**	**-**	**(25,032)**	**(58,585)**	**(1,340,109)**
thereof credit loss allowances for non-performing forborne exposure	(476,592)	-	-	(34,201)	(510,793)

				31.12.2024	Bank
in RON thousands	**Loans and advances**	**Debt securities**	**Other on- and off-balance-sheet positions**	**Loan commitments**	**Total**
Gross exposure	**75,390,724**	**33,237,784**	**8,590,179**	**23,684,971**	**140,903,658**
thereof gross forborne exposure	1,553,682	-	-	279,393	1,833,075
Performing exposure	**73,746,580**	**33,237,784**	**8,588,834**	**23,570,862**	**139,144,060**
thereof performing forborne exposure	942,591	-	-	276,596	1,219,187
Credit loss allowances for performing exposure	**(1,474,682)**	**(14,265)**	**(15,289)**	**(228,490)**	**(1,732,726)**
thereof credit loss allowances for performing forborne exposure	(178,917)	-	-	(29,198)	(208,115)
Non-performing exposure	**1,644,144**	**-**	**1,345**	**114,109**	**1,759,598**
thereof non-performing forborne exposure	611,091	-	-	2,797	613,888
Credit loss allowances for non-performing exposure	**(1,430,179)**	**-**	**(1,210)**	**(70,501)**	**(1,501,890)**
thereof credit loss allowances for non-performing forborne exposure	(498,410)	-	-	(1,612)	(500,022)

				31.12.2023	Bank
in RON thousands	**Loans and advances**	**Debt securities**	**Other on- and off-balance-sheet positions**	**Loan commitments**	**Total**
Gross exposure	**63,442,473**	**27,474,252**	**6,082,770**	**20,233,218**	**117,232,713**
thereof gross forborne exposure	1,699,559	-	-	377,627	2,077,186
Performing exposure	**61,825,588**	**27,474,252**	**6,056,525**	**20,124,953**	**115,481,318**
thereof performing forborne exposure	903,364	-	-	319,693	1,223,057
Credit loss allowances for performing exposure	**(1,635,393)**	**(12,230)**	**(15,979)**	**(315,878)**	**(1,979,480)**
thereof credit loss allowances for performing forborne exposure	(74,153)	-	-	(25,705)	(99,858)
Non-performing exposure	**1,616,885**	**-**	**26,245**	**108,265**	**1,751,395**
thereof non-performing forborne exposure	796,195	-	-	57,934	854,129
Credit loss allowances for non-performing exposure	**(1,167,207)**	**-**	**(20,892)**	**(58,585)**	**(1,246,684)**
thereof credit loss allowances for non-performing forborne exposure	(462,604)	-	-	(34,201)	(496,805)

28. Credit risk *(continued)*

This section provides a comprehensive picture of the credit quality of the banks' assets per financial instrument. Total forborne exposure decreases with RON (218,886) thousand in case of Group, respectively by RON (244,111) thousands in case of Bank, noticeable in loans and advances and loan commitments

Types of forbearance exposure

Group

in RON thousands	Gross forborne exposure	Modification in terms and conditions	Refinancing	Gross forborne exposure	Modification in terms and conditions	Refinancing
		31.12.2024			31.12.2023	
Loans and advances	1,622,886	1,581,334	41,552	1,743,538	1,726,928	16,610
Loan commitments	279,393	253,644	25,749	377,627	374,348	3,279
Total	**1,902,279**	**1,834,978**	**67,301**	**2,121,165**	**2,101,276**	**19,889**

Bank

in RON thousands	Gross forborne exposure	Modification in terms and conditions	Refinancing	Gross forborne exposure	Modification in terms and conditions	Refinancing
		31.12.2024			31.12.2023	
Loans and advances	1,553,682	1,512,130	41,552	1,699,559	1,682,949	16,610
Loan commitments	279,393	253,644	25,749	377,627	374,348	3,279
Total	**1,833,075**	**1,765,774**	**67,301**	**2,077,186**	**2,057,297**	**19,889**

Loans and advances figures include finance lease receivables and trade and other receivables.

Non-performing credit risk exposure and credit loss allowances

For the definition of credit risk exposure classified as non-performing, please refer to the description of risk categories in the subsection 'Internal rating system'. Credit risk provisions include specific and collective allowances and provisions for guarantees.

Credit loss allowances (all stages combined) covered 175.77% (2023: 180.21%) in case of Group and 183.83% (2023: 184.21%) in case of BCR of the reported non-performing on-balance and off-balance credit risk exposure as of 31 December 2024. For the portion of the non-performing credit risk exposure that is not covered by allowances, Group assumes there are sufficient levels of collateral and expected other recoveries.

Non-performing exposure reached RON 1,936,047 thousands as of December 2024 (2023: RON 1,901,322 thousands) in case of BCR Group and RON 1,759,598 thousands (2023: RON 1,751,395 thousands) in case of Bank.

The following tables show the coverage of the non-performing credit risk exposure by credit loss allowances (without taking into consideration the collateral) as of 31 December 2024 and 31 December 2023.

The non-performing exposure ratio (NPE ratio) is calculated as the non-performing credit risk exposure divided by total credit risk exposure while the NPE coverage ratio (excl. collateral) is calculated according to Group's internal definition by dividing total loss allowances by non-performing credit risk exposure. Collateral or other recoveries are not taken into account.

28. Credit risk *(continued)*

Non-performing credit risk exposure by business segment and coverage by credit loss allowances and collateral

31.12.2024 Group

in RON thousands	Non-performing		Credit risk exposure		Credit loss allowances	Collateral for NPE		NPE ratio		NPE coverage (excl. collateral)	NPE collateralization ratio	
	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI
Retail	1,280,544	1,280,544	37,963,899	37,963,048	(1,945,130)	407,745	407,745	3.37%	3.37%	151.90%	31.84%	31.84%
Corporates	655,296	655,298	55,126,999	51,088,526	(1,432,775)	231,127	231,127	1.19%	1.28%	218.64%	35.27%	35.27%
Group Markets	-	-	9,723,507	7,842,680	(10,224)	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Asset/Liability Management and Local Corporate Center	207	207	38,244,917	38,155,840	(14,864)	-	-	0.00%	0.00%	7,180.68%	0.00%	0.00%
Total	**1,936,047**	**1,936,049**	**141,059,322**	**135,050,094**	**(3,402,993)**	**638,872**	**638,872**	**1.37%**	**1.43%**	**175.77%**	**33.00%**	**33.00%**

31.12.2023 Group

in RON thousands	Non-performing		Credit risk exposure		Credit loss allowances	Collateral for NPE		NPE ratio		NPE coverage (excl. collateral)	NPE collateralization ratio	
	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI
Retail	1,177,069	1,177,070	33,772,137	33,771,383	(1,895,967)	382,741	382,741	3.49%	3.49%	161.08%	32.52%	32.52%
Corporates	716,908	709,048	50,241,667	47,616,248	(1,486,775)	206,158	198,553	1.43%	1.49%	209.69%	28.76%	28.00%
Group Markets	1,054	1,054	3,010,866	2,277,599	(3,282)	951	951	0.04%	0.05%	311.36%	90.23%	90.23%
Asset/Liability Management and Local Corporate Center	6,291	6,291	30,613,646	30,555,048	(26,226)	-	-	0.02%	0.02%	416.89%	0.00%	0.00%
Total	**1,901,322**	**1,893,463**	**117,638,316**	**114,220,278**	**(3,412,250)**	**589,850**	**582,245**	**1.62%**	**1.66%**	**180.21%**	**31.02%**	**30.75%**

31.12.2024 Bank

in RON thousands	Non-performing		Credit risk exposure		Credit loss allowances	Collateral for NPE		NPE ratio		NPE coverage (excl. collateral)	NPE collateralization ratio	
	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI
Retail	1,210,935	1,210,935	36,413,540	36,412,690	(1,872,875)	367,619	367,619	3.33%	3.33%	154.66%	30.36%	30.36%
Corporates	546,086	546,086	51,826,915	47,788,444	(1,330,887)	158,158	158,158	1.05%	1.14%	243.71%	28.96%	28.96%
Group Markets	-	-	9,737,266	7,844,461	(10,225)	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Asset/Liability Management and Local Corporate Center	2,577	2,577	42,925,937	42,836,859	(20,630)	-	-	0.01%	0.01%	800.54%	0.00%	0.00%
Total	**1,759,598**	**1,759,598**	**140,903,658**	**134,882,454**	**(3,234,617)**	**525,777**	**525,777**	**1.25%**	**1.30%**	**183.83%**	**29.88%**	**29.88%**

31.12.2023 Bank

in RON thousands	Non-performing		Credit risk exposure		Credit loss allowances	Collateral for NPE		NPE ratio		NPE coverage (excl. collateral)	NPE collateralization ratio	
	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI
Retail	1,109,255	1,109,255	32,356,732	32,355,978	(1,819,573)	345,174	345,174	3.43%	3.43%	164.04%	31.12%	31.12%
Corporates	631,973	631,972	46,561,603	43,936,189	(1,366,546)	162,000	162,000	1.36%	1.44%	216.24%	25.63%	25.63%
Group Markets	1,054	1,054	3,353,411	2,610,371	(4,500)	951	951	0.03%	0.04%	426.92%	90.23%	90.23%
Asset/Liability Management and Local Corporate Center	9,113	9,113	34,960,967	34,902,369	(35,545)	-	-	0.03%	0.03%	390.05%	0.00%	0.00%
Total	**1,751,395**	**1,751,394**	**117,232,713**	**113,804,907**	**(3,226,164)**	**508,125**	**508,125**	**1.49%**	**1.54%**	**184.21%**	**29.01%**	**29.01%**

28. Credit risk *(continued)*

The tables on the following pages present the structure of the customer loan book, excluding loans to central banks and credit institutions broken down by different categories. Loans and advances to customers comprise:

- loans and advances to customers at AC;
- finance lease receivables;
- trade and other receivables.

Loans and advances to customers by currency

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
EUR	19,047,562	18,885,603	18,602,896	18,345,451
RON	50,338,505	42,293,529	50,406,413	42,446,910
USD	420,521	523,689	420,521	500,317
Other	27	6,839	27	6,839
Total	**69,806,615**	**61,709,660**	**69,429,857**	**61,299,517**

*Loans to customers presentation according to internal definition includes loans and advances, trade receivables and finance leases.

Loans and advances to customers by business segment and risk category

				31.12.2024	Group
in RON thousands	**Low risk**	**Management attention**	**Substandard**	**Non-performing**	**Total**
Retail	27,201,662	4,605,558	1,925,330	1,271,131	35,003,681
Corporates	18,907,383	9,266,707	1,568,495	549,257	30,291,842
Group Markets	4,015,018	31,117	25,211	-	4,071,346
Asset/Liability Management and Local Corporate Center	181,425	2,107	256,117	97	439,746
Total	**50,305,488**	**13,905,489**	**3,775,153**	**1,820,485**	**69,806,615**

				31.12.2023	Group
in RON thousands	**Low risk**	**Management attention**	**Substandard**	**Non-performing**	**Total**
Retail	25,003,614	3,504,038	1,401,248	1,170,081	31,078,981
Corporates	20,077,467	7,427,993	1,057,399	582,498	29,145,357
Group Markets	485,796	150	8,886	83	494,915
Asset/Liability Management and Local Corporate Center	907,641	76,232	243	6,291	990,407
Total	**46,474,518**	**11,008,413**	**2,467,776**	**1,758,953**	**61,709,660**

				31.12.2024	Bank
in RON thousands	**Low risk**	**Management attention**	**Substandard**	**Non-performing**	**Total**
Retail	27,116,973	3,816,997	1,480,609	1,201,522	33,616,101
Corporates	18,034,474	7,070,700	1,428,425	440,045	26,973,644
Group Markets	4,015,018	31,117	25,211	-	4,071,346
Asset/Liability Management and Local Corporate Center	4,475,454	34,618	256,117	2,577	4,768,766
Total	**53,641,919**	**10,953,432**	**3,190,362**	**1,644,144**	**69,429,857**

				31.12.2023	Bank
in RON thousands	**Low risk**	**Management attention**	**Substandard**	**Non-performing**	**Total**
Retail	23,963,352	3,347,504	1,377,201	1,102,266	29,790,323
Corporates	17,661,328	7,049,917	1,038,087	505,422	26,254,754
Group Markets	561,138	150	8,886	83	570,257
Asset/Liability Management and Local Corporate Center	4,537,347	137,477	246	9,113	4,684,183
Total	**46,723,165**	**10,535,048**	**2,424,420**	**1,616,884**	**61,299,517**

In the following tables, the non-performing loans and advances to customers divided by segments are contrasted with allowances for customer loans (all allowances for loans and advances to customers within the scope of IFRS 9) and the collateral for non-performing loans (NPL). The NPL ratio, the NPL coverage ratio (excluding collateral), and the NPL collateralisation ratio are also included.

The NPL ratio of loans and advances to customers is calculated by dividing the gross carrying amount of non-performing loans and advances to customers by the total gross carrying amount of loans and advances to customers. Consequently, it differs from the NPE ratio in section "Credit risk exposure'. Collaterals for non-performing loans mainly consist of real estates.

The NPL coverage ratio (excluding collateral) is calculated according to Group's internal definition by dividing total loss allowances (calculated for both performing and non-performing loans and advances to customers) by the gross carrying amount of the non-performing loans and advances to customers. Collateral or other recoveries are not taken into account.

28. Credit risk *(continued)*

Non-performing loans and advances to customers by business segment and coverage by loan loss allowances and collateral

31.12.2024 Group

in RON thousands	Non-performing		Gross customer loans		Loan loss allowances	Collateral for NPL		NPL ratio		NPL coverage (exc collateral)	NPL collateralisation ratio	
	Total	AC	Total	AC	AC	Total	AC	Total	AC	AC	Total	AC
Retail	1,271,131	1,271,131	35,003,683	35,003,680	(1,909,293)	406,557	406,557	3.63%	3.63%	150.20%	31.98%	31.98%
Corporates	549,257	549,257	30,291,729	30,291,842	(1,156,004)	222,739	222,739	1.81%	1.81%	210.47%	40.55%	40.55%
Group Markets	-	-	4,071,347	4,071,347	(6,494)	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Asset/Liability Management and Local Corporate Center	97	97	439,746	439,746	(411)	-	-	0.02%	0.02%	423.71%	0.00%	0.00%
Total	**1,820,485**	**1,820,485**	**69,806,505**	**69,806,615**	**(3,072,202)**	**629,296**	**629,296**	**2.61%**	**2.61%**	**168.76%**	**34.57%**	**34.57%**

31.12.2023 Group

in RON thousands	Non-performing		Gross customer loans		Loan loss allowances	Collateral for NPL		NPL ratio		NPL coverage (exc collateral)	NPL collateralisation ratio	
	Total	AC	Total	AC	AC	Total	AC	Total	AC	AC	Total	AC
Retail	1,170,081	1,170,081	31,078,983	31,078,981	(1,835,999)	381,504	381,504	3.76%	3.76%	156.91%	32.60%	32.60%
Corporates	582,498	582,498	29,145,357	29,145,357	(1,115,881)	191,060	191,060	2.00%	2.00%	191.57%	32.80%	32.80%
Group Markets	83	83	494,915	494,915	(1,256)	-	-	0.02%	0.02%	1519.21%	0.00%	0.00%
Asset/Liability Management and Local Corporate Center	6,291	6,291	990,407	990,407	(11,208)	-	-	0.64%	0.64%	178.18%	0.00%	0.00%
Total	**1,758,953**	**1,758,953**	**61,709,662**	**61,709,660**	**(2,964,344)**	**572,564**	**572,564**	**2.85%**	**2.85%**	**168.53%**	**32.55%**	**32.55%**

31.12.2024 Bank

in RON thousands	Non-performing		Gross customer loans		Loan loss allowances	Collateral for NPL		NPL ratio		NPL coverage (exc collateral)	NPL collateralisation ratio	
	Total	AC	Total	AC	AC	Total	AC	Total	AC	AC	Total	AC
Retail	1,201,522	1,201,522	33,616,102	33,616,101	(1,838,118)	366,431	366,431	3.57%	3.57%	152.98%	30.50%	30.50%
Corporates	440,045	440,045	26,973,644	26,973,644	(1,054,691)	149,770	149,770	1.63%	1.63%	239.68%	34.04%	34.04%
Group Markets	-	-	4,071,347	4,071,347	(6,494)	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Asset/Liability Management and Local Corporate Center	2,577	2,577	4,768,765	4,768,765	(5,516)	-	-	0.05%	0.05%	214.05%	0.00%	0.00%
Total	**1,644,144**	**1,644,144**	**69,429,858**	**69,429,857**	**(2,904,819)**	**516,201**	**516,201**	**2.37%**	**2.37%**	**176.68%**	**31.40%**	**31.40%**

31.12.2023 Bank

in RON thousands	Non-performing		Gross customer loans		Loan loss allowances	Collateral for NPL		NPL ratio		NPL coverage (exc collateral)	NPL collateralisation ratio	
	Total	AC	Total	AC	AC	Total	AC	Total	AC	AC	Total	AC
Retail	1,102,266	1,102,266	29,790,323	29,790,323	(1,759,782)	343,937	343,937	3.70%	3.70%	159.65%	31.20%	31.20%
Corporates	505,422	505,422	26,254,754	26,254,754	(1,019,794)	146,936	146,936	1.93%	1.93%	201.77%	29.07%	29.07%
Group Markets	83	83	570,257	570,257	(1,361)	-	-	0.01%	0.01%	1646.56%	0.00%	0.00%
Asset/Liability Management and Local Corporate Center	9,113	9,113	4,684,183	4,684,183	(21,129)	-	-	0.19%	0.19%	231.85%	0.00%	0.00%
Total	**1,616,884**	**1,616,884**	**61,299,517**	**61,299,517**	**(2,802,066)**	**490,873**	**490,873**	**2.64%**	**2.64%**	**173.30%**	**30.36%**	**30.36%**

28. Credit risk *(continued)*

Loans and advances to customers at AC and coverage by loan loss allowances by business segment and IFRS 9 treatment

31.12.2024 Group

in RON thousands	Loans to customers				Loan loss allowances				Stage 2 coverage ratio	Stage 3 coverage ratio	POCI coverage ratio
	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI			
Retail	28,655,472	4,977,541	1,235,391	135,276	(211,782)	(547,377)	(1,123,406)	(26,727)	11.00%	90.94%	19.76%
Corporates	24,448,761	5,284,797	536,814	21,469	(242,575)	(542,259)	(368,299)	(2,871)	10.26%	68.61%	13.37%
Group Markets	4,045,514	25,833	-	-	(5,224)	(1,270)	-	-	4.92%	0.00%	0.00%
Asset/Liability Management and Local Corporate Center	437,758	1,892	97	-	(294)	(21)	(97)	-	1.11%	100.00%	0.00%
Total	**57,587,505**	**10,290,063**	**1,772,302**	**156,745**	**(459,875)**	**(1,090,927)**	**(1,491,802)**	**(29,598)**	**10.60%**	**84.17%**	**18.88%**

31.12.2023 Group

in RON thousands	Loans to customers				Loan loss allowances				Stage 2 coverage ratio	Stage 3 coverage ratio	POCI coverage ratio
	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI			
Retail	23,650,355	6,147,122	1,124,096	157,409	(143,678)	(697,160)	(961,500)	(33,661)	11.34%	85.54%	21.38%
Corporates	21,654,374	6,897,040	398,855	195,087	(226,309)	(631,214)	(255,459)	(2,898)	9.15%	64.05%	1.49%
Group Markets	494,190	642	83	-	(1,022)	(232)	(3)	-	36.10%	3.61%	0.00%
Asset/Liability Management and Local Corporate Center	840,265	143,851	6,291	-	(18)	(7,356)	(6,593)	-	5.11%	104.80%	0.00%
Total	**46,639,184**	**13,188,655**	**1,529,325**	**352,496**	**(371,027)**	**(1,335,962)**	**(1,223,555)**	**(36,559)**	**10.13%**	**80.01%**	**10.37%**

31.12.2024 Bank

in RON thousands	Loans to customers				Loan loss allowances				Stage 2 coverage ratio	Stage 3 coverage ratio	POCI coverage ratio
	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI			
Retail	27,752,701	4,562,344	1,165,782	135,276	(195,806)	(527,812)	(1,087,773)	(26,727)	11.57%	93.31%	19.76%
Corporates	21,704,284	4,820,289	428,238	20,832	(213,431)	(524,535)	(314,175)	(2,550)	10.88%	73.36%	12.24%
Group Markets	4,045,514	25,833	-	-	(5,224)	(1,270)	-	-	4.92%	0.00%	0.00%
Asset/Liability Management and Local Corporate Center	4,763,899	2,289	2,466	110	(4,114)	(24)	(1,268)	(110)	1.05%	51.42%	100.00%
Total	**58,266,398**	**9,410,755**	**1,596,486**	**156,218**	**(418,575)**	**(1,053,641)**	**(1,403,216)**	**(29,387)**	**11.20%**	**87.89%**	**18.81%**

31.12.2023 Bank

in RON thousands	Loans to customers				Loan loss allowances				Stage 2 coverage ratio	Stage 3 coverage ratio	POCI coverage ratio
	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI			
Retail	22,904,496	5,672,136	1,056,281	157,409	(129,081)	(675,982)	(921,058)	(33,661)	11.92%	87.20%	21.38%
Corporates	19,712,507	6,025,382	321,779	195,087	(204,345)	(607,087)	(205,463)	(2,898)	10.08%	63.85%	1.49%
Group Markets	569,532	642	83	-	(1,127)	(232)	(3)	-	36.10%	3.61%	0.00%
Asset/Liability Management and Local Corporate Center	4,530,756	144,314	9,113	-	(6,024)	(7,359)	(7,746)	-	5.10%	85.00%	0.00%
Total	**47,717,291**	**11,842,474**	**1,387,256**	**352,496**	**(340,577)**	**(1,290,660)**	**(1,134,270)**	**(36,559)**	**10.90%**	**81.76%**	**10.37%**

29. Market risk

Definition and overview

Market risk is the risk of loss that may arise due to adverse changes in market prices and to the parameters derived therefrom. These market value changes might appear in the profit and loss account or in the statements of comprehensive income. Market risk is divided into interest rate risk, currency risk, equity risk and commodity risk. This concerns both trading and banking book positions.

Methods and instruments employed

Potential losses from the trading book that may arise from market movements are assessed using the value at risk ('VaR'). The calculation is done according to the method of historic simulation with a one-sided confidence level of 99%, a holding period of one day and a simulation period of two years. The VaR describes what level of losses may be expected as a maximum at a defined probability – the confidence level – within a certain holding period of the positions under historically observed market conditions.

On the one hand, the confidence level is limited to 99%, and on the other hand, the model takes into account only those market scenarios observed in each case within the simulation period of two years and calculates the VaR for the current position of the bank on this basis. In order to investigate any extreme market situations beyond this, stress tests are conducted. These events include mainly market movements of low probability.

The Trading Book VaR model was approved by the Financial Market Authority ('FMA') as an internal market risk model to determine the own funds requirements of the trading book of Erste Group pursuant to the Austrian Banking Act.

For internal Pillar 2 capital purposes the VaR confidence level is scaled to 99.92% and the holding period is extended to one year.

Methods and instruments of risk mitigation

Market risks are controlled in the trading book by setting several layers of limits. The overall limit on the basis of VaR for the trading book is allocated by the management board within the Risk Appetite Framework while taking into account the risk-bearing capacity and projected earnings. All market risk activities of the trading book are assigned risk limits that are consistent in their entirety with the VaR overall limit. The VaR limit is assigned in a top-down procedure to the individual trading units.

This is done down to the level of the individual trading groups or departments. Limit compliance is verified on a daily basis by the Market and Liquidity Risk unit. On demand limit reports can also be triggered by individual traders or chief traders on an ad hoc basis

As an inherent part of its business, BCR is exposed to interest rate risk arising from the characteristics of assets, liabilities and off-balance sheet items as well as arising from the expected development of the balance sheet and banking activity.

BCR has four methods which are used to measure interest rate risk in the banking book:

- Economic value measures (MVoE, EVE) to assess the market value change under certain scenarios;
- Value at Risk based measures used for economic capital allocation under Pillar 2;
- Earnings at risk measure (NII sensitivity) to assess the impact on operating income of certain scenarios on BCR level. This also comprises valuation impacts on other comprehensive income (OCI);
- Sensitivity measures (BP01, CR01) to assess the market value sensitivity of certain portfolios.

BCR has in place strategies, policies and practices to manage interest rate risks in accordance with the risk tolerance. All internal and regulatory limits are monitored and reported to senior management.

The strategic steering of interest rate risk exposure is future oriented and based on the forecasted movements of the market variables (primarily interest rates) and business developments over a given – typically medium to long term - planning horizon.

Exchange rate risk

Risk from open foreign exchange positions is the risk related to exchange rates that derives from the mismatch between assets and liabilities, or from currency-related financial derivatives. These risks might originate from customer-related operations or proprietary trading and are monitored and managed on a daily basis.

Principles of managing foreign exchange risk

The FX Risk shows the sensitivity of BCR's open FX position to FX rate fluctuations. For both Banking Book and Trading Book, the FX position in BCR is monitored and reported on a daily basis. An internal limit was established for the net open position as a percentage from own funds.

The FX risk from trading book portfolio is also monitored on a daily basis through the VaR FX component of the total VaR by the Market and Liquidity Risk unit.

29. Market risk *(continued)*

Analysis of market risk

The open FX position for year end 2024 and the resulting sensitivities are immaterial.

Value at Risk of trading book

The following tables show the VaR amounts as of 31 December 2024 and 31 December 2023 using equally weighted market data and with a holding period of one year. The confidence level is 99.9%.

Bank

in RON thousands	FX position	Fixed Income	Money Market	Equity	Total Trading Book
As at 31 December 2024	11	49,165	49,812	-	52,165
As at 31 December 2023	-	61,969	5,336	-	63,409

Interest rate risk of banking book

Interest rate risk is the risk of an adverse change in the fair value of financial instruments caused by a movement in market interest rates. This type of risk arises when mismatches exist between assets and liabilities, including derivatives, in respect of their maturities or of the timing of interest rate adjustments.

In order to identify interest rate risk, all financial instruments, including transactions not recognized on the balance sheet, are grouped into maturity bands based on their remaining terms to maturity or terms to an interest rate adjustment (re-pricing). Positions without a fixed maturity (e.g., demand deposits) are included on the basis of modelled deposit rates that are determined by means of statistical methods.

The following tables list the open positions held by BCR by currency and re-pricing as of 31 December 2024 and 31 December 2023. Positive values indicate a surplus of asset items, while negative values represent a surplus on the liability side.

Bank 31.12.2024

in RON thousands		RON		EUR		Other currencies	
Maturity band	Weighting factors	Net position	Weighted position	Net position	Weighted position	Net position	Weighted position
≤ 1 m	0.08%	2,960,584	2,368	6,813,798	5,451	267,183	214
> 1 m, ≤ 3 m	0.32%	2,011,221	6,436	2,712,426	8,680	(723,920)	(2,317)
> 3 m, ≤ 6 m	0.72%	(3,595,406)	(25,887)	(3,546,091)	(25,532)	(763,087)	(5,494)
> 6 m, ≤ 12 m	1.43%	(9,016,711)	(128,939)	(2,867,544)	(41,006)	(816,003)	(11,669)
> 1 y, ≤2 y	2.77%	5,475,625	151,675	981,373	27,184	(139,925)	(3,876)
> 2 y, ≤3 y	4.49%	6,305,395	283,112	(3,957,844)	(177,707)	62,333	2,799
> 3 y, ≤4 y	6.14%	1,781,445	109,381	1,438,418	88,319	(5,147)	(316)
> 4 y, ≤5 y	7.71%	(7,787,159)	(600,390)	(1,888,084)	(145,571)	(906,308)	(69,876)
> 5 y, ≤7 y	10.15%	5,231,505	530,998	373,603	37,921	(28)	(3)
> 7 y, ≤10 y	13.26%	2,624,807	348,049	1,434,479	190,212	-	-
> 10 y, ≤15 y	17.84%	183,881	32,804	53,080	9,469	-	-
> 15 y, ≤20 y	22.43%	(62)	(14)	(25,892)	(5,808)	-	-
> 20 y	26.03%	(2,414)	(628)	(19,515)	(5,080)	(6,282)	(1,635)
Total			**708,965**		**(33,468)**		**(92,173)**

Bank 31.12.2023

in RON thousands		RON		EUR		Other currencies	
Maturity band	Weighting factors	Net position	Weighted position	Net position	Weighted position	Net position	Weighted position
≤ 1 m	0.08%	11,796,755	9,437	6,504,367	5,203	281,722	225
> 1 m, ≤ 3 m	0.32%	6,921	22	3,635,155	11,632	(747,458)	(2,392)
> 3 m, ≤ 6 m	0.72%	(2,015,446)	(14,511)	(1,341,288)	(9,657)	(444,982)	(3,204)
> 6 m, ≤ 12 m	1.43%	(8,562,697)	(122,447)	(3,150,557)	(45,053)	(675,067)	(9,653)
> 1 y, ≤2 y	2.77%	4,009,333	111,059	727,188	20,143	(95,721)	(2,651)
> 2 y, ≤3 y	4.49%	3,870,927	173,805	(133,440)	(5,991)	(94,432)	(4,240)
> 3 y, ≤4 y	6.14%	3,470,174	213,069	(3,984,975)	(244,677)	(93,855)	(5,763)
> 4 y, ≤5 y	7.71%	(8,522,009)	(657,047)	(1,275,947)	(98,376)	(595,517)	(45,914)
> 5 y, ≤7 y	10.15%	2,120,903	215,272	2,134,460	216,648	(89,942)	(9,129)
> 7 y, ≤10 y	13.26%	2,689,272	356,597	575,240	76,277	-	-
> 10 y, ≤15 y	17.84%	529,951	94,543	209,796	37,428	-	-
> 15 y, ≤20 y	22.43%	(9,641)	(2,162)	(34,152)	(7,660)	-	-
> 20 y	26.03%	(15,615)	(4,065)	827	215	(5,913)	(1,539)
Total			**373,572**		**(43,868)**		**(84,260)**

29. Market risk *(continued)*

The weighting factors are the regulatory factors from the standardized approach for interest rate risk for banking book of Regulation 5/2013, where the assumed shocks are of 200 basis points. The potential impact of the parallel shift of the interest rates in the market value of equity (MVoE) under this approach is illustrated in the tables below. The regulatory and internal limit for this impact as a percentage from own funds is 20%, while the warning level is 15%.

			Group
in RON thousands			**31.12.2024**
Own Funds			**11,970,792**
The Potential Decrease in the Market Value of Equity	in absolute value	RON	720,454
		EUR	23,415
		Other currencies	92,174
		Total	**836,043**
	% of Own Funds		6.98%

			Group
in RON thousands			**31.12.2023**
Own Funds			**11,912,812**
The Potential Decrease in the Market Value of Equity	in absolute value	RON	384,453
		EUR	27,020
		Other currencies	83,699
		Total	**495,172**
	% of Own Funds		**4.16%**

			Bank
in RON thousands			**31.12.2024**
Own Funds			**12,029,644**
The Potential Decrease in the Market Value of Equity	in absolute value	RON	708,965
		EUR	33,468
		Other currencies	92,173
		Total	**834,606**
	% of Own Funds		**6.94%**

			Bank
in RON thousands			**31.12.2023**
Own Funds			**11,935,064**
The Potential Decrease in the Market Value of Equity	in absolute value	RON	373,572
		EUR	43,868
		Other currencies	84,261
		Total	**501,701**
	% of Own Funds		**4.20%**

The following table shows the changes in NII (Net Interest Income) for BCR Bank for a one year period and the impact on fair value reserve (equity) due to an instantaneous parallel shift of the yield curves with ±2%, using supervisory outlier test methodology.

RON thousands	**31.12.2024**	**Banca**
Shift	**Sensitivity of Net Interest Income**	**Sensitivity of Fair Value reserve (Equity)**
2%	134,551	(566,165)
-2%	(278,449)	619,520

RON thousands	**31.12.2023**	**Banca**
Shift	**Sensitivity of Net Interest Income**	**Sensitivity of Fair Value reserve (Equity)**
2%	361,332	(506,206)
-2%	(407,669)	554,649

30. Liquidity risk

Definition and overview

The liquidity risk is defined in the Group in line with the principles set out by the Basel Committee on Banking Supervision and the local regulator (National Bank of Romania). Accordingly, a distinction is made between market liquidity risk, which is the risk that the Group entities cannot easily offset or close a position at the market price because of inadequate market depth or market disruption, and funding liquidity risk, which is the risk that the banks in the Group will not be able to meet efficiently both expected and unexpected current and future cash flow and collateral needs without affecting either daily operations or the financial condition of the Group members.

Funding liquidity risk is further divided into insolvency risk and structural liquidity risk. The former is the short-term risk that current or future payment obligations cannot be met in full and on time in an economically justified manner, while structural liquidity risk is the long-term risk of losses due to a change in the Group's own refinancing cost or spread.

Liquidity strategy

The Liquidity Strategy is part of the Risk Strategy and was defined in accordance with the Group's risk appetite and it was compliant with internal and regulatory limits. The Liquidity Strategy contains developments, rules and targets including (but not limited to) regulatory requirements (e.g. LCR, NSFR), liquidity buffer, funding plan and maturity profile of issued debt and secured and unsecured interbank funding.

Methods and instruments employed

Short-term insolvency risk is monitored by calculating the survival period (SPA) for each significant currency and analysis of the total portfolio in the case of the Bank.

This analysis determines the maximum period during which the entity can survive a severe combined market and idiosyncratic crisis while relying on its pool of liquid assets. The chosen worst-case scenario simulates very limited money market and capital market access and at the same time significant client deposit outflow.

Furthermore, the simulation assumes increased drawdown on guarantees and loan commitments dependent on the type of the customer.

The SPA is covering a stress horizon of up to 12 months and covers the entire portfolio of the Bank.

30. Liquidity risk *(continued)*

The Bank monitors the Liquidity Coverage Ratio ('LCR') and Net Stable Funding Ratio ('NSFR') according to CRR at both entity and group level and has included the metrics in its internal Risk Appetite Statement.

Additionally, the traditional liquidity gaps (depicting the going concern maturity mismatches) of the subsidiaries and the group as a whole are reported and monitored regularly. Funding concentration risk is continuously analysed in respect to counterparties. The Group's fund transfer pricing (FTP) system has also proven to be an efficient tool for structural liquidity risk management.

Methods and instruments of risk mitigation

Short-term liquidity risk is managed by limits resulting from the survival period model, internal stress testing and by internal LCR targets at both Bank and Group level. Limit breaches are reported to the Asset Liability Committee (ALCO). Another important instrument for managing the liquidity risk within the Group and in relation to its subsidiaries is the FTP system. As the process of planning funding needs provides important information for liquidity management, a detailed overview of funding needs is prepared on a quarterly basis for the planning horizon across the Group.

The Contingency Funding Plan of the Group ensures the necessary coordination of all parties involved in the liquidity management process in case of crisis and is reviewed on a regular basis. The contingency funding plans of the subsidiaries are coordinated as part of the plan for the Group.

Analysis of liquidity risk

Financial assets

Maturities of contractual undiscounted cash flows from financial assets as of 31 December 2024 and 31 December 2023 respectively for the Group were as follows:

							31.12.2024	Group
In RON thousands	**Carrying amounts**	**Contractual cash flows**	**< 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**
Non-derivative assets	**113,460,610**	**145,976,217**	**26,686,175**	**4,985,516**	**4,390,494**	**12,071,782**	**56,303,198**	**41,539,052**
Cash and cash balances	10,642,241	10,642,241	10,642,241	-	-	-	-	-
Debt securities	33,403,547	41,963,707	114,413	2,158,493	855,856	4,402,032	24,270,680	10,162,233
Loans and advances to banks	6,004,729	6,190,698	5,941,993	248,705	-	-	-	-
Loans and advances to customers	63,410,093	87,179,571	9,987,528	2,578,318	3,534,638	7,669,750	32,032,518	31,376,819
Derivatives	**187,806**	**16,038,285**	**6,984,679**	**1,745,540**	**2,811,966**	**2,403,820**	**2,011,341**	**80,939**

							31.12.2023	Group
In RON thousands	**Carrying amounts**	**Contractual cash flows**	**< 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**
Non-derivative assets	**101,738,045**	**131,850,448**	**25,943,779**	**3,061,474**	**6,320,144**	**8,156,866**	**47,779,938**	**40,588,247**
Cash and cash balances	16,763,792	16,765,792	16,765,792	-	-	-	-	-
Debt securities	27,650,912	33,932,688	104,391	275,521	2,871,642	2,103,373	19,447,998	9,129,763
Loans and advances to banks	2,125,746	2,472,752	2,223,574	249,178	-	-	-	-
Loans and advances to customers	55,197,595	78,679,216	6,850,022	2,536,775	3,448,502	6,053,493	28,331,940	31,458,484
Derivatives	**135,678**	**4,504,469**	**1,802,069**	**2,196,527**	**116,296**	**56,265**	**293,591**	**39,721**

The financial assets as of 31 December 2024 and 31 December 2023 respectively for the Bank, were as follows:

							31.12.2024	Bank
In RON thousands	**Carrying amounts**	**Contractual cash flows**	**< 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**
Non-derivative assets	**115,348,922**	**145,946,600**	**26,781,113**	**4,948,088**	**4,283,764**	**12,054,066**	**56,337,589**	**41,541,980**
Cash and cash balances	10,596,154	10,596,154	10,596,154	-	-	-	-	-
Debt securities	33,277,285	41,963,707	114,413	2,158,493	855,856	4,402,032	24,270,680	10,162,233
Loans and advances to banks	5,960,826	6,190,698	5,941,993	248,705	-	-	-	-
Loans and advances to customers	65,514,657	87,196,041	10,128,553	2,540,890	3,427,908	7,652,034	32,066,909	31,379,747
Derivatives	**187,806**	**16,038,285**	**6,984,679**	**1,745,540**	**2,811,966**	**2,403,820**	**2,011,341**	**80,939**

							31.12.2023	Bank
In RON thousands	**Carrying amounts**	**Contractual cash flows**	**< 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**
Non-derivative assets	**103,367,414**	**130,858,317**	**25,748,613**	**2,757,044**	**5,814,342**	**7,355,221**	**48,616,036**	**40,567,061**
Cash and cash balances	16,724,913	16,726,913	16,726,913	-	-	-	-	-
Debt securities	27,531,099	33,689,615	38,672	228,217	2,763,381	2,081,584	19,447,998	9,129,763
Loans and advances to banks	2,142,421	2,441,842	2,183,818	249,178	-	8,846	-	-
Loans and advances to customers	56,968,981	77,999,947	6,799,210	2,279,649	3,050,961	5,264,791	29,168,038	31,437,298
Derivatives	**135,727**	**4,609,013**	**1,906,613**	**2,196,527**	**116,296**	**56,265**	**293,591**	**39,721**

30. Liquidity risk (continued)

Financial liabilities

Maturities of contractual undiscounted cash flows from financial liabilities as of 31 December 2024 and 31 December 2023 for the Group, were as follows:

							31.12.2024	Group
in thousands RON	**Carrying amounts**	**Contractual cash flows**	**< 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**
Non-derivative liabilities	**103,122,864**	**105,284,656**	**66,259,512**	**10,529,434**	**6,885,532**	**6,046,244**	**15,200,949**	**362,985**
Deposits by banks	1,707,994	1,760,945	1,170,174	40,323	35,274	82,173	401,745	31,256
Customer deposits	91,007,840	91,557,564	65,074,616	10,465,350	6,477,816	5,760,140	3,447,913	331,729
Debt securities in issue	10,407,030	11,966,147	14,722	23,761	372,442	203,931	11,351,291	-
Contingent liabilities	**18,806,017**	**18,806,017**	**18,806,017**	**-**	**-**	**-**	**-**	**-**
Financial guarantees	-	2,151,132	2,151,132	-	-	-	-	-
Irrevocable commitments	-	16,654,885	16,654,885	-	-	-	-	-
Derivatives	**133,740**	**16,023,357**	**6,927,808**	**1,735,673**	**2,814,521**	**2,425,647**	**2,038,897**	**80,811**

							31.12.2023	Group
in thousands RON	**Carrying amounts**	**Contractual cash flows**	**< 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**
Non-derivative liabilities	**90,300,934**	**93,943,430**	**56,552,508**	**10,698,991**	**5,712,441**	**5,897,126**	**11,405,705**	**3,676,659**
Deposits by banks	1,648,938	1,755,984	896,583	61,264	53,283	84,626	468,386	191,842
Customer deposits	78,481,853	79,627,104	55,646,542	10,623,407	5,263,861	5,608,774	1,415,333	1,069,187
Debt securities in issue	10,170,143	12,560,342	9,383	14,320	395,297	203,726	9,521,986	2,415,630
Contingent liabilities	**15,209,853**	**15,209,853**	**15,209,853**	**-**	**-**	**-**	**-**	**-**
Financial guarantees	-	2,338,173	2,338,173	-	-	-	-	-
Irrevocable commitments	-	12,871,680	12,871,680	-	-	-	-	-
Derivatives	**165,467**	**4,527,556**	**1,808,538**	**2,212,527**	**117,661**	**56,028**	**293,196**	**39,606**

Maturities of contractual undiscounted cash flows from financial liabilities as of 31 December 2024 and 31 December 2023 respectively for the Bank were as follows:

							31.12.2024	Bank
in thousands RON	**Carrying amounts**	**Contractual cash flows**	**< 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**
Non-derivative liabilities	**103,501,744**	**105,472,960**	**66,877,066**	**10,502,804**	**6,850,258**	**5,976,664**	**14,903,183**	**362,985**
Deposits by banks	1,813,319	1,832,878	1,671,357	13,693	-	12,593	103,979	31,256
Customer deposits	91,281,395	91,673,935	65,190,987	10,465,350	6,477,816	5,760,140	3,447,913	331,729
Debt securities in issue	10,407,030	11,966,147	14,722	23,761	372,442	203,931	11,351,291	-
Contingent liabilities	**18,797,012**	**18,797,012**	**18,797,012**	**-**	**-**	**-**	**-**	**-**
Financial guarantees	-	2,301,159	2,301,159	-	-	-	-	-
Irrevocable commitments	-	16,495,853	16,495,853	-	-	-	-	-
Derivatives	**133,740**	**16,023,357**	**6,927,808**	**1,735,673**	**2,814,521**	**2,425,647**	**2,038,897**	**80,811**

							31.12.2023	Bank
in thousands RON	**Carrying amounts**	**Contractual cash flows**	**< 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**
Non-derivative liabilities	**90,633,477**	**93,479,924**	**56,874,460**	**10,613,662**	**5,614,392**	**5,741,677**	**10,967,014**	**3,668,719**
Deposits by banks	1,738,658	1,776,411	1,455,253	14,980	5,354	12,725	96,257	191,842
Customer deposits	78,724,676	79,143,171	55,409,824	10,584,362	5,213,741	5,525,226	1,348,771	1,061,247
Debt securities in issue	10,170,143	12,560,342	9,383	14,320	395,297	203,726	9,521,986	2,415,630
Contingent liabilities	**15,187,345**	**15,187,345**	**15,187,345**	**-**	**-**	**-**	**-**	**-**
Financial guarantees	-	2,516,139	2,516,139	-	-	-	-	-
Irrevocable commitments	-	12,671,206	12,671,206	-	-	-	-	-
Derivatives	**165,467**	**4,632,023**	**1,913,005**	**2,212,527**	**117,661**	**56,028**	**293,196**	**39,606**

As of year-end 2024, the currency composition of the deposits consisted of approximately 66.91% RON (70.03% as of year-end 2023), 28.70% EUR (25.81% as of year-end 2023), 4.06% USD (3.78% as of year-end 2023) and the rest 0.33% in other currencies.

The group is not exposed to a short-term liquidity gap. For liquidity reporting purposes demand deposits and savings accounts are mapped to the first time bucket, without assuming any behavioural modelling. In reality demand deposits have empirically a long weighted average lifetime and there is no expectation of these significant transactional accounts outflowing overnight. Furthermore, the Bank has a significant liquidity buffer, amounting to 33% of Total Assets that can comfortably cover liquidity needs. The liquidity buffer was calculated in accordance with the requirements for the LCR HQLA which are defined in the Delegated Act regulation.

Chapter 8 – Non-current assets and other investments

31. Property, equipment and investment properties

Property and equipment

Depreciation of property and equipment is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated.

The estimated useful lives are as follows:

• Buildings	30 to 50 years (mainly 50 years)
• Office equipment	3 to 10 years
• Other furniture and equipment	3 to 10 years
• Investment properties	30 to 50 years.

Depreciation is recognised in the statements of income in the line item 'Depreciation and amortisation' and impairment in the line item 'Other operating result'.

Any impairment losses including their reversals and gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in 'Other operating result' in the statements of profit or loss in the year the asset are derecognized.

Investment properties

Investment property is property (land and buildings or part of a building or both) held for the purpose of earning rental income or for capital appreciation or both.

Investment property is presented in the statements of financial position in the line item 'Investment properties'.

An investment property is measured initially at its cost taking into account any expenditure directly attributable to the purchase (e.g. fees paid to the estate agent, notarial fees, property transfer taxes and fees).

After initial recognition an investment property is measured at cost (cost model) in accordance with IAS 16. Following that, an investment property is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the profit or loss in the period of derecognition.

Rental income is recognised in the statements of profit or loss in the line item 'Rental income from investment properties and other operating leases'. Depreciation is presented in the statements of income in the line item 'Depreciation and amortisation' using the straight-line method over an estimated useful life. Any impairment losses, as well as their reversals, are recognised under the line item 'Other operating result'.

Impairment

In order to determine the impairment of assets classified under IAS 16 "Property, plant and equipment", the Bank compares the recoverable amount of the Bank as a whole (higher of the Bank fair value less costs to sell and its value in use), from which the net book value of the assets which are not subject to impairment test are deducted, with the net book value of these tangible assets.
For assets classified under IAS 40 (which includes both rented buildings and vacant buildings), the impairment was assessed based on their fair value as established by an external valuation report.

31. Property, equipment and investment properties *(continued)*

Group

Property and equipment - Acquisition and production costs						
in RON thousands	Land and buildings	Office and equipment / other fixed assets	IT assets (hardware)	Movable other property	Total property and equipment	Investment properties
Balance as of 01.01.2023	**337,066**	**434,932**	**219,327**	**285,118**	**1,276,443**	**319,566**
Additions in current year (+)	44,751	48,493	32,405	4,799	130,448	2,019
Disposals and write off (-)	(51,941)	(48,051)	(8,796)	(21,602)	(130,390)	(42,782)
Reclassification between classes of tangible assets	9,666	796	1,942	(1,789)	10,615	(9,392)
Reclassification (in)/from assets held for sale	(21,230)	241	116	-	(20,873)	-
Balance as of 31.12.2023	**318,312**	**436,411**	**244,994**	**266,526**	**1,266,243**	**269,411**
Balance as of 01.01.2024	**318,312**	**436,411**	**244,994**	**266,526**	**1,266,243**	**269,411**
Additions in current year (+)	41,765	43,208	45,465	6,627	137,065	-
Disposals and write off (-)	(57,945)	(54,712)	(38,268)	(58,976)	(209,901)	(37,084)
Reclassification between classes of tangible assets	(9,472)	(783)	33	-	(10,222)	10,250
Reclassification (in)/from assets held for sale	(3,937)	539	-	-	(3,398)	-
Balance as of 31.12.2024	**288,723**	**424,663**	**252,224**	**214,177**	**1,179,787**	**242,577**

Property and equipment - Accumulated depreciation						
in RON thousands	Land and buildings	Office and equipment / other fixed assets	IT assets (hardware)	Movable other property	Total property and equipment	Investment properties
Balance as of 01.01.2023	**(155,131)**	**(261,452)**	**(117,579)**	**(159,898)**	**(694,060)**	**(171,023)**
Amortisation and depreciation (-)	(13,933)	(30,423)	(32,346)	(9,222)	(85,924)	(5,446)
Disposals (+)	24,873	47,220	7,536	-	79,629	23,934
Impairment (-)	(750)	(3,837)	(1,510)	(5,077)	(11,174)	(1,142)
Reversal of impairment (+)	2,750	-	-	323	3,073	14,337
Reclassification between classes of tangible assets (+/-)	(2,964)	22	148	(169)	(2,963)	2,964
Reclassification (in)/from assets held for sale	13,236	(442)	(456)	-	12,338	-
Currency translation (+/-)	-	-	(8)	-	(8)	-
Balance as of 31.12.2023	**(131,919)**	**(248,912)**	**(144,215)**	**(174,043)**	**(699,089)**	**(136,376)**
Balance as of 01.01.2024	**(131,919)**	**(248,912)**	**(144,215)**	**(174,043)**	**(699,089)**	**(136,376)**
Amortisation and depreciation (-)	(15,165)	(31,502)	(36,299)	(5,114)	(88,080)	(5,127)
Disposals (+)	39,932	53,528	37,726	9,870	141,056	17,557
Impairment (-)	(1,465)	(2,836)	(337)	(17,763)	(22,401)	(4,718)
Reversal of impairment (+)	1,893	23	-	44	1,960	2,560
Reclassification between classes of tangible assets (+/-)	4,275	16	9	(1,487)	2,813	(4,275)
Reclassification (in)/from assets held for sale	672	-	-	-	672	-
Currency translation (+/-)	-	8	-	-	8	-
Balance as of 31.12.2024	**(101,777)**	**(229,675)**	**(143,116)**	**(188,493)**	**(663,061)**	**(130,379)**

Group

Property and equipment net						
in RON thousands	Land and buildings	Office and equipment / other fixed assets	IT assets (hardware)	Movable other property	Total property and equipment	Investment properties
Balance as of 31.12.2023	**186,393**	**187,499**	**100,779**	**92,483**	**567,154**	**133,035**
Balance as of 31.12.2024	**186,946**	**194,988**	**109,108**	**25,684**	**516,726**	**112,198**

31. Property, equipment and investment properties *(continued)*

Rights of use property, equipment and investment properties

Group

Right of use property and equipment - Acquisition costs						
in RON thousands	**Land and buildings**	**Office and equipment / other fixed assets**	**IT assets (hardware)**	**Movable other property**	**Total property and equipment**	**Investment properties**
Balance as of 01.01.2023	**610,273**	**1,079**	**-**	**80,414**	**691,766**	**-**
Additions in current year (+)	188,563	459	-	8,074	**197,096**	-
Disposals and write off (-)	(107,528)	(1)	-	(9,941)	**(117,470)**	-
Reclassification (in)/from assets held for sale	(3,134)	-	-	-	**(3,134)**	-
Balance as of 31.12.2023	**688,174**	**1,537**	**-**	**78,547**	**768,258**	**-**
Balance as of 01.01.2024	**688,174**	**1,537**	**-**	**78,547**	**768,258**	**-**
Additions in current year (+)	106,329	1,829	-	59,024	**167,182**	-
Disposals and write off (-)	(94,423)	-	-	(12,129)	**(106,552)**	-
Balance as of 31.12.2024	**700,080**	**3,366**	**-**	**125,442**	**828,888**	**-**

Group

Right of use Property and equipment - Accumulated depreciation						
in RON thousands	**Land and buildings**	**Office and equipment / other fixed assets**	**IT assets (hardware)**	**Movable other property**	**Total property and equipment**	**Investment properties**
Balance as of 01.01.2023	**(233,039)**	**(215)**	**-**	**(11,688)**	**(244,942)**	**-**
Amortisation and depreciation (-)	(82,689)	(236)	-	(3,879)	(86,804)	-
Disposals (+)	20,174	-	-	4,504	24,678	-
Impairment (-)	(2,414)	-	-	-	(2,414)	-
Balance as of 31.12.2023	**(297,968)**	**(451)**	**-**	**(11,063)**	**(309,482)**	**-**
Balance as of 01.01.2024	**(297,968)**	**(451)**	**-**	**(11,063)**	**(309,482)**	**-**
Amortisation and depreciation (-)	(67,921)	(542)	-	(9,003)	(77,466)	-
Disposals (+)	71,610	-	-	2,999	74,609	-
Impairment (-)	(3,478)	-	-	-	(3,478)	-
Reversal of impairment (+)	1	2	-	-	3	-
Currency translation (+/-)	(3)	(2)	-	-	(5)	-
Balance as of 31.12.2024	**(297,759)**	**(993)**	**-**	**(17,067)**	**(315,819)**	**-**

Group

Right of use Property and equipment net						
in RON thousands	**Land and buildings**	**Office and equipment / other fixed assets**	**IT assets (hardware)**	**Movable other property**	**Total property and equipment**	**Investment properties**
Balance as of 01.01.2024	**390,206**	**1,086**	**-**	**67,484**	**458,776**	**-**
Balance as of 31.12.2024	**402,321**	**2,373**	**-**	**108,375**	**513,069**	**-**

Group

Total -Property and equipment net						
in RON thousands	**Land and buildings**	**Office and equipment / other fixed assets**	**IT assets (hardware)**	**Movable other property**	**Total property and equipment**	**Investment properties**
Balance as of 01.01.2024	**576,599**	**188,585**	**100,779**	**159,967**	**1,025,930**	**133,035**
Balance as of 31.12.2024	**589,267**	**197,361**	**109,108**	**134,059**	**1,029,795**	**112,198**

31. Property, equipment and investment properties *(continued)*

Bank

in RON thousands	Property and equipment - Acquisition and production costs				
	Land and buildings	Office and equipment / other fixed assets	IT assets (hardware)	Total property and equipment	Investment properties
Balance as of 01.01.2023	**337,058**	**403,625**	**212,341**	**953,024**	**319,567**
Additions in current year (+)	44,253	45,562	29,549	**119,364**	2,018
Disposals and write off (-)	(51,941)	(46,952)	(6,762)	**(105,655)**	(42,783)
Reclassification between classes of tangible assets	9,666	(988)	1,938	**10,616**	(9,392)
Reclassification (in)/from assets held for sale	(21,216)	-	-	**(21,216)**	-
Balance as of 31.12.2023	**317,820**	**401,247**	**237,066**	**956,133**	**269,410**
Balance as of 01.01.2024	**317,820**	**401,247**	**237,066**	**956,133**	**269,410**
Additions in current year (+)	41,765	41,809	44,486	**128,060**	-
Disposals and write off (-)	(57,945)	(53,773)	(37,789)	**(149,507)**	(37,089)
Reclassification between classes of intangible assets (+/-)	(9,472)	(783)	33	**(10,222)**	10,250
Reclassification (in)/from assets held for sale	(3,937)	539	-	**(3,398)**	-
Balance as of 31.12.2024	**288,231**	**389,039**	**243,796**	**921,066**	**242,571**

Bank

in RON thousands	Property and equipment - Accumulated depreciation				
	Land and buildings	Office and equipment / other fixed assets	IT assets (hardware)	Total property and equipment	Investment properties
Balance as of 01.01.2023	**(155,130)**	**(241,911)**	**(112,610)**	**(509,651)**	**(171,024)**
Amortisation and depreciation (-)	(13,919)	(30,206)	(31,282)	(75,407)	(5,446)
Disposals (+)	24,873	46,542	6,668	78,083	23,936
Impairment (-)	(750)	(3,837)	(1,510)	(6,097)	-
Reversal of impairment (+)	2,750	-	-	2,750	(1,142)
Reclassification between classes of intangible assets (+/-)	(2,964)	-	-	(2,964)	14,337
Reclassification (in)/from assets held for sale	13,235	-	-	13,235	2,964
Balance as of 31.12.2023	**(131,905)**	**(229,412)**	**(138,734)**	**(500,051)**	**(136,375)**
Balance as of 01.01.2024	**(131,905)**	**(229,412)**	**(138,734)**	**(500,051)**	**(136,375)**
Amortisation and depreciation (-)	(15,011)	(30,898)	(35,026)	(80,935)	(5,127)
Disposals (+)	39,932	53,162	37,697	130,791	17,560
Impairment (-)	(1,465)	(2,811)	(337)	(4,613)	(4,716)
Reversal of impairment (+)	1,893	23	-	1,916	2,560
Reclassification between classes of tangible assets (+/-)	4,275	-	-	4,275	(4,275)
Reclassification (in)/from assets held for sale	672	-	-	672	-
Balance as of 31.12.2024	**(101,609)**	**(209,936)**	**(136,400)**	**(447,945)**	**(130,373)**

Bank

in RON thousands	Property and equipment net				
	Land and buildings	Office and equipment / other fixed assets	IT assets (hardware)	Total property and equipment	Investment properties
Balance as of 31.12.2023	**185,915**	**171,835**	**98,332**	**456,082**	**133,035**
Balance as of 31.12.2024	**186,622**	**179,103**	**107,396**	**473,121**	**112,198**

Rights of use property, equipment and investment properties

Bank

in RON thousands	Right of use property and equipment - Acquisition costs					
	Land and buildings	Office and equipment / other fixed assets	IT assets (hardware)	Movable other property	Total property and equipment	Investment properties
Balance as of 01.01.2023	**600,323**	**1,079**	**-**	**8,943**	**610,345**	**-**
Additions in current year (+)	169,158	459	-	8,074	**177,691**	-
Disposals and write off (-)	(96,617)	(2)	-	(4,665)	**(101,284)**	-
Balance as of 31.12.2023	**672,864**	**1,536**	**-**	**12,352**	**686,752**	**-**
Balance as of 01.01.2024	**672,864**	**1,536**	**-**	**12,352**	**686,752**	**-**
Additions in current year (+)	105,787	1,829	-	42,883	**150,499**	-
Disposals and write off (-)	(94,389)	-	-	(12,129)	**(106,518)**	-
Balance as of 31.12.2024	**684,262**	**3,365**	**-**	**43,106**	**730,733**	**-**

31. Property, equipment and investment properties *(continued)*

Bank

Right of use Property and equipment - Accumulated depreciation						
in RON thousands	Land and buildings	Office and equipment / other fixed assets	IT assets (hardware)	Movable other property	Total property and equipment	Investment properties
Balance as of 01.01.2023	**(227,631)**	**(215)**	**-**	**(5,075)**	**(232,921)**	**-**
Amortisation and depreciation (-)	(80,474)	(236)	-	(1,927)	(82,637)	-
Disposals (+)	14,556	-	-	4,506	19,062	-
Reversal of impairment (+)	(2,419)	-	-	-	(2,419)	-
Balance as of 31.12.2023	**(295,968)**	**(451)**	**-**	**(2,496)**	**(298,915)**	**-**
Balance as of 01.01.2024	**(295,968)**	**(451)**	**-**	**(2,496)**	**(298,915)**	**-**
Amortisation and depreciation (-)	(66,007)	(542)	-	(6,808)	(73,357)	-
Disposals (+)	71,585	-	-	2,999	74,584	-
Impairment (-)	(3,480)	-	-	-	(3,480)	-
Balance as of 31.12.2024	**(293,870)**	**(993)**	**-**	**(6,305)**	**(301,168)**	**-**

Bank

Right of use Property and equipment net						
in RON thousands	Land and buildings	Office and equipment / other fixed assets	IT assets (hardware)	Movable other property	Total property and equipment	Investment properties
Balance as of 31.12.2023	**376,896**	**1,085**	**-**	**9,856**	**387,837**	**-**
Balance as of 31.12.2024	**390,392**	**2,372**	**-**	**36,801**	**429,565**	**-**

Bank

Total Property and equipment net						
in RON thousands	Land and buildings	Office and equipment / other fixed assets	IT assets (hardware)	Movable other property	Total property and equipment	Investment properties
Balance as of 31.12.2023	**562,811**	**172,920**	**98,332**	**9,856**	**843,919**	**133,035**
Balance as of 31.12.2024	**577,014**	**181,475**	**107,396**	**36,801**	**902,686**	**112,198**

There are no fixed assets pledged as collateral as at 31 December 2024 and 31 December 2023.

The total cost of the Group's tangible fixed assets in use and fully amortized at the end of 2024 was RON 220,724 thousands (2023: RON 285,817 thousands). The total cost of the Bank's tangible fixed assets in use and fully amortized at the end of 2024 was RON 214,859 thousands (2023: RON 273,943 thousands).

The investment properties are measured at cost. Fair values are determined based on an annual evaluation performed by an accredited external independent valuator. Please refer to note 32 for fair value disclosure.

Assets under construction are in amount of RON 104,097 thousands (2023: RON 101,225 thousands) for the Bank.

Assets subject to operating lease:

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Land and buildings	3,632	8,498	3,973	5,548
Investment property	19,825	20,205	21,608	21,979
Movable other property	80,920	130,385	-	-
Total	**104,377**	**159,088**	**25,581**	**27,527**

32. Fair values of non-financial assets

The following table shows fair values and fair value hierarchy of non-financial instruments at the year-end 2024 and 2023:

					2024 Group
in RON thousands	Carrying amount	Fair value	Quoted market prices in active markets Level 1	Marked to model based on observable market data Level 2	Marked to model based on non-observable inputs Level 3
Assets whose Fair Value is disclosed in the notes					
Investment properties	112,198	125,099	-	-	125,099
Assets whose Fair Value is presented in the Balance sheet					
Assets held for sale (IFRS 5)	729	865	-	-	865

					2023 Group
in RON thousands	Carrying amount	Fair value	Quoted market prices in active markets Level 1	Marked to model based on observable market data Level 2	Marked to model based on non-observable inputs Level 3
Assets whose Fair Value is disclosed in the notes					
Investment properties	133,035	145,691	-	-	145,691
Assets whose Fair Value is presented in the Balance sheet					
Assets held for sale (IFRS 5)	745,408	745,408	-	-	745,408

					2024 Bank
in RON thousands	Carrying amount	Fair value	Quoted market prices in active markets Level 1	Marked to model based on observable market data Level 2	Marked to model based on non-observable inputs Level 3
Assets whose Fair Value is disclosed in the notes					
Investment properties	112,198	125,099	-	-	125,099
Assets whose Fair Value is presented in the Balance sheet					
Assets held for sale (IFRS 5)	729	865	-	-	865

					2023 Bank
in RON thousands	Carrying amount	Fair value	Quoted market prices in active markets Level 1	Marked to model based on observable market data Level 2	Marked to model based on non-observable inputs Level 3
Assets whose Fair Value is disclosed in the notes					
Investment properties	133,035	145,691	-	-	145,691
Assets whose Fair Value is presented in the Balance sheet					
Assets held for sale (IFRS 5)	55,383	55,383	-	-	55,383

The fair values of non-financial assets is determined by experts with recognized and relevant professional qualification.

					2024	Group
in RON thousands	Fair value	Valuation technique	Inputs used	Range of inputs (weighted average)	Reasonable change	Sensitivity of fair value measurement
Investment properties	125,099	Market value	Market value	Comparable market data	10%	12,510
Assets held for sale (IFRS 5)	865	Market value	Market value	Comparable market data	10%	87
Total recurring fair value measurements at Level 3	**125,964**					**12,597**

					2023	Group
in RON thousands	Fair value	Valuation technique	Inputs used	Range of inputs (weighted average)	Reasonable change	Sensitivity of fair value measurement
Investment properties	145,691	Market value	Market value	Comparable market data	10%	14,569
Assets held for sale (IFRS 5)	745,408	Market value	Market value	Comparable market data	10%	74,541
Total recurring fair value measurements at Level 3	**891,099**					**89,110**

					2024	Bank
in RON thousands	Fair value	Valuation technique	Inputs used	Range of inputs (weighted average)	Reasonable change	Sensitivity of fair value measurement
Investment properties	125,099	Market value	Market value	Comparable market data	10%	12,510
Assets held for sale (IFRS 5)	865	Market value	Market value	Comparable market data	10%	87
Total recurring fair value measurements at Level 3	**125,964**					**12,597**

32. Fair values of non-financial assets *(continued)*

					2023	Bank
in RON thousands	**Fair value**	**Valuation technique**	**Inputs used**	**Range of inputs (weighted average)**	**Reasonable change**	**Sensitivity of fair value measurement**
Investment properties	145,691	Market value	Market value	Comparable market data	10%	14,569
Assets held for sale (IFRS 5)	55,383	Market value	Market value	Comparable market data	10%	5,538
Total recurring fair value measurements at Level 3	**201,074**					**20,107**

For non-financial assets owned by Group, the valuations are carried out mainly using the comparative and investment methods. Assessment is made on the basis of a comparison and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the relevant property. The characteristics of such similar transactions are then applied to the asset, taking into account size, location, terms, covenant and other material factors. Such measurements are presented in Level 3 of the fair value hierarchy.

33. Intangible assets

Intangible assets include the value of computer software and licenses.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortized over the useful economic life. Amortization is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

- Computer software and licenses 5-10 years
- Licences are amortized on the duration of the utilization.

				Group
	Intangible assets - Acquisition and production costs			
in RON thousands	**Software acquired**	**Self-developed software within the Group**	**Others (licenses, patents)**	**Total**
Balance as of 01.01.2023	**876,593**	**197,970**	**199,442**	**1,274,005**
Additions in current year (+)	75,704	50,584	4,402	130,690
Disposals and write off (-)	(17,845)	(32)	(7,458)	(25,335)
Reclassification between classes of intangible assets (+/-)	47,555	(44,582)	(4,197)	(1,224)
Reclassification into assets held for sale (-)	(170)	-	-	(170)
Balance as of 31.12.2023	**981,837**	**203,940**	**192,189**	**1,377,966**
Balance as of 01.01.2024	**981,837**	**203,940**	**192,189**	**1,377,966**
Additions in current year (+)	79,178	49,944	3,467	132,589
Disposals and write off (-)	(49,241)	(12)	(35,441)	(84,694)
Reclassification between classes of intangible assets (+/-)	42,744	(42,744)	(27)	(27)
Balance as of 31.12.2024	**1,054,518**	**211,128**	**160,188**	**1,425,834**

				Group
	Intangible assets - Accumulated amortisation			
in RON thousands	**Software acquired**	**Self-developed software within the Group**	**Others (licenses, patents)**	**Total**
Balance as of 01.01.2023	**(577,006)**	**(118,096)**	**(184,056)**	**(879,158)**
Amortisation and depreciation (-)	(55,407)	(7,045)	(4,818)	(67,270)
Disposals and write off (+)	16,418	32	7,458	23,908
Impairment (-)	(1,159)	(32)	-	(1,191)
Reclassification into assets held for sale (-)	14	-	-	14
Currency translation (+/-)	(12)	-	-	(12)
Balance as of 31.12.2023	**(617,152)**	**(125,141)**	**(181,416)**	**(923,709)**
Balance as of 01.01.2024	**(617,152)**	**(125,141)**	**(181,416)**	**(923,709)**
Amortisation and depreciation (-)	(73,502)	(9,137)	(5,793)	(88,432)
Disposals and write off (+)	47,573	12	35,441	83,026
Impairment (-)	(869)	(12)	(354)	(1,235)
Reclassification between classes of intangible assets (+/-)	1,462	-	-	1,462
Balance as of 31.12.2024	**(642,488)**	**(134,278)**	**(152,122)**	**(928,888)**

33. Intangible assets *(continued)*

Group

in RON thousands	Net intangible assets			
	Software acquired	Self-developed software within the Group	Others (licenses, patents)	Total
Balance as of 31.12.2023	**364,685**	**78,799**	**10,773**	**454,257**
Balance as of 31.12.2024	**412,030**	**76,850**	**8,066**	**496,946**

Bank

in RON thousands	Intangible assets - Acquisition and production costs			
	Software acquired	Self-developed software within the Group	Others (licenses, patents)	Total
Balance as of 01.01.2023	**830,337**	**197,970**	**199,078**	**1,227,385**
Additions in current year (+)	63,248	50,584	4,385	**118,217**
Disposals and write off (-)	(16,418)	(32)	(7,458)	**(23,908)**
Reclassification between classes of intangible assets (+/-)	47,555	(44,582)	(4,197)	**(1,224)**
Balance as of 31.12.2023	**924,722**	**203,940**	**191,808**	**1,320,470**
Balance as of 01.01.2024	**924,722**	**203,940**	**191,808**	**1,320,470**
Additions in current year (+)	67,933	49,944	3,449	**121,326**
Disposals and write off (-)	(41,524)	(12)	(35,441)	**(76,977)**
Reclassification between classes of intangible assets (+/-)	42,744	(42,744)	(27)	**(27)**
Balance as of 31.12.2024	**993,875**	**211,128**	**159,789**	**1,364,792**

Bank

in RON thousands	Intangible assets - Accumulated amortisation			
	Software acquired	Self-developed software within the Group	Others (licenses, patents)	Total
Balance as of 01.01.2023	**(548,357)**	**(118,096)**	**(183,692)**	**(850,145)**
Amortisation and depreciation (-)	(51,434)	(7,045)	(4,811)	**(63,290)**
Disposals and write off (-)	16,418	32	7,458	**23,908**
Impairment (-)	(113)	(32)	-	**(145)**
Balance as of 31.12.2023	**(583,486)**	**(125,141)**	**(181,045)**	**(889,672)**
Balance as of 01.01.2024	**(583,486)**	**(125,141)**	**(181,045)**	**(889,672)**
Amortisation and depreciation (-)	(67,459)	(9,137)	(5,782)	**(82,378)**
Disposals and write off (-)	41,524	12	35,441	**76,977**
Impairment (-)	(869)	(12)	(354)	**(1,235)**
Balance as of 31.12.2024	**(610,290)**	**(134,278)**	**(151,740)**	**(896,308)**

Bank

in RON thousands	Net intangible assets			
	Software acquired	Self-developed software within the Group	Others (licenses, patents)	Total
Balance as of 31.12.2023	**341,236**	**78,799**	**10,763**	**430,798**
Balance as of 31.12.2024	**383,585**	**76,850**	**8,049**	**468,484**

Within the process of software development, there is internal effort allocated. The capitalization of the internal effort is done in Assets under construction (AUC) in the class related to internal effort (Self developed software). When the development is deployed into production environment, the put in function document (PIF) is reflected at the level of the application onto which the actual development took place (majority of internal allocated development effort is done on applications classified as Software acquired).

The total cost of the Group's intangible fixed assets in use and fully amortized at the end of 2024 was RON 319,388 thousands (2023: RON 373,429 thousands). The total cost of the Bank's intangible fixed assets in use and fully amortized at the end of 2024 was RON 298,576 thousands (2023: RON 359,153 thousands).

Assets under construction are in amount of RON 30,722 thousands (2023: RON 55,233 thousands) for the Group and the Bank and represent various software developments.

34. Other assets and investment in subsidiaries

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Accrued income	65,741	63,347	54,524	49,518
Inventories (i)	31,078	35,101	4,185	29,172
Sundry assets (ii)	164,186	200,745	56,563	80,587
Other assets	**261,005**	**299,193**	**115,272**	**159,277**
Subsidiaries (iii)	-	-	**613,371**	588,105
Total other assets and investments in subsidiaries	**261,005**	**299,193**	**728,643**	**747,382**

(i) This position represents 'Repossessed Asset', for the Bank and for subsidiaries;

(ii) The deviation versus December 2023 is mainly explained by variation of advances to suppliers for assets for acquiring assets to be subject of financial leasing in BCR Leasing;

(iii) The Bank's net investments in subsidiaries and other companies are in amount of RON 613,371 thousands (2023: RON 588,105 thousands).

35. Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases where the Group is a lessor

Interest income on the receivable is reported in the statements of financial position in the line item 'Other similar income' under 'Net interest income'.

In the case of operating leases, which are leases other than finance leases, the leased asset is reported by the lessor in 'Property and equipment' or in 'Investment properties' and is depreciated in accordance with the principles applicable to the assets involved.

On the side of the lessor, a distinction is made between finance leases and operating leases. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. In the case of a finance lease, the Group reports a receivable from the lessee under the line item 'Finance lease receivables'. The receivable is equal to the present value of the contractually agreed payments taking into account any residual value. Interest income on the receivable is reported in the statements of income in the line item 'Other similar income' under 'Net interest income'.

Finance leases

The Group acts as a lessor under finance leases through the subsidiary BCR Leasing IFN SA, mainly on motor vehicles and equipment. The leases are mainly denominated in EUR and typically run for a period of between 1-7 years, with transfer of ownership of the leased asset at the end of the lease term. Interest is charged over the period of the lease based on fixed or variable (almost the entire portfolio is linked to EURIBOR+interest rate).

The receivables are secured by the underlying assets and by other collateral.

For finance lease receivables included in this item, the reconciliation of the gross investment in leases to the present value of outstanding lease payments is as follows:

	Group		Bank	
	31.12.2024	**31.12.2023**	**31.12.2024**	**31.12.2023**
Total amount of outstanding lease payments receivables	2,592,430	2,340,178	17,192	20,730
Gross investment	**2,592,430**	**2,340,178**	**17,192**	**20,730**
Total amount of related unearned finance income from lease agreements	(187,241)	(233,195)	(962)	(2,163)
Net investment	**2,405,189**	**2,196,983**	**16,230**	**18,567**
Present value of outstanding lease payments	**2,405,189**	**2,196,983**	**16,230**	**18,567**

35. Leases *(continued)*

The residual maturity analysis of gross investment in leases and present values of outstanding lease payments under non-cancellable leases is as follows:

Group	Gross investment		Present value of outstanding lease payments	
in RON thousands	31.12.2024	31.12.2023	31.12.2024	31.12.2023
< 1 year	942,838	881,947	883,511	767,964
1-2 years	695,069	634,231	628,813	566,936
2-3 years	476,570	433,534	439,665	397,210
3-4 years	292,502	264,882	275,684	249,580
4-5 years	131,409	103,522	125,785	99,848
> 5 years	54,042	22,062	51,731	21,348
Total	**2,592,430**	**2,340,178**	**2,405,189**	**2,102,886**

Bank	Gross investment		Present value of outstanding lease payments	
in RON thousands	31.12.2024	31.12.2023	31.12.2024	31.12.2023
< 1 year	4,169	3,866	3,945	3,483
1-2 years	4,647	4,278	4,396	3,847
2-3 years	4,272	4,460	4,025	4,010
3-4 years	4,096	4,104	3,857	3,652
4-5 years	8	4,022	7	3,575
Total	**17,192**	**20,730**	**16,230**	**18,567**

Finance lease receivables

										31.12.2024	Group
in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
General governments	1,160	359	-	-	**1,519**	(34)	(47)	-	-	**(81)**	**1,438**
Other financial corporations	30,557	2,886	306	-	**33,749**	(510)	(43)	(159)	-	**(712)**	**33,037**
Non-financial corporations	1,762,043	472,035	95,698	637	**2,330,413**	(19,603)	(18,442)	(43,142)	(320)	**(81,507)**	**2,248,906**
Households	31,150	6,816	1,542	-	**39,508**	(334)	(517)	(653)	-	**(1,504)**	**38,004**
Total	**1,824,910**	**482,096**	**97,546**	**637**	**2,405,189**	**(20,481)**	**(19,049)**	**(43,954)**	**(320)**	**(83,804)**	**2,321,385**

										31.12.2023	Group
in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
General governments	1,452	-	-	-	**1,452**	(28)	-	-	-	**(28)**	**1,424**
Other financial corporations	8,515	8,404	365	-	**17,284**	(121)	(346)	(202)	-	**(669)**	**16,615**
Non-financial corporations	1,273,941	703,480	65,310	-	**2,042,731**	(15,199)	(25,420)	(37,595)	-	**(78,214)**	**1,964,517**
Households	32,755	7,790	874	-	**41,419**	(375)	(540)	(505)	-	**(1,420)**	**39,999**
Total	**1,316,663**	**719,674**	**66,549**	**-**	**2,102,886**	**(15,723)**	**(26,306)**	**(38,302)**	**-**	**(80,331)**	**2,022,555**

										31.12.2024	Bank
in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Credit institutions	-	-	2,369	-	**2,369**	-	-	(1,172)	-	**(1,172)**	**1,197**
Other financial corporations	11,421	1,631	-	-	**13,052**	(6)	(2)	-	-	**(8)**	**13,044**
Non-financial corporations	411	397	-	-	**808**	(3)	(3)	-	-	**(6)**	**802**
Total	**11,832**	**2,028**	**2,369**	**-**	**16,229**	**(9)**	**(5)**	**(1,172)**	**-**	**(1,186)**	**15,043**

										31.12.2023	Bank
in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Credit institutions	-	-	2,823	-	**2,823**	-	-	(1,154)	-	**(1,154)**	**1,669**
Other financial corporations	13,335	1,869	-	-	**15,204**	(12)	(5)	-	-	**(17)**	**15,187**
Non-financial corporations	82	459	-	-	**541**	(1)	(3)	-	-	**(4)**	**537**
Total	**13,417**	**2,328**	**2,823**	**-**	**18,568**	**(13)**	**(8)**	**(1,154)**	**-**	**(1,175)**	**17,393**

35. Leases *(continued)*

The year-end total gross carrying amount of finance lease receivables that were initially recognized (purchased) during the reporting period and not fully derecognized by 31 December 2024 amounts to RON 1,185,846 thousands at Group level (2023: RON 962,954 thousands). The GCA of finance lease receivables that were held on 1 January 2024 and fully derecognized during the reporting period amounts to RON 26,513 thousands at Group level (2023: RON 7,753 thousands).

Operating leases

Under operating leases, BCR Group lease both real estate and movable property to other parties.

Minimum lease receivable from non-cancellable operating leases, from the view of BCR Group and Bank as lessor, were as follows:

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
< 1 year	22,485	7,316	4,256	4,012
1-2 years	5,615	19,807	3,563	3,164
2-3 years	1,829	4,813	1,306	2,714
3-4 years	521	1,502	536	973
4-5 years	134	101	149	101
> 5 years	163	684	163	684
Total	**30,747**	**34,223**	**9,973**	**11,648**

Leases where the Group is a lessee

Under IFRS 16, a lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease term is considered as the non-cancellable period for which a lessee has the right to use an underlying asset together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In determining the lease term and assessing the length of the non-cancellable period of a lease, the Bank uses the contractual terms of the lease. The lease is no longer enforceable when the lessee and the lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty.

The right-of-use asset is depreciated to the earlier of the end of its useful life or the end of the lease term. The Group uses the straight-line method of depreciation. The right-of-use assets are presented in the statements of financial position as part of 'Property and equipment' or, if they are subleased to third parties, as part of 'Investment properties' and for finance leases as a 'Finance lease receivable'.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments also includes the exercise price under a purchase option and lease payments in an optional renewal period are considered if the lessee is reasonably certain to exercise the options.

Subsequently, the carrying amount of the lease liability is increased by interest accrued using the applicable discount rate, reduced by lease payments made and remeasured to reflect any reassessment or lease modification. In the statements of financial position the lease liabilities are presented in the line item 'Lease liabilities'.

Undiscounted maturity analysis of lease liability, from the view of the Group and Bank as lessee, were as follows:

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
< 1 month	10,671	8,274	10,602	8,212
1-3 months	18,095	13,187	17,956	13,084
3-6 months	25,878	19,605	25,670	19,467
6-12 months	43,907	33,666	43,535	33,451
1-5 years	434,000	341,152	432,525	340,617
> 5 years	112,041	102,794	112,041	102,794
Total	**644,592**	**518,678**	**642,329**	**517,625**

During 2024, interest expenses on lease liabilities were recognised in the amount of RON 18,814 thousand (2023: RON 13,297 thousands) at Group level and RON 18,449 thousand (2023: RON 12,867 thousands) for the Bank. Expenses relating to leases of low value items for which the recognition exemption is applied and relating to short term leases for which the recognition exemption is applied were in amount of RON 11,984 thousand (2023: RON 19,256 thousand) at Group level and RON 11,622 thousand (2023: RON 12,685 thousand) for the Bank.

Chapter 9 – Other liabilities and provisions

36. Other liabilities

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Payables related to employee cost	306,811	243,622	289,749	227,220
Taxes payable other than on income	56,189	24,829	55,658	24,539
Sundry creditors	71,799	80,436	41,369	44,283
Deferred income	87,106	66,693	87,046	66,518
Other liabilities(i)	397,452	423,961	1,517	30,927
Total	**919,357**	**839,541**	**475,339**	**393,487**

(i) Other liabilities include RON 388,919 thousands related to budgetary obligation of BPL.

37. Provisions

In the Statements of financial position, provisions are reported under the line item ‘Provisions’. They include mainly credit risk loss provisions (particularly for financial guarantees and loan commitments) as well as provisions for litigations. Expenses or income related to provisions for loan commitments and financial guarantees are reported in the statements of income under the line item ‘Net impairment loss on financial instruments’.

Expenses or income related to other provisions are reported in the statements of income under the line item ‘Other operating result’.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities as well as contingent assets are monitored and revalued on a continuous basis in order to ensure that all subsequent to initial recognition developments have been considered and a provision will be recognized, if the case.

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Long-term employee provisions	70,308	72,127	69,929	72,127
Pending legal issues	391,903	405,858	372,972	389,543
Loan commitments given	300,500	375,614	298,990	374,463
Provisions for commitments given in Stage 1(i)	116,849	85,251	115,085	84,261
Provisions for commitments given in Stage 2	113,020	231,591	113,274	231,430
Provisions for commitments given - Defaulted	70,631	58,772	70,631	58,772
Provisions for commitments given in Stage 3	70,365	56,136	70,365	56,136
Provisions for commitments given - POCI	266	2,636	266	2,636
Financial Guarantees given	15,671	35,417	16,340	36,740
Provisions for financial guarantees in Stage 1	8,862	6,767	9,531	8,090
Provisions for financial guarantees in Stage 2	5,599	7,758	5,599	7,758
Provisions for financial guarantees - Defaulted	1,210	20,892	1,210	20,892
Provisions for financial guarantees in Stage 3	1,210	20,892	1,210	20,892
Other provisions (ii)	9,931	124,867	9,931	11,087
Provisions	**788,313**	**1,013,883**	**768,162**	**883,960**

(i) The increase of provisions for commitments given in stage 1 is mainly due to update of risk parameters and new exposures granted on Corporate segment; the provisions movement for commitments given in stage 2 is also related to the update of risk parameters, coupled with migrations to stage 1 driven by rating improvement.

(ii) The decrease is due to usage of provision related to BCR Chisinau sale. See Note 46.

Long term employee provisions

The Bank’s net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. On the basis of the Collective Labour Agreement, the Bank has a contractual obligation to make a one-off payment of up to four gross monthly salaries to retiring employees on the date of retiring. The defined benefit obligations are calculated by a qualified actuary taking into account the estimated salary at the date of retirement and the number of years served by each individual.

37. Provisions *(continued)*

Movement in long term employee provisions

	Group		Bank	
in RON thousands	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Opening defined benefit obligation	72,127	60,012	72,127	60,012
Interest cost	4,599	4,436	4,572	4,436
Current service cost	586	5,202	6,173	5,202
Past service cost	-	(2,859)	(6,139)	(2,859)
Benefits paid	(1,282)	(1,577)	(1,269)	(1,577)
Actuarial (gains)/loss on obligations	(5,314)	7,521	(5,179)	7,521
effect of experience adjustments	1,149	4,177	1,195	4,177
effect of demographic assumptions	(6,463)	3,344	(6,374)	3,344
Settlements gain	(408)	(608)	(356)	(608)
Total	**70,308**	**72,127**	**69,929**	**72,127**

The principal assumptions used in determining the defined benefit obligation of the Group's plan are shown below:

	2024 %	2023 %
Discount rate	7.35%	6.47%
Future salary increases	5.00%	5.00%
Mortality rates	ROM-Anul2013	ROM-Anul2013
Disability rates	ETTL-PAGLER	ETTL-PAGLER

The following table presents a sensitivity analysis for each significant actuarial assumptions showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the balance sheet.

	Group		Bank	
Sensitivity analysis	**2024**	**2023**	**2024**	**2023**
Sensivity - Discount rate +/- %	0.50%	0.50%	0.50%	0.50%
Impact on DBO: Discount rate decrease -	3,891	3,850	3,512	3,850
Impact on DBO: Discount rate increase +	(3,627)	(3,557)	(3,248)	(3,557)
Sensivity - Salary increase rate +/- %	0.50%	0.50%	0.50%	0.50%
Impact on DBO: Salary decrease rate -	(2,954)	(3,622)	(3,333)	(3,622)
Impact on DBO: Salary increase rate +	3,197	3,887	3,576	3,887

The remaining average duration of the defined benefit obligation at the end of the reporting period is 14.10 years (2023: 13.73 years).

The expected service cost for 2025 is RON 5,690 thousands for the Bank (2024: RON 6,173 thousands).

According to the collective labour agreement, employees are entitled to one lump sum payment on the date of normal age retirement/termination due to disability, of up to 4 gross monthly salaries (the Bank), depending on seniority (their past period of employment with the Bank). It is also included a lump sum payment in case of death amounting to 3 gross monthly salaries irrespective of the period of service or for early retirement, a lump sum of up to 6 gross monthly salaries, depending on the number of years remaining until normal age retirement.

This is a defined benefit plan that defines three independent benefits that an employee is entitled to receive on the date of normal age retirement/termination due to disability/death, dependent on one or more factors such as age, years of service and salary.

A full actuarial valuation by a qualified independent actuary is carried out every year.

The plan liability is measured on an actuarial basis using the projected unit credit method. The defined benefit plan liability is discounted using rates equivalent to the market yields at the balance sheet date of government bonds that are denominated in the currency in which benefits will be paid and that have a maturity approximating to the terms of the related liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the statements of changes in equity.

Provisions for allegedly abusive clauses

Starting with the enactment of Government Emergency Ordinance no.50/2010 on loan agreements for private individuals, as subsequently modified ('Ordinance 50'), the Bank was involved in consumer litigations with certain financial implications.

However, clients have continued to take court actions against the Bank on the grounds of Law no.193/2000 on unfair terms in contracts with consumers, as subsequently modified, that transposes into national law the Directive no. 1993/13/EC on unfair terms in consumer contracts.

37. Provisions *(continued)*

Apart from individual litigations (clients taking court actions against the Bank on the grounds of Law no.193/2000 on unfair terms in contracts with consumers) BCR faced also a number of litigations with ANPC (National Authority for Consumers Protection), having as grounds the interpretations over Law 193/2000 featuring potential cross portfolio contamination effects. According to the amendments brought to Law 193 in 2013, whenever the National Consumer Protection Agency or a consumer association asks the court to qualify a clause as abusive, should the judge consider it so, that clause has to be removed from all the ongoing contracts. Also, in the second half of 2024 BCR challenged in court an ANPC thematic control report regarding the recalculation of the variable interest rates and fees for loans granted in the period 2004-2010, which are active or have been closed in the last 6 months prior to the report, including the loans declared as early maturity or assigned to third parties.

By applying the principles of IAS 37, the Bank has recognized collectively assessed provisions for its probable obligation to reimburse the customers counterparty in contracts with allegedly abusive clauses similar to those subject to the litigations opened by ANPC and for the loans falling under the thematic control report's subject.

The amount of the provision is reviewed semi-annually by the Bank in order to take account of the new court resolutions for litigations with clients for contracts which contain allegedly abusive clauses (of ANPC type or not) and changes in the relevant legislation.

As at December 2024, the Group recorded provisions for allegedly unfair terms included in contracts which are not yet subject to an individual litigation in total amount of RON 289.91 mil (December 2023: RON 277.8 mil).

The increase recorded compared to the previous year was mainly due to the fact that the necessary provision was calculated to cover also any payments generated by the ANPC's report in terms of variable interest rate and risk fees.

Apart from the above-mentioned provision, the Group established a provision for all pending cases having as object individual clients claims regarding allegedly abusive clauses.

For individual claims, the Group has established a lower provision of RON 20.6 mil (December 2023: RON 29.6 mil) due to the decrease in the number of open cases.

The provisions are calculated for the portfolios at risk based on expected values, using statistical methods, separately for active loans, closed loans and loans sold for which the Bank has retained continuing involvement. The key parameters used are the following: the potential allegedly abusive amount, the show up rate (percentage of clients that would open litigation) and the loss probability.

Sensitivity analysis

Collective Provision for allegedly abusive amounts on active and closed loans	Group		Bank	
in RON thousands	31.12.2024	31.12.2023	31.12.2024	31.12.2023
1. Show up parameter deviation only				
+10% deviation	29,067	27,781	28,992	27,723
-10% deviation	(29,067)	(27,781)	(28,992)	(27,723)
2. Win-loss parameter deviation only (for interest)				
-10% deviation	(29,067)	(27,781)	(28,992)	(27,723)

Show-up rate of 90% is used in order to estimate the number of individual future litigations probable to be initiated by clients with active loans as at the date of the assessment, considering it is more likely than not that individual claims will be raised by the debtors having lending contracts with allegedly abusive clauses.
Loss ratio represents the probability that a dispute in court is lost, from Win/Loss estimated outcomes of litigations as per a legal expert evaluation.

Movement in provisions (other than long term employee provisions)

					2024	Group
in RON thousands	Opening balance	Additions, including increases in exist. provisions (+)	Amounts used (-)	Unused amounts reversed during the period (-)	Exchange-rate and other changes (+/-)	Closing Balance
Pending legal issues	405,858	29,680	-	(43,646)	11	391,903
Other provisions	124,867	52,425	(160,015)	(7,345)	(1)	9,931
Total provisions less long-term employee provisions	**530,725**	**82,105**	**(160,015)**	**(50,991)**	**10**	**401,834**

37. Provisions *(continued)*

in RON thousands	Opening balance	Additions, including increases in exist. provisions (+)	Amounts used (-)	Unused amounts reversed during the period (-)	Exchange-rate and other changes (+/-)	Closing Balance
					31.12.2023	Group
Pending legal issues	422,730	43,625	-	(60,733)	236	405,858
Other provisions	213,418	89,321	(70,516)	(23,266)	(84,090)	124,867
Total provisions less long-term employee provisions	**636,148**	**132,946**	**(70,516)**	**(83,999)**	**(83,854)**	**530,725**

in RON thousands	Opening balance	Additions, including increases in exist. provisions (+)	Amounts used (-)	Unused amounts reversed during the period (-)	Exchange-rate and other changes (+/-)	Closing Balance
					2024	Bank
Pending legal issues	389,543	24,609	-	(41,191)	11	372,972
Other provisions	11,087	52,009	(46,964)	(6,200)	(1)	9,931
Total provisions less long-term employee provisions	**400,630**	**76,618**	**(46,964)**	**(47,391)**	**10**	**382,903**

in RON thousands	Opening balance	Additions, including increases in exist. provisions (+)	Amounts used (-)	Unused amounts reversed during the period (-)	Exchange-rate and other changes (+/-)	Closing Balance
					2023	Bank
Pending legal issues	407,084	41,895	-	(59,670)	234	389,543
Other provisions	112,642	72,565	(66,966)	(23,043)	(84,111)	11,087
Total provisions less long-term employee provisions	**519,726**	**114,460**	**(66,966)**	**(82,713)**	**(83,877)**	**400,630**

Loans commitments and financial guarantees

In the ordinary course of business, the Group issues financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognized in the financial statements at fair value, in ‘Other liabilities’, being the premium received. Subsequent to initial recognition, the Group financial guarantees are measured at the higher of the amount of the loss allowance determined as expected credit loss under IFRS 9 and the amount initially recognized less any cumulative amortization recognized in line with IFRS 15.

Any increase in the liability relating to financial guarantees is taken to the statements of income and expenses in ‘Net impairment loss from financial instruments’ and in the statements of financial position in ‘Provisions’. The premium received is recognized in the statements of comprehensive income in ‘Net fees and commission income’ on a straight line basis over the life of the guarantee.

Letters of guarantee which do not meet the definition of a financial guarantee (performance guarantees, advance payment guarantees, bid guarantees, etc.) are treated as loan commitments under the measurement scope of IFRS 9. Therefore, the measurement requirements of IFRS 9 for commitment fees that are not integral part of EIR are applied for the premiums received, recognized in the statements of comprehensive income in ‘Net fees and commission income’ on time proportionate basis over the commitment period.

Litigations

38. Litigations and contingent liabilities

Undrawn loan commitments

Undrawn loan commitments represent contractual commitments to grant loans and revolving credits. Commitments generally have fixed expiry dates or other termination clauses. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

At the same time, the potential credit loss is less than the total unused commitments since most commitments to extend credit are contingent until the customers maintain specific standards. The Group monitors the maturity of credit commitments as longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

In the case of irrevocable commitments, the Bank undertakes to make available to the client, at any time during the contract period, the amount mentioned in the contract.

38. Litigations and contingent liabilities *(continued)*

Legal claims

As of 31 December 2024, the Bank was involved in the normal course of its business in a number of 1,627 litigations as defendant (31 December 2023: 1,724).

In the opinion of management, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amount provided at 31 December 2024.

The impact of the control mission of the Romanian Court of Accounts on BCR Banca pentru Locuinte SA ("BCR BpL") and subsequent legal proceedings towards Ministry of Development (MoD)

In 2015, the Romanian Court of Accounts (hereinafter referred to as "the CoA") conducted a control mission at BCR BPL on the subject of allocated state premium. Following this control mission, CoA issued the Decision no. 17 on 10 December 2015 ("Decision 17") which has been contested by BCR BpL, but the bank lost the case at High Court of Justice on 21st of June 2019.

On 21st January 2022, BCR BpL paid to the Ministry of Development the undue state premium considered by CoA as damage in amount of RON 432,699 thousand. As such, BCR BpL has fully implemented the measures imposed by CoA Decision no.17, as maintained by HCCJ Decision of 21 June 2019.

Procedures at European Court for Human Rights (ECHR): legal action for damages – BCR BpL vs Romania: ECHR communicated its resolution on 11 January 2024: declared the application inadmissible. The Court's ruling did not address the core of BCR BpL's allegations (right to a fair trial, right to property and non-discrimination of clients), but it based its decision on the adherence of the Romanian authorities to the formal process of delivering justice.

Following the payment on 21 January 2022 of the principal obligation and based on the special provisions of Government Emergency Ordinance no. 69/2020 on several fiscal measures, extension of certain deadlines, introduction of certain tax incentives and amendment of certain regulatory acts ("OUG no. 69/2020"), BCR BpL has also initiated legal actions to benefit from the cancellation of accessory budgetary obligations (i.e. interest and penalties accrued to the principal obligation for the period elapsed between date when the state premiums were cashed in and the date when BCR BpL reimbursed the state premium to MoD), based on the provisions of this special regulatory act (OUG 69/2020). Due to the refusal of MoD and the fact that the MoD has requested the payment of the accessories, the bank initiated the legal actions against the MoD.

On 5 December 2022 MoD communicated to BCR BpL a distinct decision to pay the accessory obligations, which were set in the amount of RON 388,919 thousand. According to the MoD Ancillary Decision, BCR BpL had the obligation to pay this amount within 30 days of receipt of the MoD Decision, i.e. by 5 January 2023. Failure to pay the amount within the deadline being likely to lead to the initiation of enforcement by ANAF - General Division for the Administration of Large Taxpayers.

Therefore, the value of the tax obligation, communicated through MoD Ancillary Decision in the amount of RON 388,919 thousand was reflected in the 2022 financial statements of BCR BpL as a definite liability.

Considering the refusal of MoD to grant amnesty on the basis of GEO 69/2020 as unjustified, BCR BpL took all legal action to obtain the amnesty / cancellation of the accessories.

In the main litigation the court ordered MoD to review and to settle the amnesty application on the merits, decision which became final on 18 April 2024 when HCCJ rejected MoD recourse.

Following the spring favorable HCCJ ruling and a subsequent review of BCR BpL's amnesty application, MoD has issued the amnesty decision, received by BpL at the end of September 2024. A final resolution on the matter can only be considered after a lapse of 12 months since the decision was issued, because during this period, MoD or other third parties can still challenge the decision.

BFP Litigation

On 23 December 2016, the BFP has received a request filed by City Hall Bucharest to International Court of Arbitration of the International Chamber of Commerce, consisting of amounts due under the joint venture contract for the period from 2001 to 2013.

In November 2019, The International Court of Arbitration rejected the request of City Hall. Against this decision, the claimant filed an action for annulment which was rejected on October 12, 2020. The amount claim is EUR 30.24 million (RON equivalent 151.2 million). Against this decision, the claimant filed second appeal. The High Court of Justice suspended the judgement of the case until the final solution of the Constitutional Court on exception of non-constitutionality invoked by City Hall.

Up to the date of publishing these financial statements, there were no other significant updates related to the cases presented in the Financial Statements for the year ended - December 2024.

38. Litigations and contingent liabilities *(continued)*

Case corporate client vs. BCR

During 2023 – 2024, a former corporate client and, later, its main shareholder, initiated five lawsuits against BCR in which, in essence, it requested that the Bank be ordered to pay EUR 33.7 million in damages (RON equivalent 167.2 million), claiming that, based on a suretyship clause in the mortgage contract later annulled by the Bucharest Court, BCR had significantly influenced the insolvency proceedings, approving the sale of client's assets at a value below market prices and collecting undue amounts of money.

It also requested the annulment of the restructuring contract, of the acts of execution by which the guarantees were enforced, the partial annulment of the assignment contract concluded by the bank with the collection company and the repayment of RON 24.5 million, the value of the unmortgaged real estate assets sold during the insolvency proceedings.

BCR's defences are that, during the insolvency proceedings, the legal provisions enforced have been observed, in which context it cannot be obliged to pay damages and that the amount of RON 24.5 million was not collected by BCR, the holder of the claim at the date of the valuation of the guarantees being the collection company to which the claim was transferred in between.

Prior to the first litigation, the former client initiated other 2 disputes, requesting, in essence, the partial annulment of the assignment contract concluded by the bank with the collection company and the annulment of all subsequent acts and contracts, including the acts of execution by which the guarantees were enforced (one litigation is pending – solved in favour of the bank in first instance and in appeal – the plaintiff filed recourse, and in the second one the proceedings are suspended pending the resolution of the first case).

The two pending cases in which it was requested that BCR be obliged to pay damages are, the first one, in the first instance and the second in the appeal phase (solved in favour of BCR in the first instance). The court decisions pronounced in the first court are not enforceable and those to be pronounced in the appeal will not be final. The solutions in the other cases can only influence BCR’s position in the two cases involving claims against BCR.

In December 2023, a provision in amount of RON 24.5 million has been established by BCR for these disputes. As of December 2024, there have been no changes in this respect.

Tax related litigation

Transfer Pricing and related withholding tax

The litigations initiated by the Bank following the results of the tax audit for the period 2012 -2015 are still on going, no decision being rendered on the merits neither in the national suits nor in the EUAC proceedings. However the amounts required by fiscal authorities were already paid.

Impairment of shares held in subsidiaries

In 2017, during the tax audit performed by the tax authorities, the Management of the Bank requested deductibility of the expenses generated by the impairment of shares in subsidiaries booked for the period 2012 – 2015, considering the provisions of the Tax Code applicable for these periods. Despite all the arguments put forward by the Bank, the tax authorities considered that the expenses incurred by the Bank during the audited period related to the impairment of its shares held in subsidiaries are not deductible.

In 2017, the Bank challenged in court the Romanian Tax Authority’s resolution on this topic, legal proceedings being ongoing as of March 2024.

According to the external lawyers’ opinion and based on the available information and analysis, the Bank’s Management appreciates that there are more likely than not chances for a favourable solution against the Romanian tax authorities.

Based on specialists’ opinion mentioned above and the provisions of IAS 12 - Income Taxes, the Bank recognized in 2017 an asset of the nature of the income tax, in relation to the expenses with the impairment of shares in subsidiaries booked for the period 2012 – 2015.

The aforementioned asset was subject to successive independent evaluations in the period that followed. In December 2023, the Bank adopted a prudent approach and decided to reverse this asset, considering the uncertainty as to the timing of the final resolution in the Court and there was not much progress over a period of more than 5 years.

Despite this reversal, the Management Board maintains its opinion of favourable solution in this litigation.

Chapter 10 – Capital instruments, equity and reserves

39. Total equity

The statutory share capital of the Bank as at 31 December 2024 is represented by 16,253,416,254 ordinary shares (equal voting rights) of RON 0.10 each (31 December 2023: 16,253,416,254 ordinary shares of RON 0.10 each). The shareholders of the Bank are as follows:

	2024		2023	
	Number of shares	Percentage holding (%)	Number of shares	Percentage holding (%)
Erste Group Bank AG	16,235,553,342	99.8901%	16,235,530,563	99.8900%
SC Actinvest SA	226,802	0.0014%	226,802	0.0014%
FDI Certinvest Dinamic	13,699	0.0001%	13,699	0.0001%
BCR Leasing SA	109	0.0000%	109	0.0000%
Lion Capital SA"&A9	-	0.0000%	1	0.0000%
Longshield Investment Group SA	-	0.0000%	1	0.0000%
Individuals	17,622,302	0.1084%	17,645,079	0.1086%
Total	**16,253,416,254**	**100.0000%**	**16,253,416,254**	**100.0000%**

The effect of hyperinflation on the share capital of the Bank is presented below:

in RON thousands	2024	2023
Share capital before the effect of hyperinflation	1,625,342	1,625,342
IAS 29 hyperinflation adjustment recorded in prior years (i.e. until 31 December 2003)	1,327,223	1,327,223
Share capital	**2,952,565**	**2,952,565**

Additional equity instruments

BCR issued Additional Tier 1 notes (AT1 bonds) in September 2022, with a volume of EUR 150m. AT1 bonds are unsecured and subordinated bonds, they are perpetual and can be cancelled only by the issuer at predetermined dates. AT1 bonds include discretionary non-cumulative coupon payments, which allows them to be classified as equity under IFRS.

If common equity tier 1 ratio of BCR Group or BCR falls below 7.00% (i.e. a trigger event occurs) the principal amount will be written down on a temporary basis. The issuer may, at its sole discretion, write up the amount (fully or partially) provided a positive profit has been recorded and the trigger event no longer exists.

Other reserve

The legal reserves require the transfer in a reserve fund of 5% of the net profit of the Bank up to minimum 20% of the Bank's share capital. As of 31.12.2024, the legal reserve was in amount of RON 569,355 thousands.

The reserve representing the fund for the general banking risks was allocated from the pre-tax accounting profit of the Bank starting with financial year 2004 until the end of financial year 2006 calculated as 1% of the banking risk assets. As of 31.12.2024, the general banking risk reserve was in amount of RON 267,673 thousands.

The general reserve for credit risk was allocated from the pre-tax accounting profit of the Bank until the end of financial year 2004 until it reached the level 2% from the balance of the loans granted. As of 31.12.2024, the general reserve for credit risk was in amount of RON 162,935 thousands.

Other reserves are in amount of RON 369,166 thousands. In the statements of financial position, the share premiums are presented in the line 'Other reserves' together with the above reserves.

Chapter 11 – Scope of consolidation

40. Subsidiaries

All entities directly or indirectly controlled by Banca Comercială Română SA are consolidated in the Group financial statements on the basis of their annual accounts as of year-end. The financial statements of the subsidiaries are prepared for the same reporting year as for the Bank, using consistent accounting policies.

The Bank measures investments in subsidiaries at cost.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full as well as unrealised gains and losses and dividends are eliminated. Subsidiaries are fully consolidated from the date on which control is transferred to the Bank until the date when control is lost. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the relevant activities of the investee. Relevant activities are those which most significantly affect the variable returns of an entity.

The Bank has the following entities consolidated in the financial statements of the Group as at 31 December 2024:

Company's name	Country of incorporation	Nature of the business	Shareholding 2024	Shareholding 2023	Gross Book Value	Net Book Value	Impairment
BCR Leasing IFN SA	Romania	Financial leasing	99.97%	99.97%	389,492	389,492	-
BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private SA	Romania	Pension Fund	99.99%	99.99%	269,820	221,979	47,841
BCR Banca pentru Locuinte SA	Romania	Banking	99.99%	99.99%	948,578	-	948,578
Suport Colect SRL	Romania	Workout	99.99%	99.99%	983,047	-	983,047
BCR Payments Services SRL	Romania	Payments transactions	99.99%	99.99%	1,900	1,900	-
BCR Fleet Management SRL (i)	Romania	Operational leasing	99.97%	99.97%	-	-	-
BCR Chisinau SA (ii)	Moldova	Banking	0.00%	100.00%	-	-	-
Total					**2,592,837**	**613,371**	**1,979,466**

(i) Company held indirectly by BCR through BCR Leasing SA; and included in consolidation perimeter;
(ii) Company reclassified as Asset Held for Sale starting with December 2022 and deconsolidated in January 2024 when the selling process ended.

Impairment of subsidiaries

The Bank reviews its holdings in subsidiaries at each reporting date and whenever a trigger of impairment has appeared, in order to assess whether there is objective evidence that the investment in the subsidiary is impaired. If there is such evidence, the Bank calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value (higher of fair value less costs to sell and value in use), then, recognizes the loss under Other Operating Result in the statements of profit or loss.

Based on business specifics, specific valuation methods are applied for each subsidiary, such as Dividend Discount Model, Discounted Cash Flows model. The calculation of Fair Value and Value in Use for subsidiaries is most sensitive to discount rates and financial projections (budgets) used.

The movement in Subsidiaries' net book value is presented below:

in RON thousands	Bank
Balance as of 01.01.2023	**500,943**
Net impairment of subsidiaries	87,162
Balance as of 31.12.2023	**588,105**
Balance as of 01.01.2024	**588,105**
Net impairment of subsidiaries	25,266
Balance as of 31.12.2024	**613,371**

At 31 December 2024, the release of impairment for investments in subsidiaries was in amount of RON 25,264 thousand, consisting of RON impairment release for BCR Pensii.

The release of impairment for BCR Pensii is due mainly to increase of future estimated profits, due both to the increase in volume of managed assets, and especially to the increase in commission percentages charged as a result of the improvement in the ratio between investment performance and inflation, thus a higher recoverable amount is obtained using compared to last year estimation.

40. Subsidiaries *(continued)*

The existing impairment booked at the Bank level for Subsidiaries is presented below:

in RON thousands	2024	2023
Suport Colect SRL	(983,047)	(983,047)
BCR Banca pentru Locuinte SA	(948,578)	(948,578)
BCR Chisinau SA	-	(145,290)
BCR Fond de Pensii	(47,841)	(73,105)
Total	**(1,979,466)**	**(2,150,020)**

The recoverable amount of the subsidiaries has been determined as the higher of fair value (FV) less costs of sale and value in use (ViU), generally using long term financial projections. In accordance with IAS 36 par 50, the ViU was calculated on a pre-tax basis (before corporate taxes).

Based on current business specifics, simplified income approach method was applied.

The calculation of FV and ViU for subsidiaries is most sensitive to discount rates and financial projections (budgets) used and zero growth rate considered.

Discount rates

The discount rates used were determined based on specific parameters (e.g. risk free rate, market risk premium, country risk premium, BETA rates, inflation spread) estimated for commercial banking industry and other financial services based on industry research.

The projected inflation rates are based on published industry research (median values of three sources of research).

Cost of equity (CoE) / Weighted average cost of capital (WACC)	Value in use 2024	Value in use 2023
Local subsidiaries	13.18%	13.27%
Foreign subsidiaries	n/a	n/a

Financial Projections

The financial projections are based on financial budgets, covering a five–year period.

For companies operating in a tight regulatory environment regarding capital adequacy (i.e. banks and leasing companies), the distributions resulting from the financial projections were adjusted in order to take into account the maximum capital distributions allowed in order to keep the targeted solvency position.

Sensitivity to changes in assumptions at Bank’s level for all subsidiaries

in RON thousands	2024	2023
Impact in the Statements of Comprehensive Income: income/ (expense)		
Cost of equity/ Weighted average cost of capital increases by 10%	(53,453)	(51,219)
Cost of equity/ Weighted average cost of capital decreases by 10%	64,897	61,977
Net cash-flows increase by 10%	61,283	60,485
Net cash flows decrease by 10%	(61,283)	(60,485)

BCR Chisinau

The process of selling of subsidiary was finalised in January 2024. Starting with January 2024 it is not included in the consolidated perimeter of BCR Group.

BCR Banca pentru Locuinte

In accordance with IAS 1 “Presentation of financial statements”, paragraph 25, when preparing financial statements, management should perform an assessment of an entity’s ability to continue as a going concern.

As of 31 December 2024, the management of BCR BpL assessed that the going concern assumption remains not appropriate, considering all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

40. Subsidiaries *(continued)*

As a result of this assessment the management concluded that the financial statements as of 31 December 2024 should be prepared under the non-going concern assumption due to the following events and reasons that have an irreversible impact on the Bank's activity:

- following the control mission of the CoA on the BCR BpL's activity as presented in Note 38, BCR BpL was determined by both CoA report and HCCJ decision to stop the sale of savings-credit contracts starting March 2016 and stop granting "Fix for House", "Intermediate" and "Anticipatory" loans starting September 2019;
- the zero loans' portfolio balance as at the end of 2024, further to the assignment of the BCR BpL loan portfolio, considering the economic and prudential business reasons, as well as the BCR BpL's strategic objectives, achieved through an internal project initiated in 2022, rolled out in phases, and finalized in the second quarter of 2024;
- the significant downward trend of the customers' Deposits, from RON 167,380 thousand, as of 31 December 2023 to RON 88,599, as of 31 December 2024, this decline being explained by the fact that BCR BpL has not signed new saving-credit contracts since 2016, the minimum saving period of 5 years for the saving deposits has already passed and a significant part of the existing saving-credit contracts are closed at the customers' initiative or due non-compliance with existing terms and conditions. The 2025 budget and 2026-2029 forecast are structured on a declining trend, so that in 2028 the saving deposits portfolio will be depleted, the clients having a period of maximum 2 years timeframe for justifying the state premium received from the state;
- prudential indicators such as own funds, solvency ratio and liquidity ratio calculated as of 31 December 2024, as well as the budgeted ones for 2025 indicates full compliance with regulatory thresholds imposed by the NBR.

BCR BpL has therefore founded its non-going concern assessment for the preparation of the financial statements as of 31 December 2024 on the significantly limitation of the operations, significant downward trend of the deposits' portfolio, which will continue until 2028.

Net asset of the company as of 31st December 2024 is RON 73,134 thousand (2023: RON 55,826 thousands).

BCR Fleet Management

As at December 2021, the Management Board of BCR Fleet Management has evaluated the overall situation of the company and concluded that the appropriate approach is to prepare its financial statements for 2021 on a non-going concern basis because it ceased concluding new lease contracts and consequently to wind down the remaining portfolio.

In 2022, BCR Fleet Management has concluded the partial portfolio sale to a third party under the form of a Business Transfer Agreement having in scope all the passenger cars and light commercial vehicles in BCR Fleet Management portfolio (approx. 4,000 assets with net book value of RON 190,958 thousands).

As at December 2024, the Management Board of BCR Fleet Management has evaluated the overall situation of the company and concluded that the appropriate decision is to maintain the same approach as in the previous year and to prepare its financial statements for 2024 on a non-going concern basis because the largest part of its portfolio was sold and the rest of it is subject to a run down strategy. For remaining assets impairment test was performed at December 31st 2024. Net asset of the company as of 31st December 2024 is RON 21,600 thousands (2023: RON 27,780 thousands).

Suport Colect SRL

The Management has evaluated the overall situation of the company and concluded that it is appropriate to maintain the same approach as in the previous years and to prepare its financial statements for 2024 on a non-going concern basis.

The main arguments taken into consideration are as follows:

- the entity has no new business for some time and has no intention to acquire any, the only activity relates to receivables acquired in the past (i.e., "cease trading" condition in IAS 10.14 is fulfilled);
- there is an obvious intention of the management to liquidate the company in the future proved by the approved budgets which no longer considered the company from 2025 onwards (IAS 1.25).

Net asset of the company as of 31st December 2024 is RON 42,482 thousands (2023: RON 95,812 thousands).

41. Investments in joint ventures and associates

Investments in associates and joint ventures are accounted for using the equity method. Under the equity method, an interest in an associate or joint venture is recognised on the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of the net assets of the entity. The Group's share of the associate's or joint venture's result is recognised in the consolidated statements of income in line item Net result from equity method investments. The line item contains the result from associates and joint ventures recorded by applying the equity method (measured as the investor's share of profit or loss in the associates and joint ventures). However, impairment losses, reversal of impairment losses and realised gains and losses on investments in associates or joint ventures accounted for using the equity method are reported under the line item 'Other operating result'.

In the case of BCR Group, all equity method investments are direct or indirect investments in associates and joint ventures over which the Group exercises significant influence or joint control stemming from voting power greater than 20% up to 50%.

The Bank has a 49% interest in BCR Social Finance IFN SA whose main role is to provide loans to customers, acquired in 2019. On 30 September 2020, the Bank entered with other investors into a transaction involving the share capital increase of CIT One S.R.L. ('CIT One'), pursuant to which the other investors become shareholders in CIT One, with equal shareholding of 33.33%, maintaining the same activity, cash processing and transportation.

The Bank's interest in these two companies is accounted for using the equity method in the consolidated financial statements. There is no quoted market price for these investments.
The below table presents the book value at Group level of investment in associates and joint ventures.

	Group	
in RON thousands	**2024**	**2023**
Other financial corporations	13,307	10,986
Non-financial corporations	25,531	19,022
Total	**38,838**	**30,008**

The table below shows the aggregated financial information of entities measured at equity method:

	BCR Social Finance IFN		CIT One	
in RON thousands	**2024**	**2023**	**2024**	**2023**
Total assets	280,758	218,355	155,287	146,869
Total liabilities	253,601	195,931	78,694	89,804
Total equity	**27,157**	**22,424**	**76,593**	**57,065**
Proportional of the Group's ownership	49.00%	49.00%	33.33%	33.33%
Carrying amount of the investment (balance)	**13,307**	**10,986**	**25,531**	**19,022**
in RON thousands				
Income	50,568	36,914	317,473	271,446
Expenses	(45,021)	(34,896)	(291,557)	(253,225)
Income tax expenses	(809)	(243)	(6,387)	(2,421)
Profit/loss	**4,738**	**1,775**	**19,529**	**15,800**
Proportional of the Group's ownership	49.00%	49.00%	33.33%	33.33%
Carrying amount of the investment (movement in the year)	**2,322**	**870**	**6,509**	**5,266**

Chapter 12 – Other disclosure matters

42. Segment reporting

BCR Group segment reporting is based on IFRS 8 Operating Segments, which adopts the management approach. Accordingly, segment information is prepared based on internal management reporting that is regularly reviewed by the chief operating decision maker to assess the performance of the segments and make decisions regarding the allocation of resources. Within BCR Group the function of the chief operating decision maker is exercised by the Management Board.

Business segmentation

BCR Group segment reporting comprises four Group operating segments reflecting BCR Group's management structure.

Retail. The Retail segment comprises the business activities which are in the responsibility of account managers in the Retail network. Targeted customers are mainly privates, micros, and free professionals. This business is mainly operated by BCR parent bank in cooperation with its subsidiaries such as Leasing, Asset Management with the focus on simple products ranged from loans, investment products, current accounts, savings products, to credit cards and cross selling products such as leasing, insurance, building society products.

Corporates. The Corporates segment comprises business done with corporate customers of different turnover size (small and medium-sized enterprises and Large Corporate customers) as well as commercial real estate and public sector business.

Group Markets. The Group Markets (GM) segment comprises trading and markets services as well as customer business with financial institutions. It includes all activities related to the trading books of BCR Group, including the execution of trade, market making and short-term liquidity management. In addition, it comprises business connected with servicing financial institutions as clients.

Asset/Liability Management & Corporate Centre. The Asset/Liability Management & Corporate Centre (ALM & CC) segment includes all asset/liability management functions – as well as the corporate centre which comprises all non-core banking business, intragroup eliminations within BCR partial group, dividends, refinancing costs of participations, all non-banking balance sheet positions which cannot be allocated to other business segments as well as the profit and loss positions resulting from these balance sheet items. Apart from that the Corporate Centre includes the reconciliations to the accounting result. This segment comprises also free capital which is defined as the difference of the total average IFRS equity and the average economical equity allocated to all operating segments.

Measurement

The profit and loss statements of the BCR Segment report is based on the measures reported to the Management Board for the purpose of allocating resources to the segments and assessing their performance.

Capital consumption per segment is regularly reviewed by the management of BCR Group to assess the performance of the segments. The average allocated capital is determined by the credit risk, market risk, operational risk, and business strategic risk.

According to the regular internal reporting to Management Board, total assets, and total liabilities as well as risk weighted assets and allocated capital are disclosed per segment.

For measuring and assessing the profitability of segments within BCR Group, such key measures as return on allocated capital and cost/income ratio are used.

42. Segment reporting *(continued)*

Return on allocated capital is defined as net result for the period before minorities in relation to the average allocated capital of the respective segment. Cost/income ratio is defined as operating expenses (general administrative expenses) in relation to operating income (total of net interest income, net fee and commission income, dividend income, net trading result, gains/losses from financial instruments measured at fair value through profit or loss, and fair value result, net result from equity method investments, rental income from investment properties and other operating lease).

In order to split the Group results on business lines the following subsidiaries are allocated entirely on Retail segment: BCR Pensii SAFPP, Banca pentru Locuinte, Suport Colect and some of the consolidation adjustments; BCR Chisinau is allocated on Corporate segment; starting 2023, BCR Leasing is allocated on business segments in accordance with clients' profit centres (Corporate segments account around 70% while retail segment 30%). Intragroup eliminations and the rest of the consolidation adjustments are allocated on Local Corporate Centre.

BCR operates entirely in Romania, the only business done outside Romania was performed by BCR Chisinau which was sold in January 2024. There is no other geographical steering information used by BCR management.

Throughout the following tables related to Segment Reporting, the net trading result includes the following positions presented in the statements of income:

- Net trading result;
- Result from financial assets and liabilities designated at fair value through profit or loss;
- Foreign currency translation.

					2024
in RON thousands	**Group**	**Retail**	**Corporates**	**ALM & Local Corporate Center**	**GM**
Net interest income	4,400,976	2,075,817	1,274,190	970,000	80,969
Net fee and commission income	1,128,180	780,409	302,134	(13,085)	58,722
Dividend income	6,192	3,889	-	2,303	-
Net trading result	487,915	185,628	140,983	15,713	145,591
Gains/(losses) from non-trading financial instruments mandatorily measured at fair value through profit or loss	24,723	7,482	-	17,241	-
Foreign currency translation	4,371	-	-	4,371	-
Net result from equity method investments	8,831	-	-	8,831	-
Rental income from investment properties and other operating leases	34,543	-	28,925	5,618	-
General administrative expenses	(2,270,848)	(1,753,995)	(435,992)	(34,084)	(46,777)
Gains/(losses) from derecognition of financial assets measured at amortised cost	(26,881)	-	(3,170)	(23,711)	-
Other gains/(losses) from derecognition of financial instruments not measured at fair value through profit or loss	(4,127)	-	-	(4,127)	-
Net impairment gain/ (losses) on financial instruments	(106,342)	(128,808)	1,435	11,690	9,341
Other operating result	(400,038)	(96,837)	(108,026)	(189,535)	(5,640)
Pre-tax result from continuing operations	**3,287,495**	**1,073,585**	**1,200,479**	**771,225**	**242,206**
Net profit of the year	**3,287,495**	**1,073,585**	**1,200,479**	**771,225**	**242,206**
Taxes on income	(520,072)	(171,424)	(193,236)	(116,659)	(38,753)
Net result for the year	**2,767,423**	**902,161**	**1,007,243**	**654,566**	**203,453**
Net result attributable to non-controlling interests	8	-	-	8	-
Net result attributable to owners of the parent	**2,767,415**	**902,161**	**1,007,243**	**654,558**	**203,453**
Operating Income	6,095,731	3,053,225	1,746,232	1,010,992	285,282
Operating Expense	(2,270,848)	(1,753,995)	(435,992)	(34,084)	(46,777)
Operating Result	**3,824,883**	**1,299,230**	**1,310,240**	**976,908**	**238,505**
Cost Income Ratio	37.25%	57.45%	24.97%	3.37%	16.40%

* All intercompany eliminations are included in the Local Corporate Centre

ALM result is quite balanced. Revenue from ALM segment is determined by the revenues derived from managed assets, however reduced with the effects of intersegment revenue allocation (between Business lines).

42. Segment reporting *(continued)*

in RON thousands	Group	Retail	Corporates	ALM & Local Corporate Center	GM
					2023
Net interest income	3,656,406	1,969,435	1,138,388	511,006	37,577
Net fee and commission income	1,012,615	668,762	307,117	(20,141)	56,877
Dividend income	5,103	-	88	5,015	-
Net trading result	539,745	165,436	159,766	23,118	191,425
Gains/(losses) from non-trading financial instruments mandatorily measured at fair value through profit or loss	2,874	(5,897)	-	8,771	-
Foreign currency translation	8,991	-	-	8,991	-
Net result from equity method investments	6,136	-	-	6,136	-
Rental income from investment properties and other operating leases	43,796	-	35,106	8,690	-
General administrative expenses	(2,067,007)	(1,568,340)	(408,333)	(48,120)	(42,214)
Other gains/(losses) from derecognition of financial instruments not measured at fair value through profit or loss	(2,282)	-	-	(2,282)	-
Net impairment gain/ (losses) on financial instruments	(46,308)	108,963	(187,707)	28,134	4,302
Other operating result	(165,045)	(16,252)	(82,032)	(62,091)	(4,670)
Pre-tax result from continuing operations	**2,995,024**	**1,322,107**	**962,393**	**467,227**	**243,297**
Taxes on income	(673,800)	(210,591)	(153,343)	(270,939)	(38,927)
Net result for the year	**2,321,224**	**1,111,516**	**809,050**	**196,288**	**204,370**
Net result attributable to non-controlling interests	8	-	-	8	-
Net result attributable to owners of the parent	**2,321,216**	**1,111,516**	**809,050**	**196,280**	**204,370**
Operating Income	5,273,384	2,797,736	1,640,465	549,304	285,879
Operating Expense	(2,067,007)	(1,568,340)	(408,333)	(48,120)	(42,214)
Operating Result	**3,206,377**	**1,229,396**	**1,232,132**	**501,184**	**243,665**
Cost Income Ratio	39.20%	56.06%	24.89%	8.76%	14.77%

* All intercompany eliminations are included in the Local Corporate Centre

in RON thousands	Group	Retail	Corporates	ALM & Local Corporate Center	GM
					2024
Assets					
Cash and cash equivalents	10,642,241	3,166,089	16,520	7,259,698	199,934
Financial assets held for trading	1,912,779	-	-	57,910	1,854,869
Derivative financial instruments held for trading	187,806	-	-	57,910	129,896
Debt securities held for trading	1,724,973	-	-	-	1,724,973
Non-trading financial assets mandatorily at fair value through profit or loss	87,862	30,964	-	56,898	-
Equity instruments	75,345	30,964	-	44,381	-
Debt securities	12,517	-	-	12,517	-
Financial assets at fair value through other comprehensive income	12,767,715	-	-	12,767,715	-
Debt securities	12,767,715	-	-	12,767,715	-
Financial assets at amortised cost	90,038,137	33,343,607	26,972,339	24,324,095	5,398,096
Debt securities	20,623,315	126,262	111,420	20,385,633	-
Loans and advances to banks	6,004,729	649,451	-	3,833,969	1,521,309
Loans and advances to customers	63,410,093	32,567,894	26,860,919	104,493	3,876,787
Finance lease receivables	2,321,385	-	885,922	1,435,463	-
Property and equipment	1,029,795	6,649	88,314	934,832	-
Investment property	112,198	-	-	112,198	-
Intangible assets	496,946	5,564	-	491,382	-
Investments in joint ventures and associates	38,838	-	-	38,838	-
Current tax assets	139	-	139	-	-
Deferred tax assets	92,230	435	-	91,795	-
Assets held for sale and disposal group	729	-	-	729	-
Trade and other receivables	1,002,936	16,859	473,352	327,695	185,030
Other assets	261,005	67,784	5,024	188,123	74
Total assets	**120,804,935**	**36,637,951**	**28,441,610**	**48,087,371**	**7,638,003**
Liabilities and Equity					
Financial liabilities held for trading	133,740	-	-	6,071	127,669
Derivative financial instruments held for trading	133,740	-	-	6,071	127,669
Financial liabilities measured at amortised cost	104,405,296	55,508,057	38,422,626	7,502,626	2,971,987
Deposits from banks	1,174,726	1,343,435	3,377,040	(4,261,488)	715,739
Borrowings and financing lines	533,268	-	-	533,268	-
Deposits from customers	91,007,840	53,973,591	34,950,925	(57,535)	2,140,859
Debt securities issued	10,407,030	-	-	10,407,030	-
Other financial liabilities	1,282,432	191,031	94,661	881,351	115,389
Lease liabilities	500,390	-	-	500,390	-
Provisions	788,313	371,946	303,943	108,795	3,629
Current tax liabilities	42,508	2,803	-	39,705	-
Deferred tax liabilities	25,177	-	-	25,177	-
Other liabilities	919,357	403,937	51,455	459,916	4,049
Total equity	**13,990,154**	**3,290,902**	**3,426,100**	**6,921,957**	**351,195**
Total liabilities and equity	**120,804,935**	**59,577,645**	**42,204,124**	**15,564,637**	**3,458,529**

* All intercompany eliminations are included in the Local Corporate Centre

42. Segment reporting *(continued)*

in RON thousands	Group	Retail	Corporates	ALM & Local Corporate Center	GM
					2023
Assets					
Cash and cash equivalents	16,763,792	3,273,553	284,314	13,205,925	-
Financial assets held for trading	701,088	-	-	11,641	689,447
Derivative financial instruments held for trading	135,678	-	-	11,641	124,037
Debt securities held for trading	565,410	-	-	-	565,410
Non-trading financial assets mandatorily at fair value through profit or loss	79,363	23,482	262	55,619	-
Equity instruments	59,350	23,482	262	35,606	-
Debt securities	20,013	-	-	20,013	-
Financial assets at fair value through other comprehensive income	10,135,530	-	80,352	10,055,178	-
Debt securities	10,135,530	-	80,352	10,055,178	-
Financial assets at amortised cost	74,818,710	29,612,145	26,605,014	18,298,659	302,892
Debt securities	17,495,369	119,812	226,645	17,148,912	-
Loans and advances to banks	2,125,746	762,829	-	1,351,949	10,968
Loans and advances to customers	55,197,595	28,729,504	26,378,369	(202,202)	291,924
Finance lease receivables	2,022,555	487,638	1,592,457	(57,540)	-
Property and equipment	1,025,930	7,650	133,479	884,801	-
Investment property	133,035	-	-	133,035	-
Intangible assets	454,257	4,936	343	448,978	-
Investments in joint ventures and associates	30,008	-	-	30,008	-
Current tax assets	1,110	1,110	6,819	(6,819)	-
Deferred tax assets	118,404	504	273	117,627	-
Assets held for sale and disposal group	745,408	-	-	745,408	-
Trade and other receivables	1,522,407	16,152	425,752	964,772	115,731
Other assets	299,193	55,490	16,535	226,825	343
Total assets	**108,850,790**	**33,482,660**	**29,145,600**	**45,114,117**	**1,108,413**
Liabilities and Equity					
Financial liabilities held for trading	165,467	-	-	38,939	126,528
Derivative financial instruments held for trading	165,467	-	-	38,939	126,528
Financial liabilities measured at amortised cost	93,239,094	49,453,627	32,072,977	9,219,453	2,493,037
Deposits from banks	998,503	1,248,810	3,051,838	(3,708,783)	406,638
Borrowings and financing lines	650,435	-	-	650,435	-
Deposits from customers	78,481,853	47,993,585	28,969,083	(483,273)	2,002,458
Debt securities issued	10,170,143	-	-	10,170,143	-
Other financial liabilities	2,938,160	211,232	52,056	2,590,931	83,941
Lease liabilities	449,467	6,920	61,137	381,410	-
Provisions	1,013,883	392,985	371,544	247,308	2,046
Current tax liabilities	83,339	671	2,968	79,700	-
Deferred tax liabilities	21,801	19,567	2,234	-	-
Liabilities associated with assets held for sale and disposal group	560,644	-	-	560,644	-
Other liabilities	839,541	407,273	49,072	379,577	3,619
Total equity	**12,477,554**	**2,551,602**	**3,101,824**	**6,666,547**	**157,581**
Total liabilities and equity	**108,850,790**	**52,832,645**	**35,661,756**	**17,573,578**	**2,782,811**

in RON thousands	Bank	Retail	Corporates	ALM & Local Corporate Center	GM
					2024
Net interest income	4,253,358	1,999,068	1,201,113	972,208	80,969
Net fee and commission income	1,071,921	737,565	284,300	(8,666)	58,722
Dividend income	74,078	3,889	-	70,189	-
Net trading result	487,871	183,760	136,371	22,149	145,591
Gains/(losses) from non-trading financial instruments mandatorily measured at fair value through profit or loss	24,723	7,482	-	17,241	-
Foreign currency translation	(2,074)	-	-	(2,074)	-
Rental income from investment properties and other operating leases	5,346	-	-	5,346	-
General administrative expenses	(2,179,452)	(1,695,739)	(394,567)	(42,369)	(46,777)
Gains/(losses) from derecognition of financial assets measured at amortised cost	(26,881)	-	(3,170)	(23,711)	-
Other gains/(losses) from derecognition of financial instruments not measured at fair value through profit or loss	(4,127)	-	-	(4,127)	-
Net impairment gain/ (losses) on financial instruments	(66,482)	(121,808)	30,724	15,261	9,341
Other operating result	(354,175)	(107,062)	(89,910)	(151,563)	(5,640)
Pre-tax result from continuing operations	**3,284,106**	**1,007,155**	**1,164,861**	**869,884**	**242,206**
Net profit of the year	**3,284,106**	**1,007,155**	**1,164,861**	**869,884**	**242,206**
Taxes on income	(502,354)	(161,145)	(186,378)	(116,078)	(38,753)
Net result for the year	**2,781,752**	**846,010**	**978,483**	**753,806**	**203,453**
Operating Income	5,915,223	2,931,764	1,621,784	1,076,393	285,282
Operating Expense	(2,179,452)	(1,695,739)	(394,567)	(42,369)	(46,777)
Operating Result	**3,735,771**	**1,236,025**	**1,227,217**	**1,034,024**	**238,505**
Cost Income Ratio	36.84%	57.84%	24.33%	3.94%	16.40%

42. Segment reporting *(continued)*

					2023
in RON thousands	**Bank**	**Retail**	**Corporates**	**ALM & Local Corporate Center**	**GM**
Net interest income	3,476,006	1,889,505	1,042,812	506,112	37,577
Net fee and commission income	966,148	635,536	290,189	(16,454)	56,877
Dividend income	65,976	-	-	65,976	-
Net trading result	522,792	163,399	142,230	25,738	191,425
Gains/(losses) from non-trading financial instruments mandatorily measured at fair value through profit or loss	2,874	(5,897)	-	8,771	-
Foreign currency translation	6,376	-	-	6,376	-
Rental income from investment properties and other operating leases	5,455	-	-	5,455	-
General administrative expenses	(1,949,803)	(1,506,577)	(342,605)	(58,407)	(42,214)
Other gains/(losses) from derecognition of financial instruments not measured at fair value through profit or loss	(2,282)	-	-	(2,282)	-
Net impairment gain/ (losses) on financial instruments	57,884	107,647	(156,961)	102,896	4,302
Other operating result	(11,299)	(11,778)	(73,023)	78,172	(4,670)
Pre-tax result from continuing operations	**3,140,127**	**1,271,835**	**902,642**	**722,353**	**243,297**
Taxes on income	(652,784)	(203,494)	(144,422)	(265,941)	(38,927)
Net result for the year	**2,487,343**	**1,068,341**	**758,220**	**456,412**	**204,370**
Operating Income	5,043,345	2,682,543	1,475,231	599,692	285,879
Operating Expense	(1,949,803)	(1,506,577)	(342,605)	(58,407)	(42,214)
Operating Result	**3,093,542**	**1,175,966**	**1,132,626**	**541,285**	**243,665**
Cost Income Ratio	38.66%	56.16%	23.22%	9.74%	14.77%

					2024
in RON thousands	**Bank**	**Retail**	**Corporates**	**ALM & Local Corporate Center**	**GM**
Assets					
Cash and cash equivalents	10,596,154	3,116,586	-	7,279,634	199,934
Financial assets held for trading	1,912,779	-	-	57,910	1,854,869
Derivative financial instruments held for trading	187,806	-	-	57,910	129,896
Debt securities held for trading	1,724,973	-	-	-	1,724,973
Non-trading financial assets mandatorily at fair value through profit or loss	87,862	30,964	-	56,898	-
Equity instruments	75,345	30,964	-	44,381	-
Debt securities	12,517	-	-	12,517	-
Financial assets at fair value through other comprehensive income	12,767,715	-	-	12,767,715	-
Debt securities	12,767,715	-	-	12,767,715	-
Financial assets at amortised cost	91,972,536	31,770,189	25,565,872	29,238,379	5,398,096
Debt securities	20,497,053	-	111,420	20,385,633	-
Loans and advances to banks	5,960,826	-	-	4,439,517	1,521,309
Loans and advances to customers	65,514,657	31,770,189	25,454,452	4,413,229	3,876,787
Finance lease receivables	15,043	-	-	15,043	-
Property and equipment	902,686	-	-	902,686	-
Investment property	112,198	-	-	112,198	-
Intangible assets	468,484	-	-	468,484	-
Investments in joint ventures and associates	25,961	-	-	25,961	-
Deferred tax assets	90,567	-	-	90,567	-
Assets held for sale and disposal group	729	-	-	729	-
Trade and other receivables	995,338	7,778	464,460	338,070	185,030
Investments in subsidiaries	613,371	-	-	613,371	-
Other assets	115,272	38,323	466	76,409	74
Total assets	**120,676,695**	**34,963,840**	**26,030,798**	**52,044,054**	**7,638,003**
Liabilities and Equity					
Financial liabilities held for trading	133,740	-	-	6,071	127,669
Derivative financial instruments held for trading	133,740	-	-	6,071	127,669
Financial liabilities measured at amortised cost	104,748,753	54,072,056	35,045,338	12,659,372	2,971,987
Deposits from banks	1,686,012	33	279	969,961	715,739
Borrowings and financing lines	127,307	-	-	127,307	-
Deposits from customers	91,281,395	53,884,993	34,950,870	304,673	2,140,859
Debt securities issued	10,407,030	-	-	10,407,030	-
Other financial liabilities	1,247,009	187,030	94,189	850,401	115,389
Lease liabilities	498,276	-	-	498,276	-
Provisions	768,162	359,741	303,943	100,849	3,629
Current tax liabilities	38,260	-	-	38,260	-
Other liabilities	475,339	4,085	50,454	416,751	4,049
Total equity	**14,014,165**	**2,927,703**	**3,231,498**	**7,503,769**	**351,195**
Total liabilities and equity	**120,676,695**	**57,363,585**	**38,631,233**	**21,223,348**	**3,458,529**

42. Segment reporting *(continued)*

					2023
in RON thousands	Bank	Retail	Corporates	ALM & Local Corporate Center	GM
Assets					
Cash and cash equivalents	16,724,913	3,228,552	-	13,496,361	-
Financial assets held for trading	701,137	-	-	11,691	689,446
Derivative financial instruments held for trading	135,727	-	-	11,690	124,037
Debt securities held for trading	565,410	-	-	1	565,409
Non-trading financial assets mandatorily at fair value through profit or loss	79,363	23,482	-	55,881	-
Equity instruments	59,350	23,482	-	35,868	-
Debt securities	20,013	-	-	20,013	-
Financial assets at fair value through other comprehensive income	10,135,530	-	-	10,135,530	-
Debt securities	10,135,530	-	-	10,135,530	-
Financial assets at amortised cost	76,486,958	28,015,874	24,953,177	23,215,015	302,892
Debt securities	17,375,556	-	133,713	17,241,843	-
Loans and advances to banks	2,142,421	-	-	2,131,453	10,968
Loans and advances to customers	56,968,981	28,015,874	24,819,464	3,841,719	291,924
Finance lease receivables	17,393	-	-	17,393	-
Property and equipment	843,919	-	-	843,919	-
Investment property	133,035	-	-	133,035	-
Intangible assets	430,798	-	-	430,798	-
Investments in joint ventures and associates	25,961	-	-	25,961	-
Deferred tax assets	115,234	-	-	115,234	-
Assets held for sale and disposal group	55,383	-	-	55,383	-
Trade and other receivables	1,511,077	7,651	415,066	972,629	115,731
Investments in subsidiaries	588,105	-	-	588,105	-
Other assets	159,277	28,992	447	129,495	343
Total assets	**108,008,083**	**31,304,551**	**25,368,690**	**50,226,430**	**1,108,412**
Liabilities and Equity					
Financial liabilities held for trading	165,467	-	-	38,939	126,528
Derivative financial instruments held for trading	165,467	-	-	38,939	126,528
Financial liabilities measured at amortised cost	93,548,921	48,032,770	28,501,866	14,521,248	2,493,037
Deposits from banks	1,585,724	33	255	1,178,798	406,638
Borrowings and financing lines	152,934	-	-	152,934	-
Deposits from customers	78,724,676	47,826,205	28,451,736	444,277	2,002,458
Debt securities issued	10,170,143	-	-	10,170,143	-
Other financial liabilities	2,915,444	206,532	49,875	2,575,096	83,941
Lease liabilities	448,488	-	-	448,488	-
Provisions	883,960	378,005	371,262	132,647	2,046
Current tax liabilities	82,494	-	-	82,494	-
Other liabilities	393,487	3,483	39,589	346,796	3,619
Total equity	**12,485,266**	**2,349,938**	**2,587,289**	**7,390,458**	**157,581**
Total liabilities and equity	**108,008,083**	**50,764,196**	**31,500,006**	**22,961,070**	**2,782,811**

43. Return on assets and turnover information

The Bank applies the stipulations of NBR Regulation 5/2013 regarding prudential requirements for credit institutions.

Return on assets (net profit for the year divided by average total assets) was:

	Group		Bank	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Return on assets	**2.42%**	**2.25%**	**2.46%**	**2.45%**

The return on assets is calculated based on monthly average total assets and presented in accordance with Article 645 of the above mentioned regulation.

The consolidated revenues from current activity for the financial exercise ended 31 December 2024 amounts to RON 9,272,775 thousands (31 December 2023: RON 8,121,535 thousands).

The Bank revenues from current activity for the financial exercise ended 31 December 2024 amounts to RON 9,085,103 thousands (31 December 2023: RON 7,875,843 thousands).

Revenues from current activity are presented in compliance with Article 644 of the above mentioned regulation and are calculated according to National Romanian Bank Order 8/2024 and the components are described in Note 12 section Tax on Bank revenue.

44. Related-party transactions and principal shareholders

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 31 December 2024 and 2023 are detailed below. Transactions were entered into with related parties during the course of business at market rates.

Principal shareholder

All transactions were carried out at market conditions.

Transactions with management

The Group entered into a number of banking transactions with the management in the normal course of business.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. This includes the members of the Supervisory Board, Executive Committee and executive management.

Remuneration paid related to key management personnel is presented in note 6.

Transactions with subsidiaries

The Bank holds investments in subsidiaries with whom it entered into a number of banking transactions in the normal course of business. These transactions were carried out on commercial terms and conditions and at market rates.

Transactions with other related parties

The Group considers the following additional related parties: entities in which the Group owns participations, entities in which the parent or other controlling entities either have control or have participations, companies in which key management personnel have direct or indirect interests, and close family members of key management personnel.

Terms and conditions

In relation to related parties, the accounts have the following characteristics:

Current accounts were opened between September 2006 and December 2024 and the interest rate is 0%.

Loans and advances accounts were opened between September 2005 and December 2024, maturing between January 2025 and August 2047. The interest rates for corporate are between 3.89% - 9.23% depending on maturity and currency of loan. For retail interest rates are between 3.24-6.08% for fixed interest and between 7.39-19.54% variable interest for loans. Credit cards interest rates are 5%-28% fixed interest and 9.16 -20.05% variable interest.

Term deposits were opened between July 2007 and December 2024, maturing between January 2025 and January 2026, and the interest rate is fixed between 0.01%-8.00% depending on the currency and maturity of the deposit.

Loans commitments, financial guarantees and other commitments given includes revocable and irrevocable letters of guarantee, undrawn commitments for loans and credit cards granted in RON or EUR.

Loan commitments, financial guarantees and other commitments received include loan commitment from parent company.

44. Related-party transactions and principal shareholders *(continued)*

The following transactions were carried out with related parties:

Balances and off-balance exposures with related parties — Group

in RON thousands	2024 Parent	2024 Joint ventures and associates	2024 Key management personnel	2024 Other related parties	2023 Parent	2023 Joint ventures and associates	2023 Key management personnel	2023 Other related parties
Total assets	**3,163,163**	**129,808**	**6,520**	**118,212**	**736,282**	**112,180**	**4,609**	**113,970**
Cash and cash equivalents	40,468	-	-	-	64,083	-	-	-
Derivative financial instruments held for trading	97,288	-	-	-	100,332	-	-	-
Equity investments	-	25,961	-	30,964	-	25,961	-	23,482
Loans and advances	2,945,020	103,820	6,520	21,003	499,512	86,214	4,609	79,318
Loans and advances to banks	2,945,020	-	-	-	499,512	-	-	-
Loans and advances to customers	-	103,820	6,520	21,003	-	86,214	4,609	79,318
Finance lease receivables	-	-	-	1,648	-	-	-	1,825
Trade and other receivables	69,637	27	-	57,211	60,457	-	-	3,965
Other assets	10,750	-	-	7,386	11,898	5	-	5,380
Total liabilities	**2,049,401**	**16,063**	**8,940**	**350,879**	**1,851,606**	**22,332**	**9,080**	**248,287**
Financial liabilities measured at amortised cost	1,947,758	16,063	8,940	302,095	1,752,665	22,332	9,075	203,345
Deposits from banks	540,851	-	-	3,054	317,329	-	-	1,250
Deposits from customers	-	16,063	8,940	299,041	-	22,332	9,075	202,095
Borrowings and financing lines	127,307	-	-	-	153,358	-	-	-
Debt securities issued	1,279,600	-	-	-	1,281,978	-	-	-
Lease liabilities	51,452	-	-	-	48,750	-	-	-
Other liabilities	50,191	-	-	48,784	50,191	-	5	44,942
Additional equity instruments	**741,555**	-	-	-	**741,555**	-	-	-
Loans commitments, financial guarantees and other commitments given [notional amount]	**44,080**	**63,369**	**773**	**269,995**	**22,472**	**48,850**	**560**	**243,557**
Loan commitments, financial guarantees and other commitments received	**248,705**	**-**	**-**	**-**	**248,730**	**-**	**-**	**-**
Derivatives [notional amount]	**12,880,768**	**-**	**-**	**-**	**5,381,577**	**-**	**-**	**-**

Related parties: expenses and income generated by transactions with related parties — Group

in RON thousands	2024 Parent	2024 Joint ventures and associates	2024 Key management personnel	2024 Other related parties	2023 Parent	2023 Joint ventures and associates	2023 Key management personnel	2023 Other related parties
Interest income	90,181	6,528	248	2,508	117,789	85	228	3,471
Interest expenses	(111,770)	(774)	(315)	(6,595)	(118,447)	(1,807)	(319)	(5,661)
Dividend income	-	-	-	4,054	-	-	-	3,376
Fee and commission income	3,280	390	50	120,377	14,689	296	46	57,498
Fee and commission expense	(5,802)	-	-	(5,000)	(3,835)	-	-	(3,070)
Net impairment gain/ (losses) on financial instruments	2,669	218	(7)	295	2,583	211	40	36
Net trading result income/(expense)	131,005	7	104	9,645	(19,325)	6	87	(2,794)
Other operating income	-	1	-	296	24	1	1	633
Other operating expense	-	-	-	(14,066)	-	-	6	(9,385)
Profit before tax income/(expense)	**109,563**	**6,370**	**80**	**111,514**	**(6,522)**	**(1,208)**	**89**	**44,104**

BCR

NOTES TO THE FINANCIAL STATEMENTS
Consolidated and Separate for the year ended 31 December 2024

44. Related-party transactions and principal shareholders *(continued)*

Balances and off-balance exposures with related parties — **Bank**

in RON thousands	2024 Parent	2024 Subsidiaries	2024 Joint ventures and associates	2024 Key management personnel	2024 Other related parties	2023 Parent	2023 Subsidiaries	2023 Joint ventures and associates	2023 Key management personnel	2023 Other related parties
Total assets	**3,163,163**	**4,947,361**	**129,808**	**6,520**	**110,111**	**692,546**	**4,436,311**	**112,180**	**4,609**	**108,605**
Cash and cash equivalents	40,468	-	-	-	-	20,347	1,596	-	-	-
Derivative financial instruments held for trading	97,288	-	-	-	-	100,332	49	-	-	-
Equity investments	-	623,371	25,961	-	30,964	-	652,882	25,961	-	23,482
Loans and advances	2,945,020	4,310,531	103,820	6,520	21,003	499,512	3,767,924	86,214	4,609	79,318
Loans and advances to banks	2,945,020	-	-	-	-	499,512	19,780	-	-	-
Loans and advances to customers	-	4,310,531	103,820	6,520	21,003	-	3,748,144	86,214	4,609	79,318
Finance lease receivables	-	11,352	-	-	1,648	-	12,035	-	-	1,825
Trade and other receivables	69,637	2,106	27	-	57,205	60,457	3	-	-	3,965
Other assets	10,750	1	-	-	(709)	11,898	1,822	5	-	15
Total liabilities	**2,049,401**	**881,257**	**16,063**	**8,940**	**343,211**	**1,840,236**	**1,007,484**	**22,332**	**9,080**	**240,695**
Financial liabilities measured at amortised cost	1,947,758	879,448	16,063	8,940	302,095	1,741,295	1,007,479	22,332	9,075	203,345
Deposits from banks	540,851	511,308	-	-	3,054	310,376	587,243	-	-	1,250
Deposits from customers	-	368,140	16,063	8,940	299,041	-	420,236	22,332	9,075	202,095
Borrowings and financing lines	127,307	-	-	-	-	148,941	-	-	-	-
Debt securities issued	1,279,600	-	-	-	-	1,281,978	-	-	-	-
Derivative financial instruments held for trading	51,452	-	-	-	-	48,750	-	-	-	-
Other liabilities	50,191	1,809	-	-	41,116	50,191	5	-	5	37,350
Additional equity instruments	**741,555**	-	-	-	-	**741,555**	-	-	-	-
Loans commitments, financial guarantees and other commitments given [notional amount]	**44,080**	**556,750**	**63,369**	**773**	**269,995**	**22,472**	**899,356**	**48,850**	**560**	**243,557**
Loan commitments, financial guarantees and other commitments received	**248,705**	**-**	**-**	**-**	**-**	**248,730**	**-**	**-**	**-**	**-**
Derivatives [notional amount]	**12,880,768**	**-**	**-**	**-**	**-**	**5,381,577**	**104,467**	**-**	**-**	**-**
Accumulated impairment for non-performing exposures	**-**	**1,282**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Related parties: expenses and income generated by transactions with related parties — **Bank**

in RON thousands	2024 Parent	2024 Subsidiaries	2024 Joint ventures and associates	2024 Key management personnel	2024 Other related parties	2023 Parent	2023 Subsidiaries	2023 Joint ventures and associates	2023 Key management personnel	2023 Other related parties
Interest income	90,181	197,260	6,528	248	2,508	117,552	158,625	85	228	3,435
Interest expenses	(111,742)	(40,392)	(774)	(315)	(6,595)	(118,447)	(49,557)	(1,807)	(319)	(5,661)
Dividend income	-	67,886	-	-	4,054	-	60,961	-	-	3,376
Fee and commission income	3,280	2,401	390	50	113,688	14,689	609	296	46	54,221
Fee and commission expense	(5,802)	-	-	-	(5,000)	(3,835)	(8)	-	-	(3,070)
Net impairment of subsidiaries	-	25,264	-	-	-	-	97,359	-	-	-
Net impairment gain/ (losses) on financial instruments	2,669	2,877	218	(7)	295	2,583	1,067	211	40	36
Net trading result income/(expense)	131,005	81	7	104	9,645	(19,325)	(2,130)	6	87	(2,794)
Other operating income	-	5,143	1	-	175	24	5,005	1	-	310
Other operating expense	-	(83)	-	-	(11,982)	-	(314)	-	7	(7,607)
Profit before tax income/(expense)	**109,591**	**260,437**	**6,370**	**80**	**106,788**	**(6,759)**	**271,617**	**(1,208)**	**89**	**42,246**

45. Audit fees and tax consultancy fees

The following table contains audit fees and other consulting fees charged by the auditors in the financial years 2024 and 2023:

	Group		Bank	
in RON thousands	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Fees for the audit of the financial statements	3,370	3,575	2,755	2,826
Other services involving the issuance of a report	2,781	2,026	2,757	1,952
Total	**6,151**	**5,601**	**5,512**	**4,778**

46. Assets held for sale and liabilities associated with assets held for sale

Non-current assets and disposal groups held for sale

Assets classified as held for sale and assets belonging to disposal groups held for sale are reported under the balance sheet line item 'Assets held for sale'. Liabilities belonging to the disposal groups held for sale are presented on the balance sheet under the line item 'Liabilities associated with assets held for sale'.

Non-current assets and disposal groups that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Should the impairment loss in a disposal group exceed the carrying amount of the assets that are within the scope of IFRS 5 measurement requirements, there is no specific guidance on how to treat such a difference. BCR Group recognises this difference as a provision under the balance sheet line item 'Provisions'.

During 2023 the process of selling of Banca Comerciala Romana Chisinau S.A. continued , ending in January 2024. The price was settled in cash and the gain realised in 2024 was RON 1.9 million.

Net asset value of the investment in BCR Chisinau was adjusted according to the selling price and there were no material amounts in Stage 2 and 3 in Financial assets at amortised costs.

in RON thousands	31.12.2023
Assets	
Cash and cash balances	276,324
Financial assets at fair value through other comprehensive income	80,352
Financial assets at amortised cost	391,383
Other assets	17,695
Total Assets	**765,754**

Liabilities	
Financial liabilities measured at amortised cost	567,847
Other liabilities	14,727
Total Liabilities	**582,574**

47. Split between current and non-current assets and liabilities

Expected remaining maturities of assets and liabilities

				Group
	31.12.2024		31.12.2023	
in RON thousands	**Current**	**Non - current**	**Current**	**Non - current**
Cash and cash equivalents	10,642,241	-	16,763,792	-
Financial assets held for trading	1,806,792	105,987	572,671	128,417
Derivative financial instruments held for trading	81,819	105,987	7,261	128,417
Debt securities held for trading	1,724,973	-	565,410	-
Financial assets designated at fair value through profit or loss	-	87,862	-	79,363
Equity instruments	-	75,345	-	59,350
Debt securities	-	12,517	-	20,013
Financial assets at fair value through other comprehensive income	2,463,929	10,303,786	1,876,440	8,259,090
Debt securities	2,463,929	10,303,786	1,876,440	8,259,090
Financial assets at amortised cost	29,043,719	60,994,418	20,155,630	54,663,080
Debt securities	2,608,602	18,014,713	1,852,236	15,643,133
Loans and advances to banks	6,004,729	-	2,125,746	-
Loans and advances to customers	20,430,388	42,979,705	16,177,648	39,019,947
Finance lease receivables	904,680	1,416,705	687,720	1,334,835
Property and equipment	-	1,029,795	-	1,025,930
Investment property	-	112,198	-	133,035
Intangible assets	-	496,946	-	454,257
Investments in joint ventures and associates	-	38,838	-	30,008
Current tax assets	139	-	1,110	-
Deferred tax assets	-	92,230	-	118,404
Assets held for sale and disposal group	729	-	745,408	-
Trade and other receivables	684,608	318,328	1,240,435	281,972
Other assets	236,915	24,090	264,090	35,103
Total assets	**45,783,752**	**75,021,183**	**42,307,296**	**66,543,494**
Financial liabilities held for trading	34,892	98,848	36,011	129,456
Derivative financial instruments held for trading	34,892	98,848	36,011	129,456
Financial liabilities measured at amortised cost	89,908,648	14,496,648	80,186,544	13,052,550
Deposits from banks	1,378,230	329,764	1,128,562	520,376
Deposits from customers	87,273,521	3,734,319	76,119,973	2,361,880
Debt securities issued	-	10,407,030	-	10,170,143
Other financial liabilities	1,256,897	25,535	2,938,009	151
Lease liabilities	76,561	423,829	94,573	354,894
Provisions	12,205	776,108	127,615	886,268
Current tax liabilities	42,508	-	83,339	-
Deferred tax liabilities	-	25,177	-	21,801
Liabilities associated with assets held for sale and disposal group	-	-	560,644	-
Other liabilities	919,357	-	839,541	-
Total liabilities	**90,994,171**	**15,820,610**	**81,928,268**	**14,444,968**

The amounts over one year related to the derivatives classified in the category ‘held for trading’ are hedging instruments from an economic but not from accounting point of view.

47 Split between current and non-current assets and liabilities (*continued*)

Expected remaining maturities of assets and liabilities

				Bank
	31.12.2024		31.12.2023	
in RON thousands	**Current**	**Non - current**	**Current**	**Non - current**
Cash and cash equivalents	10,596,154	-	16,724,913	-
Financial assets held for trading	1,806,792	105,987	572,720	128,417
Derivative financial instruments held for trading	81,819	105,987	7,310	128,417
Debt securities held for trading	1,724,973	-	565,410	-
Financial assets designated at fair value through profit or loss	-	87,862	-	79,363
Equity instruments	-	75,345	-	59,350
Debt securities	-	12,517	-	20,013
Financial assets at fair value through other comprehensive income	2,463,929	10,303,786	1,876,440	8,259,090
Debt securities	2,463,929	10,303,786	1,876,440	8,259,090
Financial assets at amortised cost	29,651,866	62,320,670	19,579,922	56,907,036
Debt securities	2,608,602	17,888,451	1,814,358	15,561,198
Loans and advances to banks	5,960,826	-	2,142,421	-
Loans and advances to customers	21,082,438	44,432,219	15,623,143	41,345,838
Finance lease receivables	4,132	10,911	3,266	14,127
Property and equipment	-	902,686	-	843,919
Investment property	-	112,198	-	133,035
Intangible assets	-	468,484	-	430,798
Investments in joint ventures and associates	-	25,961	-	25,961
Deferred tax assets	-	90,567	-	115,234
Assets held for sale and disposal group	729	-	55,383	-
Trade and other receivables	677,010	318,328	1,229,105	281,972
Investments in subsidiaries	-	613,371	-	588,105
Other assets	115,272	-	159,277	-
Total assets	**45,315,884**	**75,360,811**	**40,201,026**	**67,807,057**
Financial liabilities held for trading	34,892	98,848	36,011	129,456
Derivative financial instruments held for trading	34,892	98,848	36,011	129,456
Other financial liabilities	-	-	-	-
Financial liabilities measured at amortised cost	90,458,543	14,290,210	80,891,247	12,657,674
Deposits from banks	1,689,918	123,401	1,613,007	125,651
Deposits from customers	87,547,076	3,734,319	76,362,796	2,361,880
Debt securities issued	-	10,407,030	-	10,170,143
Other financial liabilities	1,221,549	25,460	2,915,444	-
Lease liabilities	75,838	422,438	96,182	352,306
Provisions	-	768,162	-	883,960
Current tax liabilities	38,260	-	82,494	-
Other liabilities	475,339	-	393,487	-
Total liabilities	**91,082,872**	**15,579,658**	**81,499,422**	**14,023,395**

The amounts over one year related to the derivatives classified in the category 'held for trading' are hedging instruments from an economic, but not from accounting point of view.

48. Country by country reporting

In 2024, entire activity of the Group was located in Romania.

			Group	31.12.2023
Country	**Operating Income**	**Pre-tax result from continuing operations**	**Taxes on income**	**Taxes paid**
Romania	5,224,398	2,975,378	(671,397)	(359,283)
Moldova	51,268	19,646	(2,403)	(2,624)
Total	**5,275,666**	**2,995,024**	**(673,800)**	**(361,907)**

49. Events after the balance sheet date

BCR issued Additional Tier 1 instruments (AT1 bonds) on 13 January 2025, in amount of EUR 350 mn. (RON equivalent 1,740,480 thousands), sole investor Erste Group Bank. AT1 bonds are unsecured and subordinated bonds, they are perpetual and can be cancelled only by the issuer at predetermined dates. AT1 bonds include discretionary non-cumulative coupon payments, which allows them to be classified as equity under IFRS. The AT1 bonds are not listed.

AUTHORISED PERSON,	AUTHORISED PERSON,
Signature	Signature
Executive Vice-President,	Director Accounting Division,
Elke Meier	Gina Badea

Independent practitioner’s limited assurance report on Banca Comercială Română SA’s Consolidated Sustainability Statement

To the Shareholders of Banca Comercială Română SA

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Banca Comercială Română SA (the “Bank”), included in the Consolidated Sustainability Statement of the Consolidated and Separate Administrators’ Report (the “Consolidated Sustainability Statement”), as at 31 December 2024 and for the year then ended.

The Bank’s registered office is in Romania Bucharest, district 6 Orhideelor, no. 15D, 2nd floor, Building The Bridge 1 and the Bank’s unique fiscal registration code is RO361757.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with the provisions of point 33 of National Bank of Romania (NBR) Order no. 27/2010 for approving accounting Regulations in accordance with International Financial Reporting Standards, republished, with subsequent amendments (the “NBR Order 27/2010”), implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Bank to identify the information reported in the Consolidated Sustainability Statement (the “Process”) is in accordance with the description set out in note IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities; and
- compliance of the disclosures in subsection 12.2.1. EU Taxonomy Disclosures within the Environmental information section of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”).

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* (“ISAE 3000 (Revised)”), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioner’s responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the requirements relevant in Romania, including Law 162/2017 regarding statutory audit of annual financial statements and annual consolidated financial statements and regarding changes to other regulations and subsequent amendments (“Law 162/2017”).

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Consolidated Sustainability Statement

The Administrators of the Bank are responsible for designing and implementing a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the ESRS and for disclosing this Process in note IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities of the Consolidated Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The Administrators of the Bank are further responsible for the preparation of the Consolidated Sustainability Statement, in accordance with the provisions of point 33 of NBR Order 27/2010 implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in subsection 12.2.1. EU Taxonomy Disclosures within the Environmental information section of the Consolidated Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that the Administrators of the Bank determine is necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

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

Inherent limitations in preparing the Consolidated Sustainability Statement

In reporting forward-looking information in accordance with ESRS, the Administrators of the Bank are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

The criteria, nature of the Consolidated Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different measurement methodologies to be adopted which may result in different, but acceptable, measurement of the underlying subject matter.

Calculations to determine information as included in the Consolidated Sustainability Statement could be based on assumptions and sources from third parties that include information about, among others, value chain and information collected from actors in the value chain, when appropriate.

Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- designing and performing procedures to evaluate whether the Process is consistent with the Bank's description of its Process set out in note IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities.

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the Consolidated Sustainability Statement. 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.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Consolidated Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by the Administrators of the Bank (e.g., stakeholder engagement, business plans and strategy documents);
  - reviewing the Bank's internal documentation of its Process; and
- evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Bank was consistent with the description of the Process set out in note IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities.

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, we:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its Consolidated Sustainability Statement by obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the Consolidated Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control;
- evaluated whether the information identified by the Process is included in the Consolidated Sustainability Statement;
- evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the ESRS;
- performed inquires of relevant personnel and analytical procedures on selected disclosures in the Consolidated Sustainability Statement;
- performed substantive assurance procedures on selected information in the Consolidated Sustainability Statement;
- where applicable, compared disclosures in the Consolidated Sustainability Statement with the corresponding disclosures in the consolidated and separate financial statements and Consolidated and Separate Administrators' Report;
- obtained an understanding, and where applicable, evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied; and
- obtained an understanding of the Bank's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement.

Other matter

The comparative information included in the Consolidated Sustainability Statement of the Bank for the periods prior to 1 January 2024 was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

On behalf of
PricewaterhouseCoopers Audit SRL
Audit firm
registered with the Public Electronic Register of financial auditors and audit firms under no. FA6

Refer to the original signed Romanian version

Victor Sasu
Financial auditor
registered with the Public Electronic Register of financial auditors and audit firms under no. AF4097

Thomas Magill
Representative

Bucharest, 31 March 2025

This version of our report is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Banca Comercială Română S. A.
No. CEO Office: 5 / 31.03.2025
Supervisory Board

Banca Comercială Română S.A.

Consolidated and Separate Administrators' Report (The Group and the Parent Bank)

LEI Code: 549300ORLU6LN5YD8X90

31 December 2024

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1. Macroeconomic developments

Romania's economic growth was +0.9% in 2024. Household consumption was the main contributor to real GDP growth, on a strong labor market and consumer lending. Gross fixed capital formation was helped by infrastructure work financed by EU funds, but private investments were weak and overall contribution of gross fixed capital formation to real GDP growth was negative. Inflows from the regular Multiannual Financial Framework and the Recovery and Resilience Facility (RRF) amounted to EUR 7.2bn (2.0% of GDP) in 2024. Net exports contributed negatively to real GDP growth in 2024, on lower exports and rising imports of goods and services, which shows competitiveness issues for the local economy. Changes in inventories were a negative contributor to real GDP growth.

The inflation rate dropped to 5.1% y/y in December 2024, from 6.6% y/y in December 2023. Core inflation stood above headline inflation throughout 2024, suggesting persistent inflationary pressures and calling for a prudent monetary policy of the NBR.

The NBR cut the monetary policy rate by 25bp in July and August 2024 to 6.50% and kept it unchanged afterwards. The central bank said it was concerned about significant wage growth decoupled from productivity gains, which is reflected in the external imbalance and inflationary pressures. The 3M ROBOR ended the year at 5.91% vs. 6.22% in December 2023, with a small upward trend in November 2024 amid political turmoil. The actual monetary policy stance was looser than implied by the level of the key rate of 6.50%, due to ample surplus liquidity in the money market.

The current account deficit widened to EUR 29.4bn in 2024, from EUR 21.5bn in December 2023, on a higher trade deficit for goods. The Foreign Direct Investment (FDI) coverage of the current account gap was 20% in 2024.

The cash budget deficit was 8.7% of GDP in 2024. Budget revenues advanced by 10.4% y/y, while government expenditures increased by 19.1% y/y. The ratio between rigid public expenditures (public wages + social payments) and cyclical revenues (fiscal revenues + social insurance contributions) was 80.7% in 2024 vs. 79.0% in 2023.

The labor market remained tight in 2024, although not as tight as pre-Covid. The average unemployment rate was 5.3% in 2024 vs. 5.6% in 2023. The number of employees in the economy reached new all-time highs, boosted by strong hiring in hotels and restaurants, construction and business support services. Net nominal wages increased by +13.1% y/y in November 2024, with public sector wages growing by +17.1% y/y and private sector salaries increasing by +12.0% y/y. Real wage growth was strongly positive throughout 2024, on the falling inflation rate, offering support to private consumption.

In an unscheduled review, Fitch revised Romania's outlook to negative from stable in December, while affirming the rating at 'BBB-'. High political uncertainty, likely to 'have a significant adverse effect on fiscal consolidation', was cited as the primary reason. According to the rating agency, the absence of consistent and credible fiscal consolidation, given 'that the credibility of the medium-term fiscal anchor has weakened substantially due to unfunded expenditure measures and repeated fiscal slippages', or weak economic growth, could trigger a rating downgrade.

The leu depreciated by 0.6% on average in nominal terms in 2024 vs. 2023, well below the historical norm of almost 2.0% per year, under the NBR's managed floating FX regime. The NBR governor stated in a press conference that, based on the central bank's real effective exchange rate measures, the RON is up to 5.0% overvalued, which does not explain the large external deficit.

The Romanian government presented a fiscal consolidation package in late December with a freeze in public wages and pensions in 2025, an increase in taxation of company dividends, elimination of tax facilities for employees in IT, agriculture and construction, and a tighter fiscal regime for small companies through a gradual decrease in the tax threshold.

Important events since end-2024

The NBR kept the key rate unchanged at 6.50% in January 2025, in line with the broad market consensus, on inflationary pressures and fiscal risks. The credit facility rate was left at 7.50% and the deposit facility rate remained at 5.50%. The central bank signalled that the new inflation forecast presented at the next meeting in February would most likely show a slight upward revision.

In January 2025, S&P revised Romania's outlook to negative, from stable, and maintained the rating at 'BBB-'. High pre-election spending increased the fiscal deficit and signalled challenges to cost containment amid a slowing economy, according to the rating agency. According to S&P, loose fiscal policies will keep the current account deficit wide and increasingly financed by debt-creating flows, potentially exposing Romania to foreign investor confidence shocks.

2. General presentation

Banca Comercială Română ("BCR" or "Bank") was established in 1990, when it took over the commercial operations of the National Bank of Romania. As a result of the privatization process organized by the government of Romania, Erste Bank der oesterreichischen Sparkassen AG ('Erste Bank') purchased 61.88% of the share capital of the Bank pursuant to a share purchase agreement dated 21 December 2005. Until 31 December 2024, Erste Bank purchased further 38.0101% from other shareholders (including employees) of the Bank, adding up to 99.8901%. Erste Bank is the direct parent of the Bank. Erste Bank is owned 100% by Erste Group Bank AG. The ultimate parent of the Group is Erste Group Bank AG.

The Group provides day-to-day banking services and other financial services to governmental institutions, corporate and individual clients operating in Romania and abroad. These services include accounts opening, domestic and international payments, foreign exchange transactions, working capital finance, medium and long term facilities, retail loans, finance micro and small enterprises, bank guarantees, letters of credit and through subsidiaries also leasing, brokerage, financial consultancy services and asset management.

Products & Services

George for your business:

- Over **160,000 companies are enrolled in George for business,** a unique digital ecosystem in Romania. In 2024, **more than 63% of eligible customers started their relationship with the bank through Digital Onboarding,** and almost **70% of the microenterprise lending** was granted through our portfolio of digital products including Digital Overdraft, George Smart Credit, George Credit Card and IMM Invest Credit Line.
- **82% of IMM Plus 2024** loans granted to microenterprise clients were approved through a 100% digital process within George. BCR has enabled entrepreneurs to access the **IMM Plus credit line** directly from George, with loan approval in just a few minutes.
- The digital solutions portfolio has also expanded with the launch of **George SmartEU. Over 78,000 entrepreneurs have received information or guidance on financing programs from European or national funds through BCR's ecosystem—George, George SmartEU,** and the **ADA chatbot** dedicated to financing programs. **George SmartEU has integrated 49 financing programs, grants, and financial instruments.**
- The ecosystem expansion also meant the digitalization of the most requested types of operations, **including account opening in any of the 14 available currencies, and the opening of dedicated accounted for government projects.**
- **George Store is the largest marketplace for entrepreneurial solutions,** offering access to a wide range of services with special offers: **healthcare** (MedLife, Regina Maria), **cybersecurity** (Bitdefender), **digital solutions** (TransSped digital signature for individuals and companies), **legal services** (QuickLegal), **business services** (Edenred), **online payments** (Global Payments), **leasing** (auto financing, equipment leasing), **billing solutions** (Banqup, EasyBill), **business administration** (Regnet, SOLO).

Branch and equipment network

BCR offers a full range of financial products and services through a network of 317 branches, out of which 71% cashless branches and 71% featuring 24/7 self-service areas. BCR also operates 20 business centers and 18 mobile offices dedicated specifically to companies. BCR is active on the transaction banking market, with BCR customers having access to one of the largest network of ATMs and multifunctional machines - almost 1.800 machines, and full banking services through Internet/Mobile banking.
Additionally, BCR has expanded its digital channels:
- Mobile Bank - making the bank's digital products and services accessible in small and medium communities, in 27 locations, over 10,000 kilometers, attracting ~ 2,000 new customers.
- Video Advisory in branches - offering support to clients without appointments, for using George, Cards, equipment, available in 20 locations.

2. General presentation *(continued)*

Bank and subsidiaries

During 2024, Banca Comercială Română Group ("BCR Group" or "the Group") comprised the parent Bank, Banca Comercială Română S.A. and its subsidiaries, presented in the following table:

Company's name	Country of incorporation	Nature of the business	Shareholding 2024	Shareholding 2023	Gross Book Value	Net Book Value	Impaiment
BCR Leasing IFN SA	Romania	Financial leasing	99.97%	99.97%	389,492	389,492	-
BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private SA	Romania	Pension Fund	99.99%	99.99%	269,820	221,979	47,841
BCR Banca pentru Locuinte SA	Romania	Banking	99.99%	99.99%	948,578	-	948,578
Suport Colect SRL	Romania	Workout	99.99%	99.99%	983,047	-	983,047
BCR Payments Services SRL	Romania	Payments transactions	99.99%	99.99%	1,900	1,900	-
BCR Fleet Management SRL (i)	Romania	Operational leasing	99.97%	99.97%	-	-	-
BCR Chisinau SA (ii)	Moldova	Banking	0.00%	100.00%	-	-	-

(i) Company held indirectly by BCR through BCR Leasing SA;

(ii) Company held as available for sale. The sale was completed in January 2024. Thus, starting with January 2024, it is no longer included in the scope of consolidation of the BCR Group.

Investments in other companies, except consolidated subsidiaries, associates and joint ventures are in total amount of RON 75,345 thousands (2023: RON 59,350 thousands) as presented in the statement of financial position as Equity Instruments and in the Note no.20

3. 2024 financial and commercial highlights

The BCR impact in the economy and society

In retail banking business, BCR generated total new loans to individuals and micro businesses of RON 15.6 billion in 2024. The stock of unsecured consumer loans (including credit cards and overdrafts) increased by 51.9% yoy. At the same time, the stock of standard mortgage loans (Casa Mea) in local currency increased by 12.1% yoy, with Prima Casă loan portfolio impacted by declining demand. Additionally, the loan stock for microenterprises also increased by 10.4% year-on-year.

In corporate banking business, BCR approved new corporate loans of RON 13.9 billion in 2024, of which approximately 28% are aimed for investments.

The total **BCR Leasing financing portfolio granted to customers in 2024 amounts RON 4.64 billion (EUR 933 million), with a 12.5% increase compared to 2023.** BCR's leasing subsidiary continued to support the Romanian entrepreneurial environment, and recorded the strongest growth in the construction, transportation, healthcare and trade sectors.

This year, BCR Leasing accelerated its digital transformation and launched eBCR Leasing, Romania's first 100% online car financial leasing solution for single-partner businesses. The platform allows entrepreneurs to access financing in a simply, fast and secure way, eliminating the bank trips. To support entrepreneurs, BCR Leasing launched Lease EduFin, a financial education initiative on leasing, which can be found on www.bcrleasing.ro. Here, entrepreneurs can access useful and up-to-date information on financing solutions, costs and benefits, as well as what is involved in accessing and managing financial leasing. In addition, LEA, the AI chatbot available 24/7 on the BCR Leasing website, has facilitated quick access to information and services, helping customers to manage their leasing relationship in an easier way. **To date, 73% of BCR Leasing customers, regardless of ownership structure, have gone through the process of updating their personal data 100% online, directly from LEA.**

In 2024, BCR Social Finance financed more than 2,500 micro-enterprises, including 1,300 in the agribusiness sector, providing financing worth 33.2 million euro, and supporting over 3,000 jobs. In addition, it financed **36 NGOs and social enterprises,** contributing to the wellbeing of over **30,000 beneficiaries and sustaining more than 900 jobs.** These grants supported the Sustainable Development Goals (SDGs) set by the United Nations, notably SDG 3 (Good Health and Wellbeing), SDG 4 (Quality Education), and SDG 11 (Sustainable Cities and Communities). Furthermore, BCR Social Finance granted 223 StudyUP loans for continuous education through university, masters, doctoral, or specialization courses, supporting lifelong learning.

3. 2024 financial and commercial highlights *(continued)*

Moreover, **BCR, through its Social Banking team, provided 2 million euros in financing to organizations with a social impact,** contributing to improved living conditions for **1,000 beneficiaries** and the creation and maintenance of over **140 jobs.** One of the financed associations is **Help Autism,** the largest organization in Romania dedicated to Autism Spectrum Disorders, which supports over **3,300 children and young people** through specialized therapy programs.

AmpliFY ONG, the initiative of BCR Social Finance and Launch Romania, with the support of BCR, Bursa Binelui and ERSTE Foundation, which was launched in December 2023 with **the aim of supporting the development of the NGO environment in Romania, has already reached over 1,400 people from the non-profit sector,** who have registered in the community and participated in physical or online events. In 2024, AmplyFY NGO held **15 online workshops on topics of interest for NGOs, such as diversifying funding sources, measuring impact, and sustainable business models.**

Also in 2024, **Marc** was launched, a regional program developed by the ERSTE Foundation, ERSTE Social Finance Holding, and Simpact IFUA, implemented in Romania by BCR and Synerb. Marc aims to support businesses in Romania focused on social impact, facilitating access to financing and sustainable development. In October 2024, **24 local impact entrepreneurs** were selected to be part of Marc's first cohort.

At the end of 2024, **BCR Seed Starter,** the first corporate venture capital (CVC) company established by a bank in Romania, made its first investment of **500,000 euros in FieldOS,** an innovative platform in the Field Services Management (FSM)/Computerized Maintenance Management Software (CMMS) vertical. BCR Seed Starter aims to support startups that optimize banking processes, help expand BCR's portfolio of services for its clients, or integrate ESG standards, thus contributing to a more sustainable financial ecosystem.

BCR Group performance in 2024

BCR Group achieved a net profit of RON 2,767 million (EUR 556 million) in 2024, up by 19.2% against RON 2,321 million (EUR 469 million) in 2023, driven by improved operating result underpinned by significant advance in customer business.

Operating result improved by 19.3% to RON 3,825 million (EUR 769 million) in 2024, from RON 3,206 million (EUR 648 million) in 2023, on the back of strong increase in operating income and well managed operating expenses.

Net interest income increased by 20.4% to RON 4,401 million (EUR 885 million) in 2024, from RON 3,656 million (EUR 739 million) in 2023, driven by higher business volumes.

Net fee and commission income improved by 11.4% to RON 1,128 million (EUR 227 million) in 2024, from RON 1,013 million (EUR 205 million) in 2023, driven by higher transactional business.

Net trading & FV result decreased by 6.3% to RON 517 million (EUR 104 million) in 2024, from RON 552 million (EUR 112 million) in 2023.

Operating income increased by 15.6% to RON 6,096 million (EUR 1,225 million) in 2024, from RON 5,273 million (EUR 1,066 million) in 2023, driven by improved net interest income and net fee and commission income.

General administrative expenses reached RON 2,271 million (EUR 456 million) in 2024, up by 9.9% in comparison to RON 2,067 million (EUR 418 million) in 2023, on the back of successful execution of some large projects and campaigns during 2024.

As such, cost-income ratio improved to 37.3% in 2024, versus 39.2% in 2023.

Risk costs and Asset Quality

Impairment result from financial instruments recorded a provision allocation of RON 106 million (EUR 21 million) in 2024, as compared to a provision allocation of RON 46 million (EUR 9 million) in 2023. The risk cost remained low as the provision allocations booked for the regular new NPL formation throughout the year were partially offset by recoveries on both retail and corporate segments. Additionally, this result was further supported by collective provision releases driven by regular reassessment of the criteria used by the bank to measure the credit risk under IFRS 9.

All the financial data presented below constitute the unaudited consolidated results of Banca Comercială Română (BCR) Group for 2024, according to IFRS. Unless otherwise specified, the 2024 financial results are compared to 2023 results. Also, unless otherwise specified, the exchange rates used to convert amounts into euros are those communicated by the European Central Bank. The profit and loss account are converted using the average exchange rate for 2024, i.e. 4.9746 RON/EUR when referring to the 2024 results, and using the average exchange rate for 2023, i.e. 4.9463 RON/EUR with reference to 2023 results. The balance sheets as of 31 December 2024 and 31 December 2023 are converted using the closing exchange rates on those dates (4.9743 RON/EUR on 31 December 2024 and 4.9756 RON/EUR on 31 December 2023). All the percentage changes refer to the figures expressed in RON.

3. 2024 financial and commercial highlights *(continued)*

NPL ratio stood at 2.6% as of December 2024, down from the 2.9% level recorded as of December 2023. This positive evolution is reflecting the increase in loans to customers, continued good recoveries in both retail and corporate segments as well as the low new NPL formation. At the same time, the **NPL provisioning coverage stood at 168.8% as of December 2024.**

Capital position and funding

Solvency ratio for BCR Bank standalone, according to the capital requirements regulations (CRR) stood at **22.6% as of December 2024,** well above the regulatory requirements of the National Bank of Romania. Furthermore, the **Tier 1+2 capital ratio of 20.9% (BCR Group) as of December 2024** is clearly reflecting BCR's strong capital and funding positions.

Return on assets calculated based on monthly average total assets (net profit for the year divided by average total assets) was 2.42% for Group and 2.46% for Bank.

Net loans and advances to customers increased by 13.6% to RON 66,734 million (EUR 13,416 million) as of 31 December 2024 from RON 58,743 million (EUR 11,806 million) as of 31 December 2023, mainly driven by the retail segment and higher money market loans.

Deposits from customers increased by 16.0% to RON 91,008 million (EUR 18,296 million) as of 31 December 2024 from RON 78,482 million (EUR 15,773 million) as of 31 December 2023, supported by the increase in both retail and corporate deposits.

In 2024, 1 bond issue (2023: 3) was executed under the Multi Issuer Programme (MIP) in amount of RON 223.8 bn equiv. (2023: 4.56bn) in Senior Non-Preferred format listed on the Vienna Stock Exchange.

4. Outlook for BCR's activity in 2024

4.1. 2025 expected macroeconomic development

Economic growth is estimated at +2.8% in 2025, with risks to the downside due to fiscal consolidation process.

Real wage growth is likely to slow down in 2025, offering less support to households' consumption.

The inflation rate could ease to 3.7% y/y in December 2025 from 5.1% y/y in December 2024, and the NBR could again start cutting interest rates in the second half of the year.

The unemployment rate is estimated broadly unchanged at 5.3%.

4.2. BCR Group's strategy and business model

BCR has a balanced presence, financing various economic sectors, as well retail customers, reaching a portfolio of 2.9 million customers.

During the last few years BCR has achieved a significant branch optimization by digitizing critical sales processes and rapidly adopting digital sales methods, both assisted and unassisted. The bank's overarching vision is to reshape its business through a unified channel, emphasizing accessibility across all touchpoints.
BCR has over 1.2 million digitally active users and is continuously developing George application by adding new features and products. Being part of Erste Group allowed BCR to benefit from the tools, software and know-how on George which was originated at group level.

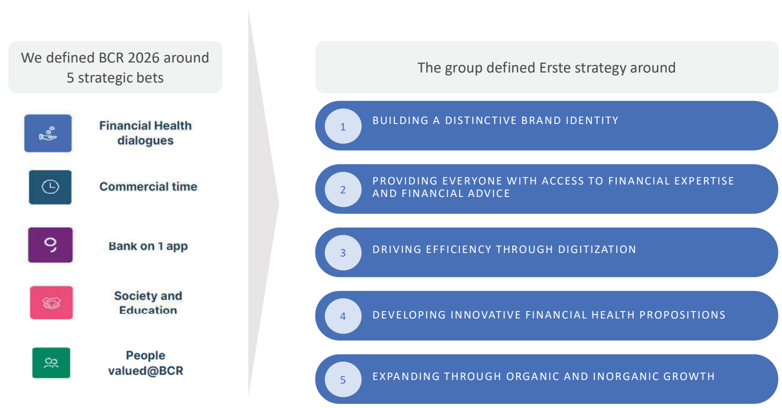
4. Outlook for BCR's activity in 2024 *(continued)*

4.2. BCR Group's strategy and business model *(continued)*

BCR's core strategy is to build Financial Health for local communities by offering the best financial mentoring, tools and products that enable people and businesses to adopt financial habits which support and enhance their future perspectives. In 2023 BCR developed its "BCR 2026 Strategy", acting as a spearpoint by making 5 tangible Strategic Bets:

- **Financial Health:** Quadrupling the number of financial health dialogues with BCR clients (1.5 million/year by 2026). Branch-based client dialogues, supported by marketing campaigns, report a twofold increase in financial health dialogues year-over-year (reaching 634,271 by December 2024).
- **Client-Dedicated Commercial Time:** Doubling front-office time spent with clients, leading to more meaningful interactions and greater overall efficiency. Current focus is on enhancing service and maintenance capabilities within George for all products, supported by smart footprint development (cashless branches and self-banking). For the corporates segment, development of dedicated tools to simplify internal processes for Relationship Managers has been rolled out.
- **Banking in an App:** Continuing the digitalization of the bank and the entire customer journey, from onboarding to maintenance, within the George platform (assisted and unassisted). Ongoing development of digital sales reached 87% digital PI sales in 2024), and we also had a pilot launch of George for Business in Romania.
- **Society and Education:** Positioning BCR as a leader in education in Romania, contributing to EU fund absorption by BCR clients and youth education programs. Around 285,700 young people have participated in educational programs (e.g., financial literacy, robotics, ESG, and informal education like mentoring and coaching). As of September 2024, BCR has opened seven youth hubs (Zbor) in important Romanian cities to facilitate access to educational programs and foster strong communities where young people can develop new skills. Furthermore, EU funds educational programs have reached 80,000 participants.
- **People:** Engaged, satisfied, and upskilled employees. 2024 focused on salary transparency, future career paths, and long-term leadership programs.

Erste Group announced its new strategy, which is centered around 5 topics as described below. Given the strong convergence in content, we are ready to fully shift and align to Erste Group's Strategy during this year's strategy review. The formal readjustment of existing initiatives and reporting methods will be done during the 2025 strategy review exercise.



The strategy design process takes place once every 3 years, this process being initiated upon receiving the Erste Group Strategy Guidelines. An annual review is performed so that the strategy can be refined considering the most recent developments and the actual context.
It gathers and integrates key strategic inputs from diverse business units and functions across the bank, including: Macro-research (external environment analysis), Marketing (Net Promoter Score and NPS data), Retail Business Divisions (value proposition, objectives, and priorities for Private Individuals and Micro segments), Corporate Business Divisions (value proposition, objectives, and priorities for SME, large corporates, and Public banking segments), Strategic Risk Management, IT and Change Divisions and Controlling.
This structured approach ensures a robust and well-aligned strategy development process, enabling BCR Group to effectively respond to market dynamics and achieve its strategic objectives, whilst contributing at reaching the overarching objectives at Erste Group level.

4. Outlook for BCR's activity in 2024 *(continued)*

4.2. BCR Group's strategy and business model *(continued)*

BCR subsidiaries that are involved yearly on the extensive strategy exercise are: BCR Leasing IFN SA and BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private ("SAFPP") S.A.

BCR Leasing IFN S.A. ("BCR Leasing") is focused on improving operational efficiency by adjusting processes and workflows, while continuing its strategy to increase sales volumes. BCR Leasing IFRS S.A. will continue to develop its activity in a sustainable way based on the essential pillars and in the current market context, pillars such as the improvement of processes to increase the degree of customer satisfaction, the acceleration of the digitalization process of the business model of the company, as well as identifying new opportunities offered by the market.

The business model of BCR Leasing is to offer financial leasing and financial credit flexible, efficient solutions for the purchase of vehicles, fleets, equipment, industrial machinery, agricultural machinery, medical equipment. The contracts are typically run for a period of between 1-7 years, with transfer of ownership of the leased asset at the end of the contract term. The receivables are secured by the underlying assets and by other collateral. BCR Leasing operates in an omnichannel business environment based on its direct sales and strategic partnerships, while building a transformational digital channel, eBCR Leasing.ro a top edge solution for the Romanian market, in order to address the needs of all types of customers (corporate and retail, public and private) in a vibrant economy.

BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private SA ("BCR Pensii") is a company that performs its activity on the private pensions market in Romania, including mandatory (Pillar II) and voluntary private pensions (Pillar III). The strategy of the subsidiary is to promote its two funds towards an increased number of eligible prospects and to promote the benefits of the supplementary pension as a long-term saving product. Regarding the sales strategy for Pillar III, it is based on improving the quality of the portfolio by ensuring quality sales through constant sales management actions and continuing the actions of reactivating the payments for suspended contributions. BCR Pensii strategy continues in 2024 also, towards the increase in number of participants in the voluntary pension fund, improving the quality of the products and services offered to them, as well as the loyalty of the participants through the permanent improvement of the communication channels with them. Also, BCR Pensii SAFPP will continue digitization efforts: finalize Pillar 2 enrolment in George, Pillar 3 & Pillar 2 transfers in a digital process.

BCR Pensii business model is to enrol new participants to the voluntary pension fund (P3) using mainly the standard sales channels of BCR using a push sales strategy according to which sales agents target BCR corporate and retail customers.
For Pillar 2 (BCR FPAP) most of the participants are provided by the auto-enrolment process according to which 90% of the new participants are provided by the random allocation provided by National Pension House.
The strategic objective of BCR Pensii is to achieve long-term capital growth for the participants, through investments in a diversified portfolio of assets having different risk profiles, aiming to comply with the limits provided by law. These should allow the growth of the participants' assets under prudent conditions.

4.3. Balance Sheet developments

It is estimated that loan production will remain the primary driver of asset growth, with an anticipated high-single-digit increase over the budget year. Both the retail and corporate portfolios are forecast to outperform the market next year.

In the retail sector, private individuals are set to be the primary contributors, with the Casa Mea standard product and Micro being the main drivers. These contributions are expected to be bolstered by an expanded customer portfolio, advancements in digitalisation, the implementation of government program, and the utilization of EU funds.

We expect deposits from customers to continue growing steadily in 2025, with an estimated two-digit growth rate. This positive trend is driven by robust performance in both the retail and corporate sectors.

Loan-to-deposit ratio (gross) is estimated at 74 per cent.

4. Outlook for BCR's activity in 2024 *(continued)*

4.4. Statement of profit or loss developments

Operating income is expected to grow at a mid-single-digit rate, mainly driven by net interest income in line with volume growth, ambitious fee income development, double-digit growth supported by the results of the **Go Max** program and rewards and customer base expansion, while trading income is expected to grow moderately in line with market conditions.

It is anticipated that general administrative expenses will undergo moderate growth, facilitating the implementation of a strategy that is correlated with the development of FTE, as a direct consequence of productivity and efficiency gains.

The cost of risk is maintained at a standardized rate of approximately 0.34 per cent.

Financial performance is expected to remain robust. A key indicator, return on equity, is projected to remain sound at up to 18% by 2025.

Capital & MREL ratios will be estimated at comfortable levels driven by a diversified capital & MREL instruments issued to accommodate IRB switch impact which was implemented in February 2025.

4.5. Outlook for BCR subsidiaries

In 2025, BCR Leasing will continue its development on key pillars for a sustainable growth within current market context, such as processes improvement with the purpose to increase the customers' satisfaction, speeding up the digitalization of the company' business model and continue to invest in identifying new market opportunities.

The strategy of BCR Pensii is to promote its two funds towards an increased number of eligible prospects and to promote the benefits of the supplementary pension as a long-term saving product. Regarding the sales strategy for Pillar III, this is based on expanding the number of participants and on improving the quality of the portfolio. The quality of sales is planned to be ensured through constant sales management actions, larger corporate sales and suspended contributions reactivation.

BCR Pensii continues in 2025 towards increasing number of participants in the voluntary pension fund, improving the quality of the products and services offered to them, as well as the loyalty of the participants through the permanent improvement of the communication channels with them. A key tool in this process will be service digitalization which will continue in 2025 both in the front end and the back end.

In 2025, BCR Payments Services SRL will focus on extending the range of services provided as well as further improvement of internal efficiency.

5. Statements of financial position of the Group and of the BCR

5.1. Statement of compliance

As of 31 December 2024, BCR prepared separate and consolidated financial statements in compliance with the Accounting Law no. 82/1991, with its subsequent amendments and supplements and with the National Bank of Romania Order no. 27/2010 for approval of Accounting Regulations compliant with International Financial Reporting Standards applicable to credit institutions.

Order no. 27/2010 of the National Bank of Romania further specifies that the separate and consolidated financial statements of credit institutions must be prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Consequently, the separate and consolidated financial statements of BCR Group for the year ended 31 December 2024 were prepared in accordance with IFRS, observing also the specific group accounting policies of Erste Group to which BCR Group belongs.

5.2. Statements of financial position – assets

Total assets of the Bank as at 31 December 2024 amounted to RON 120,676,695 thousand, increasing by 11.7% compared to 31 December 2023 (RON 108,008,083 thousand). At BCR Group level, the total assets increased by 11% from RON 108,850,790 thousand as at 31 December 2023 to RON 120,804,935 thousand as at 31 December 2024.

5. Statements of financial position of the Group and of the BCR *(continued)*

5.2. Statements of financial position – assets *(continued)*

	Group			Bank		
in RON thousands	**31.12.2024**	**31.12.2023**	**Variance**	**31.12.2024**	**31.12.2023**	**Variance**
Assets						
Cash and cash equivalents	10,642,241	16,763,792	-36.5%	10,596,154	16,724,913	-36.6%
Financial assets held for trading	1,912,779	701,088	172.8%	1,912,779	701,137	172.8%
Derivative financial instruments held for trading	187,806	135,678	38.4%	187,806	135,727	38.4%
Debt securities held for trading	1,724,973	565,410	205.1%	1,724,973	565,410	205.1%
Non-trading financial assets mandatorily at fair value through profit or loss	87,862	79,363	10.7%	87,862	79,363	10.7%
Equity instruments	75,345	59,350	27.0%	75,345	59,350	27.0%
Debt securities	12,517	20,013	-37.5%	12,517	20,013	-37.5%
Financial assets at fair value through other comprehensive income	12,767,715	10,135,530	26.0%	12,767,715	10,135,530	26.0%
Debt securities	12,767,715	10,135,530	26.0%	12,767,715	10,135,530	26.0%
Financial assets at amortised cost	90,038,137	74,818,710	20.3%	91,972,536	76,486,958	20.2%
Debt securities	20,623,315	17,495,369	17.9%	20,497,053	17,375,556	18.0%
Loans and advances to banks	6,004,729	2,125,746	182.5%	5,960,826	2,142,421	178.2%
Loans and advances to customers	63,410,093	55,197,595	14.9%	65,514,657	56,968,981	15.0%
Finance lease receivables	2,321,385	2,022,555	14.8%	15,043	17,393	-13.5%
Property and equipment	1,029,795	1,025,930	0.4%	902,686	843,919	7.0%
Investment property	112,198	133,035	-15.7%	112,198	133,035	-15.7%
Intangible assets	496,946	454,257	9.4%	468,484	430,798	8.7%
Investments in joint ventures and associates	38,838	30,008	29.4%	25,961	25,961	0.0%
Current tax assets	139	1,110	-87.5%	-	-	-
Deferred tax assets	92,230	118,404	-22.1%	90,567	115,234	-21.4%
Assets held for sale and disposal group	729	745,408	-99.9%	729	55,383	-98.7%
Trade and other receivables	1,002,936	1,522,407	-34.1%	995,338	1,511,077	-34.1%
Investments in subsidiaries	-	-	-	613,371	588,105	4.3%
Other assets	261,005	299,193	-12.8%	115,272	159,277	-27.6%
Total assets	**120,804,935**	**108,850,790**	**11.0%**	**120,676,695**	**108,008,083**	**11.7%**

5.3. Statements of financial position – liabilities and equity

in RON thousands	Group			Bank		
Liabilities and equity	**31.12.2024**	**31.12.2023**	**Variance**	**31.12.2024**	**31.12.2023**	**Variance**
Financial liabilities held for trading	133,740	165,467	-19.2%	133,740	165,467	-19.2%
Derivative financial instruments held for trading	133,740	165,467	-19.2%	133,740	165,467	-19.2%
Financial liabilities measured at amortised cost	104,405,296	93,239,094	12.0%	104,748,753	93,548,921	12.0%
Deposits from banks	1,174,726	998,503	17.6%	1,686,012	1,585,724	6.3%
Borrowings and financing lines	533,268	650,435	-18.0%	127,307	152,934	-16.8%
Deposits from customers	91,007,840	78,481,853	16.0%	91,281,395	78,724,676	16.0%
Debt securities issued	10,407,030	10,170,143	2.3%	10,407,030	10,170,143	2.3%
Other financial liabilities	1,282,432	2,938,160	-56.4%	1,247,009	2,915,444	-57.2%
Lease liabilities	500,390	449,467	11.3%	498,276	448,488	11.1%
Provisions	788,313	1,013,883	-22.2%	768,162	883,960	-13.1%
Current tax liabilities	42,508	83,339	-49.0%	38,260	82,494	-53.6%
Deferred tax liabilities	25,177	21,801	15.5%	-	-	-
Liabilities associated with assets held for sale and disposal group	-	560,644	-100.0%	-	-	-
Other liabilities	919,357	839,541	9.5%	475,339	393,487	20.8%
Total equity	**13,990,154**	**12,477,554**	**12.1%**	**14,014,165**	**12,485,266**	**12.2%**
Attributable to non-controlling interest	64	56	14.3%	-	-	-
Attributable to owners of the parent	13,990,090	12,477,498	12.1%	14,014,165	12,485,266	12.2%
Total liabilities and equity	**120,804,935**	**108,850,790**	**11.0%**	**120,676,695**	**108,008,083**	**11.7%**

6. Statements of profit or loss of the Group and of the BCR

	Group			Bank		
in RON thousands	**31.12.2024**	**31.12.2023**	**Variance**	**31.12.2024**	**31.12.2023**	**Variance**
Net interest income (1)	**4,400,976**	**3,656,406**	**20.4%**	**4,253,358**	**3,476,006**	**22.4%**
Interest income	6,692,846	5,897,924	13.5%	6,720,942	5,860,443	14.7%
Other similar income	242,463	137,822	75.9%	77,352	2,068	3640.4%
Interest expenses	(2,504,410)	(2,353,145)	6.4%	(2,515,429)	(2,360,740)	6.6%
Other similar expense	(29,923)	(26,195)	14.2%	(29,507)	(25,765)	14.5%
Net fee and commission income (2)	**1,128,180**	**1,012,615**	**11.4%**	**1,071,921**	**966,148**	**10.9%**
Fee and commission income	1,450,865	1,277,353	13.6%	1,387,671	1,221,406	13.6%
Fee and commission expense	(322,685)	(264,738)	21.9%	(315,750)	(255,258)	23.7%
Dividend income (3)	6,192	5,103	21.3%	74,078	65,976	12.3%
Net trading result (4)	487,915	539,745	-9.6%	487,871	522,792	-6.7%
Gains/(losses) from non-trading financial instruments mandatorily measured at fair value through profit or loss (5)	24,723	2,874	760.2%	24,723	2,874	760.2%
Foreign currency translation (6)	4,371	8,991	-51.4%	(2,074)	6,376	-132.5%
Net result from equity method investments (7)	8,831	6,136	43.9%	-	-	-
Rental income from investment properties and other operating leases (8)	34,543	43,796	-21.1%	5,346	5,455	-2.0%
Personnel expenses (9)	(1,111,044)	(1,072,385)	3.6%	(1,047,484)	(991,002)	5.7%
Other administrative expenses (10)	(900,699)	(749,178)	20.2%	(890,171)	(732,021)	21.6%
Depreciation and amortisation (11)	(259,105)	(245,444)	5.6%	(241,797)	(226,780)	6.6%
Operating Income (1+2+3+4+5+6+7+8)	**6,095,731**	**5,275,666**	**15.5%**	**5,915,223**	**5,045,627**	**17.2%**
Operating Expense (9+10+11)	**(2,270,848)**	**(2,067,007)**	**9.9%**	**(2,179,452)**	**(1,949,803)**	**11.8%**
Operating Result	**3,824,883**	**3,208,659**	**19.2%**	**3,735,771**	**3,095,824**	**20.7%**
Gains/(losses) from derecognition of financial assets measured at amortised cost	(26,881)	-	-	(26,881)	-	-
Other gains/(losses) from derecognition of financial instruments not measured at fair value through profit or loss	(4,127)	(2,282)	80.9%	(4,127)	(2,282)	80.9%
Net impairment gain/ (losses) on financial instruments	(106,342)	(46,308)	129.6%	(66,482)	57,884	-214.9%
Other operating result, out of which	**(400,038)**	**(165,045)**	**142.4%**	**(354,175)**	**(11,299)**	**3034.6%**
Other operating income	84,752	95,773	-11.5%	50,890	71,386	-28.7%
Other operating expense	(484,790)	(260,818)	85.9%	(405,065)	(82,685)	389.9%
Pre-tax result from continuing operations	**3,287,495**	**2,995,024**	**9.8%**	**3,284,106**	**3,140,127**	**4.6%**
Taxes on income	(520,072)	(673,800)	-22.8%	(502,354)	(652,784)	-23.0%
Net result for the year	**2,767,423**	**2,321,224**	**19.2%**	**2,781,752**	**2,487,343**	**11.8%**
Net result attributable to non-controlling interests	8	8	0.0%	-	-	-
Net result attributable to owners of the parent	**2,767,415**	**2,321,216**	**19.2%**	**2,781,752**	**2,487,343**	**11.8%**

7. Equity accounts and profit distribution

7.1. Equity accounts as at 31 December 2024

The Bank's equity as at December 31st 2024, amounts to RON 14,014,165 thousands and is detailed below:

	Bank
in RON thousands	
Share capital[1]	1,625,342
Adjustment of the capital – hyperinflation	1,327,223
Share premium	395,483
Additional equity instruments (AT1)	741,555
Other reserves	
Legal statutory reserves	569,355
General reserve regarding credit risk set up from profit before tax	162,935
Reserve on general banking risks	267,673
Other reserves	369,166
Other comprehensive income	100,921
Retained earnings	5,672,760
Net result for the year	2,781,752
Total amount of the Bank's equity	**14,014,165**

[1] The share capital represents the subscribed and paid-up share capital at nominal value, consisting of 16,253,416,254 ordinary shares (equal voting rights) with each nominal value of RON 0.1 / share. The Bank and the Group does not hold redeemed own shares.

Erste Bank is the direct parent of the Bank and holds 99.8901% of share capital at 31st December 2024.

7. Equity accounts and profit distribution *(continued)*

7.2. Profit distribution

The net profit of the Bank for the financial year ended 31 December 2024, amounting to RON 2,781,752,492 will be distributed according to General Meeting of Shareholders' decision and in compliance with the current legislation.

The proposal for the distribution of profit is in accordance with: art. 29 para. 1 of the Accounting Law no. 82/1991, republished as subsequently amended and supplemented, para. 67 of the Law no. 31/1990, republished as subsequently amended and supplemented and para. 27 of BCR Charter. The Supervisory Board proposes to the General Meeting of Shareholders the distribution of 2024 net profit as follows:

Table A	**Bank**
in RON	
Other Reserves[1]	39,706,150
Dividend distribution out of which:[2]	***1,390,876,246***
- ordinary dividends	1,280,845,846
- AT1 dividends[3]	110,030,400
Retained earnings[4]	1,351,170,096
Total	**2,781,752,492**

Table B	**Bank**
in RON	
Transfer of reserves[5]	(4,159,667)
Retained earnings[5]	4,159,667
Total impact in retained earnings[4]+[5]	**1,355,329,763**

[1] The amount of RON 39,706,150 represents the reinvested accounting profit of BCR which was exempt from applying corporate income tax, in accordance with the provisions of the Fiscal Code in force and which should be allocated to „Other Reserves".

[2] The amount of RON 1,390,876,246 represents the gross amount of ordinary dividends and dividends related to AT1 instruments issued by BCR in September 2022 and in January 2025 recorded in other AT1 capital items.

[3] The AT1 dividends will be booked as payable in EUR on the date of approval of their distribution by the GMS and will be paid according to contract on 28 May 2025. Their value, established according to the terms and conditions of the AT1 notes, is EUR 21,904,562. The RON equivalent mentioned above has been calculated at the exchange rate estimated for payment date. The final value of these will be lower or higher depending on the evolution of the EUR - RON exchange rate up to the date of registration of the payment obligation in EUR. The FX difference will have impact on the Retained earnings – item 4.

[4] The amount allocated to retained earnings from the net profit of 2024 totalling RON 1,351,170,096 will be used in accordance with the Bank's business strategy.

[5] The amount of RON (4,159,667) represents transfer to retained earnings of amounts recognized in previous years as other reserves out of which: 3,353,171 represents the reserve for reinvested profit for which conditions for tax credit are no longer fulfilled (assets disposed earlier than mandatory period in the fiscal law) and 806,495 represents reserves for other assets which were disposed, the amount is net of taxes. These amounts will be used in accordance with the Bank's business strategy.

National Bank of Romania has been informed of our distribution proposal according to the consultation rules.

7. Equity accounts and profit distribution *(continued)*

7.3. Own funds elements

Pursuant to Regulation 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/202, Chapter II "Basic Tier 1 Own Funds", Article 26, paragraph 1, the main own funds items other than share capital instruments are: retained earnings, other items of accumulated comprehensive income, other reserves and funds for general banking risks. Eligible own funds items are included net of potential obligations (foreseeable dividends, taxation effects). In case of reinvested accounting profit, the amount included in own funds will be net of any potential tax charge at the moment of its calculation. The taxation effect will be maintained until the full amortization (useful life expiry) of assets for which fiscal facility was calculated. These items are considered Own Funds Common Equity Tier 1 only if they are available to the Bank for unrestricted and immediate use in order to cover risks or losses as soon as they appear.

8. Subsidiaries business performance overview and predictions

8.1. BCR Chisinau SA

Starting with January 2024, it is no longer included in the consolidated perimeter of BCR Group.

8.2. BCR Leasing IFN SA

BCR Leasing provides financial leasing products, such as leasing for cars, light and heavy commercial vehicles and industrial equipment.

In 2024, BCR Leasing focused on improving operational efficiency by adjusting processes and workflows, while continuing its strategy to increase sales volumes. The total assets of BCR Leasing increased by 12.3% compared to the previous year, based on new sales volumes. The share of non-performing exposures remained at a low single digit level, reflecting the efforts to improve the quality of the portfolio, as well as the quality of new sales.

The operating result increased by 11% compared to the previous year, mainly due to the increase in net interest income by 12.6%. In 2024, the cost/income ratio hovered around the level of 36.6%, reflecting the company's ability to support business growth in a challenging macroeconomic environment and a highly competitive market. BCR Leasing registered a net profit in 2024 of RON 34.25 mn.

The sales volume continued to be stimulated by both sales channels, the Bank and the partnerships with dealers / partners.

Net assets as at 31 December 2024 were RON 235.10 mn.

8.3. BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private SA ("BCR Pensii")

BCR Pensii SAFPP is a company that performs its activity on the private pensions market in Romania, including mandatory (Pillar II) and voluntary private pensions (Pillar III).

At the end of 2024, according to the statistics published on its website by the Financial Supervisory Authority, the mandatory private pension Fund managed by BCR Pensii has a participant market share of 9.64%, managing the assets of 798,855 subscribers.

In terms of total number of subscribers for voluntary pensions funds, the voluntary private pensions Fund BCR Plus managed by BCR Pensii SAFPP has a market share of 19.13% corresponding to a number of 159,290 participants, for the same date (31.12.2024).

Net profit in 2024 of BCR Pensii SAFPP was RON 17.97 mn under IFRS. Net assets as at 31 December 2024 were RON 220.47 mn.

8.4. BCR Banca pentru Locuinte SA

BCR Banca pentru Locuinte ("BCR BpL") activity consists in the management of savings - lending products in the housing sector.
BCR BpL's total portfolio (savings-lending number of contracts) as of 31 December 2024 is 8,353 contracts (19,004 as at 31st of December 2023) and the volume of savings deposits amounted to RON 88,599 thousand as at 31 December 2024, compared to thousand RON 167,380 thousand as at 31 December 2023.

The activity of selling new savings-credit contracts ("ECDL contracts") has been suspended in February 2016.

8. Subsidiaries business performance overview and predictions *(continued)*

8.4. BCR Banca pentru Locuinte SA *(continued)*

The financial result of 2024 is profit in amount of RON 17.31 mn under IFRS.

The impact of the Romanian Court of Accounts control mission on BCR BpL is presented in the Financial Statements – Note 38 Litigations and contingent liabilities.

As of 31 December 2024, the management of BCR BpL assessed that the going concern assumption remains not appropriate, considering all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

In accordance with IAS 1 "Presentation of financial statements", paragraph 25, when preparing financial statements, management should perform an assessment of an entity's ability to continue as a going concern.

For further details, please refer to Consolidated and Separate financial statements, Note 40 – Subsidiaries.

Net asset of the company as of 31st December 2024 is RON 73.13 mn (2023: RON 55.8 mn).

8.5. Suport Colect SRL

In 2024 Suport Colect performed its core business activity in accordance with its incorporation act and its object of activity represented by the collection of the loans receivables portfolio owned, through sale of properties obtained as debt to asset swaps either amiable or in enforcement, or sale of receivables.

In 2024, the Company reported under IFRS standalone a net profit amount of RON 13.20 mn (2023: RON 15.8 mn) mainly due to positive effect obtained from collection activity on the portfolio of loan receivables and to results from deposits with banks.

The Management evaluated the overall situation of the company and concluded that the most appropriate approach is to continue the application of the gone concern basis in 2024.

Net asset of the company as of 31st December 2024 is RON 42.48 mn (2023: RON 95.8 mn).

8.6. BCR Fleet Management SRL

BCR Fleet Management started its operations in 2012, providing operational leasing and fleet management services for corporate clients with large fleets. BCR Fleet Management developed partnerships with the most important passenger cars and commercial vehicles dealers and importers in Romania, being able to provide its services for almost any passenger car or commercial vehicles.

As of 2022 BCRFM has concluded the partial portfolio sale to Arval Service Lease SA under the form of a Business Transfer Agreement having in scope all the passenger cars and light commercial vehicles in BCRFM's portfolio as well as related operational leasing commitments. The rest of the portfolio, not transferred to Arval, will be ran down in accordance with the Group's Strategy.

For EoY 2024, total asset continues to show a decrease of 26% compared to last year. The operating income of the company decreased by 17% mainly influenced by the decrease in rental income. Net loss in 2024 of BCR Fleet Management was RON 6.18 mn under IFRS (Net profit in 2023: RON 6.3 mn).

As at December 2024, the Management Board of BCR Fleet Management has evaluated the overall situation of the company and concluded that the appropriate decision is to maintain the same approach as in the previous year and to prepare its financial statements for 2024 on a gone concern basis because the largest part of its portfolio was sold and the rest of it is subject to a rundown strategy. For remaining assets impairment test was performed at December 31st 2024.

Net asset of the company as of 31st December 2024 is RON 21.6 mn (2023: RON 27.8 mn).

8. Subsidiaries business performance overview and predictions *(continued)*

8.7. BCR Payments Services SRL

BCR Payments Services SRL is a subsidiary of the BCR Group, founded in 2011, following the outsourcing of payment processing which were made until then integrated into the same unit BCR Sibiu Processing Centre of the Banking Operations Division. The company is responsible for centralized processing of payment transactions and debt instruments in local currency and foreign currency, accounts opening and maintenance.

BCR Payments Services serves all local units of BCR, Operations Division, and other BCR divisions, on the base of the outsourcing contract signed between the two parties. During 2024, 1.9 mn transactions were processed and the company's net profit at 31 December 2024 amounted RON 1.04 mn under IFRS standalone.

Net asset of the company as of 31st December 2024 is RON 3.36 mn.

9. The Bank's and Group risk profile

9.1. Overview

Risk management processes ensures that the bank's risk profile remains in line with the risk strategy. The development of specific risk profile (i.e. retail credit, corporate credit, operational risk, etc.) is reported through dedicated risk reports in a more granular way and supports risk decision making of the dedicated risk functions. These reports also include specific monitoring metrics that provide an early warning signal for adverse developments of portfolio quality (client, segment, countries and industries) or risk drivers. In instances where certain risk portfolios or events are identified as potentially in distress, these are closely monitored by the dedicated risk functions to manage the risk impact and to develop effective strategies to minimize potential losses. These processes facilitate early risk detection and reaction.

The overall risk profile for the Group, as well as the individual risk profiles are implemented through the Group Risk Strategy and are subject to an annual comprehensive review process. A quarterly assessment of the risk profiles checks if there are changes in respect of the risk materiality or if new risks occurred in the Bank's activity.

Given Group business strategy, the key risks for the Group are credit risk, market risk (including interest rate risk in the banking book), liquidity and funding risk and operational risk. All material risks are covered by the Group's control and risk management framework. This entails a set of different tools and governance to ensure adequate oversight of the overall risk profile and sound execution of the risk strategy, including appropriate monitoring and escalation of issues that could materially impact the risk profile of the Group.

Based on the Group Risk Strategy and the Group overall and individual risk profiles, the Group subsidiaries, including the Bank, set up their local risk profile. Also, the Group's capital management framework serves to ensure that the Group and its subsidiaries are capitalized in line with the risk profile, regulatory requirements and economic capital requirements.

As part of its risk strategy, the Group analyses its actual risk profile and determines a target risk profile based on its strategic goals. The risk materiality analysis, which underpins the determination of the overall risk profile, is part of the risk strategy package. The materiality analysis, based on the assessment of quantitative and qualitative risk drivers, leads to the determination of the current risk profile (for the year ending) and a risk profile for the following year. For example now we have done the materiality analysis for YE 2024 and the risk profile for 2025. The target risk profile is a result of the risk assessment process in combination with the boundaries set by the business strategy and the risk appetite framework. In terms of governance, full oversight of the risk profile and a sound execution of the risk strategy is ensured including appropriate monitoring and escalation of issues that could materially impact the risk profile of the Group.

9.2. Proportionality Principles

The proportionality principle is a crucial and integral part of the Group's overall risk framework and strategy. The proportionality principle is applied for the core components of the Group ICAAP framework (Risk Materiality Assessment/Risk taxonomy, Risk-bearing Capacity Calculation, Risk Appetite & Risk Profile, Stress testing, Risk Concentration Analysis, and Recovery Plan).

The Group level risk management principles, concepts and processes are generally designed, developed and implemented to address over-arching organizational needs across both group and local entities/subsidiaries reflecting a high degree of granularity and detail.

However, subsequent implementation and application at Group subsidiaries require an approach that takes differences in business structures, size, complexity and relevance into account. This will ensure a meaningful, suitable and adequate application across the Group in line with local needs and capabilities while still fulfilling overall Group level requirements and standards.

9. The Bank's and Group risk profile *(continued)*

9.2. Proportionality Principles *(continued)*

The evaluation of proportionality criteria is reviewed on an annual basis and included in the Risk Strategy. In addition, a reassessment might be carried out outside the annual review cycle if changed business parameters indicate a need for a respective reclassification.

9.3. Risk Profile

Starting from the volume and nature of the Bank's activity as part of the Group, the risk profile of the Group is driven by the Bank risk profile. Thus, the Risk Profile for Group follows in general the same directions as the Bank, both regarding to overall risk profile and individual risks profiles based on the following considerations:

- the volume and nature of the Bank activity as part of Group;
- the categorization of the Bank as a full subsidiary based on the Proportionality Principles.

9.4. Individual risk profiles for the key risk types

9.4.1. Credit Risk

Credit risk is defined as the current or prospective risk to earnings and capital arising from a borrower's failure to meet the terms of any contract with the credit institution or its failure to perform as agreed.

In respect of the credit risk profile, in order to lower the risk profile for this risk in 2024, the Bank has targeted the following strategic directions:

- any relaxing of the lending standards which can affect the Credit Risk profile of the Bank have to be benchmarked against the targeted risk profile and operative limits, supporting metrics and in the end against the Risk Appetite Statement;
- an integrated risk management framework where risk appetite is cascaded down to the highest granular level in terms of concentration policy, lending acceptance criteria and business strategy;
- the Group continued to refine, update, monitor and redevelop its statistically validated scorings, rating models, risk parameters and tools;
- the Group continued to manage the industry concentrations and to align the portfolio composition with the business strategy; perform periodical stress tests/sensitivity analysis related to the impact of credit risk on the Bank and Group.

9.4.2. Concentration risk

The Bank concentration risk framework outlines the standards needed to identify, measure, monitor, and mitigate concentration risks, which implementation is essential to ensure the long-term viability of any financial institution, especially in the case of stressed economic conditions.

In respect of concentration risk management, the Bank has implemented a wide framework of limits which are specific, measurable, frequency-based, reportable, and based on forward looking assumptions in order to facilitate effective monitoring and reporting.

The limit framework includes material risk concentrations at the bank-wide, business line and legal entity levels (e.g. counterparty, industry, region, product) aiming to ensure that the Bank operates within its defined Risk Appetite and they are effective in controlling Risk Tolerance. Dimensions included in the limit framework comprise industry limits, geographic regions, corporate unsecured loans, corporate and Retail product limits, FX retail limits, as well as concentration risk limits on individual counterparties depending on the ratings (maximum/operational lending limits), market and liquidity risk limits and operational key risk indicators.

9.4.3. Residual risk

This is the risk that the recognized credit risk mitigation techniques (e.g., collateral) employed by the Bank will be less effective than expected.

Collateral and credit enhancement are evaluated pursuant to internally defined rules. Depending on rating grade, purpose and tenor, risk bearing products are protected against losses by stipulating adequate collateral that is fully and indisputably legally enforceable and sufficiently documented for the Bank. Nevertheless, collateral and credit enhancement can never substitute repayment capability.

9. The Bank's and Group risk profile *(continued)*

9.4. Individual risk profiles for the key risk types *(continued)*

9.4.4. FX induced credit risk

FX induced credit risk is a risk associated with foreign currency lending to un-hedged borrowers, which arises due to exchange rate fluctuations of the respective foreign currency.

Foreign currency loans are defined as loans that are at least partially receivable in other currencies than the legal tender of the country in which the borrower is domiciled. Un-hedged borrowers mean borrowers without a natural or financial hedge which are exposed to a currency mismatch between the loan currency and the hedge currency. Natural hedges include in particular cases where borrowers receive income in foreign currency (e.g. remittances/export receipts), while financial hedges normally presume there is a contract with a financial institution.

The Bank has in place limits for new retail FX loans (calculated as share of EUR denominated new loan volume in total new acquisitions), in order to decrease the overall retail FX exposures and mitigate FX Induced Credit Risk. FX induced Credit Risk is also estimated through capital requirement under Pillar 2 and monitored by the Bank on a quarterly basis.

9.4.5. Market Risk

Market risk is the risk to incur losses corresponding to on-balance and off-balance positions due to adverse market price movements (such as, for example stock prices, interest rates, commodity prices and foreign exchange rates).

Key principles of the Group's market risk management are based on the following pillars:

- identification of market risks – identification of market risks inherent in the investment operations and in new products, and ensuring adequate procedures and controls before these are implemented or undertaken;
- position keeping and Market Data Maintenance – ensuring proper data representation of banking book and trading book positions and also sourcing of appropriate market data for financial instruments and risk factors including data quality checks and cleansing;
- pricing and valuation – maintenance of appropriate instrument pricing framework and valuation process for the calculation of valuation adjustments;
- risk measurement – calculation of risk exposure using sensitivities, value-at-risk, and stress testing;
- validation - on one hand this concerns Value at Risk ("VaR") back-testing while on the other hand parameters and models used must be validated on a regular basis;
- market Conformity of Trading Activity - assuring that trading activities are performed at market conforming prices and rates;
- market Risk Limits - development of a comprehensive limit system, limit allocation and breach reporting;
- market Risk Monitoring and Reporting – timely and accurate reporting of all relevant information.

9.4.6. Liquidity & Funding Risk

Liquidity Risk is the risk that the Bank is unable to meet its payment obligations when they come due or only being able to meet these obligations at excessive cost.

The Group distinguishes between:

- funding liquidity risk (which is the risk that the banks in the group will not be able to meet efficiently both expected and unexpected current and future cash flow and collateral needs without affecting either daily operations or the financial condition of the group members);
- market liquidity risk (which is the risk that the group entities cannot offset or close a position at the market price because of inadequate market depth or market disruption) and
- funding concentration risk (concentration risk arises when funding is sourced from too a small number of clients, or an insufficiently diverse range of market instruments or sectors).

Furthermore, the funding liquidity risk is divided into structural liquidity risk (the long-term risk of losses due to a change in the Bank's own refinancing cost or spread) and insolvency risk (the short-term risk that current or future payment obligations cannot be met in full, on time in an economically justified way).

The Group has an appropriate reporting framework for liquidity and funding risk management which includes the scope, possible manifestations, and frequency of these risks, and which also designates the entity responsible for preparing the specific reports. Additionally, BCR Bank and BCR BpL implemented and delivers to the regulator the Additional Liquidity Monitoring Metrics (ALMM) reports, thus benefiting from a more comprehensive analysis of their financing sources.

9. The Bank's and group risk profile *(continued)*

9.4. Individual risk profiles for the key risk types *(continued)*

9.4.6. Liquidity & Funding Risk *(continued)*

The Bank has an adequate set of limits on the values of various liquidity risk indicators, which enable it to closely monitor and control liquidity risk. These limits are also cascaded down to the major entities of the Group, which have also implemented the limits and set their own values, based on prior approval from the Bank.

The Bank is also using the Survival Period Analysis ("SPA") as a key tool for measuring liquidity risk; its aim is to assess whether sufficient liquidity can be obtained in order to operate at a level where the Bank can survive for the length of all predefined liquidity crisis scenarios. The analysis is performed per each significant currency (i.e. RON and EUR), and per total currencies.

Another important tool for Bank's funding risk management process is the Contingency Funding Plan (CFP). It provides a useful framework in the event the Bank is unable to fund some or all of its activities in a timely manner, and at a reasonable cost.

With respect to cash flow risks, the Bank is actively managing the intraday liquidity positions, so that it can be able to fulfil at any time the requirements related to payments and settlements, in both normal and crisis conditions.

Thus, BCR has the capacity to:

- measure daily the gross inflows and outflows, to predict as accurately as possible the time of the day when these flows will occur, and to predict any financing deficits that may occur during a day;
- monitor the intraday liquidity positions as compared to the expected activities and available resources (balances, capacity to cover outstanding loans, available collaterals);
- obtain the necessary financing for meeting the intraday liquidity objectives;
- manage the eligible collaterals for obtaining the intraday financing;
- manage the liquidity outflows according to Banks' intraday objectives;
- react quickly when facing unexpected changes in intraday liquidity flows.

The mechanisms used by the Bank in order to calculate the liquidity position are based on: prediction of cash-flows impacting the current account during the day, estimation of the possible cash-flow shortages, ability to monitor the intraday liquidity position and the expected liquidity requirements throughout the day.

Potential measures used by the Bank for managing liquidity in order to ensure the intraday availability of funds are: the possibility to access intraday liquidity from NBR via its money market operations and /or facilities, banking book portfolio that can be used as collateral in order to obtain secured funding (bilateral repos with banks), using the available liquidity facility, covering currency mismatch through swaps (either with external counterparties, or with NBR).

9.4.7. Operational Risk

The Group's operational risk is governed by an operational risk management policy, which defines:

- the operational risk management structure, hierarchy and governance model ("three lines of defence model");
- the risk appetite setting the limits of residual operational risk tolerance (OpRisk scaling matrix);
- common standards for managing and documenting operational risk within the Group;
- the framework that ensure OpRisk (OpRisk concentrations) are adequately identified, assessed, documented and managed.

The quantitative measurement methods are based on internal loss experience data, which are collected across Erste Group using a standard methodology and entered into a central data pool. In addition to the quantitative methods, qualitative methods are also used to determine operational risk, such as risk and control self-assessment, outsourcing risk assessments, scenario analysis etc. The Group also reviews certain key indicators periodically to ensure early detection of changes in risk potential that may lead to losses.

To lower the operational risk profile, Bank has undertaken the following measures:

- permanent development and improvement of control environment;
- improvement of operational loss data collection;
- performing periodical stress tests/ sensitivity analysis related to the impact of operational risk on the Bank and Group.

The Bank and its subsidiaries have implemented a wide range of specific ratios for managing operational risk. The monitoring and regular reporting of operational risk indicators (KRI) is enabling the Bank to detect any change in its exposure to operational risk in due time. Also, the Bank is monitoring the evolution of recorded events, as well as through implementing/ solving corrective measures.

9. The Bank's and group risk profile *(continued)*

9.4. Individual risk profiles for the key risk types *(continued)*

9.4.8. Reputational Risk

Reputational risk is defined as the current or prospective risk to earnings and capital arising from adverse perception of the image of the credit institution on the part of customers, counterparties, shareholders, investors or supervisory authorities.

Reputational risk issues arise from transactions with clients or through different business activities. However, due to its nature, these usually materialize through other risk types. The primary responsibility for the identification, escalation and resolution of reputational risk issues resides with business and the relevant risk type owner supports their resolution.

Reputational risk registered improvements based on continuing initiatives / projects, such as the financial education program, strengthening corporate culture, using the risk return decision tool, product approval process.

10. Risk management

10.1. ICAAP framework

The Group has continued to strengthen its ICAAP comprehensive framework. This includes as its fundamental pillar the ICAAP (Internal Capital Adequacy Assessment Process) required under Pillar 2 of the Basel framework.

The ICAAP framework is a holistic steering and management model designed to support the Group in managing its risk portfolios and its risk bearing capacity by ensuring that the Bank has, at all times, an adequate coverage potential which ensures the necessary capital adequacy to sustain its business and risk strategy.

A key component of ICAAP is the assessment of the group's capital adequacy using economic capital measures. In the ICAAP, the Group identifies and measures its risks and ensures that it has sufficient capital in relation to its risk profile. The process also ensures that adequate risk management systems are used and further developed. The relevant components of the framework refer to: risk profile & risk materiality assessment, risk appetite (RAS), risk bearing capacity (RCC), stress testing, limit framework, risk concentration analysis, risk planning and forecasting, recovery and resolution plan.

10.1.1 Risk profile

The risk profile is defined by the Group as the assessment at a given point in time of gross and, where appropriate, net risk exposures (after taking into account risk mitigants), aggregated within and between each relevant risk category, on the basis of current assumptions or anticipatory.

The Group Risk Profile is developed within the Risk Appetite and by evaluating the material risks to which the Bank is exposed. Group ICAAP Report monitors the development of BCR Group Risk Profile compared with the Risk Appetite and Risk Strategy and it is presented to the Management Board and Supervisory Board on a quarterly basis.

10.1.2 Risk appetite (RAS)

The Risk Appetite is defined as the aggregate level and types of risk that the Group is willing to assume within the limits of its risk capacity, according to its business model, in order to achieve its strategic objectives.

RAS represents a strategic statement expressing the maximum level of risks the Group is prepared to accept in order to achieve its business objectives. It consists of a set of core metrics providing quantitative direction for risk steering, as well as qualitative statements in the form of key risk principles that form part of the strategic guidelines for managing risks.

10.1.3 Risk bearing capacity (RCC)

The risk-bearing capacity is defined as the maximum level of risk that the Group may assume, considering the applicable capital requirements, its own risk management and control capabilities, and its regulatory constraints.

The Risk Bearing Capacity calculation defines the capital adequacy required by ICAAP. Within the RCC the Group's risks measured from an internal economic perspective are summed up to provide the basis to determine the Group's Economic Capital. The Economic Capital is then compared to internal capital, as measured by the coverage potential.

The integral forecast, risk appetite limits and the traffic light system support management in its discussions and decision process. The traffic light system embedded in the Group's RCC helps to alert the management in case there is need to decide on, plan and execute actions either to replenish the capital base or to take measures for reducing risk.

10. Risk management (*continued*)

10.1. ICAAP framework (*continued*)

10.1.4 Stress testing

Stress testing is a vital component of the Risk Management framework within the Group and is incorporated into the strategic planning process for business activities, capital and liquidity assessment. The assessment of the ability of the Bank to sustain losses in severe but plausible macroeconomic scenarios provides information on the adequacy of the overall business model and supports the planning of emergency and mitigation measures.

Stress testing results and recommendations are incorporated into the process for defining the RAS, subsequent financial projections and budgeting processes, as well as in the calculation of the risk-bearing capacity and the determination of the economic capital adequacy limit.

10.1.5 Risk Planning and Forecasting

The Group has implemented a sound risk planning and forecasting process, which includes both forward- and backward-looking component, focusing on both portfolio and economic environment changes.

Planning of risk relevant key numbers is also part of the Group ICAAP framework and it assures the adequate reflection of risks within the steering and management process of the Group activity.

10.1.6 Recovery Plan and Resolution

The Bank Recovery Plan Governance represents a framework for the drawing up, update and implement the recovery plan as a main pillar of strengthening the financial resilience of the Bank and restoring its financial position following a significant deterioration. It identifies a set of recovery measures which could be taken in order to restore the Bank's financial strength and viability when it comes under severe stress.

The Recovery Plan also ensures that proper remediation measures are applied if the Bank starts moving outside of its approved risk appetite in order to recalibrate its risk profile and ensure that it can recover on a sustainable basis.

10.2. Monitoring of the Group Risk Profile

Oversight of the overall risk profile at the Group level consists of both strategic and operational oversight.

10.2.1 Strategic oversight

A major part of the strategic oversight plan is determining the Bank's risk appetite. The Risk Appetite Statement (RAS) sets the boundary for a maximum risk the BCR Group is willing to accept in order to pursue its business objectives; this includes a set of core steering metrics with trigger levels providing strategic guidelines for risk management and planning.

The Risk strategy sets strategic risk targets based on the targeted risk profile of the BCR Group and the RAS and provides a balanced risk-return view considering strategic focus & business plans.

Both are regularly monitored and reported in the Bank ICAAP Report including a traffic light overview together with respective measures to address identified deviations from strategic plans or objectives.

10.2.2 Operational oversight

Operational oversight involves the identification, assessment, and prioritization of risks and the application of resources to minimize, control and mitigate the impact of unfortunate events on business. Risk management by risk type ensures that the risk specific profile remains in line with the risk strategy and operative limits support the achievement of strategic targets. The development of the specific risk profile (i.e. retail credit, corporate credit, operational risk, etc.) is reported through dedicated risk reports in a more granular way and supports risk decision making of the dedicated risk functions to ensure the risk profile remains within risk strategy. These reports also include specific monitoring metrics that provide an early warning signal for adverse developments of, e.g., portfolio quality (client, segment, industries etc.) or risk drivers. In instances where certain risk portfolios or events are identified as potentially in distress, these are closely monitored by the dedicated risk functions to manage the risk impact and to develop effective strategies to minimize potential losses. This process facilitates early risk detection and reaction.

11. Statement regarding corporate governance

11.1. Corporate governance framework

The Bank managed in a two-tier system, carries out its activity based on a corporate governance framework which is in line with the legal and regulatory requirements of the Romanian legislative framework, the Erste Group policies, regulations and guidelines, as well as the best international practices in the industry.

The policy regarding corporate governance at Bank level, in compliance with the provisions of the regulatory framework issued by the National Bank of Romania ("NBR"), is based on the principles stating that the overall management structure and especially the supervisory function have the responsibility to establish, assess and periodically and systemically review: how the Bank's activity is organized, the collective and individual competencies and responsibilities, how the implementation and application of the entire set of regulations is monitored, flows and control keys from the perspective of the undertaken mission and vision, targets' achievement as per the business plans, effective risk management.

The policy and the corporate governance principles on which the policy is based are applicable at the Group level, and Bank management body is assuring that at the group level for Bank's subsidiaries there is assured a proper corporate governance framework in order the meet all applicable governance requirements.

Within this framework, the undertaken principles are based on the fact that BCR is part of Erste Group – one of the largest financial services suppliers from Central and Eastern Europe and are aligned with the corporate governance principles applicable at Group level.

11.2. General Ordinary and Extraordinary Meeting of Shareholders

From Bank's perspective, corporate governance covers all rules, systems and processes implemented with a view to establish the relation between shareholders, management, clients, employees, suppliers and other parties involved in setting the objectives and the manner to achieve them, for increasing economic performance and, implicitly, the Bank's value. It also highlights the efficiency of the management systems, namely the role of the Supervisory Board and of the Management Board, the responsibilities and remuneration of these structures' members, the fair view and accuracy of the financial statements and the efficiency of control functions.

Details regarding BCR Corporate Governance Report may be found on the following link: https://www.bcr.ro/en/about-us/corporate-governance/principles-policies.

The General Meeting of Shareholders (GMS) is the Bank's highest management and decisional body.

The Ordinary GMS deliberates and decides on:

- discussing, approving, or changing the annual financial statements, after analysing the reports of the: Supervisory Board, Management Board and financial auditor, including the reports of Supervisory Board's committees, and setting up the dividends, reserves or other allotments;
- electing and revoking the Supervisory Board members;
- setting up an adequate remuneration for the Supervisory Board members for the current year;
- assessing the activity of Supervisory Board and Management Board's members and discharging them of duty for the previous financial year;
- approving the income and expense budget and, if applicable, the plan of activities for the next financial year;
- approving the pledge, lease or close down of the Bank's units;
- approving the initiation of the legal proceedings against the members of Supervisory Board and the financial auditor and nominating the person empowered to represent the Bank in such legal process;
- appointing and revoking the financial auditor and establishing the minimum duration of the contract concluded with them;
- other matters that are included on the agenda of the meeting and are attributed to the ordinary General Meeting of Shareholders by law.

The Extraordinary GMS deliberates and decides on:

- change in the legal form of the Bank;
- reducing the share capital or its increase, except the case when the increase is decided by the Management Board;
- reconstituting the share capital in order to meet the minimum capital requirements established by law;
- reshaping the Bank main business activity as set forth in Article 9 of the Charter;

11. Statement regarding corporate governance *(continued)*

11.2 General and Extraordinary Meetings of Shareholders *(continued)*

- the merger of the Bank with any other company or the Bank splitting up process;
- the liquidation and dissolution of the Bank;
- issuance of bonds;
- conversion of one category of bonds into another category or into shares;
- conversion of shares from one class to another;
- re-organizing, consolidating or provision documents regarding to fixed assets, when the value of transactions exceeds 25 (twenty-five) percent of the Bank own funds;
- contracts conclusion by the Management Board's members regarding the acquisition, selling, lease, exchange or pledge of the Bank assets if the value of such assets exceeds 50 % of the Bank's assets book value on the date of concluding such legal agreement, based on the last available annual financial statements;
- purchase by the Bank of its own shares, directly or indirectly, in accordance with the law;
- amending the Bank's Charter;
- any public offering of shares issued by the Bank or admission thereof to trading on any regulated market/multilateral trading facility;
- any acquisition or alienation by any member/members of the Management Board or of the Supervisory Board in his/her own name of assets from or to the Bank, the value of which exceeds 10% of the net asset value of the Bank;
- other matters that are included on the agenda of the meeting and are assigned to the extraordinary General Meeting of Shareholders by law.

All shareholders may attend the general meetings of shareholders : (i) in person, (ii) or by means of a representative or (iii) by correspondence or other means of remote electronic communication that meet the technical requirements necessary to ensure the identification of participants, their effective participation in the meeting and the continuous retransmission of the proceedings. Shareholders can be represented at the General Meeting of Shareholders based on a special power of attorney lodged with the Bank by at least 2 (two) working days before the relevant meeting.

11.3. The Supervisory Board (SB)

The SB shall supervise the Management Board in its operational management of the Bank and monitors the compliance of the activities performed by the Management Board pursuant to the Applicable Legislation, the Bank's Charter and the General Meeting of Shareholders decisions.

The Supervisory Board is composed of minimum 5 members and maximum 9 members appointed by the ordinary GSM for a maximum four-year term, from among the candidates nominated by the shareholders or by the SB in office, with the possibility of being re-elected for subsequent four-year mandates.

The main responsibilities include:

- establishes, monitors and regularly assesses (at least yearly) the structure and effectiveness of the governance framework of the Bank and its subsidiaries, including the policies related to it, reviewing (at least yearly) and considering various risks, both internal, as well as external that the Bank and its subsidiaries are exposed to;
- approves and regularly reviews, (at least annually) the general business strategy, the risk strategy and the general risk management policy at Bank's level and at the level of its subsidiaries;
- approves and periodically reviews the internal audit statute and the internal audit plan, as well as the financial audit scope and the frequency of audit engagements;
- approves and assesses (at least yearly) the policy regarding compliance risk and its implementation;
- approves the guidelines for staff policy and the organizational structure of the Bank down to the level of independent entities inclusively and any changes thereof.

11. Statement regarding corporate governance *(continued)*

11.3. The Supervisory Board (SB) (*continued*)

Sustainability-related expertise and skills of the supervisory board members
The roles are defined as follows:

	Main competencies						Specific competencies		
Name	Banking and Financial sector	Industry	Consultancy	Directors /senior management	Accounting/ audit/ risk management	Compliance/ public sector	*IT/ digitalization innovation*	*Corporate acquisitions/ /reorganisations/ capital markets*	*Sustainability**
Elisabeth Krainer Senger-Weiss	x	x	x		x	x	x	x	x
Christine Catasta	x	x	x	x	x	x		x	x
Manfred Wimmer	x		x	x	x	x		x	x
Stefan Dörfler	x			x	x	x	x	x	x
Iris Bujatti	x		x	x	x	x		x	x
Hildegard Gacek	x	x		x	x	x			x
Daniela Camelia Nemoianu	x	x	x	x	x	x		x	x

* All the members of the Supervisory Board attended the „Annual Training for Management Body" (November 21st, 2024), which also covered ESG regulatory updates.

During 2024, there have been no changes in the membership structure of the Supervisory Board.

As of 31.12.2024, the members of the Supervisory Board were the following:

- Manfred Wimmer – Chairman;
- Stefan Dörfler – Deputy Chairman;
- Daniela Camelia Nemoianu – member;
- Hildegard Gacek – member;
- Elisabeth Krainer Senger-Weiss – member;
- Iris Bujatti – member;
- Christine Catasta – member.

The Supervisory Board may establish committees as necessary and appropriate consisting of at least 3 members of the Supervisory Board, the duties of which will include carrying out analysis and drawing up recommendations for the Supervisory Board in the following main areas: audit, remuneration, nomination, risk and compliance.

At December 31st, 2024, the Supervisory Board was supported by the following consultative committees:

- Audit Committee;
- Risk and Compliance Committee;
- Remuneration Committee;
- Nomination Committee.

11. Statement regarding corporate governance *(continued)*

11.3. The Supervisory Board (SB) (*continued*)

11.3.1. Audit Committee

The Audit Committee is a consultancy body, which reviews, reports to, advises and assists the Supervisory Board in carrying out its tasks related to internal control and audit, as well as on the quality and performance of Bank's internal accountants and auditors, the reliability of the Bank's financial information, and the adequacy of the Bank's financial controls and policies.

The Audit Committee is made of 3 members and one additional replacement member elected out of the Supervisory Board members.

Members of the Audit Committee must have basic accounting and financial knowledge and at least one member of the Audit Committee shall have accounting or financial management professional background. The responsibilities, organization, the operation and the procedures of the Audit Committee are established by the Audit Committee Internal Rules.

11.3.2. Risk and Compliance Committee

The Risk and Compliance Committee is a consultancy body which reviews, reports to, advises and assists the Supervisory Board in carrying out tasks related to risk management (strategic risk, legal risks and business continuity and security management), internal control, compliance and ESG and issues recommendations within its authority limits. In addition, there are several audit matters, including the financial statements, which, as always, are received and reviewed by this Committee in accordance with the provisions of its Internal Rules.

The Risk and Compliance Committee is made of 3 members and one additional replacement member elected out of the Supervisory Board members. The responsibilities, organization, the operation and the procedures of the Risk and Compliance Committee are established in accordance with the Risk and Compliance Committee Internal Rules.

11.3.3. Remuneration Committee

The Remuneration Committee is a consultancy body which reviews, reports to, advises and assists the Supervisory Board in carrying out its powers and responsibilities with respect to the overall remuneration policy, and in particular advises and monitors the remuneration, bonuses and benefits of the members of the Management Board and of the identified staff.

The Remuneration Committee is made of 3 members and one additional replacement member elected out of the Supervisory Board members.

The responsibilities, the organization, the operation and the procedures of the Remuneration Committee are established in accordance with the Remuneration Committee Internal Rules.

11.3.4. Nomination Committee

The Nomination Committee is a consultancy body, which reviews, reports to, advises and assists the Supervisory Board in carrying out its tasks related to the nomination and assessment of suitability of the members of the Supervisory Board, the Management Board and of key function holders respectively as well as to the Bank's corporate governance framework.

The Nomination Committee is made of 3 members and one additional replacement member elected out of the Supervisory Board members.

The responsibilities, the organization, the operation and the procedures of the Nomination Committee are established in accordance with the Nomination Committee Internal Rules.

11.4. Management Board (MB)

The Management Board ensures the operational management of the Bank and the effective management of the compliance risk.

The Management Board members are authorized to manage the Bank on a daily basis, and they have authority and power to legally represent and bound the Bank, according to the Bank Charter.

The Management Board has 5 members appointed by the Supervisory Board, for mandates of maximum four-year period each, one of them being appointed as President of the Management Board. The remuneration of Management Board members is decided by the Supervisory Board.

The President and the other members of the Management Board have competences and assignments established by law and by the Management Board's Internal Rules. Main responsibilities:

- managing the implementation of Bank's financial targets, strategy and business plan;
- systematically and regularly approving and revising the strategies and policies regarding the risk management;

11. Statement regarding corporate governance *(continued)*

11.4. Management Board (MB) *(continued)*

- approving the strategies and policies related to the internal capital and own funds (covering and proportional to the nature, extension and complexity of the activity conducted by the Bank);
- periodically monitoring and assessing the efficiency of the Bank's activity management framework and practices, mainly the management policies regarding the management framework, and reviewing the management framework in order to reflect any changes in the internal and external factors affecting the Bank;
- approving the explicit plan regarding the capital;
- approving and assessing the Bank risk appetite;
- approving the level of interest, commission, fees, costs and other similar bank changes collected and paid by the Bank in line with the budget approved by the General Meeting of Shareholders;
- approving the internal rules of the committees established by the Management Board.

Sustainability-related expertise and skills of the management board members

	Main competencies						Specific competencies		
Name	Banking and Financial sector	Industry	Consultancy	Directors /senior management	Accounting/ audit/ risk management	Compliance/ public sector	*IT/ digitalization / innovation*	*Corporate acquisitions/ reorganisations/ capital markets*	*Sustainability**
Sergiu Cristian Manea	x	x			x	x	x	x	*x*
Elke Meier	x	x			x	x	x	x	*x*
Dana Luciana Dima	x	x		x	x	x	x	x	*x*
Thomas Kolarik	x	x			x	x	x	x	*x*

* All the members of the Management Board attended the „Annual Training for Management Body" (November 21st, 2024), which also covered ESG regulatory updates.

The Members of the Management Board as of 31.12.2023 were as follows:

1. **Sergiu Cristian Manea** – Executive President, Chairman of the Management Board - mandate valid until 28.02.2026;
2. **Elke Meier** – Executive Vice-President coordinating the Financial functional line, Member of the Management Board - mandate valid until 31.12.2027;
3. **Dana Luciana Dima** - Executive Vice-President coordinating the Retail & Private Banking functional line, Member of the Management Board - mandate valid until 31.10.2025;
4. **Thomas Kolarik** - Executive Vice-President coordinating the Operations & IT functional line, Member of the Management Board –mandate valid until 31.12.2027.

Note: As of 31.12.2024, Mrs. Ioana Anca Gheorghiade was in the process of authorisation by the National Bank of Romania for the position of Executive Vice-President coordination the Risk functional line.

Mrs. Ioana Anca Gheorghiade was authorized for the CRO position starting on 05th February 2025.

Management Board members meet the general conditions provided by the law and the special conditions of the Banking Law, National Bank's regulations, and Recruitment and Remuneration Policy of BCR Group management.

Professional experience details of Management Board may be found on the following link: https://www.bcr.ro/en/about-us/bcr-management.

The Management Board may set up committees as it deems necessary and appropriate. Such committee's competencies and authority will be stipulated by the Management Board and responsibilities will be defined by each committee's internal rules.

11. Statement regarding corporate governance *(continued)*

11.4. Management Board (MB) *(continued)*

As at 31.12.2024, the Management Board's Committees are:

11.4.1. Asset and Liabilities Committee (ALCO)

ALCO reviews, reports to, and assists the Management Board in carrying responsibilities as regard asset and liabilities structure management, financing strategy, interest rate policy, liquidity policy, pricing for savings products/ lending products/ cards/ introducing/ suspension or removal the products and services. The committee is a body for analysis and decision that issues decisions and recommendations according to the established authority limits.

The ALCO consists of all the Management Board members and the CFO is Chairwoman whilst the CEO is Deputy Chair of this Committee.

The responsibilities, organization, working means and procedures of ALCO are established in accordance with the Internal Rules of the Committees subordinated to the Management Board.

11.4.2. Credit Committee

The Credit Committee reviews, reports to, and assists the Management Board in carrying its responsibilities regarding loans granting, changing of terms and conditions for granting, using and/or securing some previously granted loans, concluding agreements, extending their validity periods, issuing letters of guarantee, factoring and other activities, for retail, corporate and workout customers.

The Credit Committee is made of 3 members, namely CRO - Chair, CFO – Deputy Chair and CEO/Retail & Private Banking VP – member.

The responsibilities, organization, working means and procedures of Credit Committee are established by the Internal Rules of the Committees subordinated to the Management Board.

11.4.3. Risk Committee

Risk Committee is subordinated to the Management Board and is responsible for approval and reviewing the aspects regarding the operational risk administration.

The Risk Committee is made of Management Board Members, respective CRO – Chair, CEO – Deputy Chair and COO - member. The responsibilities, organization, working means and procedures of Risk Committee are established by the Internal Rules of the Committees subordinated to the Management Board.

11.4.4. Data Analytics & AI Committee (former Business Information Center Committee)

During 2024, the Business Information Center Committee was renamed into **Data Analytics & AI** Committee being subordinated to the Management Board and ensures the management of all aspects related to data in BCR, regulatory requirements related to data management and data initiatives and priorities in the **Data Analytics & AI** Operational Decision Body, takes strategic decisions on related topics. The Committee comprises of 5 members, namely the CFO – Chairwoman, COO – Deputy Chair, CRO, VP Retail & Private Banking and B-1 **Data Analytics & AI** Division - members. The responsibilities, organization, working means and procedures of Data Analytics & AI Committee are established by the Internal Rules of the Committees subordinated to the Management Board.

11.4.5. Sustainability Committee

Sustainability Committee is subordinated to the Management Board and ensures in-depth discussions and review of all sustainable related topics.

The Committee comprises of all the members of the Management Board, with the following structure: CRO – Chair, CEO – Deputy Chair, CFO, COO and VP Retail and Private Banking – members. The responsibilities, organization, working means and procedures of the Sustainability Committee are established by the Internal Rules of the Committees subordinated to the Management Board.

11.4.6. Capital Management Committee

Is subordinated to the Management Board and is an analysis, consultative and decision-making body for all joint alignments, endorsements, decisions as well as confirmations related to capital management relevant topics in BCR Group across all its Divisions, Departments, Staff Units and Subsidiaries.
The new set-up Committee consists of 5 members, namely the CFO – Chairwoman, CRO – Deputy Chair, the Executive Managers of Controlling Division, Strategic Risk Management Division and Balance Sheet Management Division as members. The responsibilities, organization, working means and procedures of Capital Management Committee are established by the Internal Rules of the Committees subordinated to the Management Board.

11.5. Organization of the internal control system's function

Internal Control System Framework Requirements

The internal control system (ICS) is an essential element of the corporate governance system of BCR Group contributing to the safeguarding of shareholders' investments and company's assets. BCR Group's ICS plays a key role in identifying risks associated with the respective internal processes.

11. Statement regarding corporate governance *(continued)*

11.5. Organization of the internal control system's function *(continued)*

The BCR Internal Control Policy provides the framework conditions for the internal control system at BCR Group. It defines current standards concerning general tasks and responsibilities as well as minimum criteria for ICS documentation.

Ensuring an internal control in Romanian Commercial Bank (BCR) involves:

a) the existence of a sound internal control framework in place, which cover the whole credit institution (including the outsourced activities), including the activities of all business, support and control functions, ensured by:

• definition of the role and responsibilities of the management body concerning the internal control;

• identification, assessment and monitoring of significant risks;

• control activities definition, segregation of duties assurance and conflict of interest avoidance;

• assurance of a transparent framework for information and communication;

• continuous monitoring of the activities and correcting the deficiencies.

b) the existence in place of independent control functions, established at an adequate hierarchical level with direct line of reporting to the management body.

Everyone in the organization has responsibility for internal control to a certain extent.

Control environment

The Code of Conduct provides orientation for all employees of BCR Group, defines mandatory rules for day-to-day business life, describes the corporate values, affirms the obligation to act responsibly as a company and ensures compliance with legal provisions and internal guidelines (compliance).

The awareness of potential compliance issues and a sustainable risk culture enable risks to be identified quickly and well-considered decision-making when dealing with existing regulations.

The main component of the risk culture are internal guidelines and, above all, open communication in order to create the broadest possible awareness of all employees for all risks that BCR Group is confronted with. The management board is responsible for the establishment, structure and application of an appropriate internal control and risk management system that meets the company's needs in its group accounting procedures.

BCR's IFRS Accounting Manual provides a comprehensive methodological basis for the preparation and submission of the monthly, quarterly and annual IFRS Group Reporting Packages by BCR Group's subsidiaries. The management in each subsidiary is responsible for implementing group-wide instructions. Compliance with group rules is monitored as part of the audits performed by group and local auditors.

Accounting Division is responsible for preparing the consolidated financial reporting. Accounting Division is assigned to the CFO and Accounting Director of BCR Bank. The assignment of competencies, the process description and the necessary control procedures are defined in the working instructions.

Risk assessment and controls measures

The main risk in the financial reporting procedures is that errors or deliberate action (fraud) prevent facts from adequately reflecting the company's financial position and performance. This is the case if the data provided in the financial statements and notes is materially deviating from the correct figures, i.e. whenever, alone or in aggregate, they could influence the decisions made by the users of financial statements. Such a decision may incur serious damage, such as financial loss, the imposition of sanctions by the banking supervisor or reputational harm.

Furthermore, especially estimates for the determination of the fair value of financial instruments for which no reliable market value is available, estimates for the accounting of risk provisions for loans and advances and for provisions, complex measurement requirements for accounting as well as a volatile business environment bear the risk of significant financial reporting errors.

The basic components of the internal control system within BCR Group are:

— systemic, automatic control systems and measures in the formal procedure and structure, e.g. programmed controls during data processing;

— principles of functional separation and checks performed by a second person (the four-eye principle);

11. Statement regarding corporate governance *(continued)*

11.5. Organization of the internal control system's function *(continued)*

— controlling as a permanent financial/business analysis (e.g. comparison of target and actual data between accounting and controlling) and control of the company and/or individual corporate divisions;

— highly automated data validation in the group consolidation process.

The areas of responsibility assigned to the individual positions are documented and are continuously updated. Special attention is paid to a functioning deputy regulation in order not to jeopardize the ability to meet deadlines if one person is absent.

BCR issues group policies used for preparation of consolidated financial statements in accordance with IFRS.

A summary description of the accounting process is provided in BCR's IFRS Accounting Manual. Preparation of the financial statements of the subsidiaries for consolidation purposes are in accordance with the accounting and measurement methods set out in this manual.

Monitoring

In order to monitor and at the same time support strong governance and risk management, BCR Group applies three lines of defense to review the structures and processes that enable the achievement of the objectives for their effectiveness.

First control line – business lines / The first control line has the responsibility of managing risks that could affect the activity of BCR and its financial performance, as well as its reputation and is translated in the following actions performed as part of the internal control system. The business line management (functional entities/ branches/ business centers, excluding entities that are part of the risk management function, compliance and internal audit function) has the main responsibility to ensure an adequate internal control framework by identifying, evaluating and mitigating risks, providing support for the policies and regulations development and implementation, thus ensuring the business in in line with the bank's objectives.

Second control line - Risk Management function and Compliance function

Second line of defense functions have the main responsibility to set the rules regarding overall risk management:

• identify the inherent and residual risks and the relating regulatory requirements and state them in the relevant policies and procedures;

• define key controls from ICS perspective and assign the control to the risk intended to be mitigated;

• allocate responsibilities necessary to implement the key controls as they are designed in the policies;

• monitor and assess the control effectivity to improve the design of the controls and/or to introduce new controls;

• assist the business lines by setting up definition and allocation of necessary internal controls and/or other risk mitigation measures.

Internal audit function (represented by Internal Audit Division) is an independent function, which corresponds to the third level of the internal control framework and provides an objective assurance, designed to add value and improve the Bank's operations. Internal Audit helps the organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness and efficiency of risk management, control, and governance processes.

Internal Audit conducts periodical reviews of the internal control system (both from the first and second control line), distinctly from the daily monitoring performed by management. The internal audit process covers all activities of the Bank, including those of the subsidiaries within the BCR Group. Internal Audit also evaluates the internal control system of all outsourced activities.

The activity of the Internal Audit is regulated through BCR Group Internal Audit Policy, which objective is to provide a framework and regulate the activities of BCR Internal Audit Division in cooperation with internal audit functions of the legal entities included in BCR Group consolidation area.

Group consolidation

The individual financial statements reported by the subsidiaries in the consolidation system are checked by the person responsible for the individual financial statements in Accounting Division as part of the data release process, which provides for extensive, largely automated check routines, and - if necessary - adjustments to the individual financial statements are made in coordination with the individual entities or the auditors.

The subsequent consolidation steps are then performed using the consolidation system. These include consolidation of capital, expense and income consolidation, and debt consolidation, any intragroup gains are eliminated. At the end of the consolidation process, the notes to the consolidated financial statements are prepared in accordance with IFRS. The consolidated financial statements and the administrator's report are pre-approved by the management board and the supervisory board and approved by the general shareholders meeting. They are audited and published on BCR's website.

12. Consolidated Sustainability Statement

12.1. General information

12.1.1. Basis for preparation

BP-1 – GENERAL BASIS FOR PREPARATION OF THE CONSOLIDATED SUSTAINABILITY STATEMENT

BCR Group has integrated its consolidated sustainability statement for 2024 into the management report. This report has been prepared on a consolidated basis, using the European Sustainability Reporting Standards (ESRS) as foundation, alongside the requirements of Article 8 of EU Regulation 2020/852 on establishing a framework to facilitate sustainable investment (EU Taxonomy).

The scope of consolidation of the sustainability statement follows the scope of consolidation in the financial statements, which is prepared according to the International Financial Accounting Standards (IFRS) and is shown in Note 40 of the 2024 consolidated financial statements.[1] The information in this statement relates to the entities within this scope of consolidation, as well as BCR Group's upstream and downstream value chain. Where this is not the case, this is indicated in the text[2].

To ensure that all material aspects are addressed, BCR Group conducted a value chain assessment, which was part of the double materiality assessment. This materiality assessment supported BCR Group to identify and assess impacts, risks and opportunities (IROs) across the value chain. The material IROs connected to the direct value chain are an integral part of the report. Also, where value chain information was available this is reflected in the Consolidated Sustainability Statement of BCR Group. For instance, the greenhouse gas emissions of a joint venture on which BCR Group does not have operational control are covered in this report, as indicated in the "Climate change" chapter. For further information on the value chain and its assessment, please refer to the disclosures in chapter "SBM-1 Strategy, business model and value chain".[3]
BCR Group (hereinafter also referred to as "the Group" or "we") has not exercised the option to exclude information related to intellectual property, know-how, or innovation results, as there is no such information that requires disclosure[4].
The provisions of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 as regards corporate sustainability reporting (CSRD) have been fully transposed into the national legislation, therefore BCR Group does not apply the exemptions indicated by ESRS 2, BP-1 § 5 (e).

BP-2 – DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

Estimation uncertainty and assumptions

Certain disclosed metrics have been calculated using estimates and assumptions. Information on the estimates and data sources, including potential measurement uncertainties and assumptions, where applicable, is provided in the respective topical chapters. BCR Group discloses metrics that incorporate value chain information which has either been sourced directly from counterparties or derived indirectly through third-party data providers or industry-specific proxies. The computation of greenhouse gas (GHG) emissions is either based on data provided by the portfolio clients or, in case this is not available, on industry specific proxies to determine financed emissions. Other Scope 3 GHG categories and energy consumption metrics are based on value chain estimates where direct measurements are not available, as described in sections E1-5 "Energy consumption and mix" and E1-6 "Gross Scopes 1,2,3 and Total GHG emissions".

Thus, a high level of measurement uncertainty due to limitations in data and methodologies relate to the disclosure of GHG emissions. In climate target-setting, estimates have been made using the recognized frameworks available at the time. Detailed descriptions of the methodological approaches can be found in sections E1-4 and E1-6.

The presentation of EU Taxonomy reporting is subject to uncertainty due to limitations to the availability of information and the use of third-party data. See the section related to data quality for EU Taxonomy reporting.

The limitations in the availability of environmental data from our corporate clients and other business relationships may also have impacted the results of our impact materiality assessment.

1 BP-1-§5-a
2 BP-1-§5-b
3 BP-1-§5-c
4 BP-1-§5-d

Climate-related target setting, alongside the respective actions and policies, require forward-looking parameters over a long-term horizon. BCR's parameters are based on expectations, projections, and estimations, which inherently involve a degree of uncertainty and risk. This is due to factors such as evolving methodologies, fluctuating market conditions, technological advancements and challenges in data availability, accuracy, as well as potential regulatory changes. These assessments are subject to change and should not be considered reliable indicators of future performance.

For more information regarding planned actions to improve the accuracy in the future, please refer to section GOV-5 Risk management and internal controls over sustainability reporting.

Transitional provisions and phase-in options

- BCR Group has used the phase-in option under ESRS 1 Appendix C with respect to anticipated financial effects of material risks and opportunities identified on BCR Group's financial position and financial performance in future years (SBM-3).
- BCR Group has used the phased-in option under ESRS 1 Appendix C with respect to anticipated financial effects from material physical and transition risks and potential climate-related opportunities, as indicated under E1-9.
- BCR Group has used the phased-in option under ESRS 1 Appendix C with respect to anticipated financial effects from biodiversity and ecosystem-related risks and opportunities, as indicated under E4-6.
- BCR has set GHG intensity reduction targets and, correspondingly, reports progress against these relative targets. BCR does not report associated absolute values for the target years in accordance with ESRS 1 §133 (transitional provision regarding value chain information).
- BCR Group has more than 750 employees, thus the possible omissions described in BP-2 §17 are not applicable.

Comparative figures

In accordance with the ESRS transitional provision, no comparative figures are disclosed for metrics reported in 2024 as it is the first year of sustainability reporting under the ESRS.

Time horizons

BCR Group defines 'short-, medium- and long-term time horizons' for reporting in accordance with ESRS. Deviations from these time horizons (for example due to time horizons which were aligned with internal risk processes) are noted for sections E1 SBM-3 (Resilience of the business model) and E4-1 (BCR Group's Business Environment).
The time horizons are:

- short-term: up to 1 year
- medium-term: 1 to 5 years
- long-term: over 5 years[5.]

External assurance

In developing its consolidated sustainability statement BCR Group has not relied upon other European standards nor on data and processes verified by an external assurance provider other than the provider of limited assurance for this report. Unless specifically indicated otherwise, the frameworks, guidelines, policies, effectiveness of the actions, targets and metrics presented in this consolidated sustainability statement are not validated, audited, certified or assessed by or based on the opinion of an external body other than the assurance provider for this statement, meaning PwC.

Incorporation of information by reference

The following disclosure requirements of ESRS have been incorporated by reference[6:]

List of disclosure requirements	Section#	Incorporated by reference to
BP-1 - General basis for preparation of the consolidated sustainability statement: information related to the scope of consolidation	Note 40	Financial Statements
GOV-1 – The role of the administrative, management and supervisory bodies: information about the composition and diversity of the members of the management and supervisory bodies, including the number of executive and non-executive members, as well as experience relevant to the sectors, products, and geographic locations of BCR Group and expertise regarding business conduct	11 Statement regarding corporate governance	Administrators' Report
SBM-1 – Strategy, business model and value chain: additional elements related to the general strategy and on the strategy and business model inputs and BCR Group's approach to gathering, developing, and securing those inputs	4.2. BCR Group's strategy and business model	Administrators' Report

5 BP-2-§9-a,
6 BP-2-§16

12.1.2. Governance

GOV-1 – THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES[7]

Organisational structure for sustainability topics

Management Board

The Management Board of Banca Comercială Română S.A ("BCR", "the Bank" or "BCR Bank") has overarching responsibility for managing the organisation and defining the sustainability strategic pillars, framework, goals and priorities. This includes ensuring the implementation of the sustainability strategic initiatives by allocating adequate resources and controls and preparing the consolidated sustainability statement. The Management Board is also responsible for the process of identifying and managing impacts, risks and opportunities (IROs) and is periodically informed on the status and milestones achieved. These tasks are implemented through the Sustainability Committee, which consists of members of the Management Board of BCR and chaired by Chief Risk Officer until July 2024 and by Chief Executive Officer (as Deputy Chair) until December 2024.[8]

In 2024, the Management Board and the Sustainability Committee were briefed several times on material environmental IROs (sustainable financing, climate change mitigation) by the Head of the BCR Sustainability Department and experts from different divisions, such as strategy, risk management and business areas. For social topics, the diversity strategy was presented and discussed in the Diversity Council and aligned with the CEO and CFO in January 2024 [9]. The Remuneration Committee of the Supervisory Board was informed on the overall remuneration strategy of BCR. The CRO and, in the second semester, the member of the Management Board replacing the CRO until the appointment of a new CRO (in this case the CFO) was briefed quarterly on sustainability issues and received regular reports. There are also impromptu meetings with other board members on these matters.[10] On governance topics regarding whistleblowing, the participating members of the Management Board and the Supervisory Board were informed in the Risk and Compliance Committee about the BCR Whistleblowing Policy, the group whistleblowing channels as well as compliance with applicable national and EU laws[11]. This also included an overview of the cases from the last reporting period. Furthermore, the Management Board oversees the implementation of the Code of Ethics and of the Anticorruption Policy, which are aimed to support the business conduct of the organization and its commitment to an ethical behaviour.

The Management Board and Risk and Compliance Committee were regularly informed about the status and results of the double materiality assessment (DMA) by the Sustainability Department. The DMA was approved by the Management Board.

Supervisory Board

The Supervisory Board of BCR is responsible for approving fundamental decisions on overall BCR strategy. The Supervisory Board and the audit committee are tasked with reviewing and approving the consolidated sustainability statement prepared by the Management Board. The Management Board and the Risk Compliance Committee are regularly briefed and consulted in the process of setting, reviewing and adapting targets towards material IROs.

Sustainability Department

The Sustainability Department is responsible for developing the sustainability strategy and ensuring its integration throughout the organisation, aligned with Erste Strategy. It advises the Management Board on sustainability strategy and has direct contact with the CEO, as well as other members of the Management Board, Risk and Compliance Committee and the Supervisory Board. The Sustainability Department develops key ESG policies, secures in-house expertise on climate, environmental, social and governance objectives, defines the ESG governance framework and financing rules and selectively intervenes in structuring single transactions and greenlighting transactions in controversial sectors, in accordance with Responsible Financing Policy. Additionally, the Sustainability Department acts as a point of contact and provides advice to BCR Group subsidiaries concerning the integration of sustainability matters in their strategies and business model. Furthermore, it ensures transparency on BCR Group's sustainability impact and coordinates with various stakeholders including regulatory and public bodies.

7 GOV-1-§19
GOV-1-§21-a
8 GOV-1-§22-a, b
9 GOV-1-§20-b, c
GOV-1-§21-c
GOV-1-§22-c
GOV-2-§24
10 GOV-2-§26-a
11 GOV-2-§25

Management Boards of BCR subsidiaries

The Management Boards of BCR subsidiaries discuss social, governance and the environmental IROs relevant for their strategies within their board meetings. They ensure adoption of sustainability-related strategic priorities at subsidiary level. The Management Boards further support setting sustainability related targets and implement activities to achieve these, including approving a dedicated local budget for sustainability matters when necessary. Discussions between the subsidiaries and the BCR Management Boards also occur on a regular basis, at least annually.

Representatives of subsidiaries participated in regular Sustainability Committee and Diversity Council meetings and in ad-hoc presentations with Sustainability Department on specific topics.

Composition of the bodies, skills and expertise

Management Board

The Management Board of the Bank consists of five members. For 2024, the average ratio of female to male Management Board members is 55.8%. With respect to BCR's sustainability journey, the following Management Board members hold primary responsibilities:

The CEO (namely Sergiu Cristian Manea) is responsible for ESG strategy and ensures that sustainability considerations are integrated smoothly into the BCR Group's corporate culture and governance framework. Also, he supervises, as hierarchic manager, the activity of the Sustainability Department supporting the overall strategic sustainability agenda and climate strategy and targets of the bank, with special focus on transition to a net-zero portfolio, transition to net-zero operations and integration of climate risks within organization[12.]

The CRO (namely Ilinka Kajgana, until 1st of August 2024, and subsequently the CFO as replacement for the remaining period of 2024) integrates environmental risks, including physical and transition climate risks, into the BCR Group's risk management framework and ensures that governance and remuneration principles adequately account for these risks. The CRO supervises, as a functional manager, the activity of the Sustainability Department ensuring sufficient budget and resources for ESG Risk Framework and other ESG projects, with special focus on:(i) development, definition and supervision of sustainability strategy, and (ii) development and implementation of sustainable organizational policies to address environmental and social concerns.

Supervisory Board[13]

The Supervisory Board of BCR consists of 7 non-executive members. For 2024, the average ratio of female to male Supervisory Board members is 71.4%. In accordance with the definition of independence as stated in the local Companies Law no. 31/1990, as further amended, and NBR Regulation 5/2013 on prudential requirements, as further amended and supplemented, the average ratio of independent members is 57 %.

The Supervisory Board members are carefully evaluated for their suitability before appointment, based on the requirements applicable to credit institutions. When appointing members to the Supervisory Board, care is taken to ensure that the Supervisory Board as a collective body possesses, in its entirety, the necessary knowledge, skills and professional experience required for the proper performance of its duties, including BCR's sustainability matters and their associated IROs.

Sustainability-related expertise

The Management Board and the Supervisory Board have access to various sources of specialist expertise from all the bank's specialist areas, for example through ongoing external and internal training courses in which they participate. The boards also have access to the relevant expertise through their representation in the Risk and Compliance Committee and Sustainability Committee. The individual members of the Management Board are briefed through direct reporting lines from senior management as well as through regular board meetings.

Due to the professional background and experience of the individual members, the Supervisory Board has in-depth knowledge of key sustainability issues such as sustainable investments, the legal framework and legal developments on sustainability issues, employee concerns, corporate governance and sustainability reporting. The Supervisory Board continually updates and expands its professional expertise in this area through ongoing further education and training as well as exchanges with experts. All the members of the Supervisory Board have performed the training "Annual Training for Management Body" on 21 November 2024 which was delivered by a reputable third party and covered also ESG regulatory updates.

12 GOV-1-§22-d
13 GOV-1-§20-a, BP-1-§21-d

For further details on how specific IROs are overseen and managed within the Group, please refer to chapter 'GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies'.

For further information on the composition and experience relevant to the sectors and products of BCR Group, as well as business conduct related experience, please refer to Section 2 "General presentation" of the Administrator's Report.

Please also refer to section 11.3.The Supervisory Board (SB) and 11.4.Management Board (MB).

GOV-2 –INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

To ensure continuous progress and transparency in sustainability, BCR Group uses an ESG KPI Dashboard developed by Erste Group that enables regular monthly performance monitoring of key sustainability metrics and targets. This includes sustainable financing volumes across various business lines, financing activities and GHG emissions and decarbonisation KPIs at a group level. The Management Board has set up its own Sustainability Committee, whose activities are described in the (consolidated) Administrator's report. In this Committee, the BCR Sustainability Department provides updates on the progress towards achieving ESG targets to provide Committee members with sufficient information to include impacts, risks, and opportunities in strategic decision-making.[14] For other IROs, such as those for Own Workforce, Consumers & End-users and Business Conduct, ad-hoc information is provided to the management.

Key insights and findings are further reported through the ESG KPI Monitoring Report, provided monthly by Erste Group to all subsidiaries internal ESG stakeholders including board members. This reporting structure ensures alignment with sustainable finance and decarbonisation targets and supports decision-making at all organisational levels. It includes detailed overview on sustainable financing results and targets' achievements (new business flow and stock), at entity level, financed emissions and decarbonisation targets at Erste Group level. Additionally, quarterly reviews of decarbonisation figures are assessed and included in reports which are regularly presented in the Sustainability Committee and Risk committee, where progress toward targets and pipeline development are thoroughly assessed. Also different reports are presented to the investors, rating agencies and other external stakeholders. This framework demonstrates BCR Group's commitment to transparency, governance and sustainability.

IROs are also considered in major transactions made by BCR Group. The BCR Group Responsible Financing Policy defines industry specific ESG criteria and sets out the rules to determine whether a transaction can be carried out and in which way. In addition, the policy describes the assessment process to ensure efficient decision-making on a well-documented basis adhering to the specified ESG criteria, which reflect the identified IROs, particularly related to BCR Group's financing of emission-intensive sectors and the biodiversity impact of financed real estate.

The Sustainability Department supports this process with its expertise within the Credit Committee to ensure the alignment of the portfolio and BCR Group's banking practices with the objectives of BCR and Erste Group. All IROs that were categorized as material in the DMA were discussed with and approved by the Management Board and presented to the Risk and Compliance Committee. For a list of all material IROs, please refer to the list in chapter 'SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model'.[15]

Policy Governance

Group policies and procedures are established across various areas within the organization, such as business, central functions, finance, IT, banking services, and risk management. The implementation of each specific group policy is overseen by the Management Board member responsible for that area. The CEO is responsible for central functions, including sustainability matters related to the Own Workforce. The CFO oversees finance, while the COO handles IT and banking services. Risk management, including environmental risks, falls under the CRO's responsibility. Although the Management Board of Erste Group holds overall responsibility for a unified strategy and framework, each local Management Board is tasked with implementing these policies, taking into account their specific circumstances. The same approach is valid at BCR level. The local approval levels of policies and procedures is detailed in the BCR Group Policy Framework as follows: all policies and risk related procedures are approved by the Management Board, while the remaining procedures are approved by the line Board Member in case of procedures applicable to more entities or by the Executive manager if the procedure applies only to the managed entity. Policies identified by the Compliance function as entailing significant or critical risk are approved by the Supervisory Board.

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14 GOV-2-§26-a
15 GOV-2-§26-c

BCR Group has procedures in place to manage IROs and integrate them into the company's structure. The following examples show how IROs are managed within the group.

Policy governance for the climate change mitigation IRO

The financed CO2 emissions of BCR Group contribute to climate change and global warming. Therefore, the calculation of its financed CO2 emissions supports the group to comply with regulatory reporting requirements and the implementation of the overall sustainability strategy and is the responsibility of Erste Group Enterprise wide & Operational Risk Management (ERM).

ERM is in the CRO division of Erste Group and provides a framework and guidance to all subsidiaries within the scope of Carbon Footprint Calculation Policy. The policy covers the processes and responsibilities in connection with financed emissions and includes specifications of Group vs. Local ownerships throughout the calculation process.

The local Board is responsible for the implementation of the policy at BCR level. Local ERM (Strategic Risk Management) acts as focal point for topics related to the carbon footprint calculation of each subsidiary and has the ownership of developing and implementing the Local Carbon Footprint Calculation Policy (approved in February 2024) to reflect the Group Policy. Regular communication between ERM and Local ERM via a Working Group shall ensure that a mutual understanding of carbon footprint calculation related topics across Erste Group exists.

Policy governance for the diversity IRO

Fostering an inclusive corporate culture creates an open environment of acceptance and support for all people. Therefore, Group Diversity Management (GDM) supports the implementation of the overall strategy by developing a comprehensive communication strategy for Erste and BCR Group's diversity impact and by acting as a source of expertise for local Diversity Management.
GDM provides a framework and guidance to all entities within the scope of the Group Diversity & Inclusion Policy (Including BCR). Embedded in the Group People & Culture division, GDM collects group-wide diversity data, identifies key focus areas and develops a diversity strategy in close collaboration with relevant stakeholders (such as local Diversity Management, Group Communications & Corporate Affairs, Group ESG Office). GDM develops diversity targets and provides diversity data for reports, rating agencies and communication on a Group level.
Local Diversity Management (LDM) acts as a focal point for the diversity impact of BCR Group. While GDM defines the diversity strategy, LDM adapts measures, trainings and the Group Diversity & Inclusion Policy, to suit local circumstances. Regular communication between GDM and LDM shall ensure that a mutual understanding of the diversity impact across Erste Group exists.

The Erste Group Management Board discusses the progress of diversity targets with local Management Boards on a regular basis, at least annually, as well as monitoring the Erste Group's diversity targets. The Management Board of BCR is responsible for the implementation of the policy on BCR Group level.

GOV-3 – INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES[16]

BCR Group is committed to a remuneration system that integrates sustainability matters. The remuneration policy for BCR Group outlines the structure and criteria for compensating members of the Management Board and Supervisory Board. No variable remuneration is paid to members of the Supervisory Board.
The remuneration policy for the Management Board of BCR is consistent with the strategy of BCR Group and Erste Group and is designed to motivate management board members to promote a sustainable and positive development of the company. The remuneration of Management Board members of BCR consists of two components: fixed and variable remuneration. Fixed remuneration is granted regardless of performance and comprises the basic salary as well as contributions to the company's pension scheme (pension fund), insurance benefits and other benefits in-kind. Variable remuneration is always performance-linked. Variable remuneration is granted and paid on the basis of specific, measurable performance criteria that are aligned with BCR Group's and Erste Group's business strategy and long-term development. Both Erste Group and BCR Group level targets and individual targets are taken into account. When defined minimum performance criteria are not met, variable remuneration is not granted or paid out.

The remuneration of BCR Management Board members is set by the Supervisory Board. Remuneration consultants are not involved in determining remuneration. The Supervisory Board of BCR has set up an independent Remuneration Committee pursuant to legal requirements, which advises the Supervisory Board on remuneration matters. Both business and leadership performance of BCR Management Board are assessed by a Performance Evaluation Committee formed at Erste Group Level which prepares recommendations for BCR Supervisory Board.

For the Management Board, variable remuneration is capped relative to fixed remuneration with a maximum of 100% or, by shareholder resolution, up to 200%. These criteria are annually assessed by the Remuneration Committee of the Supervisory Board of BCR[17].

Variable remuneration is structured to include both upfront and deferred payments. For amounts exceeding EUR 150,000, 60% of the variable remuneration is deferred, while for amounts below this threshold, 40% is deferred. At least half of both the upfront and deferred remuneration is delivered in the form of non-cash instruments, such as phantom certificates, with the remaining portion paid in cash. The remuneration policy also includes malus and clawback provisions in accordance with EBA guidelines[18].

Remuneration of board members

Type/components	Elements	Method of payment	Features
Fixed remuneration			
Base salary		Cash	– takes into account area of responsibility of the respective board member
Other remuneration	Pension fund	Contributions made by the company	– defined contribution pension plan via an external pension fund – severance fund
	Insurance	Contributions made by the company	– risk insurance against occupational disability and in case of death – risk accident insurance
	Other	Miscellaneous	– pay in lieu of vacation, if applicable – non-performance-linked one-off payments (e.g. sign-on bonus) – benefits in kind, e.g. company car incl. driver, employee share programme
Variable remuneration			
Upfront remuneration (40%)	Upfront cash payments (50% of upfront portion)	Cash payment in the subsequent fiscal year	– linked to the fulfilment of specified verifiable performance criteria related to BCR Group's and Erste Group's business strategy and long-term development – takes into account targets at group or single-entity level as well as individual targets
	Upfront non-cash component (50% of upfront portion)	Certificate-based settlement in the second following fiscal year (1-year holding period)	
Deferrals (60%)	Deferred cash payments (50% of deferrals)	Cash payment from the third following fiscal year in 3 annual tranches	
	Deferred non-cash component (50% of deferral)	Certificate -based settlement after end of deferral period and holding period	

In 2024, the ESG targets for Management Board members included two overarching targets, which are not directly linked to any specific sustainability matter:

16 GOV-3-§29-a to e
17 GOV-3-§28
18 GOV-3-§27

- Maintaining a good ESG performance for Erste Group is shared by all BCR board members and is assessed by external ESG ratings (MSCI, ISS ESG, SUSTAINALYTICS, CDP). Except for CDP, which focuses on climate impact, the other three ESG rating agencies measure the environmental, social as well as governance related performance of companies.
- Implementation of the ECB ESG Action Plan is assigned to the Chief Risk Officer.

Additional ESG targets are directly linked to climate change and will be explained in more detail in the relevant chapter. The following targets were assigned to Management Board members:

- Supporting the Portfolio Net Zero Transition (Net Zero target setting) at Erste Group level is shared by BCR Group risk, finance, and business Board Members (for more detailed information on this topic, please refer to chapter E1-4 – Targets related to climate change mitigation and adaption).
- Sustainability strategy, transparent investor engagement on main ESG actions, measures and progress toward objectives is assigned to the CEO.
- Increasing sustainable retail mortgages (target volume of new sustainable retail mortgages) is assigned to the Chief Retail Officer (for more detailed information on this topic, please refer to chapter E1-4 – Targets related to climate change mitigation and adaption).
- Increasing sustainable corporate financing (target volume of new sustainable corporate financing) is assigned to the CEO (for more detailed information on this topic, please refer to chapter E1-4 – Targets related to climate change mitigation and adaption).
- Increasing zero-carbon electricity sourcing is assigned to the CFO (for more detailed information on this topic, please refer to chapter E1-4 – Targets related to climate change mitigation and adaption).
- Ensuring Digital system support for ESG Data Management and the Green Asset Screening design and implementation is assigned to the Chief Operations Officer.

According to the Group remuneration policy, ESG targets proposed by the BCR Sustainability Department and approved by the Remuneration Committee of the Supervisory Board are integral to the scorecards of the Management Board and senior management. In 2024, 10% of each Management Board member's variable remuneration was based on ESG criteria, including performance towards achieving the climate related targets. The Remuneration Committee prepares the Supervisory Board's resolutions on remuneration in accordance with legal requirements.

Performance is assessed on a 5-point rating scale, with ESG factors accounting for 10% of the overall performance evaluation, which BCR Sustainability Department then evaluates at the end of the performance period. The results of this evaluation are reviewed and approved by the Remuneration Committee, who subsequently informs the Supervisory Board.

BCR's targets of Sustainable financing are determined according to the criteria described in E1-4 and must not be confused with the Green Asset Ratio (GAR) KPI under the EU Taxonomy.

GOV-4 – STATEMENT ON DUE DILIGENCE[19]

BCR Group has firmly embedded the concept of sustainability in the corporate business strategy and relies on sustainable, value-driven and responsible business practices that enable BCR Group to generate stable returns for all stakeholders over the long term. In the table below, a reference to other parts of the consolidated sustainability statement that address the core elements of BCR Group's due diligence process can be found.

Table Core elements of due diligence[20]

Core elements of due diligence	Paragraphs in the consolidated sustainability statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
	ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
	ESRS 2 SBM-2 – Interests and views of stakeholders
	ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities
	E1-2 – Policies related to climate change mitigation and adaptation
	S1-1 – Policies related to own workforce
	S1-2 – Processes for engaging with own workforce and workers' representatives about impacts
	S4-1 – Policies related to consumers and end-users
	S4-2 – Processes for engaging with consumers and end-users about impacts
	G1-1 – Business conduct policies and corporate culture
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities
d) Taking actions to address those adverse impacts	E1-3 – Actions and resources in relation to climate change policies
	S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
	S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions
e) Tracking the effectiveness of these efforts and communicating	E1-4 – Targets related to climate change mitigation and adaption
	S4-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

19 GOV-4-§31
20 GOV-4-§30, 32

GOV-5 – RISK MANAGEMENT AND INTERNAL CONTROLS OVER CONSOLIDATED SUSTAINABILITY REPORTING[21]

The main risks in the sustainability reporting procedures include errors in reporting (such as inaccuracies in both quantitative and qualitative data), reporting on irrelevant information (including non-material information that does not significantly impact stakeholders) as well as omitting relevant information (failing to disclose material information that is important for stakeholders). These risks are also valid for value chain data, as well as qualitative or quantitative information provided in the consolidated sustainability statement that would materially deviate from the correct figures or circumstances, e.g whenever, alone or in aggregate, they could influence the decisions made by the users of the sustainability statement. To mitigate the risks of misstatements, BCR Group uses a rigorous risk management system based on internal control processes (ICS).

The sustainability reporting process is integrated in the financial reporting process as outlined in the chapter 'Organization of the internal control system's function' of the administrator's report. Therefore, the basic components of the ICS for the financial reporting within BCR Group are also used for the quantitative information in sustainability reporting. These include:

- systemic, automatic control systems and measures in the formal procedure and structure, e.g. programmed controls during data processing
- principles of functional separation and checks performed by a second person (the four-eye principle)
- highly automated data validation in the group consolidation process.

Internal controls for the processing of qualitative data include the 4-eyes principle (which also applies to quantitative data). This process includes multiple internal feedback loops, management reviews and external consulting. Furthermore, evidence for important qualitative statements, such as minutes of meetings, contracts as well as board approvals is collected and documented to ensure the accuracy and relevance of qualitative data.

To mitigate the risks of including non-material information, or omitting relevant material information, a thorough double materiality assessment (DMA) was carried out in collaboration with an external consultant to ensure that the information presented is both relevant and material. This step helps in avoiding the reporting of irrelevant information and ensures that all significant sustainability-related aspects of BCR Group are covered. In addition, a datapoint analysis was conducted to ensure that all relevant material information related to material topics is adequately disclosed.

Future considerations will include continuous improvement, whereby the results of the risk management process will be used to continuously improve the sustainability reporting process. This means refining internal controls, enhancing data validation procedures and conducting regular assessments to ensure the relevance and accuracy of reported information. Furthermore, feedback from internal reviews, external consultants and auditors will be incorporated into future reporting cycles to address any identified gaps or areas for improvement.

The Management Board and audit committee are informed of the findings of the risk assessment for sustainability reporting on an annual basis. The consolidated sustainability statement was presented for pre-approved to the Management Board on 18 March 2025 and Supervisory Board on 31 March 2025.

21 GOV-5-§34, 35, 36-a,b

12.1.3. Strategy

SBM-1 – STRATEGY, BUSINESS MODEL AND VALUE CHAIN[22]

BCR Group's business model

BCR pursues a universal business model, with a balanced presence in Retail, Corporates, which includes public sector, and capital markets, being the 2nd largest player based on total assets in the banking sector in the Romanian market.

BCR has a portfolio of 2.9 million customers serviced through a network of 20 business centers, 18 mobile desks dedicated to companies and 317 branches located in cities with more than 10,000 inhabitants in Romania, where 71% of units are cashless. Customers omnichannel service also includes a national network of ATMs and around 1,800 multifunctional machines, as well as full banking services through internet banking, mobile banking, phone-banking and e-commerce.

Each business segment is providing tailored services to meet the specific needs of target client groups. BCR offers a wide array of services which varies from current accounts, lending, deposits, and other products specific to each of the business segment.

Please refer to section 4.2. BCR Group's strategy and business model for more details on products and customer groups.

BCR's core strategy is to build Financial Health for local communities by offering financial mentoring, tools and products that enable people and businesses to adopt healthy financial habits and improve their future perspectives.

For further information on the business segments of BCR Group refer to Note 42 in the consolidated financial statements. BCR Group operates only in Romania, thus details on the total headcount of 5,220 employees by geographical area are not provided. For further information on the headcount of BCR Group employees please refer to chapter S1-6.

BCR Group's sustainability strategic initiatives

BCR Groups is pursuing the goal defined in the Statement of Purpose of Erste Group, namely, to promote and secure prosperity for all people throughout the region, and it has incorporated key ESG themes into the corporate strategy. BCR Group believes that this is the only way to be successful over the long term, working towards a fairer and more inclusive society.

BCR Group's sustainability strategic priorities are catalysed around two main pillars: advancing the green transition and promoting social inclusion:

Advancing the green transition

BCR Group's primary impact on the environment lies in its lending activities and more precisely, the resulting financed emissions. It is therefore our role to contribute to the transition towards a low-carbon economy by engaging with clients and supporting them along their decarbonisation pathway while facing evolving challenges, such as policy uncertainty, both on country and European level. BCR Group believes this to be the most important lever to help fostering a green transition.

BCR Group's key priorities relating to the environment include achieving:

- a net-zero status of BCR's portfolio by 2050,
- a net-zero status in own operations (scope 1 and scope 2) by 2030 and
- strengthened position in sustainable financing by funding climate change mitigation and adaptation actions.

Promoting social inclusion

BCR Group's social impact involves its interactions with employees, customers and the broader community while establishing and maintaining good ethical compliance for building trust with stakeholders and ensuring long-term organisational stability.

22 GOV-5-§37-a, b, c
SBM-1-§38, 39
SBM-1-§40-a, b

For the Social and Governance aspects of ESG, BCR Group has established the following strategic priorities:
- boosting financial inclusion with social banking, bringing communities closer together and strengthening social cohesion,
- helping customers gain financial health and financial literacy,
- promoting diversity, including gender diversity and
- fostering good ethical conduct and compliance with the regulations in force, e.g. through extensive corruption and bribery prevention and detection trainings.

Significant markets and customer groups

BCR Group's sustainability priorities are focused on its significant markets and customer groups and has detailed approaches customised for each of them. More information on the set targets relating to the strategic priorities can be found in the respective topical chapters.

Retail

In the Retail segment, most of the environmental impact stems from the buildings sector, which includes energy used for constructing, heating, cooling and lighting homes and businesses, as well as the appliances and equipment installed in them. These factors account for over one third of global energy consumption and emissions. Retail mortgages contribute a large share (25.3 %) of total assets within BCR Group. In alignment with Erste Group BCR has set ambitious decarbonisation targets for 2030 and 2050 to meet a 1.75-degree climate scenario for its retail mortgage portfolio starting from a 2022 baseline.

For achieving the decarbonisation targets for the retail mortgage portfolio, BCR Group will adopt the following approach:

Technological possibilities to decarbonise: A significant part of the buildings stock in the BCR Group region is not yet 'climate-proof' due to old age of the buildings and poor insulation. An improvement can only be achieved through changes in customer behaviour, which can be influenced in the short-term by cost considerations and in the mid and long-term through regulations and availability of government subsidies in Romania, which will foster further investments and improvements.

Product offering: In the retail mortgages segment, we developed a mortgage loan for energy efficient buildings, A or B energy performance certificate (Casa Mea Natura), and new products for improving the energy efficiency of buildings and the use of renewable energy are planned to be designed (e.g renovation loans). To support our decarbonization strategy for retail mortgage portfolio, we shall continue and enhance our actions to collect Energy Performance Certificates (EPCs) for private individuals secured loans (dedicated campaigns for customers having mortgage loans for houses and or for buildings for which an EPC is not collected).and to offer loans for energy performance improvements.
Insurance linked services, either bundled with financing products or standalone, will be part of BCR Group's overall ESG proposition. The cooperation with insurance companies, should help to close the gap of insurance coverage for certain natural hazard risks, such as river floods.

Corporates

BCR Group's Corporate segment encompass four business lines: SME, Large Corporates, Public Sector and Commercial Real Estate (CRE). Each covers a distinct customer type with unique needs and preferences and hence specific sales and service models.

Planned approach for decarbonisation. A cross-functional change initiative within Erste Group called 'Net Zero Business Steering', involving Erste Risk Management, Corporate Steering and Group ESG Office defines the necessary measures to operationalise decarbonisation targets. This is considered to be set up within BCR Group as well to oversee the implementation of the local decarbonization targets. The planned approach for corporate business, designed to support the achievement of strategic objectives of reaching net zero in 2050 at Erste Group level consists of performing an initial client transition readiness assessment and starting an in-depth engagement process with identified clients while evaluating financing needs. BCR Group understands its diverse customer base and is determined to help customers find a tailored approach, fitting to their needs.

Product offering: BCR Group's ambition includes helping clients to realise the benefits of decarbonisation by supporting cost-effective action. BCR Group offers specific purpose financing and advisory services focused on climate solutions, including renewable energy projects, high-efficiency buildings in commercial real estate and energy efficient production processes to all sectors, targeting large corporates and SMEs.

Helping clients decarbonise will get both BCR and Erste Group closer to the goal of gaining leadership in sustainable financing. Through its banking activities, BCR Group aims to provide financing which enables the net-zero transition of the Romanian economy. Therefore, BCR Group is constantly in touch with its customer base as the main stakeholder, to better understand their needs. For further information on the stakeholder engagement, please refer to chapter SBM-2.

Main challenges for a green transition

The main challenges ahead for BCR Group and its key stakeholders involve transitioning high-emission sectors to a low-carbon economy while maintaining financial stability. This is also connected to uncertainties in the regulatory environment and transition risks connected to it, both for BCR Group and its customers.

Costs connected to a green transition can also pose additional challenges to BCR Group's clients. Transition financing focuses on offering renewable energy solutions such as wind, solar and hydro projects, upgrades of the energy transmission and distribution infrastructure, as well as special offerings for retail mortgage clients. BCR Group expects that renewable energy solutions will become more prominent in the future, as well as low carbon centralized heating solution and home renovations, especially through government subsidies.

Possible solutions

One critical solution is the client engagement toolkit, such as the Financial Health Commercial Real Estate Tool, which enables BCR Group's relationship managers and the Sustainability and Strategic Risk Management teams to assess the transition readiness of BCR Group's clients in high emitting sectors (in particular clients under BCR Group's decarbonisation target sectors). High-emitting sectors face significant regulatory insecurities and possible transition risk. BCR Group's relationship managers help to align financing strategies with sustainability goals.

Furthermore, retail business is diversified in terms of customer profiles. This diversification adds resilience and stability to the overall business model and allows for a sustainable gathering and security of its inputs.

For customers, BCR Group's emphasis on sustainability brings tailored financing options that support their transition journeys, reducing energy costs and increasing property values through energy efficiency measures. For investors, the decarbonisation initiatives enhance long-term value by mitigating climate risks and aligning with international sustainability standards. BCR Group offers investment opportunities in green bonds and sustainable financing products. Sustainable financing products are contributing to its 25% sustainable financing target for corporate loans by 2026. Stakeholders benefit from a transparent and strategic approach to climate change mitigation, with regular monitoring and updates provided on BCR Group and Erste Group's progress toward net-zero targets. BCR Group aims to provide stability for its customers and the prescribed engagement should help foster awareness and progress, and offers financing solutions, either for climate mitigation and adaptation, as also for the other objectives (ex. circular economy, water projects).

BCR Group's value chain composition[23]

BCR Group's value chain encompasses the inflow and outflow of money, facilitating payments and transactions. Inputs are secured by attracting both financial resources from the international financial market, shareholders and clients' savings and investments that are transformed by making the cash available as loans while simultaneously managing the associated risks. This is performed with the support of the BCR Group professionals that are equipped with the right competencies and resources. BCR Leasing offers financial leasing and financial credit flexible and efficient solutions for the purchase of vehicles, fleets, equipment, industrial machinery, agricultural machinery, medical equipment. BCR Pensii performs activities related to the private pensions market in Romania, including mandatory (Pillar II) and voluntary private pensions (Pillar III). BCR Payments Services SRL is a subsidiary of BCR Group responsible for centralized processing of payment transactions in local currency and foreign currency and debt instruments, accounts management (opening, closing and maintenance).
Key business actors include BCR Group's clients, both private individuals and corporations, who benefit from BCR Group's services offered through digital and direct distribution channels.

23 SBM-1-§42-c

For the value chain assessment, BCR Group aimed to reflect the interests and views of affected stakeholders, as well as users of the consolidated sustainability statement which are further described in SBM-2. Moreover, for the identification and assessment of impacts, risks and opportunities (IROs), special consideration was given on the upstream and downstream value chain to ensure completeness of the relevant IROs. In this context, BCR Group analysed the flow of activities, processes and value creation within the organisation.

In the context of the double materiality assessment (DMA), BCR Group is currently limited in considering all aspects of the value chain due to data availability constraints. Therefore, the focus has been on the direct value chain. With the implementation of EU legislation (e.g., reporting in line with the requirements of the Corporate Sustainability Reporting Directive, additional requirements under the Corporate Sustainability Due Diligence Directive), BCR Group expects these limitations to be addressed, leading to more detailed value chain information in the future.

Upstream

The upstream value chain includes the goods and services procured by BCR Group, such as IT services, office supplies, property and infrastructure, consultancy and other external services that support the Group's operations. BCR Group conducted an in-depth review of the costs related to purchased goods and services in 2023, considering it was the most recent data which could be used for the double materiality assessment (DMA). The total expenditures were categorised by sourcing categories from BCR Group's procurement system, with main expenditures considered for detailed assessment. These categories included IT services, infrastructure software, marketing, property management, consulting and personnel management. For each expenditure category, BCR Group assessed the potential sustainability matters and IROs. For example, IT services were included in the assessment for Climate Change (E1) due to their high energy consumption, while consulting services were considered in the assessment of Workers in the Value Chain (S2). The insights from these assessments were included in the overall evaluation. Also, the impacts of climate change for a joint venture on which BCR Group does not have operational control have been considered.

Own operations

Refers to the group's own operational activities, including the management of its workforce, office branches, and direct business activities under the full scope of consolidated entities under IFRS. Additionally, it was evaluated whether BCR Group has operational control over not fully consolidated entities. All aspects of own operations were considered in the value chain assessment.

While environmental impacts from own operations were few, material IROs were identified in the areas of own workforce (S1), consumers and end-users (S4) and business conduct (G1). To ensure completeness and accuracy of these impacts, BCR Group closely aligned with the responsible departments to reflect these effects adequately in the reporting.

Downstream

The largest proportion in the overall BCR Group business pertains to the activities of the Bank and of BCR Leasing IFN S.A. and the financing provided to a diverse range of clients, including corporate and retail customers, institutional investors and stakeholders involved in its sustainability initiatives. Recognising that most of BCR Group's material impacts, especially regarding environmental topics, are related to its portfolio, BCR Group conducted an in-depth analysis of the portfolio. This analysis was based on the breakdown of credit exposure and the calculation of financed emissions. The IROs related to the financed sectors are directly reflected in the materiality assessment. For example, the highest individual sectoral exposure (energy) is reflected in the identified material negative impact relating to financed CO_2 emissions of BCR Group.

SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

BCR Group has gathered information to reflect the interests and views of stakeholders in the business processes, as well as in the DMA for the sustainability reporting. BCR Group has identified key stakeholder groups which can be classified into:

- affected stakeholders: customers (retail and corporate) and employees, suppliers, as well as nature; and
- users of the consolidated sustainability statement: such as investors, analysts, rating agencies and supervisory and regulatory authorities, as well as NGOs, potential future employees and all other readers.[24]

Knowledgeable internal experts for each of these stakeholder groups contributed to the definition of IROs in the DMA. For example, the IROs for S1 (Own Workforce) have been established in close alignment with the BCR People and Culture department who is in close contact with the 2 trade unions acting as workers' representatives. For details on the type of engagement, its purpose and how engagement is considered, as well as the key topics discussed with the stakeholder groups, please refer to the table below.

24 SBM-2-§43, 44

Table Key stakeholder engagement[25]

Key Stakeholders	Why BCR Group engages	How BCR Group engages	Key topics	Actions / results of engagement
Customers	Strong engagement with customers enables BCR Group to understand their needs, anticipate market trends and consequently adjust services.	– advisory sessions – conferences and seminars – website – customer experience program	– customer experience – challenges and needs – products and services – innovation and digitisation	BCR Group's engagement enables a regular assessment of how customer needs can be met through product and service offerings.
Employees	BCR Group engages with employees to foster an environment of open dialogue and provide them with continuously improving opportunities for growth and development.	– employee surveys – Intranet – training, coaching and mentorship – employee resource groups – annual feedback and professional development talks – periodical meetings between trade unions and BCR board members	– organisational changes that might impact employees – diversity, equity and inclusion – employee health and work-life balance – employee involvement – strategic business projects and how it may impact jobs; – any topic of interest to the employees.	BCR Group's engagement enables the targeted adaptation of the people and culture strategy.
Nature, represented by academic institutions, and NGOs	BCR Group engages with NGOs and academic institutions to foster an open dialog and conducts content-driven debates on important topics aimed to develop educational opportunities	– conferences and events – bilateral meetings, training sessions, workshops	– financial literacy - acces to quality education - environmental education – climate change – biodiversity - digital and entrepreneurial education - life skills for young people	BCR Group's engagement enables identification of current and future priorities from the academic society and non-profit sector and reflect them early in the strategic planning.
Investors, analysts and rating agencies	By engaging with investors and analysts, BCR Group aims to foster a clear understanding of company performance and strategy.	– quarterly results investor presentations – bilateral meetings, investor calls – bond issue investor presentations and roadshows – periodic rating reviews and annual management meetings with rating agencies' bank analysts, – data input on various due diligence questionnaires requested by the rating agencies	– financial performance and strategy – customer business volumes development, product & process digitalization – liquidity and funding, MREL issuance – risk management & asset quality – transparency -ESG targets and implementation status, green financing	BCR Group's engagement increases the level of transparency in external reporting to ensure a clear understanding of the organization's performance and strategy.
Supervisory and regulatory authorities	BCR Group conducts a permanent, pro-active dialogue with national and European supervisory and regulatory authorities to understand supervisory expectations.	– supervisory dialogues- -workshops, meetings -inspections	– performance and strategy – climate change – diversity, equity, and inclusion – risk management – transparency	BCR Group's engagement enables it to adapt processes and increase the level of transparency to fulfil supervisory expectations.
Suppliers	We engage with our suppliers based on BCR's needs to purchase goods and services	–E-sourcing platform –Supplier Audit Questionnaire (SAQ) -Supplier Sustainability Scorecard (SSS) –Supplier Code of Conduct	- Financial position, Governance, Environmental, - Human and Animal Rights, Confidentiality, Modern Slavery, Antibribery and Corruption	Our engagement enables us to ensure trustful and ethical partnership with our Suppliers

While engagement with BCR Group's stakeholders drives the business model, it is often impossible to attribute amendments to the strategy exclusively to stakeholder views without considering other factors, such as business needs. Another example is the decarbonisation initiatives, which are linked to nature as a silent stakeholder and considered through BCR Group's engagement with academic institutions and environmental NGOs.[26]

BCR Group's employees are a key stakeholder that form the strategy and business model and are represented by the trade unions in discussions with the Management Board. A strategy for People & Culture is organised around three key priorities:

25 SBM-2-§45-a, b
26 SBM-2-§45-c, d

Empowerment, Growth and Attractiveness. BCR Group empowers and supports targeted improvement measures in all areas and constantly grows with its employees. BCR Group is committed to strategic workforce planning to enable more targeted recruitment and further development measures as well as flexible skills development, talent promotion and leadership succession planning. BCR Group's principles of employee centricity drive its operations, enabling BCR Group to realise the potential of its employees. BCR Group attaches great importance to recruiting, retaining and engaging a highly qualified workforce to ensure its continuing success and strive to be the employer of choice in the country, by offering opportunities for training and continuing professional development, diverse and international teams, as well as exciting tasks within a flexible organisation. Furthermore, BCR Group is committed to nurturing an inclusive work environment for all.

A key consideration for BCR Group's stakeholder engagement is the respect and promotion of human rights. BCR Group does not tolerate any form of discrimination, such as discrimination based on gender, age, marital status, family obligations, religion, political conviction, sexual orientation, race, nationality, social or ethnic background, disability, physical appearance, or any other aspects unrelated to the business. This not only holds true for BCR Group's own workforce but is also reflected in the engagement with workers in the value chain, and its customers.
The BCR Group Security Strategy emphasizes the commitment in respect of data protection, including the right to the protection of personal data. BCR Group is committed to protecting personal data and the rights of individuals by complying with the GDPR requirements for information, thus ensuring that both legal obligations and customers fundamental rights to data protection are upheld. Customers' data and privacy are also protected by Romanian legislation on banking confidentiality.

The Management Board is responsible for managing the organisation to the benefit of the company, considering the interests of the shareholders and the employees as well as the public. They are informed about the outcomes of engagement with all stakeholder groups both informally through meetings with internal stakeholder representatives as well as formally in board meetings. For example, the Customer Experience Index (CXI) is regularly reported to the board and its members throughout the year. The Supervisory Board is similarly informed about engagement with key stakeholder groups.

SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL[27]

This chapter gives an overview of BCR Group's material IROs, resulting from the double materiality assessment (see IRO-1). In the table below, all material IROs are listed, based on the sustainability matter they relate to, the type of IRO, the position in the value chain and the time horizon the materiality has been detected in. Additional information regarding the material IROs and their interaction with BCR Group's strategy and business model can be found in the respective topical chapters.

Table Impacts, risks and opportunities of BCR Group

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
E1- Climate change adaptation	Risk	BCR Group faces a higher credit risk as climate-related physical risks can lead to a devaluation of collateral and/or to negative effects on the business models and lastly financial stability of debtors. The consequences are increased risk provisions for BCR Group and connected negative impacts to its P&L and own funds.	Portfolio*	Long-term
	Opportunity	Additional financial opportunities might be captured by BCR Group from financing of strategies/ projects conducted by a wide array of entities, from local SMEs to large companies (e.g adaptation solutions for residential and commercial real estate, agriculture), municipalities and other public entities for adaptation infrastructure.	Portfolio	Long-term
E1-Climate change mitigation	Negative impact	The CO2 emissions of BCR Group's own operations and in the upstream value chain contribute to climate change and thus to global warming.	Upstream & Own operations	Long-term
	Positive impact	Providing transition finance and green financing has a positive impact on curving down emissions and therefore slowing climate change.	Portfolio	Long-term
	Negative impact	The CO2 emissions financed by BCR Group contribute to climate change and therefore to global warming.	Portfolio	Long-term

27 SBM-3-§46, 47, 48a, 49

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
	Risk	BCR Group faces a higher credit risk as climate-related transition events (e.g. carbon pricing & regulatory interventions) can lead to negative effects on the profitability of business models and lastly the financial stability of debtors. The consequences are increased risk provisions for BCR and connected negative impacts to its P&L and own funds.	Portfolio	Long-term
	Opportunity	For BCR Group additional financial opportunities might arise from investments into and the financing of customers for supporting their decarbonization and transition to a sustainable business.	Portfolio	Long-term
E1-Energy	Negative impact	Until the assumed net zero targets for own operations are achieved, the energy (electricity, fuel and heating) used by BCR Group continues to generate CO2 emissions and therefore contributes to climate change. Also, a potential slow progression on the adoption of renewable energy (either purchased or self-generated) may lead to a higher contribution to any risk associated with climate change, physical or transitional.	Upstream & Own operations	Medium term
	Negative impact	Financing of energy-intensive companies that still rely on fossil fuels lead to high CO2 emissions, which in turn contribute to climate change.	Portfolio	Long-term
	Positive impact	BCR Group can positively support the transition to renewable energy use via its financing activities. The provision of financing products to companies which generate renewable energy or which use and sustain the renewable energy market in any way will support the Paris Agreement goals. This includes supporting with the limitation of temperature increase not higher than 1.5 degrees Celsius, as compared to pre-industrial levels and a net zero target on any economic activity.	Portfolio	Long-term
	Risk	Higher operational costs and capital expenditure for clients to align to increasing standards due to climate change can result in decreased profitability in companies in energy-intensive sectors, leading to a higher default risk and a related increase in risk provisions for BCR, impacting P&L as well as own funds. Investments made in non-renewable energy firms may become stranded assets due to shifts towards renewable energy sources, potentially generating financial losses.	Portfolio	Medium and long-term
	Opportunity	BCR Group 's financing of renewable energy projects (e.g. wind and solar projects, battery storage) and energy transition enables neutral/low CO2 energy production and offers new opportunities for the portfolio.	Portfolio	Long-term
E4-Examples: Land degradation; Desertification; Soil sealing	Negative impact	Financing real estate and public infrastructure projects can have a negative impact on biodiversity as soil is sealed, thus causing increased flooding risks and lower carbon sequestration in soil through natural processes. Soil degradation could also occur due to intensive agriculture practices.	Portfolio	Medium term
	Risk	Stricter regulations on land degradation and soil sealing could increase BCR Group's risk by potentially reducing the volume of crop production financing and greenfield project developments, due to higher compliance costs faced by portfolio clients	Portfolio	Medium term
S1-Collective bargaining, including rate of workers covered by collective agreements	Positive impact	Positive impact on employees as there is a collective bargain agreement in place, thus employees have the security to receive standardized and adequate wages.	Own operations	Short-term
S1-Work-life balance	Positive impact	Fostering a good balance between career and personal life positively impacts the standard of living and satisfaction of employees.	Own operations	Short-term
S1-Health and safety	Positive impact	By focusing on physical and mental health of employees BCR Group continuously expands its health offerings to ensure access to quality	Own operations	Short-term

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
		medical support.		
S1-Training and skills development	Opportunity	Training and further professional qualification can increase employee's motivation, improve their skills and capabilities, leading to employee loyalty and enhanced productivity.	Own operations	Short-term
S1-Diversity	Positive impact	By proactively promoting and perpetuation of a diverse and inclusive workplace BCR Group will create an environment for employees to feel respected, valued and included.	Own operations	Short-term
S4-Financial Health & Financial Literacy (entity specific)	Positive impact	BCR Group has consistently led financial education initiatives, open to both customers and non-customers, playing a key role in improving financial literacy in Romania.	Own operations	Medium-term
	Opportunity	Through the active support of its customers' financial health BCR Group can not only improve customer satisfaction and loyalty but also enhance its own financial performance and market position.	Portfolio	Medium-term
S4-Privacy	Positive. impact	Through good data protection practices, BCR Group may contribute positively to the overall client sentiment.	Own operations	Short-term
	Risk	Data breaches or cyberattacks could lead to a loss of trust from customers and a loss of reputation, as well as legal consequences (eg. breach of GDPR).	Upsteam & own operations and Portofolio	Short-term
S4-Access to products and services	Positive impact	By ensuring that all banking products and services are accessible to socially vulnerable people (e.g. people with disabilities and the elderly), BCR Group promotes their autonomy, social and professional integration and active participation in community life.	Own operations	All time horizons
G1 – Corporate culture	Positive impact	BCR Group has a positive corporate culture, promotes a safe, transparent and ethical environment thus ensuring healthy working environment and can increase employee satisfaction.	Own operations	Short-term
G1-Protection of whistle-blowers	Positive impact	Whistle-blower protection at BCR Group has a positive impact by encouraging the reporting of misconduct, leading to a safer and compliant work environment.	Upstream & Own operations	Short-term
G1-Corruption and bribery Prevention and detection including training	Positive impact	Prevention training offered to all employees can effectively counteract potential corruption and bribery, and promotes a trusting and ethical business environment.	Upstream & Own operations	Short-term

**Refers to the downstream part of BCR Group's value chain*

As a sustainability report had not been published by BCR Group in the prior reporting period, and the underlying report is the first consolidated sustainability statement developed in line with the CSRD requirements, no changes to the previous material IROs can be depicted.

After conducting the materiality assessment, the material IROs were evaluated to understand their potential impact on, or the need to adjust, BCR Group's business model, value chain and strategy. Currently, no changes to BCR Group's business model based on the material IROs have been made.

For the current year, BCR Group has not conducted an evaluation of the current short-term financial impacts of the material risks and opportunities identified in the double materiality assessment for the Group's financial position, financial results and cash flow. Nevertheless, risk management is a core element in the Bank's business model and sustainability risks are part of the Bank's processes and are assessed in line with other risk types. Both risks and opportunities in sustainability matters are integrated into the Bank's other management processes. For the current and anticipated effects of material risks, as well as on the resilience of the strategy and business model, more details are provided in chapter E1 SBM-3.

12.1.4. Impact, risk and opportunity management[28]

IRO-1 – DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

BCR Group has performed a double materiality assessment in accordance with the requirements of ESRS 1 and ESRS 2 for the development of the 2024 consolidated sustainability statement. The Corporate Sustainability Reporting Directive requires organisations to identify which sustainability matters are material.

Consequently, the performed assessment covered the identification and assessment of impacts, risks and opportunities (IROs) under the IFRS consolidation scope. Furthermore, other participations, which are not fully consolidated, were analysed regarding potential IROs and operational control. The outcomes of the assessment are the basis for the scope of topics reported and data points included in this statement.

In 2024, the DMA process was conducted for the first time at BCR Group level. Connections between impacts and dependencies, as well as the risks and opportunities that may arise from them have been considered in the assessment. BCR Group will review the materiality assessment process annually.

Identification of impacts, risks and opportunities[29]

The double materiality assessment (DMA) was performed under the lead of the Sustainability Department, considering inputs from Risk, Strategy, Investor Relations, Group People and Culture, Procurement, Corporates, Retail, Property Management, Compliance, Accounting and BCR Group Subsidiaries.

Double materiality assessment process

The process to identify the material sustainability matters was conducted in four steps. As a first step a relevance analysis of all sustainability matters listed in ESRS 1 Appendix A AR 16 was conducted. Additionally, this list was enriched with the entity specific topic of financial health and financial literacy. If a sustainability matter was assessed as relevant, the respective IROs assigned to the topic were subsequently subject to an impact and financial materiality assessment. The final step was to validate and approve the outcome of the DMA, where the final scoring per impact, risk and opportunity (IRO) was quality assured by an Expert Jury comprising leadership representatives overseeing various relevant areas. Subsequent to these steps the results were visualised in a matrix, summarised in an executive presentation and concluded by BCR's Management Board.

To gain a deep understanding of the circumstances BCR Group is operating in, various data was collected for the identification of IROs. Inputs for the DMA included:

- Sectoral standards, guidance documents and peer benchmarking
- Analysis of the BCR strategy, including sector financing strategies, and BCR Group related business activities
- Expert interviews and topic focused workshops
- BCR Risk Materiality Assessment results
- Mapping of sectoral credit exposures and financed emissions (Portfolio)
- Expenditures for purchased goods and services (Upstream)
- Consultation with internal expert jury.

Furthermore, to assure the completeness and accuracy of the DMA within BCR Group, ongoing communication with the subsidiaries consolidated under IFRS and with Erste Group was necessary. This was to identify potentially relevant IROs at both the group and entity levels.
This was achieved by:

- Biweekly calls with Erste Group and other subsidiaries of Erste Group.
- Ad hoc calls or scheduled calls on a 1:1 basis (BCR Group and subsidiaries).
- Workshops with internal experts to gain insights on potential impacts, risks and opportunities and perform their assessment.
- Integration of CSRD/DMA topics in the quarterly meetings of the Sustainability Committee.
- On-going e-mail exchange on the application of various topics related to the double materiality assessment with internal experts and the representatives of Erste Group ESG Office.

28 IRO-1-§51, 52
29 IRO-1-§53-a to g

The outcome of the DMA is the list of material IROs that is shown in SBM-3 and lays the foundation for this report.

Stakeholder Engagement

The DMA was informed by internal stakeholders from various business units, such as People & Culture, Compliance, Strategic Risk, Data Protection, Legal, Property Management etc. BCR Group had no other direct consultations with affected communities or other stakeholder groups as part of the DMA process. The assessment of the IROs was conducted by the Sustainability Department with the support of the Accounting team based on internal stakeholder dialogues and workshops. During these workshops the internal experts of BCR provided consolidated inputs following their engagement with various groups of stakeholders as part of their regular business activities, and thus were considered in the assessment. However, BCR Group plans on further stakeholder engagements in future years.

Value Chain Assessment

For the DMA, BCR Group aimed to reflect the interests and views of affected stakeholders as well as users of the consolidated sustainability statement as described in SBM-2. Moreover, for the identification and assessment of IROs, special consideration was given to the upstream and downstream value chain to ensure completeness of the relevant IROs. In this context, BCR Group analysed the flow of activities, processes and value creation within the organisation.

Further information on BCR Group's value chain composition and the respective implications on the DMA can be found in chapter SBM-1.

Impact Materiality Assessment

The assessment was based on the following central assumptions:

- The value chain relevance and the time horizon of their assumed occurrence were identified per impact.
- Impacts were defined as either positive or negative. If multiple but deviating impacts (i.e. positive and negative) were identified as concerns a sustainability matter, each impact was evaluated separately.
- For a sustainability matter to be deemed as material, only one material impact is sufficient, regardless of the count of additional immaterial, its state as actual or potential, its allocated time horizon or value chain relevance.
- The severity and the likelihood were evaluated for each impact. For actual impacts the likelihood was consistently set to 100%. For potential impacts the likelihood was assessed on a scale from 0 to 5.
- The scoring of severity included the three parameters of scale, scope and irremediability. Each evaluation parameter was assessed individually on a scale from 0-5, weighted equally and multiplied by the likelihood. Irremediability was assessed for negative impacts only.
- Subsequent impacts and human rights impacts were considered. For human rights impacts severity took precedence over likelihood.
- Impacts with a total score higher than 2.5 on a scale from 0 to 5 were considered material. Impact evaluations were conducted under the lead of the Sustainability Department, supported by the Accounting Department, engaging in expert interviews with in-house representatives of identified stakeholder groups, setting scores based on evidence and/or expert opinion.
- The final scoring per impact was quality assured by the Expert Jury.

The process carried out did not comprise an explicit step of engaging with external stakeholders. Information concerning affected stakeholders was considered implicitly via the above-mentioned in-house experts and their regular exchanges with external parties (i.e. customers, NGOs, rating agencies, investors). For more information on stakeholder groups and engagement, please refer to chapter SBM-2.

Impacts relating to E1 Climate change

The whole value chain was considered and assessed in the context of climate change. As described in section 'SBM-1', some sectors with high emissions, such as IT-services, are part of BCR Group's upstream value chain. These were assessed alongside emissions from BCR Group's own operations. Together, the impact was considered material, especially due to the high score considering the scope of CO_2 emissions, which were considered to have a global impact, as well as the irremediability, as CO_2 emissions are difficult to be reversed.

However, a major part of BCR Group's overall emissions stem from the financed emissions in the Bank's portfolio, which are part of its downstream value chain. As such, these are closely monitored. During BCR Group's DMA, the current total carbon footprint based on end of year 2023 values was used as input. BCR Group is calculating and reporting GHG emissions for both its own operations (scope 1, 2 and 3) and its financed portfolio (financed scope 3 emissions categories 13 and 15). The used methodologies are in line with the GHG Protocol Corporate Accounting and Reporting Standard and the PCAF methodology. Details regarding the computations and calculation scope can be found in chapter E1-6 of this statement.

For the subtopic of climate change mitigation, as well as in the subtopic of energy, negative impacts were identified, which, due to their actual and global nature, received the highest score and hence were deemed material. The negative impacts in the subtopic of energy are on the one hand driven by the energy mix consumed by BCR Group leading to CO_2 emissions (please also refer to chapter E1-5 for details) and on the other hand, its financing of energy-intensive companies.

BCR Group already finances renewable energy projects and energy transmission and distribution infrastructure projects, supporting the transition to a low carbon economy. It does so based on its Responsible Financing Policy, which sets out financing exclusions for high emitting sectors, as well as the Sustainable Finance Guideline which applies to pursue targets in sustainable financing. Based on the actual and global nature this positive portfolio related impact was assessed as material.

Lastly, concerning the sub-topic of climate change adaptation, the financing of adaptation solutions was assessed to be very likely in the focus of BCR Group's future financing strategy, but we have not identified significant impacts on short- and medium-term stemming from this.

Impacts relating to E4 Biodiversity and ecosystems

In the upstream value chain, no material impacts in connection to biodiversity and ecosystems were identified. Nevertheless, BCR Group is aware that biodiversity and ecosystems is a topic of increasing importance and is closely monitoring all parts of its value chain to ensure that potential impacts are adequately managed.

BCR Group has no sites (own premises) located in or at the limit of biodiversity-sensitive areas and no material impacts were identified related to BCR Group's own operations affecting any biodiversity-sensitive areas.

Concerning downstream impacts, BCR Group's focus on financing real estate, renewables, development of new production facilities and infrastructure projects was assessed to have a potential negative impact on biodiversity, as soil is sealed and land is degraded, causing increased flooding risks, further contributing to climate change and possible health issues due to decreased air and water quality. Potential other impact drivers, such as dependencies on ecosystems for certain financed sectors (such as agriculture), have been considered, but were not considered material due to the comparatively low exposure share.

In light of these findings, the likelihood of negative impacts from already occurring financing projects was estimated to be high, while potential effects are seen to be hard to remedy. The size of BCR Group's related portfolio, paired with the nature of the impacts on ecosystems as potentially significant and the efforts related to restoring ecosystems, led to the assessment of the impact as material. The evaluation was based on expert judgement. The material potential impacts of biodiversity and ecosystem matters are restricted to the financed portfolio. Based on the DMA results additional biodiversity mitigation measures to complement what it is already addressed through the BCR Group Responsible Financing Policy have not been considered necessary.

Impacts relating to S1 Own Workforce

BCR Group places great importance on the development and support of its own employees, as they are a key factor in the organization's success. Topics such as work-life balance, collective bargaining, health and safety, as well as training and skills development and diversity were identified as material for BCR Group. A comprehensive analysis was conducted, considering existing People & Culture strategies and internal policies. The assessment was based on the evaluations of internal experts and the results of existing employee surveys. Collective bargaining and health and safety were given the highest scores.

Further details can be found in the table in the section 'SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model'.

Impacts relating to S4 Consumers and End Users

As a client facing organization, BCR Group places great importance on its responsibility towards customers and end users. The assessment of potential impacts related to the topics related to consumers and end users was therefore carried out with particular care. Topics such as financial health & financial literacy, privacy and access to products and services (social banking) were identified as material to BCR Group. The assessment focused on the direct impact on customers and end users, with a strong emphasis on the overall customer experience and the protection of their interests. A detailed assessment was conducted, based on existing customer policies and data protection measures. This assessment was based on evaluations of internal experts and feedback from customer satisfaction surveys. Privacy and the entity specific topic financial health and financial literacy were given high priority.

Further details can be found in the table in the section 'SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model'.

Impacts relating to G1 – Business conduct

BCR Group is operating in a highly regulated industry with an emphasis on business conduct. As such, the potential impacts connected to the topics regarding Business conduct were assessed with great care. Except for the sub-topics of animal welfare and political engagement, all other subtopics were deemed in general as relevant for BCR Group own operations. Political engagement was not considered relevant providing that BCR Group is a non-political organization, and it does not support political engagement in its leadership positions for employees. The up- and downstream value chain was not considered in this context, as the topic is related to BCR Group's own business. An analysis was performed taking BCR Group's existing governance setup and compliance status as well as its role as a tightly supervised and regulated financial institution and financial services provider into account. This influenced the evaluation of the impacts. For example, the impact connected to the prevention and detection including training regarding corruption and bribery was deemed to have the highest likelihood, as BCR Group already has rigorous practices and trainings in place. The evaluation was performed based on BCR Group's internal expert judgment, leading to two material positive impacts in connection to the protection of whistle-blowers and the prevention of corruption and bribery (see table in SBM-3).

Financial Materiality Assessment

The assessment was based on the following central assumptions:
- For the financial materiality, risks and opportunities related to future legislation, reputation and uncertainties connected to them are taken into account. The process is connected to already existing internal risk assessments, as well as the strategic objective of BCR Group to capture future business opportunities.
- The identification and evaluation of risks in the DMA was also based on information stemming out of BCR Group's annual risk materiality assessment, in which ESG risks and risk drivers where already included and evaluated due to regulatory requirements.
- The value chain relevance and the time horizon of their assumed occurrence were identified per risk and opportunity.
- For a sustainability matter to be deemed as material, only one material risk or opportunity is sufficient, regardless of the count of additional immaterial risks or opportunities, its allocated time horizon or value chain relevance.
- Identified risks and opportunities were evaluated in terms of the magnitude of their financial effect on a scale from 0-3 and subsequently multiplied by the probability of occurrence on a scale from 0-5
- Risks and opportunities with a total score above 1.5 on a scale from 0 to 3 were considered material.
- Risks and opportunities were defined and evaluated separately under the lead of the Sustainability and Accounting Departments, engaging in expert interviews and dedicated workshops with in-house representatives (i.e. Operational Risk Management, ICAAP Team, Strategy, Business – Retail and Corporates, Compliance). The score was set individually per risk or opportunity.
- The final scoring per risk and opportunity was quality assured by an Expert Jury.

RISKS AND OPPORTUNITIES RELATING TO E1 CLIMATE CHANGE

Physical risks

For the means of the DMA physical risks are identified and assessed under the subtopic of climate change adaptation. Physical risks can arise at various locations throughout the value chain, such as:
- BCR's own fixed assets
- fixed assets of suppliers (e.g. suppliers of data centre services)
- fixed assets of customers and as a specific category thereof
- those customer fixed assets that serve as collateral.

Due to its essential importance to BCR Group and its crediting line of business, the focus of the assessment was centred on the financed portfolio and the transmission channel of credit risk. While the upstream value chain as well as BCR Group's own assets can be affected by physical risks, the potential effect was considered to be minor compared to the downstream value chain. Acute risks can damage collateral and, together with chronic physical risks, impact the viability of business models.

The assessment of the portfolio was guided by multiple inputs. The results of BCR's risk materiality assessment, taking into account the results of the comprehensive stress-testing exercise performed at Erste Group level, including a flood risk scenario, as well as the results of a portfolio screening based on MunichRe Location Risk Intelligence data were used as the basis for the materiality assessment. More information can be found in chapter E1 SBM-3.

Transition risks and opportunities

Transition risks and opportunities have been identified and assessed under the subtopics of climate change mitigation and adaptation. Due to its essential importance to BCR Group's credit business segment, the focus of the assessment was centred on the financed portfolio and the transmission channel of credit risk, as transition events such as policy changes can impact the viability and profitability of customers' business models. While risks and opportunities can arise in the upstream value chain and BCR Group's own operations, they have been assessed to be minor compared with the financed portfolio.

The evaluation of transition risks in the portfolio is taking into account the current distribution of the portfolio based on its carbon-intensity and the EPC distribution across the commercial and residential real estate portfolio. The rationale applied in this case was that the higher the current GHG emissions, the more investments and costs are likely to be incurred for reducing emissions or improving energy efficiency, which can have a negative impact on credit quality.

The current portfolio state in relation to the above-mentioned indicators led to material transition risks in both climate change mitigation and energy – the latter focusing especially on potential decreased profitability and liquidity shortage in case of increasing costs for compliance with climate change related regulations and related default risk.

Providing that the decarbonisation of the portfolio of BCR Group, as well as of Erste Group as a member of the Net Zero Banking Alliance dedicated to Paris Agreement and limiting global temperature increase to 1.5 degrees, will be a long-term exercise, transition risks resulting out of the financed portfolio were also assessed to be prominent over short, medium and long-term. For further explanations, please refer to chapter E1 SBM-3.

The evaluation of transition opportunities is taking into account the current distribution of the portfolio and the potential financial benefits of identified opportunities. This includes opportunities from financing companies investing into the decarbonisation of their own business models and clients offering climate change adaptation solutions, for example in the real estate sector.

RISKS AND OPPORTUNITIES RELATING TO E4 BIODIVERSITY AND ECOSYSTEMS

Concerning potential risks and opportunities regarding biodiversity and ecosystems, BCR Group's assessment was focusing on the financed portfolio as well. Related to risks, for example potential stricter regulations on land degradation and soil sealing (transition risk) were taken into account, impacting BCR Group's mortgage and project developer portfolio, due to potential higher compliance costs and barriers to construction. Systemic risks, physical and transition risk on biodiversity and ecosystems were not explicitly considered in this year's double materiality assessment.
Related to prospective opportunities, the financing of activities linked to the protection and restoration of natural capital (e.g. sustainable forest management, organic agriculture) and of projects which have environmental & ecological benefits was considered.
Evaluations were based on BCR internal assessment.
In order to better assess and quantitatively manage the risks and potential opportunities, the main prerequisite are improved data collection processes and investments into the IT infrastructure to source climate-related data, as well as a longer period of data collection. First steps have been taken to gather more data, and BCR Group aims to quantify risks related to biodiversity and ecosystems in the future.

RISKS AND OPPORTUNITIES RELATING TO G1 BUSINESS CONDUCT

Potential Risks and opportunities related to Business conduct are mostly focused on BCR Group's own operations. BCR Group is operating in a highly regulated field, notably due to the banking activities it conducts, where the regulations aim to reduce potential risks both for customers as well as the organization itself. A lack of regulatory compliance is already assessed as part of other risk factors, which are part of the financial report. Subsequently, BCR Group has not identified additional material risks connected to the business conduct.

Concerning the identified opportunities, their respective potential positive financial effects were evaluated to be low based on BCR Group internal expert judgment, leading to none of them being deemed material.

Non-material sustainability matters

BCR Group examined various topics, including pollution, water and marine resources, resource use and circular economy. In all these areas, no material IROs were identified. The assessment considered BCR Group's business model and its up- and downstream value chain. The assessments indicated that the potential IROs were considered minor and non-material due to BCR Group's non-manufacturing business model and the structure of its portfolio. Although direct consultations with affected communities or other stakeholders were not conducted, the BCR Group incorporated their input into the DMA through internal experts who participated in workshops, as detailed under Stakeholder Engagement section above.

E2 Pollution

As with any other sustainability matters covered by ESRS, the respective AR 16 sub-topics, particularly concerning the pollution of air, water, and soil, were evaluated separately. Any other sub-topics related to pollution were excluded from the assessment, as they were either already considered as part of the assessment related to the pollution of air, water, and soil, or they lacked general relevance based on the business conducted by BCR Group and its value chain.

The identification and evaluation of IROs related to the subtopics of pollution of air, water, and soil were restricted to the financed portfolio. BCR Group's own operations and upstream value chain, as a financial services provider and private pension funds administrator, were deemed to have no significant connection to the pollution of air, water, and soil, especially when compared to the pollution-related impacts, risks, and opportunities of other industries.

For the financed portfolio, a risk analysis was conducted based on the current business strategy and portfolio structure, combined with the results of BCR Group's risk materiality assessment and the underlying ESG sector risk heatmap. The risks assessed focused on the potential deterioration of clients' capacities to repay their debt due to additional costs related to implementing pollution prevention mechanisms or a loss of revenue due to non-compliance controversies. Given the industry mix of BCR Group's corporate and SME business, as well as the large share of its retail portfolio, the risks were evaluated as below the materiality threshold in the DMA together with the Expert Jury.
Regarding opportunities, the financing of and investments in clients developing innovative solutions that minimize, or remedy air pollution were considered possible within BCR Group's business focus. However, based on internal expert judgment and the expected financial effect, these opportunities were assessed as not material.

E3 Water and marine resources

The AR 16 sub-sub-topics concerning water consumption, withdrawals, and discharges, were evaluated separately during the DMA process. Any other sub-sub-topics related to marine resources were excluded from the assessment due to their lack of general relevance to BCR Group's business activities.

The identification and evaluation of IROs related to water consumption, withdrawals, and discharges were restricted to the financed portfolio. BCR Group's own operations and upstream value chain, considering the profile of the activities it conducts and that indirect water consumption in own locations is similar to any other office business activities, were deemed to have no significant impact in connection to water-related matters.

For the financed portfolio, risk analysis was conducted based on the current business strategy and portfolio structure, combined with the results of BCR Group's risk materiality assessment and the underlying ESG sector risk heatmap. The risks addressed focused on the potential deterioration of clients' capacity to repay their debt due to higher production costs driven by water scarcity, fines, or loss of revenue due to non-compliance or controversies. Given the industry mix of BCR Group's corporate and SME business, the financial risks were evaluated as low and immaterial.

Regarding opportunities, the financing of and investments in clients focused on improving water efficiency such as water recirculation in close loop systems, the treatment and recycling of greywater or rainwater, or on developing new products aimed at generating less wastewater or requiring less water for the manufacturing process, were considered possible within BCR Group's business focus. However, based on internal expert judgment and the expected financial effect, these opportunities were evaluated as immaterial.

In terms of impacts, multiple positive and negative potential impacts were identified based on BCR Group's portfolio. However, none of these impacts were attributed sufficiently high evaluations in the assessment dimensions to be considered material.

E5 Resource use and circular economy

The DMA considered the AR-16 sub-topics related to resource use and circular economy similarly to the topics from any other ESRS standards. Thus, resource inflows, outflows, and waste, were evaluated separately.

The analysis took into account BCR Group's business model, which resulted in determining that the subtopics of resource inflows and outflows were relevant only through the financed portfolio. Nevertheless, the subtopic of waste was deemed relevant for both the own operations and the upstream value chain.

For the financed portfolio, risk analysis was conducted based on the current business strategy and portfolio structure, combined with the results of BCR Group's risk materiality assessment and the underlying ESG sector risk heatmap. Inputs considered for the evaluation of risks were drawn from these sources, leading to the identification of low risks and, consequently, no material risks for BCR Group.

Regarding identified opportunities, such as the increased financing or investment needs of clients to comply with stricter resource use and waste treatment regulations, their respective potential positive financial effects were evaluated to be low based on internal expert judgment. As a result, none of these opportunities were deemed material.

In terms of impacts related to BCR Group's own operations, the waste management practices were considered, leading to the conclusion that there were no material potential or actual impacts. The same holds true for actual or potential impacts related to the financed portfolio, with evaluations based on the industry mix of BCR Group's portfolio.

IRO-2 – DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S CONSOLIDATED SUSTAINABILITY STATEMENT[30]

List of disclosure requirements

After the completion of the DMA the respective material sustainability matters were allocated to the relevant disclosure requirements and data points by using the EFRAG Guidance. Additionally, BCR Group discloses entity specific information following the policy, action and target structure for the sustainability matter of financial health. Metrics were disclosed where required. To determine the materiality of information to be disclosed BCR Group applied the approach indicated in Appendix E of the ESRS 1. In the case of metrics for which not all datapoints of a Disclosure Requirement were needed to meet the objective of that requirement, these were omitted, and argumentation of the rationale was documented and presented to the Management Board.

The list of disclosure requirements and their location in the statement can be found below.

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Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27) , Annex II		Material	31
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ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	36
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29) , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	169
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g) and Article 12.2		Material	163

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page
ESRS E1-4GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	179
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Not material	
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	187
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Not material	
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	188
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	189
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Material	Phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book			Material	Phase-in

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page
		- Climate change physical risk: Exposures subject to physical risk.				
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Material	Phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Material	Phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material	
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water consumption in m 3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Material	197
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Material	197
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Material	197
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material	
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material	
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	203
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	203
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Material	203
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	203
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	209
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	219
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material	219
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Not material	
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material	220
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Material	220
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material	
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material	
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material	
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor			Delegated Regulation (EU) 2020/1816, Annex II		Not material	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page
Organisation Conventions 1 to 8, paragraph 19						
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material	
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Material	222
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	222
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Material	222
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Material	236 - 237
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material	235
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Material	238
ESRS G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material	238

12.2. Environmental information

12.2.1. EU Taxonomy Disclosures

Legal framework at EU level

The European Union's Regulation EU 2020/852 on the establishment of a framework to facilitate sustainable investment (further referred to as the EU Taxonomy Regulation) serves as a basis for redirecting capital flows towards sustainable economic activities and as a fundamental support for the transition to a sustainable European economy. On the one hand, this is ensured by the introduction of a uniform classification system for sustainable economic activities and on the other hand, through an introduction of specific reporting obligations for both financial and non-financial undertakings.

The EU Commission's Delegated Regulation (EU) 2021/2178 (further referred to as the EU Taxonomy Disclosures Regulation') addresses the requirement of the EU Taxonomy's Article 8 by specifying the content and presentation of information to be disclosed concerning environmentally sustainable economic activities and specifying the methodology to comply with that disclosure obligation. Additionally, in 2021 and 2023 respectively, two further delegated regulations have been issued, establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to each of the six environmental objectives defined by the EU Taxonomy Regulation, as well as for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

Furthermore, the EU Commission's Delegated Regulation (EU) 2022/1214 provides for further disclosures as regards specific economic activities in the fossil gas and nuclear energy sectors, applicable to both non-financial undertakings directly involved in such economic activities as well as financial undertakings that fund such non-financial undertakings.

Applicability to credit institutions

The regulated framework, stipulates that, to be considered environmentally sustainable (further referred to as taxonomy aligned), financings of economic activities by credit institutions - whether in the form of term lending or non-trading investments in securities - need to be further directed by the related banking clients or issuers towards revenue-generating activities or capital expenditure that meet three additional criteria. These activities must be assessed as simultaneously (a) making a substantial contribution (SC) to at least one of the 6 EU environmental objectives, (b) not significantly harming other environmental objectives (DNSH) and (c) being compliant with minimum safeguards (MS)[31].
EU Taxonomy defines several Key Performance Indicators ('KPI') to be reported distinctively by financial undertakings (Green Asset Ratio 'GAR' KPIs for Turnover and Capital Expenditure), and non-financial undertakings (proportion of Turnover, Capital Expenditure and Operating Expenditure indicators). Eligibility and Alignment EU Taxonomy must be reported for these indicators.

When, by reference to the related contractual clauses, the use of the related proceeds cannot be specifically connected to such activities or capital expenditure projects, the taxonomy alignment of the related general purpose financings is statistically determined, i.e. through weighing by the applicable taxonomy KPIs publicly disclosed by the related banking clients or issuers.

The **Green Asset Ratio (GAR)** is the proportion of the taxonomy aligned assets or economic activities financed by BCR Group compared to the total 'covered assets'. Covered assets include all BCR Group's assets, excluding those related to central governments, supranational issuers as well as exposures to central banks and the trading book. Covered financial assets are included in the numerator of this KPI if either: the related counterparts are themselves undertakings obligated to KPI disclosure as of the current year-end (all companies considered to be of a public interest and employing more than 500 employees either as individual entities or at the group level are required to comply with Article 8, Paragraph 1 of Regulation (EU)2020/852) at either individual or consolidated level or belong to a group headed by an undertaking obliged to KPI disclosure. Such financial assets (provided that they are neither held for trading nor derivative assets) are further considered in the GAR numerator as follows:

[31] For further details on the criteria EU Taxonomy please consult: https://ec.europa.eu/sustainable-finance-taxonomy/taxonomy-compass
'DNSH'= Do Not Significantly Harm
'MS'= minimum social safeguard standards

- in full, if the purpose of the financing is known (use of proceeds known) and the financed economic activities demonstrably meet all technical screening criteria of the classification system (e.g. project financing) and are MS compliant, or
- weighed by the counterpart's (or, if unavailable, by the counterpart's group) most recently published taxonomy alignment KPI, if the purpose of the financing is unknown ('general purpose financing', e.g. working capital loans).

Additionally, "use of proceeds known" non-trading non-derivative financial assets that have households or local governments as counterparts (namely, public authority bodies or agencies other than those directly run by related country's central government, e.g. municipalities or local councils) are also included in the GAR numerator, if the financed economic activities demonstrably meet all the applicable technical screening criteria.

Another significant KPI is the **taxonomy eligibility KPI,** which is disclosed ahead of GAR. This KPI puts the covered assets of BCR Group that are classified as taxonomy eligible in relation to the total assets covered by the GAR. Similarly to the GAR, covered financial assets are included in the numerator of this KPI if either the related counterparts are themselves obligated to KPI disclosure at either individual or consolidated level or belong to a group headed by an undertaking obliged to KPI disclosure. Such financial assets, (if they are neither held for trading nor derivative assets) are further considered in the numerator of the taxonomy eligibility KPI as follows:

- in full, if the purpose of the financing is known, and the economic activities financed are found as taxonomy eligible by corresponding to the activities described in the classification system, regardless of whether all technical criteria are met (e.g. project financings), or
- weighed by counterpart's (or, if unavailable, by counterpart's group) most recently published taxonomy eligibility KPI, if the purpose of the financing is unknown ("general purpose financing" e.g. working capital loans).

Additionally, 'use of proceeds known' non-trading non-derivative financial assets that have households or local governments as counterparts are also included in the numerator of the taxonomy eligibility KPI, if the financed economic activities demonstrably are found as taxonomy eligible by corresponding to the activities described in the classification system, regardless of whether all technical criteria are met.

Overview of BCR Group's Taxonomy disclosures and KPIs

Scope of the published EU Taxonomy reporting templates

BCR Group has prepared the EU Taxonomy disclosures on a consolidated basis, in accordance with the CRR consolidation scope, which is same as the Group's IFRS scope of consolidation (as disclosed in Note 40 of the 2024 consolidated financial statement), notably in terms of impact in the consolidated taxonomy disclosures based on Group's total consolidated assets. BCR Group's total consolidated assets as of 31 December 2024 in accordance with the IFRS consolidation scope amount to RON 120.8 billion (net of related credit loss allowances in amount of RON 3.1 billion, which are grossed-up for EU Taxonomy reporting purposes).

For year-end 2024, BCR Group, as a credit institution, applies Annex V and VI of the EU Taxonomy Disclosures Regulation [32]. Based on CSRD, none of BCR Group's sub-groups are in scope of sustainability reporting as of 31 December 2024 and therefore are not publishing separate sustainability statements.

Summary of the published EU Taxonomy reporting templates

This paragraph provides a concise description of the EU Taxonomy reporting templates published by BCR Group as of 31 December 2024, simultaneously addressing the requirements of Annex XI to the EU Taxonomy Disclosures regulation with regards to qualitative explanations addressing the main taxonomy KPIs.

Template 0 'Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation'

Template 0 provides a summary of key amounts and most significant taxonomy KPIs, as further disclosed in the Templates 1, 3 or 5 (see below).

Total environmentally sustainable assets / activities (turnover view)

As of 31 December 2024, BCR Group discloses in Template 0 the total taxonomy-aligned assets in amount of RON 0.49 billion ('stock'). Amount of RON 0.47 billion thereof correspond to financings of sustainable activities having been initially recognized during the year 2024 ('flow'). These amounts are disclosed in Template 0 by applying the 'turnover view', namely – as far as general-purpose financings clients or issuers obliged to KPI disclosure are concerned – by weighing the related exposures by the taxonomy KPIs published by the related undertakings in connection to their revenue-generating activities (non-financial undertakings) or financings thereof (financial undertakings).

[32] ANNEX V – KPIs of credit institutions
ANNEX VI - Template for the KPI's of credit institutions

The result in the taxonomy-aligned financings is mainly attributable to general-purpose financings of financial undertakings clients or issuers (stock-turnover view: RON 0.13 billion as of 31 December 2024), which is further explained by the fact that 31.12.2023 was the first year-end when financial undertakings were obliged to publish taxonomy KPIs according to the Annexes V and VI of the EU Taxonomy Disclosures Regulation. Taxonomy-aligned financings to non-financial undertakings obliged to KPI disclosure was 'stock-turnover' view: RON 0.35 billion as of 31 December 2024.

Total environmentally sustainable assets are further detailed, notably per categories of assets and related counterparts, but also per eligibility and alignment towards each of the 6 environmental objectives within **Template 1 "Assets for the calculation of GAR"**, disclosed in both the turnover view and the CapEx view**.**

Total GAR Stock and Flow (turnover view and CapEx view)

BCR Group's total GAR (turnover view) is 0.63% as of 31 December 2024 (stock) and respectively 1.44% as at 31 December 2024 (flow). This result is driven by the above described total taxonomy aligned assets/activities (GAR Stock/Flow numerator amounts) and, on the other hand, by the total covered assets featured as denominator of the GAR (stock: RON 78.3 billion as of 31 December 2024; flow: RON 33.3 billion as of 31 December 2024).

In the CapEx view: 1.96% as of 31 December 2024 (stock) and respectively 2.67% as of 31 December 2024 (flow).

BCR Group's GAR Stock as of 31 December 2024 is nevertheless inherently low (below 1% in turnover view and almost 2% in CapEx view), mainly due to the built-in asymmetry of the GAR (expected however to gradually reduce until 2028, along the gradual increase in scope of the CSRD, therefore of the GAR numerator eligible assets), but also to the current impracticability of demonstrating, beyond any reasonable doubt, the taxonomy alignment of BCR's loans to Households, notably of mortgage loans, in particular with regards to the DNSH and MS alignment criteria. Therefore, as of 31 December 2024, BCR Group's consolidated mortgage and building renovation loans to Households amounting to RON 18.2 billion, none of which was reported as taxonomy aligned, despite most of this volume (RON 17.6 billion) being assessed and reported as taxonomy eligible.
GAR Stock and GAR Flow are further detailed, notably per categories of assets and related counterparts, but also per eligibility and alignment towards each of the 6 environmental objectives within **Template 3 "GAR KPI Stock"** and**Template 4 "GAR KPI Flow"**, respectively. These templates are disclosed in both the turnover view and the CapEx view**.**

FinGuar KPI Stock (turnover view and CapEx view)

Whilst the GAR refers to credit institution's on-balance assets, the FinGuar KPI focuses on credit institution's off-balance exposures. BCR Group's FinGuar Stock KPI is 17.44% as of 31 December 2024 (turnover view) and respectively 25.95% as of 31 December 2024 (CapEx view). This result is determined by the specific population of underlying counterparts obligated to KPI disclosure and the related taxonomy KPIs applied.

FinGuar KPI Stock and FinGuar KPI Flow are further detailed, notably per categories of assets and related counterparts, but also per eligibility and alignment towards each of the 6 environmental objectives within **Template 5 "KPI Off balance-sheet exposures"**. These templates are disclosed in both the turnover view and the CapEx view, as well as in both stock and flow views**.**

AuM KPI Stock (turnover view and CapEx view)

The AuM KPI focuses on credit institution's off-balance assets under management and having the nature of bonds or shares issued by undertakings obligated to KPI disclosure, including when such bonds or shares are underlying assets in collective investments (funds) or discretionary management portfolios. BCR Group's AuM Stock KPI is 2.99% as of 31 December 2024 (turnover view) and respectively 6.17% as of 31 December 2024 (CapEx view). This result is determined by the contribution into this KPI's numerator of the specific population of undertakings obligated to KPI disclosure, being issuers of the related (underlying) assets under management which are subject of the administration realized by BCR Pensii, reflected in the administrated Funds (Fondul de Pensii Administrat Privat BCR and Fondul de Pensii Facultative BCR PLUS), and the related taxonomy KPIs for this specific population of undertakings.

AuM KPI Stock and AuM KPI Flow are further detailed, notably per categories of assets and related counterparts, but also per eligibility and alignment towards each of the 6 environmental objectives within **Template 5 "KPI Off balance-sheet exposures"**. These templates are disclosed in both the turnover view and the CapEx view, as well as in both stock and flow views**.**

Template 2 GAR sector information

This template provides, in both stock turnover view and stock CapEx view, a breakdown per the applicable NACE codes of all the eligible and aligned amounts featured in Template 1's row 20 (non-financial undertakings obligated to KPI disclosure), across all environmental objectives. For readability considerations, BCR Group is disclosing the required information at NACE sector granularity only for those NACE sectors covering, in descending order of the related total aligned amount, at least 99% of the Group's total taxonomy aligned assets (as per the respective view).

Additional disclosures addressing financings of specific Nuclear and Fossil Gas related economic activities

Based on the requirements of Annex XII to the EU Taxonomy Disclosures Regulation, BCR Group publishes as of 31 December 2024, in addition to the main taxonomy templates (0 to 5) in all the required views, six sets of five additional disclosure templates each, providing an insight into Group's direct or indirect financings (that means: via financings to peer financial undertakings), either specific or general purpose, attributable to six specific economic activities related to the Nuclear and Fossil Gas energy sectors. Each of the six sets of such additional tables relates to one of Group's main taxonomy KPIs (namely: GAR, FinGuar KPI and AuM KPI), both stock and flow, in both turnover and CapEx view, as applicable.

As a result, the overall number of distinct EU Taxonomy templates published by BCR Group as of 31 December 2024 amounts to 13 main taxonomy templates and further 54 Nuclear & Fossil Gas activities-related supplementary EU Taxonomy templates**.**

Quantitative Nuclear & Gas templates for GAR Stock results are driven by the general-purpose financings to KPI-disclosure-obligated financial undertakings having been factored in at year-end 2024, weighed by the applicable KPIs, as published for the first time by the related undertakings during the current year. Thus, total taxonomy-aligned on-balance financings (turnover view) attributable to the activities 4.26-4.31 amounts RON 15.5 million (capex view: RON 15.4 million), respectively 3.13% (capex view: 1%). The mentioned amounts stem entirely from general-purpose exposures, weighed accordingly by the applicable KPIs of the related counterparts.

Comparatives

The exemption right regarding presentation of 2023 year, and applied effectively for year-end 2023 by BCR Group, is in accordance with the provisions of art. 8 (1) of the EU Regulation 2020/852 on the establishment of a framework to facilitate sustainable investment, and articles 19a and 29a of Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, in the form applicable at year end 2023, since BCR Group was included in the consolidated report of Erste Group. This report also embedded Taxonomy disclosures on a consolidated level for Erste Group for year-end 2023 and is available here
https://www.erstegroup.com/en/investors/reports/nichtfinanzielle_berichte.

Starting 2024, BCR Group is producing Taxonomy disclosures as required by the CSRD legislation (Directive 2022/2464/EU as regards corporate sustainability reporting, art.1 amending Directive 2013/34/EU art.19.a and art. 29a) providing that based on art.29a 9) and art.19 a 10) of Directive 2013/34/EU, in the form applicable at year end 2024, no exemption right can be applied for large and listed public-interest entities, which is the case of BCR Group.
As concerns providing comparative Taxonomy information in the first CSRD Report of BCR Group, the EU FAQ from 29.11.24, item 146 [33], indicates that undertakings that are required to report Taxonomy disclosures for the first time should provide those disclosures only for that financial year (N) and should only include comparative information starting with their second year of reporting Taxonomy disclosures. Therefore, the current report includes 2024 data and comparatives shall be provided starting with the following report for financial year 2025.

Selected KPIs' overview

As of 31 December 2024, BCR Group's total eligibility KPI and total GAR can be summarized as follows:

Turnover view

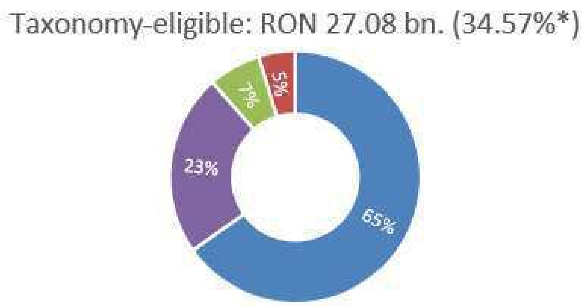
The Group's consolidated taxonomy eligible assets amount to RON 27.08 billion, representing 34.57% of the total covered assets.
The Group's consolidated taxonomy aligned assets amount to RON 0.49 billion, representing 0.63% of the total covered assets.

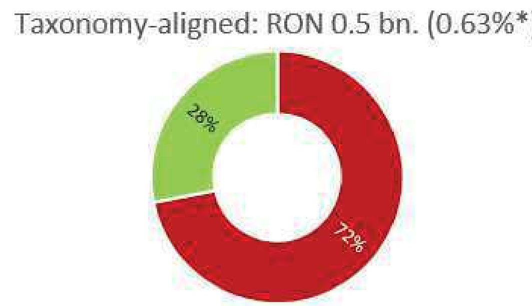
[33] The Draft EU Commission Notice dated 29.11.2024 address the following FAQ:
"146.Should undertakings that are required to report Taxonomy disclosures for the first time in a given reporting year (N) also include comparative information for the preceding financial year (N-1)?"

CapEx view

The Group's taxonomy eligible assets amount to RON 28.83 billion, representing 36.81% of the total covered assets.
The Group's taxonomy aligned assets amount to RON 1.53 billion, representing 1.96% of the total covered assets.

In the turnover view, the total eligibility KPI and total GAR as of 31 December 2024 are further comparatively analyzed and presented in the charts below:





* of covered assets

Therefore, as of 31 December 2024, BCR Group's total taxonomy eligibility KPI consists of the following main components:

— Financing to private households to the amount of RON 17.62 billion (65%), the purpose of which corresponds to taxonomy eligible activities in the real estate and the automotive sector.
— Financing to local and regional governments to the amount of RON 6.34 billion (23%), the purpose of which corresponds to taxonomy eligible activities.
— Use of proceeds known and unknown financing to non-financial undertakings to the amount of RON 1.27 billion (5%) and to financial undertakings to the amount of RON 1.8 billion (7%), the use of proceeds unknown financing having been classified proportionately as taxonomy eligible based on the eligibility KPIs published by the respective counterparties.

The GAR, on the other hand, consists of use of proceeds known and unknown financing to financial and respectively non-financial undertakings to the amount of RON 0.14 billion (28%) and respectively RON 0.35 billion (72%), with 43% of the combined aligned amount resulting from use of proceeds unknown financing that were classified proportionately as taxonomy aligned, based on the alignment KPIs published by the respective counterparties.

GAR structural constraints and limitations in data availability

The taxonomy disclosures and KPIs of BCR Group as of 31 December 2024 are inherently influenced by both structural constraints arising from both the legal design of the GAR and the restricted scope of the CSRD, as well as by various other data availability limitations. Such constraints and limitations are further outlined below.

GAR structural constraints

Due to the extensive information required to evaluate the applicable taxonomy alignment technical criteria (SC, DNSH), as well as the MS compliance, the scope of application of the EU Taxonomy Disclosures Regulation is limited by legislation (CSRD), as far as qualifying exposures to undertakings are concerned, to those that are obligated to KPI disclosure as at the current reporting year-end, as well as to any subsidiaries thereof. For BCR Group, this means that a significant part of the portfolio (small and medium-sized enterprises not CSRD-obligated[34], or part of such a group) cannot be considered at the moment in the numerators of the taxonomy eligibility KPI and the GAR, with most of them expected to indefinitely qualify for the respective denominators only ("GAR structural asymmetry").

Additionally, general-purpose exposures to households and local governments (meaning financings of such counterparts having, as per the related lending agreements or prospectus, either no specified purpose or specified purposes other than housing or acquisition of eligible motor vehicles) fall inherently outside the scope of any such possible evaluation. This means that general-purpose exposures to households and local governments, along with qualifying exposures to CSRD non-

[34] Financing of companies that are not covered by CSRD reporting obligations (e.g., small and medium-sized enterprises) unless they are subsidiaries of a CSRD-obligated parent undertaking.

obligated undertakings, cannot possibly contribute to the GAR numerator, whilst they are nevertheless included in GAR's denominator.

Limitations in data availability

Related to real estate and vehicle financing towards private households, as well as related to financings of housing or other taxonomy eligible specific-purpose projects by local governments, credit institutions are allowed to use reliable third-party evaluations with regards to the central DNSH criterion of conducting a climate risk and vulnerability assessment. BCR Group is currently working on integrating the physical risk data of one of the world's leading reinsurance companies into the taxonomy evaluation process, with the target of applying fully fledged data and related methodologies from year-end 2025 onwards. With regards to year-end 2024 taxonomy disclosures, BCR Group therefore continues to report all household exposures as non-aligned.

Environmental objectives 3-6

According to the EU Taxonomy Disclosures Regulation and the draft FAQs from November 2024, financial undertakings shall only publish eligibility figures for the environmental objectives 3-6 and the amended economic activities within the objectives 1-2. It follows that BCR Group becomes obligated to publish alignment figures for the environmental objectives 3-6 for the year ending 31 December 2025. However, considering, on the one hand, BCR Group's relatively advanced stage of technical readiness to meet this upcoming reporting obligation and, on the other hand, the low amount of obligated clients' related taxonomy KPIs available for collection and further processing in this respect, BCR Group's EU Taxonomy disclosures as of 31 December 2024 cover already the entire set of environmental objectives for the alignment figures for general purpose loans as well. The applied client alignment KPIs for the environmental objectives 3-6 have, in general, very low values, which didn't entail any further analysis on whether the related obligated clients published them in advance of being required to do so or not.

Furthermore, regarding both new and existing business with undertakings obligated to KPI reporting and local governments - despite considerable efforts to further advance the examination of individual transactions - in many cases there is still insufficient information and data basis on the customer side to determine whether these transactions can be classified as taxonomy eligible with regards to the **environmental objectives 3-6.** While the Draft Commission Notice dated 29.11.2024 has indeed provided further clarifications with regards to the related taxonomy- assessment, interpreting and applying the mentioned guidance leads at the moment to relatively few "use of proceeds known" financings being assigned as of 31 December 2024 as eligible by reference to these environmental objectives.

Reporting methodology and underlying assumptions and interpretations

(Gross) carrying amounts of assets

Regarding the (gross) carrying amounts of assets represented in Template 1, the following approach was taken:

- For all relevant financial assets at amortized cost and debt securities at FVOCI (Fair Value Through Other Comprehensive Income), the cost carried forward before adjustment of value adjustments was used - regardless of the counterparty type.
- For all other assets falling into lines 1-48 of Template 1H, the gross carrying amount, i.e., the amount actually accounted for and used in the IFRS-consolidated FINREP balance sheet, was used. This means:
    - For performing debt instruments at FVPL (Fair Value Through Profit or Loss), the gross carrying amount corresponds to the fair value. For non-performing debt instruments at FVPL, the gross carrying amount corresponds to the fair value after the accumulation of any accumulated negative changes in fair value due to credit risk.
    - For all investments in associated and joint ventures, the carrying value in accordance with IAS28/IFRS11 is used.
    - For all equity instruments at FVPL, the fair value is used.
    - For all non-financial assets ("collateral obtained by taking possession" or "Other categories of assets"), the carrying amounts disclosed according to IFRS are used.

CSRD-obligated financial and non-financial undertakings and use of their KPIs

All companies considered to be public interest entities and employing more than 500 people at either individual or consolidated level have been obligated to report EU Taxonomy disclosures as of 31.12.2023 under the NFRD and continue to be so as of 31 December 2024 under the CSRD ([35]) unless exemption right was used in accordance with the legislation ([36]). Financial and non-financial undertakings, that are parents of obligated groups, must publish their KPIs on a consolidated basis. These KPIs are used for the purpose of determining BCR Group's KPIs for qualifying exposures towards all subsidiaries of this group ("closest reporting parent"), unless KPIs are available for the specific single counterparty.

Flow

For the purpose of Template 4 (GAR Flow), Template 5 (FinGuar Flow and AuM Flow), as well as for retrieving the "flow" views of the Nuclear & Gas templates, "flow" has been defined as a sub-set of "stock", limited to related asset deals' having been initially recognized during the current reporting date. The two exceptions to this approach are as follows:

- Non-financial assets and financial assets not having the nature of loans and advances, debt securities or equity instruments: "flow" has been deemed zero.
- Underlying debt securities and equity instruments in off-balance investment funds or other portfolios under management: "flow" arises from any positive year-on-year net increase in the number of units held at underlying ISIN level, within each relevant investment fund or other portfolio under management.

Significant notes for the consideration of assets in Template 1

Accepted for the numerator of the GAR and therefore relevant for the taxonomy eligibility or -alignment review are non-trading loans and advances, debt securities, equity instruments having financial or non-financial undertakings obligated to KPI disclosure as counterparties (or subsidiaries thereof), as well as real estate and car financing to private households, use of proceeds known financing with local governments and real estate collateral obtained through taking possession.

Impact in the BCR Group GAR ratio from financial and non-financial undertakings

- Qualifying assets in relation to financial and non-financial undertakings are included in the numerator of the GAR if the direct counterparty is a subsidiary or a group obligated to KPI disclosure.
- Financing to financial and non-financial undertakings not obligated to KPI disclosure, which are not part of a group obligated to KPI disclosure, were considered in the denominator, irrespective of their domicile (EU or Non-EU). Impact in the BCR Group GAR ratio from private households

[35] In Romania, in 2024, the CSRD directive was transposed locally by the Ministry of Finance, the National Bank of Romania and Romanian Financial Supervisory Authority so that all categories of entities are covered:
- Order of the Ministry of Finance no. 1802 of December, 2014 for the approval of the Accounting Regulations regarding the individual annual financial statements and the consolidated annual financial statements, amended and supplemented including by Order no. 85 of January 12, 2024 for the regulation of aspects related to sustainability reporting, that transposes locally the requirements of the CSRD Directive, and Order no. 4164 of August, 2024;
- Order of the National Bank of Romania no. 1 of May, 2024 regarding the amendment and completion of the Order of the National Bank of Romania no. 27/2010 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards and the amendment and completion of the Order of the National Bank of Romania no. 6/2015 for the approval of the Accounting Regulations in accordance with European directives;
-Regulation no. 4 of February, 2024 regarding the modification and completion of Financial Supervision Authority Regulation no. 39/2015 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, as well as the Investor Compensation Fund;
-Regulation no. 17 of September, 2024 for the modification and completion of Financial Supervision Authority Regulation no. 14/2015 regarding the accounting regulations in accordance with the European directives applicable to the private pension system;
-Regulation no. 7 of April, 2024 for the modification and completion of Financial Supervision Authority Regulation no. 36/2015 regarding the accounting regulations relating to individual annual financial statements and consolidated annual financial statements applicable to brokerage companies carrying out insurance and/or reinsurance distribution activities

[36] However, an exemption right could have been applied for year-end 2023 in accordance with the provisions of art. 8 (1) of the EU Regulation 2020/852 on the establishment of a framework to facilitate sustainable investment, and articles 19a and 29a of Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, in the form applicable at year end 2023, if an entity was included in the consolidated report of its parent.
Starting 2024, CSRD legislation is applicable (Directive 2022/2464/EU as regards corporate sustainability reporting, art.1 amending Directive 2013/34/EU art.19.a) and art. 29a) providing that based on art.29a 9) and art.19 a 10) of Directive 2013/34/EU, in the form applicable at year end 2024, no exemption right can be applied.

Impact in the BCR Group GAR ratio from private households

- Financing to private households and subject to further assessment for taxonomy eligibility or alignment comprises only real estate-related financing or car loans (the latter from 1.1.2022). The remaining exposures to households (essentially: general-purpose financing) are included in the "Households" section of Template 1 only for the purpose of the column "(gross) carrying amount", meaning that they inherently can't contribute to the numerator of either Eligibility KPI or GAR, whilst being included in the denominator of both.
- Financing of building renovation and collateralized by residential immovable property are solely included in the row "of which building renovation loans" in order to avoid double counting.

Impact in the BCR Group GAR ratio from local & regional governments

Financing to local or regional governments and subject to further assessment for taxonomy eligibility or alignment comprises only financing where the respective use of proceeds is known. Financing without a known use of proceeds is included in the "Local governments" section of Template 1 only for the purpose of the column "(gross) carrying amount", meaning that they inherently can't contribute to the numerator of either Eligibility KPI or GAR, whilst being included in the denominator of both.

Impact in the BCR Group GAR ratio from assets under Management

Off-balance sheet items ("Assets under management") are also reported based on a look-through approach. As relevant assets in this regard, however, only securities issued by undertakings obligated to KPI disclosure are considered.

Significant information for template population of the supplemental delegated climate regulation

- In the portfolio of BCR Group, there are no use of proceeds known financing related to the activities in the area of nuclear energy and fossil gas listed in the Commission Delegated Regulation (EU) 2022/1214. Consequently, populating the respective tables is based on the KPIs published by the related counterparties (namely: energy companies obligated to KPI disclosure or banks or insurances obligated to KPI disclosure directly exposed to such energy companies) in their respective similar templates.
- The supplementary templates addressing direct or indirect financings of specific activities in the nuclear energy and fossil gas sectors relate to all taxonomy KPIs of credit institutions (GAR Stock and Flow, FinGuar KPI Stock and Flow, AuM KPI Stock and Flow), as applicable (turnover and respectively CapEx views).

Particular aspects in the application of EU Taxonomy disclosure requirements

As of year-end 2024, the following particular aspects are included in the EU Taxonomy reporting templates:

1. Consideration of loans to Households, other than those fulfilling the conditions to be reported in Template 1's (GAR Template's) either of the rows 25 ("of which loans collateralised by residential immovable property"), 26 ("of which building renovation loans") or 27 ("of which motor vehicle loans").

   As of 31.12.24, Template 1 features such loans in the row 24 ("Households") column a, that means within the section "GAR - Covered assets in both numerator and denominator".

2. Consideration of general-purpose financings to Local Governments.

   As of 31.12.24, Template 1 features such financings in the row 30 ("Other local government financing") column a, that means within the section "GAR - Covered assets in both numerator and denominator", in accordance with European Commission's Third Commission Notice / 08.11.2024 (FAQ 47).

3. Consideration of the proportions "% coverage over total assets" and "% of assets excluded from the numerator of the GAR"

   As of 31.12.24, Template 0 displays these proportions as follows:
   - "% coverage over total assets": as ratio between "Total GAR assets" (Template 1 row 48 column a) and "Total assets" (Template 1 row 53 column a);
   - "% of assets excluded from the numerator of the GAR": as ratio between "Assets excluded from the numerator for GAR calculation (covered in the denominator)" (Template 1 row 32 column a) and "Total assets" (Template 1 row 53 column a).

Consideration of EU Taxonomy in BCR Group's business strategies, product design processes and engagement with clients and counterparties

BCR Group informs its customers about possible cost advantages that can arise from taxonomy aligned disclosure. The GAR is currently not integrated into the strategic board internal remuneration framework and should not be considered as performance - linked KPI for management incentives.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets*	KPI Turnover	KPI CapEx	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	495	0.63%	1.96%	63.25%	22.66%	36.75%

		Total environmentally sustainable activities*	KPI Turnover	KPI CapEx	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	479	1.44%	2.67%	70.95%	27.32%	29.05%
	Trading book						
	Financial guarantees	287	17.44%	25.95%			
	Assets under management	97	2.99%	6.17%			
	Fees and commissions income						

* Amounts in RON mn

1. Assets for the calculation of GAR, turnover-based view, stock

	in RON thousands	Total [gross] carrying amount	Year ending on 31 December 2024								
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090	0100
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	50,265,512	27,025,172	490,816	281,714	7,141	84,911	24,291	4,079	-	1
0020	**Financial undertakings**	6,205,898	1,794,941	136,894	-	4,917	16,337	22,672	3,009	-	1
0030	Credit institutions	5,364,261	1,657,729	120,944	-	4,746	5,396	783	33	-	-
0040	Loans and advances	4,529,237	1,612,749	117,721	-	3,667	5,065	97	26	-	-
0050	Debt securities, including UoP	835,024	44,980	3,223	-	1,080	331	686	7	-	-
0060	Equity instruments	-	-	-		-	-	-	-		-
0070	Other financial corporations	841,637	137,211	15,950	-	171	10,941	21,889	2,975	-	1
0080	of which investment firms	287,430	49,433	1,110	-	154	206	-	-	-	-
0090	Loans and advances	263,369	41,813	982	-	125	167	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0110	Equity instruments	24,061	7,620	128		29	38	-	-		-
0120	of which management companies	6,660	2,109	35	-	8	11	-	-	-	-
0130	Loans and advances	6,660	2,109	35	-	8	11	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-	-		-	-	-	-		-
0160	of which insurance undertakings	67,289	1,365	222	-	10	44	19,276	2,975	-	1
0170	Loans and advances	50,754	1,030	168	-	7	33	14,540	2,244	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0190	Equity instruments	16,535	336	55		2	11	4,737	731		-

0200	**Non-financial undertakings**	5,362,057	1,260,103	353,922	281,714	2,224	68,574	1,619	1,071	-	1
0210	Loans and advances	5,348,408	1,260,103	353,922	281,714	2,224	68,574	1,619	1,071	-	1
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0230	Equity instruments	13,649	-	-		-	-	-	-		-
0240	**Households**	32,227,309	17,628,707	-	-	-	-	-	-	-	-
0250	of which loans collateralised by residential immovable property	18,232,392	17,628,707	-	-	-	-	-	-	-	-
0260	of which building renovation loans	-	-	-	-	-	-	-	-	-	-
0270	of which motor vehicle loans	-	-	-	-	-	-				
0280	**Local governments financing**	6,470,247	6,341,421	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-	-	-
0300	Other local government financing	6,470,247	6,341,421	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	5,475	5,475	-	-	-	-	-	-	-	-
0320	**<u>Assets excluded from the numerator for GAR calculation (covered in the denominator)</u>**	28,062,381	-	-	-	-	-	-	-	-	-
0330	**Financial and Non-financial undertakings**	22,693,224									
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	22,674,653									
0350	Loans and advances	22,613,942									
0360	of which loans collateralised by commercial immovable property	4,495,204									
0370	of which building renovation loans	-									
0380	Debt securities	-									
0390	Equity instruments	60,710									
0400	Non-EU country counterparties not subject to NFRD disclosure obligations	18,572									
0410	Loans and advances	6,026									
0420	Debt securities	12,546									
0430	Equity instruments	-									
0440	**Derivatives**	-									

0450	**On demand interbank loans**	264,397									
0460	**Cash and cash-related assets**	3,117,193									
0470	**Other categories of assets (e.g. Goodwill, commodities etc.)**	1,987,567									
0480	**Total GAR assets**	78,333,368	27,030,647	490,816	281,714	7,141	84,911	24,291	4,079	-	1
0490	**Assets not covered for GAR calculation**	45,505,932									
0500	**Central governments and Supranational issuers**	36,330,573									
0510	**Central banks exposure**	7,262,551									
0520	**Trading book**	1,912,808									
0530	**Total assets**	123,839,300	27,030,647	490,816	281,714	7,141	84,911	24,291	4,079	-	1
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations											
0540	Financial guarantees	1,647,196	421,560	286,119	-	835	20,838	1,940	1,233	-	-
0550	Assets under management	3,233,091	587,895	84,795	-	983	13,944	25,453	11,234	-	-
0560	Of which debt securities	440,344	69,701	6,049	-	859	362	271	9	-	-
0570	Of which equity instruments	2,792,747	518,195	78,746	-	124	13,582	25,182	11,226	-	-

		Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	in RON thousands			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0110	0120	0130	0140	0150	0160	0170	0180
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	638	7	-	1	19,586	11	-	-
0020	**Financial undertakings**	-	-	-	-	8,508	-	-	-
0030	Credit institutions	-	-	-	-	1,757	-	-	-
0040	Loans and advances	-	-	-	-	2	-	-	-
0050	Debt securities, including UoP	-	-	-	-	1,755	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	-	-	-	-	6,751	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	-	-	-	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-

0200	**Non-financial undertakings**	638	7	-	1	11,078	11	-	-
0210	Loans and advances	638	7	-	1	11,078	11	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-		-
0240	**Households**					-	-	-	-
0250	of which loans collateralised by residential immovable property					-	-	-	-
0260	of which building renovation loans					-	-	-	-
0270	of which motor vehicle loans								
0280	**Local governments financing**	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
0320	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-
0330	**Financial and Non-financial undertakings**								
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations								
0350	Loans and advances								
0360	of which loans collateralised by commercial immovable property								
0370	of which building renovation loans								
0380	Debt securities								
0390	Equity instruments								
0400	Non-EU country counterparties not subject to NFRD disclosure obligations								
0410	Loans and advances								
0420	Debt securities								

0430	Equity instruments								
0440	**Derivatives**								
0450	**On demand interbank loans**								
0460	**Cash and cash-related assets**								
0470	**Other categories of assets (e.g. Goodwill, commodities etc.)**								
0480	**Total GAR assets**	638	7	-	1	19,586	11	-	-
0490	**Assets not covered for GAR calculation**								
0500	**Central governments and Supranational issuers**								
0510	**Central banks exposure**								
0520	**Trading book**								
0530	**Total assets**	638	7	-	1	19,586	11	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations								
0540	Financial guarantees	-	-	-	-	-	-	-	-
0550	Assets under management	512	-	-	-	19,952	566	-	424
0560	Of which debt securities	-	-	-	-	648	-	-	-
0570	Of which equity instruments	512	-	-	-	19,304	566	-	424

	in RON thousands	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0190	0200	0210	0220	0230	0240	0250	0260
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**3,667**	**18**	-	-	**148**	-	-	-
0020	**Financial undertakings**	-	-	-	-	**148**	-	-	-
0030	Credit institutions	-	-	-	-	**31**	-	-	-
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	31	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	-	-	-	-	117	-	-	-
0080	which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	-	-	-	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	**Non-financial undertakings**	**3,667**	**18**	-	-	-	-	-	-
0210	Loans and advances	3,667	18	-	-	-	-	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-		-
0240	**Households**								
0250	of which loans collateralised by residential immovable property								
0260	of which building renovation loans								
0270	of which motor vehicle loans								
0280	**Local governments financing**	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-

0300	Other local government financing	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
0320	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-
0330	**Financial and Non-financial undertakings**								
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations								
0350	Loans and advances								
0360	of which loans collateralised by commercial immovable property								
0370	of which building renovation loans								
0380	Debt securities								
0390	Equity instruments								
0400	Non-EU country counterparties not subject to NFRD disclosure obligations								
0410	Loans and advances								
0420	Debt securities								
0430	Equity instruments								
0440	**Derivatives**								
0450	**On demand interbank loans**								
0460	**Cash and cash-related assets**								
0470	**Other categories of assets (e.g. Goodwill, commodities etc.)**								
0480	**Total GAR assets**	**3,667**	**18**	-	-	**148**	-	-	-
0490	**Assets not covered for GAR calculation**								
0500	**Central governments and Supranational issuers**								
0510	**Central banks exposure**								
0520	**Trading book**								
0530	**Total assets**	**3,667**	**18**	-	-	**148**	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations								
0540	Financial guarantees	-	-	-	-	-	-	-	-
0550	Assets under management	-	-	-	-	**205**	-	-	-
0560	Of which debt securities	-	-	-	-	11	-	-	-
0570	Of which equity instruments	-	-	-	-	194	-	-	-

		Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			
	in RON thousands			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator	0270	0280	0290	0300	0310
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	27,073,502	494,931	281,714	7,141	84,913
0020	**Financial undertakings**	1,826,269	139,903	-	4,917	16,338
0030	Credit institutions	1,660,300	120,978	-	4,746	5,396
0040	Loans and advances	1,612,848	117,748	-	3,667	5,065
0050	Debt securities, including UoP	47,452	3,230	-	1,080	331
0060	Equity instruments	-	-		-	-
0070	Other financial corporations	165,969	18,925	-	171	10,942
0080	of which investment firms	49,433	1,110	-	154	206
0090	Loans and advances	41,813	982	-	125	167
0100	Debt securities, including UoP	-	-	-	-	-
0110	Equity instruments	7,620	128		29	38
0120	of which management companies	2,109	35	-	8	11
0130	Loans and advances	2,109	35	-	8	11
0140	Debt securities, including UoP	-	-	-	-	-
0150	Equity instruments	-	-		-	-
0160	of which insurance undertakings	20,642	3,197	-	10	44
0170	Loans and advances	15,569	2,412	-	7	33
0180	Debt securities, including UoP	-	-	-	-	-
0190	Equity instruments	5,072	786		2	11
0200	**Non-financial undertakings**	1,277,106	355,029	281,714	2,224	68,575
0210	Loans and advances	1,277,106	355,029	281,714	2,224	68,575

0220	Debt securities, including UoP	-	-	-	-	-
0230	Equity instruments	-	-		-	-
0240	**Households**	17,628,707	-	-	-	-
0250	of which loans collateralised by residential immovable property	17,628,707	-	-	-	-
0260	of which building renovation loans	-	-	-	-	-
0270	of which motor vehicle loans	-	-	-	-	-
0280	**Local governments financing**	6,341,421	-	-	-	-
0290	Housing financing	-	-	-	-	-
0300	Other local government financing	6,341,421	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	5,475	-	-	-	-
0320	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-
0330	**Financial and Non-financial undertakings**					
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations					
0350	Loans and advances					
0360	of which loans collateralised by commercial immovable property					
0370	of which building renovation loans					
0380	Debt securities					
0390	Equity instruments					
0400	Non-EU country counterparties not subject to NFRD disclosure obligations					
0410	Loans and advances					
0420	Debt securities					
0430	Equity instruments					
0440	**Derivatives**					
0450	**On demand interbank loans**					

0460	**Cash and cash-related assets**					
0470	**Other categories of assets (e.g. Goodwill, commodities etc.)**					
0480	**Total GAR assets**	27,078,978	494,931	281,714	7,141	84,913
0490	**Assets not covered for GAR calculation**					
0500	**Central governments and Supranational issuers**					
0510	**Central banks exposure**					
0520	**Trading book**					
0530	**Total assets**	27,078,978	494,931	281,714	7,141	84,913
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations					
0540	Financial guarantees	423,499	287,352	-	835	20,838
0550	Assets under management	634,017	96,595	-	983	14,368
0560	Of which debt securities	70,631	6,058	-	859	362
0570	Of which equity instruments	563,387	90,537	-	124	14,006

2. GAR sector information, turnover-based view

In RON thousands

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCA)
GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080
L68.20 Renting and operating of own or leased real estate	281,714	281,714			-	-		
D35.23 Trade of gas through mains	35,299	33,946			49	36		
C29.32 Manufacture of other parts and accessories for motor vehicles	288,671	30,992			-	-		
D35.22 Distribution of gaseous fuels through mains	2,049	1,996			-	-		
C27.32 Manufacture of other electronic and electric wires and cables	8,469	1,963			-	-		
C29.10 Manufacture of motor vehicles	13,300	1,428			-	-		
F42.11 Construction of roads and motorways	13,107	1,342			-	-		
C19.20 Manufacture of refined petroleum product	2,520	62			1,074	578		
G47.54 Retail sale of electrical household appliances in specialised stores	-	-			427	427		
E36.00 Water collection, treatment and supply	259	183			2	1		
Other	614,714	295	-	-	67	28	-	-

Breakdown by sector - NACE 4 digits level (code and label)	Water and marine resources (WTR)				Circular economy (CE)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (CE)		Of which environmentally sustainable (CE)
GAR - Covered assets in both numerator and denominator	0090	0100	0110	0120	0130	0140	0150	0160
L68.20 Renting and operating of own or leased real estate	-	-			-	-		
D35.23 Trade of gas through mains	-	-			-	-		
C29.32 Manufacture of other parts and accessories for motor vehicles	-	-			6,198	-		
D35.22 Distribution of gaseous fuels through mains	-	-			-	-		
C27.32 Manufacture of other electronic and electric wires and cables	-	-			-	-		
C29.10 Manufacture of motor vehicles	-	-			286	-		
F42.11 Construction of roads and motorways	35	-			-	-		
C19.20 Manufacture of refined petroleum product	-	-			468	-		
G47.54 Retail sale of electrical household appliances in specialised stores	-	-			950	-		
E36.00 Water collection, treatment and supply	10	7			18	11		
Other	593	-	-	-	3,159	-	-	-

Breakdown by sector - NACE 4 digits level (code and label)	Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
	Non-Financial corporates (Subject to NFRD)				Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount				[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (BIO)
GAR - Covered assets in both numerator and denominator	0170	0180	0190	0200	0210	0220	0230	0240
L68.20 Renting and operating of own or leased real estate	-	-			-	-		
D35.23 Trade of gas through mains	-	-			-	-		
C29.32 Manufacture of other parts and accessories for motor vehicles	-	-			-	-		
D35.22 Distribution of gaseous fuels through mains	-	-			-	-		
C27.32 Manufacture of other electronic and electric wires and cables	-	-			-	-		
C29.10 Manufacture of motor vehicles	-	-			-	-		
F42.11 Construction of roads and motorways	**3,639**	-			-	-		
C19.20 Manufacture of refined petroleum product	-	-			-	-		
G47.54 Retail sale of electrical household appliances in specialised stores	-	-			-	-		
E36.00 Water collection, treatment and supply	**28**	**18**			-	-		
Other	-	-			-	-		

Breakdown by sector - NACE 4 digits level (code and label)	**TOTAL (CCM + CCA + WMR + CE + P + BE)**			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
GAR - Covered assets in both numerator and denominator	0250	0260	0270	0280
L68.20 Renting and operating of own or leased real estate	281,714	281,714		
D35.23 Trade of gas through mains	35,348	33,982		
C29.32 Manufacture of other parts and accessories for motor vehicles	294,870	30,992		
D35.22 Distribution of gaseous fuels through mains	2,049	1,996		
C27.32 Manufacture of other electronic and electric wires and cables	8,469	1,963		
C29.10 Manufacture of motor vehicles	13,586	1,428		
F42.11 Construction of roads and motorways	16,781	1,342		
C19.20 Manufacture of refined petroleum product	4,062	641		
G47.54 Retail sale of electrical household appliances in specialised stores	1,377	427		
E36.00 Water collection, treatment and supply	317	219		
Other	618,533	323		

3. GAR KPI stock turnover-based view

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	53.76%	0.98%	0.56%	0.01%	0.17%	0.05%	0.01%	-	-
0020	**Financial undertakings**	28.92%	2.21%	-	0.08%	0.26%	0.37%	0.05%	-	-
0030	Credit institutions	30.90%	2.25%	-	0.09%	0.10%	0.01%	-	-	-
0040	Loans and advances	35.61%	2.60%	-	0.08%	0.11%	-	-	-	-
0050	Debt securities, including UoP	5.39%	0.39%	-	0.13%	0.04%	0.08%	-	-	-
0060	Equity instruments	-	-		-	-	-	-		-
0070	Other financial corporations	16.30%	1.90%	-	0.02%	1.30%	2.60%	0.35%	-	-
0080	of which investment firms	17.20%	0.39%	-	0.05%	0.07%	-	-	-	-
0090	Loans and advances	15.88%	0.37%	-	0.05%	0.06%	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0110	Equity instruments	31.67%	0.53%		0.12%	0.16%	-	-		-
0120	of which management companies	31.67%	0.53%	-	0.12%	0.16%	-	-	-	-
0130	Loans and advances	31.67%	0.53%	-	0.12%	0.16%	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-	-		-
0160	of which insurance undertakings	2.03%	0.33%	-	0.01%	0.06%	28.65%	4.42%	-	-
0170	Loans and advances	2.03%	0.33%	-	0.01%	0.06%	28.65%	4.42%	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0190	Equity instruments	2.03%	0.33%		0.01%	0.06%	28.65%	4.42%		-
0200	**Non-financial undertakings**	23.50%	6.60%	5.25%	0.04%	1.28%	0.03%	0.02%	-	-
0210	Loans and advances	23.56%	6.62%	5.27%	0.04%	1.28%	0.03%	0.02%	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-	-		-

0240	**Households**	54.70%	-	-	-	-	-	-	-	-
0250	of which loans collateralised by residential immovable property	96.69%	-	-	-	-	-	-	-	-
0260	of which building renovation loans	-	-	-	-	-	-	-	-	-
0270	of which motor vehicle loans	-	-	-	-	-				
0280	**Local governments financing**	98.01%	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-	-
0300	Other local government financing	98.01%	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	100.00%	-	-	-	-	-	-	-	-
0320	**Total GAR assets**	34.51%	0.63%	0.36%	0.01%	0.11%	0.03%	0.01%	-	-

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0100	0110	0120	0130	0140	0150	0160	0170
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	0.04%	-	-	-
0020	**Financial undertakings**	-	-	-	-	0.14%	-	-	-
0030	Credit institutions	-	-	-	-	0.03%	-	-	-
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	0.21%	-	-	-
0060	Equity instruments	-	-		-	-	-		
0070	Other financial corporations	-	-	-	-	0.80%	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	-	-	-	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	**Non-financial undertakings**	0.01%	-	-	-	0.21%	-	-	-
0210	Loans and advances	0.01%	-	-	-	0.21%	-	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-		-

0240	**Households**	[redacted]				-	-	-	-
0250	of which loans collateralised by residential immovable property					-	-	-	-
0260	of which building renovation loans					-	-	-	-
0270	of which motor vehicle loans								
0280	**Local governments financing**	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
0320	**Total GAR assets**	-	-	-	-	0.03%	-	-	-

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				**Biodiversity and Ecosystems (BIO)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0180	0190	0200	0210	0220	0230	0240	0250
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.01%	-	-	-	-	-	-	-
0020	**Financial undertakings**	-	-	-	-	-	-	-	-
0030	Credit institutions	-	-	-	-	-	-	-	-
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	-	-	-	-	0.01%	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	-	-	-	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	**Non-financial undertakings**	0.07%	-	-	-	-	-	-	-
0210	Loans and advances	0.07%	-	-	-	-	-	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-		-

0240	**Households**								
0250	of which loans collateralised by residential immovable property								
0260	of which building renovation loans								
0270	of which motor vehicle loans								
0280	**Local governments financing**	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
0320	**Total GAR assets**	-	-	-	-	-	-	-	-

% (compared to total covered assets in the denominator)	Year ending on 31 December 2024					
	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which transitional	Of which enabling	
GAR - Covered assets in both numerator and denominator	0260	0270	0280	0290	0300	0310
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	53.86%	0.98%	0.56%	0.01%	0.17%	40.59%
Financial undertakings	29.43%	2.25%	-	0.08%	0.26%	5.01%
Credit institutions	30.95%	2.26%	-	0.09%	0.10%	4.33%
Loans and advances	35.61%	2.60%	-	0.08%	0.11%	3.66%
Debt securities, including UoP	5.68%	0.39%	-	0.13%	0.04%	0.67%
Equity instruments	-	-		-	-	-
Other financial corporations	19.72%	2.25%	-	0.02%	1.30%	0.68%
of which investment firms	17.20%	0.39%	-	0.05%	0.07%	0.23%
Loans and advances	15.88%	0.37%	-	0.05%	0.06%	0.21%
Debt securities, including UoP	-	-	-	-	-	-
Equity instruments	31.67%	0.53%		0.12%	0.16%	0.02%
of which management companies	31.67%	0.53%	-	0.12%	0.16%	0.01%
Loans and advances	31.67%	0.53%	-	0.12%	0.16%	0.01%
Debt securities, including UoP	-	-	-	-	-	-
Equity instruments	-	-		-	-	-
of which insurance undertakings	30.68%	4.75%	-	0.01%	0.07%	0.05%
Loans and advances	30.68%	4.75%	-	0.01%	0.07%	0.04%
Debt securities, including UoP	-	-	-	-	-	-
Equity instruments	30.68%	4.75%		0.01%	0.07%	0.01%
Non-financial undertakings	23.82%	6.62%	5.25%	0.04%	1.28%	4.33%
Loans and advances	23.88%	6.64%	5.27%	0.04%	1.28%	4.32%
Debt securities, including UoP	-	-	-	-	-	-
Equity instruments	-	-		-	-	0.01%

Households	54.70%	-	-	-	-	26.02%
of which loans collateralised by residential immovable property	96.69%	-	-	-	-	14.72%
of which building renovation loans	-	-	-	-	-	-
of which motor vehicle loans	[redacted]					
Local governments financing	98.01%	-	-	-	-	5.22%
Housing financing	-	-	-	-	-	-
Other local government financing	98.01%	-	-	-	-	5.22%
Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	-	-	-	-	-
Total GAR assets	34.57%	0.63%	0.36%	0.01%	0.11%	40.59%

4. GAR KPI flow turnover-based view

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	29.24%	2.32%	1.38%	0.03%	0.36%	0.09%	0.02%	-	-
0020	**Financial undertakings**	30.18%	2.24%	-	0.08%	0.10%	0.31%	0.04%	-	-
0030	Credit institutions	33.03%	2.43%	-	0.09%	0.10%	-	-	-	-
0040	Loans and advances	35.64%	2.63%	-	0.08%	0.11%	-	-	-	-
0050	Debt securities, including UoP	4.99%	0.25%	-	0.18%	0.04%	-	-	-	-
0060	Equity instruments	-	-		-	-	-	-		-
0070	Other financial corporations	7.41%	0.78%	-	0.02%	0.06%	2.81%	0.37%	-	-
0080	of which investment firms	21.87%	0.37%	-	0.08%	0.11%	-	-	-	-
0090	Loans and advances	21.87%	0.37%	-	0.08%	0.11%	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-	-		-
0120	of which management companies	31.67%	0.53%	-	0.12%	0.16%	-	-	-	-
0130	Loans and advances	31.67%	0.53%	-	0.12%	0.16%	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-	-		-
0160	of which insurance undertakings	2.03%	0.33%	-	0.01%	0.06%	28.65%	4.42%	-	-
0170	Loans and advances	2.03%	0.33%	-	0.01%	0.06%	28.65%	4.42%	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-	-		-
0200	**Non-financial undertakings**	37.14%	12.56%	10.02%	0.08%	2.41%	0.06%	0.04%	-	-
0210	Loans and advances	37.14%	12.56%	10.02%	0.08%	2.41%	0.06%	0.04%	-	-

0220	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-	-		-
0240	**Households**	20.88%	-	-	-	-	-	-	-	-
0250	of which loans collateralised by residential immovable property	99.61%	-	-	-	-	-	-	-	-
0260	of which building renovation loans	-	-	-	-	-	-	-	-	-
0270	of which motor vehicle loans	-	-	-	-	-				
0280	**Local governments financing**	98.43%	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-	-
0300	Other local government financing	98.43%	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-
0320	**Total GAR assets**	17.98%	1.43%	0.85%	0.02%	0.22%	0.06%	0.01%	-	-

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned))		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0100	0110	0120	0130	0140	0150	0160	0170
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	0.09%	-	-	-
0020	**Financial undertakings**	-	-	-	-	0.12%	-	-	-
0030	Credit institutions	-	-	-	-	-	-	-	-
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	-	-	-	-	1.11%	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	-	-	-	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	**Non-financial undertakings**	0.02%	-	-	-	0.39%	-	-	-

0210	Loans and advances	0.02%	-	-	-	0.39%	-	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-		-
0240	**Households**					-	-	-	-
0250	of which loans collateralised by residential immovable property					-	-	-	-
0260	of which building renovation loans					-	-	-	-
0270	of which motor vehicle loans								
0280	**Local governments financing**	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
0320	**Total GAR assets**	-	-	-	-	0.05%	-	-	-

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0180	0190	0200	0210	0220	0230	0240	0250
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.01%	-	-	-	-	-	-	-
0020	**Financial undertakings**	-	-	-	-	-	-	-	-
0030	Credit institutions	-	-	-	-	-	-	-	-
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	-	-	-	-	0.02%	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	-	-	-	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	**Non-financial undertakings**	0.04%	-	-	-	-	-	-	-

0210	Loans and advances	0.04%	-	-	-	-	-	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-		-
0240	**Households**								
0250	of which loans collateralised by residential immovable property								
0260	of which building renovation loans								
0270	of which motor vehicle loans								
0280	**Local governments financing**	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
0320	**Total GAR assets**	-	-	-	-	-	-	-	-

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator	0260	0270	0280	0290	0300	0310
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	29.43%	2.34%	1.38%	0.03%	0.36%	43.64%
0020	**Financial undertakings**	30.62%	2.29%	-	0.08%	0.10%	11.68%
0030	Credit institutions	33.03%	2.43%	-	0.09%	0.10%	10.38%
0040	Loans and advances	35.64%	2.63%	-	0.08%	0.11%	9.49%
0050	Debt securities, including UoP	5.00%	0.25%	-	0.18%	0.04%	0.88%
0060	Equity instruments	-	-		-	-	-
0070	Other financial corporations	11.34%	1.15%	-	0.02%	0.06%	1.30%
0080	of which investment firms	21.87%	0.37%	-	0.08%	0.11%	0.32%
0090	Loans and advances	21.87%	0.37%	-	0.08%	0.11%	0.32%
0100	Debt securities, including UoP	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-
0120	of which management companies	31.67%	0.53%	-	0.12%	0.16%	0.01%
0130	Loans and advances	31.67%	0.53%	-	0.12%	0.16%	0.01%
0140	Debt securities, including UoP	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-
0160	of which insurance undertakings	30.68%	4.75%	-	0.01%	0.07%	0.11%
0170	Loans and advances	30.68%	4.75%	-	0.01%	0.07%	0.11%
0180	Debt securities, including UoP	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-
0200	**Non-financial undertakings**	37.66%	12.60%	10.02%	0.08%	2.41%	5.99%
0210	Loans and advances	37.66%	12.60%	10.02%	0.08%	2.41%	5.99%

0220	Debt securities, including UoP	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-
0240	**Households**	20.88%	-	-	-	-	23.92%
0250	of which loans collateralised by residential immovable property	99.61%	-	-	-	-	5.01%
0260	of which building renovation loans	-	-	-	-	-	-
0270	of which motor vehicle loans						
0280	**Local governments financing**	98.43%	-	-	-	-	2.05%
0290	Housing financing	-	-	-	-	-	-
0300	Other local government financing	98.43%	-	-	-	-	2.05%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-
0320	**Total GAR assets**	18.10%	1.44%	0.85%	0.02%	0.22%	43.64%

5. KPI off-balance sheet exposures turnover-based view, stock

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	25.59%	17.37%	-	0.05%	1.27%	0.12%	0.07%	-	-
0020	Assets under management (AuM KPI)	18.18%	2.62%	-	0.03%	0.43%	0.79%	0.35%	-	-

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				**Circular economy (CE)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-
0020	Assets under management (AuM KPI)	0.02%	-	-	-	0.62%	0.02%	-	0.01%

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				**Biodiversity and Ecosystems (BIO)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-
0020	Assets under management (AuM KPI)	-	-	-	-	0.01%	-	-	-

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
0010	Financial guarantees (FinGuar KPI)	25.71%	17.44%	-	0.05%	1.27%
0020	Assets under management (AuM KPI)	19.61%	2.99%	-	0.03%	0.44%

5. KPI off-balance sheet exposures turnover-based view, flow

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	15.65%	7.45%	-	0.01%	3.04%	0.23%	0.17%	-	-
0020	Assets under management (AuM KPI)	19.32%	0.24%	-	0.06%	0.07%	0.69%	0.35%	-	-

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-
0020	Assets under management (AuM KPI)	0.02%	-	-	-	0.18%	-	-	-

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				**Biodiversity and Ecosystems (BIO)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-
0020	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
0010	Financial guarantees (FinGuar KPI)	15.88%	7.61%	-	0.01%	3.04%
0020	Assets under management (AuM KPI)	20.21%	0.60%	-	0.06%	0.07%

1. Assets for the calculation of GAR, CapEx-based view, stock

	in RON thousands	Total [gross] carrying amount	Year ending on 31 December 2024								
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090	0100
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	50,265,512	28,725,919	1,515,634	281,714	8,715	217,737	57,065	21,647	-	11
0020	**Financial undertakings**	6,205,898	1,850,846	153,481	-	4,086	27,486	22,926	3,022	-	3
0030	Credit institutions	5,364,261	1,695,603	129,409	-	3,911	9,907	933	44	-	-
0040	Loans and advances	4,529,237	1,624,239	124,884	-	2,472	8,667	98	25	-	-
0050	Debt securities, including UoP	835,024	71,364	4,524	-	1,438	1,240	835	19	-	-
0060	Equity instruments	-	-	-		-	-	-	-		-
0070	Other financial corporations	841,637	155,243	24,072	-	175	17,580	21,994	2,978	-	3
0080	of which investment firms	287,430	66,488	1,393	-	159	539	90	-	-	-
0090	Loans and advances	263,369	58,779	1,212	-	140	474	90	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0110	Equity instruments	24,061	7,709	180		19	65	-	-		-
0120	of which management companies	6,660	2,134	50	-	5	18	-	-	-	-
0130	Loans and advances	6,660	2,134	50	-	5	18	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-	-		-	-	-	-		-
0160	of which insurance undertakings	67,289	1,420	288	-	11	58	19,291	2,978	-	3
0170	Loans and advances	50,754	1,071	217	-	8	43	14,550	2,247	-	2
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0190	Equity instruments	16,535	349	71		3	14	4,740	732		1
0200	**Non-financial undertakings**	5,362,057	2,904,946	1,362,154	281,714	4,629	190,251	34,139	18,625	-	8
0210	Loans and advances	5,348,408	2,904,946	1,362,154	281,714	4,629	190,251	34,139	18,625	-	8
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0230	Equity instruments	13,649	-	-		-	-	-	-		-
0240	**Households**	32,227,309	17,628,707	-	-	-	-	-	-	-	-
0250	of which loans collateralised by residential immovable property	18,232,392	17,628,707	-	-	-	-	-	-	-	-
0260	of which building renovation loans	-	-	-	-	-	-	-	-	-	-
0270	of which motor vehicle loans	-	-	-	-	-	-				

0280	**Local governments financing**	6,470,247	6,341,421	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-	-	-
0300	Other local government financing	6,470,247	6,341,421	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	5,475	5,475	-	-	-	-	-	-	-	-
0320	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	28,062,381	-	-	-	-	-	-	-	-	-
0330	**Financial and Non-financial undertakings**	22,693,224									
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	22,674,653									
0350	Loans and advances	22,613,942									
0360	of which loans collateralised by commercial immovable property	4,495,204									
0370	of which building renovation loans	-									
0380	Debt securities	-									
0390	Equity instruments	60,710									
0400	Non-EU country counterparties not subject to NFRD disclosure obligations	18,572									
0410	Loans and advances	6,026									
0420	Debt securities	12,546									
0430	Equity instruments										
0440	**Derivatives**										
0450	**On demand interbank loans**	264,397									
0460	**Cash and cash-related assets**	3,117,193									
0470	**Other categories of assets (e.g. Goodwill, commodities etc.)**	1,987,567									
0480	**Total GAR assets**	78,333,368	28,731,394	1,515,634	281,714	8,715	217,737	57,065	21,647	-	11
0490	**Assets not covered for GAR calculation**	45,505,932									
0500	**Central governments and Supranational issuers**	36,330,573									
0510	**Central banks exposure**	7,262,551									
0520	**Trading book**	1,912,808									
0530	**Total assets**	123,839,300	28,731,394	1,515,634	281,714	8,715	217,737	57,065	21,647	-	11
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations											
0540	Financial guarantees	1,647,196	673,750	418,930	-	1,508	54,272	9,494	8,570	-	255
0550	Assets under management	3,233,091	927,571	188,755	-	3,569	32,873	30,981	10,729	-	-
0560	Of which debt securities	440,344	76,200	11,108	-	971	4,275	305	25	-	-
0570	Of which equity instruments	2,792,747	851,371	177,646	-	2,598	28,599	30,676	10,704	-	-

	in RON thousands	Year ending on 31 December 2024							
		Water and marine resources (WTR)				**Circular economy (CE)**			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0110	0120	0130	0140	0150	0160	0170	0180
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5	3	-	1	47,689	15	-	-
0020	**Financial undertakings**	-	-	-	-	8,767	-	-	-
0030	Credit institutions	-	-	-	-	1,811	-	-	-
0040	Loans and advances	-	-	-	-	2	-	-	-
0050	Debt securities, including UoP	-	-	-	-	1,809	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	-	-	-	-	6,957	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	-	-	-	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	**Non-financial undertakings**	5	3	-	1	38,922	15	-	-
0210	Loans and advances	5	3	-	1	38,922	15	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-		-
0240	**Households**					-	-	-	-
0250	of which loans collateralised by residential immovable property					-	-	-	-
0260	of which building renovation loans					-	-	-	-
0270	of which motor vehicle loans								
0280	**Local governments financing**	-	-	-	-	-	-	-	-

0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
0320	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-
0330	**Financial and Non-financial undertakings**								
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations								
0350	Loans and advances								
0360	of which loans collateralised by commercial immovable property								
0370	of which building renovation loans								
0380	Debt securities								
0390	Equity instruments								
0400	Non-EU country counterparties not subject to NFRD disclosure obligations								
0410	Loans and advances								
0420	Debt securities								
0430	Equity instruments								
0440	**Derivatives**								
0450	**On demand interbank loans**								
0460	**Cash and cash-related assets**								
0470	**Other categories of assets (e.g. Goodwill, commodities etc.)**								
0480	**Total GAR assets**	5	3	-	1	47,689	15	-	-
0490	**Assets not covered for GAR calculation**								
0500	**Central governments and Supranational issuers**								
0510	**Central banks exposure**								
0520	**Trading book**								
0530	**Total assets**	5	3	-	1	47,689	15	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations								
0540	Financial guarantees	-	-	-	-	1,898	-	-	-
0550	Assets under management	-	-	-	-	40,964	141	-	141
0560	Of which debt securities	-	-	-	-	667	-	-	-
0570	Of which equity instruments	-	-	-	-	40,296	141	-	141

	in RON thousands	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0190	0200	0210	0220	0230	0240	0250	0260
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	191	37	-	-	148	-	-	-
0020	**Financial undertakings**	-	-	-	-	148	-	-	-
0030	Credit institutions	-	-	-	-	31	-	-	-
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	31	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	-	-	-	-	117	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	-	-	-	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	**Non-financial undertakings**	191	37	-	-	-	-	-	-
0210	Loans and advances	191	37	-	-	-	-	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-		-
0240	**Households**								
0250	of which loans collateralised by residential immovable property								
0260	of which building renovation loans								
0270	of which motor vehicle loans								
0280	**Local governments financing**	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-

0320	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-
0330	**Financial and Non-financial undertakings**								
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations								
0350	Loans and advances								
0360	of which loans collateralised by commercial immovable property								
0370	of which building renovation loans								
0380	Debt securities								
0390	Equity instruments								
0400	Non-EU country counterparties not subject to NFRD disclosure obligations								
0410	Loans and advances								
0420	Debt securities								
0430	Equity instruments								
0440	**Derivatives**								
0450	**On demand interbank loans**								
0460	**Cash and cash-related assets**								
0470	**Other categories of assets (e.g. Goodwill, commodities etc.)**								
0480	**Total GAR assets**	191	37	-	-	148	-	-	-
0490	**Assets not covered for GAR calculation**								
0500	**Central governments and Supranational issuers**								
0510	**Central banks exposure**								
0520	**Trading book**								
0530	**Total assets**	191	37	-	-	148	-	-	-
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations									
0540	Financial guarantees	4	-	-	-	-	-	-	-
0550	Assets under management	-	-	-	-	205	-	-	-
0560	Of which debt securities	-	-	-	-	11	-	-	-
0570	Of which equity instruments	-	-	-	-	194	-	-	-

	in RON thousands	Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator	0270	0280	0290	0300	0310
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	28,831,018	1,537,337	281,714	8,715	217,749
0020	**Financial undertakings**	1,882,687	156,503	-	4,086	27,489
0030	Credit institutions	1,698,377	129,452	-	3,911	9,907
0040	Loans and advances	1,624,339	124,909	-	2,472	8,667
0050	Debt securities, including UoP	74,038	4,543	-	1,438	1,240
0060	Equity instruments	-	-		-	-
0070	Other financial corporations	184,310	27,050	-	175	17,582
0080	of which investment firms	66,579	1,393	-	159	539
0090	Loans and advances	58,869	1,212	-	140	474
0100	Debt securities, including UoP	-	-	-	-	-
0110	Equity instruments	7,709	180		19	65
0120	of which management companies	2,134	50	-	5	18
0130	Loans and advances	2,134	50	-	5	18
0140	Debt securities, including UoP	-	-	-	-	-
0150	Equity instruments	-	-		-	-
0160	of which insurance undertakings	20,711	3,267	-	11	60
0170	Loans and advances	15,622	2,464	-	8	45
0180	Debt securities, including UoP	-	-	-	-	-
0190	Equity instruments	5,089	803		3	15
0200	**Non-financial undertakings**	2,978,204	1,380,834	281,714	4,629	190,260
0210	Loans and advances	2,978,204	1,380,834	281,714	4,629	190,260
0220	Debt securities, including UoP	-	-	-	-	-
0230	Equity instruments	-	-		-	-
0240	**Households**	17,628,707	-	-	-	-
0250	of which loans collateralised by residential immovable property	17,628,707	-	-	-	-
0260	of which building renovation loans	-	-	-	-	-
0270	of which motor vehicle loans	-	-	-	-	-
0280	**Local governments financing**	6,341,421	-	-	-	-
0290	Housing financing	-	-	-	-	-
0300	Other local government financing	6,341,421	-	-	-	-

0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	5,475	-	-	-	-
0320	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-
0330	**Financial and Non-financial undertakings**					
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations					
0350	Loans and advances					
0360	of which loans collateralised by commercial immovable property					
0370	of which building renovation loans					
0380	Debt securities					
0390	Equity instruments					
0400	Non-EU country counterparties not subject to NFRD disclosure obligations					
0410	Loans and advances					
0420	Debt securities					
0430	Equity instruments					
0440	**Derivatives**					
0450	**On demand interbank loans**					
0460	**Cash and cash-related assets**					
0470	**Other categories of assets (e.g. Goodwill, commodities etc.)**					
0480	**Total GAR assets**	28,836,493	1,537,337	281,714	8,715	217,749
0490	**Assets not covered for GAR calculation**					
0500	**Central governments and Supranational issuers**					
0510	**Central banks exposure**					
0520	**Trading book**					
0530	**Total assets**	28,836,493	1,537,337	281,714	8,715	217,749
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations					
0540	Financial guarantees	685,146	427,500	-	1,508	54,527
0550	Assets under management	999,722	199,625	-	3,569	33,015
0560	Of which debt securities	77,184	11,133	-	971	4,275
0570	Of which equity instruments	922,538	188,492	-	2,598	28,740

2. GAR sector information, CapEx-based view

In RON thousands

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCA)
GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080
H49.50 Transport via pipeline of fuel gases	871,310	862,858			-	-		
L68.20 Renting and operating of own or leased real estate	281,714	281,714			-	-		
D35.23 Trade of gas through mains	131,978	127,987			29	27		
C29.32 Manufacture of other parts and accessories for motor vehicles	295,165	66,412			-	-		
C19.20 Manufacture of refined petroleum product	6,246	2,677			24,843	9,364		
G47.11 Retail sale in non-specialized stores with food, beverages or tobacco predominating	9,959	1,019			8,853	8,853		
D35.22 Distribution of gaseous fuels through mains	7,733	7,522			-	-		
C27.32 Manufacture of other electronic and electric wires and cables	13,078	5,028			-	-		
C29.10 Manufacture of motor vehicles	13,599	3,060			-	-		
G47.54 Retail sale of electrical household appliances in specialized stores	2,611	2,279			380	380		
Other	1,271,552	1,599	-	-	34	2	-	-

Breakdown by sector - NACE 4 digits level (code and label)	Water and marine resources (WTR)				Circular economy (CE)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (CE)		Of which environmentally sustainable (CE)
GAR - Covered assets in both numerator and denominator	0090	0100	0110	0120	0130	0140	0150	0160
H49.50 Transport via pipeline of fuel gases	-	-			-	-		
L68.20 Renting and operating of own or leased real estate	-	-			-	-		
D35.23 Trade of gas through mains	-	-			-	-		
C29.32 Manufacture of other parts and accessories for motor vehicles	-	-			-	-		
C19.20 Manufacture of refined petroleum product	-	-			1,254	-		
G47.11 Retail sale in non-specialized stores with food, beverages or tobacco predominating	-	-			2,062	-		
D35.22 Distribution of gaseous fuels through mains	-	-			-	-		
C27.32 Manufacture of other electronic and electric wires and cables	-	-			-	-		
C29.10 Manufacture of motor vehicles	-	-			-	-		
G47.54 Retail sale of electrical household appliances in specialized stores	-	-			47	-		
Other	5	3	-	-	35,559	15	-	-

Breakdown by sector - NACE 4 digits level (code and label)	Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
	Non-Financial corporates (Subject to NFRD)		Collateral received and financial guarantees received		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (BIO)
GAR - Covered assets in both numerator and denominator	0170	0180	0190	0200	0210	0220	0230	0240
H49.50 Transport via pipeline of fuel gases	-	-			-	-		
L68.20 Renting and operating of own or leased real estate	-	-			-	-		
D35.23 Trade of gas through mains	-	-			-	-		
C29.32 Manufacture of other parts and accessories for motor vehicles	-	-			-	-		
C19.20 Manufacture of refined petroleum product	110	-			-	-		
G47.11 Retail sale in non-specialized stores with food, beverages or tobacco predominating	-	-			-	-		
D35.22 Distribution of gaseous fuels through mains	-	-			-	-		
C27.32 Manufacture of other electronic and electric wires and cables	-	-			-	-		
C29.10 Manufacture of motor vehicles	-	-			-	-		
G47.54 Retail sale of electrical household appliances in specialized stores	-	-			-	-		
Other	81	37	-	-	-	-	-	-

Breakdown by sector - NACE 4 digits level (code and label)	TOTAL (CCM + CCA + WMR + CE + P + BE)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
GAR - Covered assets in both numerator and denominator	0250	0260	0270	0280
H49.50 Transport via pipeline of fuel gases	871,310	862,858		
L68.20 Renting and operating of own or leased real estate	281,714	281,714		
D35.23 Trade of gas through mains	132,007	128,013		
C29.32 Manufacture of other parts and accessories for motor vehicles	295,165	66,412		
C19.20 Manufacture of refined petroleum product	32,454	12,041		
G47.11 Retail sale in non-specialized stores with food, beverages or tobacco predominating	20,874	9,872		
D35.22 Distribution of gaseous fuels through mains	7,733	7,522		
C27.32 Manufacture of other electronic and electric wires and cables	13,078	5,028		
C29.10 Manufacture of motor vehicles	13,599	3,060		
G47.54 Retail sale of electrical household appliances in specialized stores	3,039	2,659		
Other	1,307,230	1,656		

3. GAR KPI stock CapEx-based view

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	57.15%	3.02%	0.56%	0.02%	0.43%	0.11%	0.04%	-	-
0020	**Financial undertakings**	29.82%	2.47%	-	0.07%	0.44%	0.37%	0.05%	-	-
0030	Credit institutions	31.61%	2.41%	-	0.07%	0.18%	0.02%	-	-	-
0040	Loans and advances	35.86%	2.76%	-	0.05%	0.19%	-	-	-	-
0050	Debt securities, including UoP	8.55%	0.54%	-	0.17%	0.15%	0.10%	-	-	-
0060	Equity instruments	-	-		-	-	-	-		-
0070	Other financial corporations	18.45%	2.86%	-	0.02%	2.09%	2.61%	0.35%	-	-
0080	of which investment firms	23.13%	0.48%	-	0.06%	0.19%	0.03%	-	-	-
0090	Loans and advances	22.32%	0.46%	-	0.05%	0.18%	0.03%	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0110	Equity instruments	32.04%	0.75%		0.08%	0.27%	-	-		-
0120	of which management companies	32.04%	0.75%	-	0.08%	0.27%	-	-	-	-
0130	Loans and advances	32.04%	0.75%	-	0.08%	0.27%	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-	-		-
0160	of which insurance undertakings	2.11%	0.43%	-	0.02%	0.09%	28.67%	4.43%	-	-
0170	Loans and advances	2.11%	0.43%	-	0.02%	0.09%	28.67%	4.43%	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0190	Equity instruments	2.11%	0.43%		0.02%	0.09%	28.67%	4.43%		-
0200	**Non-financial undertakings**	54.18%	25.40%	5.25%	0.09%	3.55%	0.64%	0.35%	-	-
0210	Loans and advances	54.31%	25.47%	5.27%	0.09%	3.56%	0.64%	0.35%	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-	-		-

0240	**Households**	54.70%	-	-	-	-	-	-	-	-
0250	of which loans collateralised by residential immovable property	96.69%	-	-	-	-	-	-	-	-
0260	of which building renovation loans	-	-	-	-	-	-	-	-	-
0270	of which motor vehicle loans	-	-	-	-	-				
0280	**Local governments financing**	98.01%	-	-	-	-	-	-	-	-
0290	Housing financing					-	-	-	-	-
0300	Other local government financing	98.01%	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	100.00%	-	-	-	-	-	-	-	-
0320	**Total GAR assets**	36.68%	1.93%	0.36%	0.01%	0.28%	0.07%	0.03%	-	-

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				**Circular economy (CE)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0100	0110	0120	0130	0140	0150	0160	0170
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	0.09%	-	-	-
0020	**Financial undertakings**	-	-	-	-	0.14%	-	-	-
0030	Credit institutions	-	-	-	-	0.03%	-	-	-
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	0.22%	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	-	-	-	-	0.83%	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	-	-	-	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	**Non-financial undertakings**	-	-	-	-	0.73%	-	-	-
0210	Loans and advances	-	-	-	-	0.73%	-	-	-

0220	Debt securities, including UoP	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-		-
0240	**Households**					-	-	-	-
0250	of which loans collateralised by residential immovable property					-	-	-	-
0260	of which building renovation loans					-	-	-	-
0270	of which motor vehicle loans								
0280	**Local governments financing**	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
0320	**Total GAR assets**	-	-	-	-	0.06%	-	-	-

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0180	0190	0200	0210	0220	0230	0240	0250
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
0020	**Financial undertakings**	-	-	-	-	-	-	-	-
0030	Credit institutions	-	-	-	-	-	-	-	-
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	-	-	-	-	0.01%	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	-	-	-	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	**Non-financial undertakings**	-	-	-	-	-	-	-	-

0210	Loans and advances	-	-	-	-	-	-	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-		-
0240	**Households**								
0250	of which loans collateralised by residential immovable property								
0260	of which building renovation loans								
0270	of which motor vehicle loans								
0280	**Local governments financing**	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
0320	**Total GAR assets**	-	-	-	-	-	-	-	-

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator	0260	0270	0280	0290	0300	0310
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	57.36%	3.06%	0.56%	0.02%	0.43%	40.59%
0020	**Financial undertakings**	30.34%	2.52%	-	0.07%	0.44%	5.01%
0030	Credit institutions	31.66%	2.41%	-	0.07%	0.18%	4.33%
0040	Loans and advances	35.86%	2.76%	-	0.05%	0.19%	3.66%
0050	Debt securities, including UoP	8.87%	0.54%	-	0.17%	0.15%	0.67%
0060	Equity instruments	-	-		-	-	-
0070	Other financial corporations	21.90%	3.21%	-	0.02%	2.09%	0.68%
0080	of which investment firms	23.16%	0.48%	-	0.06%	0.19%	0.23%
0090	Loans and advances	22.35%	0.46%	-	0.05%	0.18%	0.21%
0100	Debt securities, including UoP	-	-	-	-	-	-
0110	Equity instruments	32.04%	0.75%		0.08%	0.27%	0.02%
0120	of which management companies	32.04%	0.75%	-	0.08%	0.27%	0.01%
0130	Loans and advances	32.04%	0.75%	-	0.08%	0.27%	0.01%
0140	Debt securities, including UoP	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-
0160	of which insurance undertakings	30.78%	4.85%	-	0.02%	0.09%	0.05%
0170	Loans and advances	30.78%	4.85%	-	0.02%	0.09%	0.04%
0180	Debt securities, including UoP	-	-	-	-	-	-
0190	Equity instruments	30.78%	4.85%		0.02%	0.09%	0.01%
0200	**Non-financial undertakings**	55.54%	25.75%	5.25%	0.09%	3.55%	4.33%

0210	Loans and advances	55.68%	25.82%	5.27%	0.09%	3.56%	4.32%
0220	Debt securities, including UoP	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	0.01%
0240	**Households**	54.70%	-	-	-	-	26.02%
0250	of which loans collateralised by residential immovable property	96.69%	-	-	-	-	14.72%
0260	of which building renovation loans	-	-	-	-	-	-
0270	of which motor vehicle loans						
0280	**Local governments financing**	98.01%	-	-	-	-	5.22%
0290	Housing financing	-	-	-	-	-	-
0300	Other local government financing	98.01%	-	-	-	-	5.22%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	100.00%	-	-	-	-	-
0320	**Total GAR assets**	36.81%	1.96%	0.36%	0.01%	0.28%	40.59%

4. GAR KPI flow CapEx-based view

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	33.22%	4.23%	1.38%	0.04%	0.97%	0.25%	0.10%	-	-
0020	**Financial undertakings**	30.44%	2.39%	-	0.06%	0.17%	0.31%	0.04%	-	-
0030	Credit institutions	33.31%	2.58%	-	0.07%	0.18%	-	-	-	-
0040	Loans and advances	35.89%	2.78%	-	0.05%	0.18%	-	-	-	-
0050	Debt securities, including UoP	5.53%	0.48%	-	0.25%	0.15%	-	-	-	-
0060	Equity instruments	-	-		-	-	-	-		-
0070	Other financial corporations	7.50%	0.87%	-	0.02%	0.12%	2.81%	0.37%	-	-
0080	of which investment firms	22.13%	0.52%	-	0.06%	0.19%	-	-	-	-
0090	Loans and advances	22.13%	0.52%	-	0.06%	0.19%	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-	-		-
0120	of which management companies	32.04%	0.75%	-	0.08%	0.27%	-	-	-	-
0130	Loans and advances	32.04%	0.75%	-	0.08%	0.27%	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-	-		-
0160	of which insurance undertakings	2.11%	0.43%	-	0.02%	0.09%	28.67%	4.43%	-	-
0170	Loans and advances	2.11%	0.43%	-	0.02%	0.09%	28.67%	4.43%	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-	-		-
0200	**Non-financial undertakings**	65.61%	26.19%	10.02%	0.16%	6.76%	1.19%	0.64%	-	-
0210	Loans and advances	65.61%	26.19%	10.02%	0.16%	6.76%	1.19%	0.64%	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-	-

0230	Equity instruments	-	-		-	-	-	-		-
0240	**Households**	20.88%	-	-	-	-	-	-	-	-
0250	of which loans collateralised by residential immovable property	99.61%	-	-	-	-	-	-	-	-
0260	of which building renovation loans	-	-	-	-	-	-	-	-	-
0270	of which motor vehicle loans	-	-	-	-	-				
0280	**Local governments financing**	98.43%	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-	-
0300	Other local government financing	98.43%	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-
0320	**Total GAR assets**	20.43%	2.60%	0.85%	0.02%	0.60%	0.15%	0.06%	-	-

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				**Circular economy (CE)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0100	0110	0120	0130	0140	0150	0160	0170
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	0.22%	-	-	-
0020	**Financial undertakings**	-	-	-	-	0.13%	-	-	-
0030	Credit institutions	-	-	-	-	-	-	-	-
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	-	-	-	-	1.14%	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	-	-	-	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	**Non-financial undertakings**	-	-	-	-	1.34%	-	-	-

0210	Loans and advances	-	-	-	-	1.34%	-	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-		-
0240	**Households**					-	-	-	-
0250	of which loans collateralised by residential immovable property					-	-	-	-
0260	of which building renovation loans					-	-	-	-
0270	of which motor vehicle loans								
0280	**Local governments financing**	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
0320	**Total GAR assets**	-	-	-	-	0.13%	-	-	-

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				**Biodiversity and Ecosystems (BIO)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0180	0190	0200	0210	0220	0230	0240	0250
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
0020	**Financial undertakings**	-	-	-	-	-	-	-	-
0030	Credit institutions	-	-	-	-	-	-	-	-
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	-	-	-	-	0.02%	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	-	-	-	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	**Non-financial undertakings**	0.01%	-	-	-	-	-	-	-
0210	Loans and advances	0.01%	-	-	-	-	-	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-

0230	Equity instruments	-	-		-	-	-		-
0240	**Households**								
0250	of which loans collateralised by residential immovable property								
0260	of which building renovation loans								
0270	of which motor vehicle loans								
0280	**Local governments financing**	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
0320	**Total GAR assets**	-	-	-	-	-	-	-	-

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator	0260	0270	0280	0290	0300	0310
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	33.68%	4.33%	1.38%	0.04%	0.97%	43.64%
0020	**Financial undertakings**	30.88%	2.43%	-	0.06%	0.17%	11.68%
0030	Credit institutions	33.31%	2.58%	-	0.07%	0.18%	10.38%
0040	Loans and advances	35.89%	2.78%	-	0.05%	0.18%	9.49%
0050	Debt securities, including UoP	5.53%	0.48%	-	0.25%	0.15%	0.88%
0060	Equity instruments	-	-		-	-	-
0070	Other financial corporations	11.47%	1.24%	-	0.02%	0.12%	1.30%
0080	of which investment firms	22.13%	0.52%	-	0.06%	0.19%	0.32%
0090	Loans and advances	22.13%	0.52%	-	0.06%	0.19%	0.32%
0100	Debt securities, including UoP	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-
0120	of which management companies	32.04%	0.75%	-	0.08%	0.27%	0.01%
0130	Loans and advances	32.04%	0.75%	-	0.08%	0.27%	0.01%
0140	Debt securities, including UoP	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-
0160	of which insurance undertakings	30.78%	4.85%	-	0.02%	0.09%	0.11%
0170	Loans and advances	30.78%	4.85%	-	0.02%	0.09%	0.11%
0180	Debt securities, including UoP	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-
0200	**Non-financial undertakings**	68.14%	26.83%	10.02%	0.16%	6.76%	5.99%

0210	Loans and advances	68.14%	26.83%	10.02%	0.16%	6.76%	5.99%
0220	Debt securities, including UoP	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-
0240	**Households**	20.88%	-	-	-	-	23.92%
0250	of which loans collateralized by residential immovable property	99.61%	-	-	-	-	5.01%
0260	of which building renovation loans	-	-	-	-	-	-
0270	of which motor vehicle loans						
0280	**Local governments financing**	98.43%	-	-	-	-	2.05%
0290	Housing financing	-	-	-	-	-	-
0300	Other local government financing	98.43%	-	-	-	-	2.05%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-
0320	**Total GAR assets**	20.71%	2.67%	0.85%	0.02%	0.60%	43.64%

5. KPI off-balance sheet exposures CapEx-based view, stock

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	40.90%	25.43%	-	0.09%	3.29%	0.58%	0.52%	-	0.02%
0020	Assets under management (AuM KPI)	28.69%	5.84%	-	0.11%	1.02%	0.96%	0.33%	-	-

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	-	-	-	-	0.12%	-	-	-
0020	Assets under management (AuM KPI)	-	-	-	-	1.27%	-	-	-

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-
0020	Assets under management (AuM KPI)	-	-	-	-	0.01%	-	-	-

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
0010	Financial guarantees (FinGuar KPI)	41.59%	25.95%	-	0.09%	3.31%
0020	Assets under management (AuM KPI)	30.92%	6.17%	-	0.11%	1.02%

5. KPI off-balance sheet exposures CapEx-based view, flow

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	40.37%	26.42%	-	0.05%	7.42%	0.18%	0.16%	-	0.04%
0020	Assets under management (AuM KPI)	30.36%	1.84%	-	0.35%	0.30%	0.77%	0.34%	-	-

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	-	-	-	-	0.03%	-	-	-
0020	Assets under management (AuM KPI)	-	-	-	-	1.18%	-	-	-

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-
0020	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
0010	Financial guarantees (FinGuar KPI)	40.57%	26.58%	-	0.05%	7.46%
0020	Assets under management (AuM KPI)	32.31%	2.18%	-	0.35%	0.30%

Additional disclosures addressing direct and indirect financings of specific activities in the nuclear and fossil gas sectors

This subchapter discloses, as applicable, all the related additionally required EU Taxonomy reporting templates, as laid out in Appendix XII of the Delegated Regulation 2021/2178, for each applicable taxonomy KPI of BCR Group, namely GAR Stock and Flow, FinGuar KPI Stock and Flow and AuM KPI Stock and Flow. For each of the mentioned applicable taxonomy KPI, Templates 2-5 are each distinctly presented in both the turnover and the CapEx view.

There are no use of proceeds known financings in BCR Group's portfolios of lending products, securities investments, financial guarantee products or assets under management that are specifically related to the relevant activities in the areas of nuclear energy and fossil gas. The filling of the relevant tables is therefore based on the KPIs published by the respective counterparties in the corresponding tables. Related counterparties' Nuclear & Gas KPIs as published in their respective Template 2 were factored into the calculation of the below disclosed amounts in both Template 2 and Template 3 of each set of templates, as attributable to each of the above mentioned applicable KPIs.

All absolute values in this section are expressed in RON million.

GAR

Template 1 Nuclear and fossil gas related activities, GAR stock

Row	Nuclear energy related activities	Yes/No
		0010
0010	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	Yes
0020	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
0030	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
0040	**Fossil gas related activities**	
0050	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
0060	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
0070	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2 Taxonomy-aligned economic activities (denominator), GAR stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	15,501	0.02%	15,501	0.02%	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	479,394	0.61%	475,315	0.61%	4,079	0.01%
0080	**Total applicable KPI**	**494,895**	**0.63%**	**490,816**	**0.63%**	**4,079**	**0.01%**

Template 3 Taxonomy-aligned economic activities (numerator), GAR stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	15,501	3.13%	15,501	3.16%	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	479,394	96.87%	475,315	96.84%	4,079	100.00%
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**494,895**	**100.00%**	**490,816**	**100.00%**	**4,079**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities, GAR stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	28	-	28	-	-	-
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,752	-	2,752	-	-	-
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	14,831	0.02%	14,831	0.02%	-	-
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	14,995	0.02%	14,995	0.02%	-	-
0070	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	26,527,438	33.86%	26,507,226	33.84%	20,212	0.03%
0080	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**26,560,043**	**33.91%**	**26,539,831**	**33.88%**	**20,212**	**0.03%**

Template 5 Taxonomy non-eligible economic activities, GAR stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	-
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	243	-
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,996	-
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	-
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	51,252,147	65.43%
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**51,254,390**	**65.43%**

Template 2 Taxonomy-aligned economic activities (denominator), GAR stock, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7	-	7	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	15,433	0.02%	15,433	0.02%	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,521,842	1.94%	1,500,195	1.92%	21,647	0.03%
0080	**Total applicable KPI**	**1,537,282**	**1.96%**	**1,515,634**	**1.93%**	**21,647**	**0.03%**

Template 3 Taxonomy-aligned economic activities (numerator), GAR stock, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	7	-	7	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	15,433	1.00%	15,433	1.02%	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	1,521,842	99.00%	1,500,195	98.98%	21,647	100.00%
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,537,282**	**100.00%**	**1,515,634**	**100.00%**	**21,647**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities, GAR stock, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5,528	0.01%	5,479	0.01%	49	-
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	38,517	0.05%	38,517	0.05%	-	-
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	27,512	0.04%	27,512	0.04%	-	-
0070	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	27,179,621	34.70%	27,144,252	34.65%	35,369	0.05%
0080	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**27,251,178**	**34.79%**	**27,215,760**	**34.74%**	**35,418**	**0.05%**

Template 5 Taxonomy non-eligible economic activities, GAR stock, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	49,496,874	63.19%
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**49,496,874**	**63.19%**

Template 1 Nuclear and fossil gas related activities, GAR flow

Row	Nuclear energy related activities	Yes/No
		0010
0010	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	Yes
0020	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
0030	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
0040	**Fossil gas related activities**	
0050	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
0060	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
0070	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2 Taxonomy-aligned economic activities (denominator), GAR flow, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	15,473	0.05%	15,473	0.05%	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	463,820	1.39%	460,554	1.38%	3,266	0.01%
0080	**Total applicable KPI**	**479,293**	**1.44%**	**476,027**	**1.43%**	**3,266**	**0.01%**

Template 3 Taxonomy-aligned economic activities (numerator), GAR flow, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	15,473	3.23%	15,473	3.25%	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	463,820	96.77%	460,554	96.75%	3,266	100.00%
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**479,293**	**100.00%**	**476,027**	**100.00%**	**3,266**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities, GAR flow, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,583	0.01%	2,583	0.01%	-	-
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	14,796	0.04%	14,796	0.04%	-	-
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	14,989	0.05%	14,989	0.05%	-	-
0070	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	5,495,496	16.50%	5,480,058	16.46%	15,438	0.05%
0080	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**5,527,864**	**16.60%**	**5,512,427**	**16.55%**	**15,438**	**0.05%**

Template 5 Taxonomy non-eligible economic activities, GAR flow, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	-
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	243	-
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,992	0.01%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	-
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	27,270,749	81.89%
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**27,272,989**	**81.90%**

Template 2 Taxonomy-aligned economic activities (denominator), GAR flow, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5	-	5	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	15,397	0.05%	15,397	0.05%	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	872,004	2.62%	851,868	2.56%	20,135	0.06%
0080	**Total applicable KPI**	**887,406**	**2.66%**	**867,271**	**2.60%**	**20,135**	**0.06%**

Template 3 Taxonomy-aligned economic activities (numerator), GAR flow, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	5	-	5	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	15,397	1.74%	15,397	1.78%	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	872,004	98.26%	851,868	98.22%	20,135	100.00%
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**887,406**	**100.00%**	**867,271**	**100.00%**	**20,135**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities, GAR flow, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5,526	0.02%	5,477	0.02%	49	-
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	38,517	0.12%	38,517	0.12%	-	-
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	27,512	0.08%	27,512	0.08%	-	-
0070	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	5,893,926	17.70%	5,863,560	17.61%	30,366	0.09%
0080	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**5,965,481**	**17.91%**	**5,935,066**	**17.82%**	**30,415**	**0.09%**

Template 5 Taxonomy non-eligible economic activities, GAR flow, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	26,402,034	79.29%
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**26,402,034**	**79.29%**

FinGuar KPI

Template 1 Nuclear and fossil gas related activities – FinGuar KPI stock

Row	Nuclear energy related activities	Yes/No
		0010
0010	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
0020	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
0030	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
0040	**Fossil gas related activities**	
0050	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
0060	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
0070	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2 Taxonomy-aligned economic activities (denominator) - FINGUAR KPI stock, turnover-based view

0	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,604	0.16%	2,604	0.16%	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**284,748**	**17.29%**	**283,514**	**17.21%**	**1,233**	**0.07%**
0080	**Total applicable KPI**	**287,352**	**17.44%**	**286,119**	**17.37%**	**1,233**	**0.07%**

Template 3 Taxonomy-aligned economic activities (numerator) - FINGUAR KPI stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2,604	0.91%	2,604	0.91%	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	284,748	99.09%	283,514	99.09%	1,233	100.00%
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**287,352**	**100.00%**	**286,119**	**100.00%**	**1,233**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - FINGUAR KPI stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-	1	-	-	-
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	13	-	13	-	-	-
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	17,178	1.04%	17,178	1.04%	-	-
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,625	0.16%	2,625	0.16%	-	-
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	-	6	-	-	-
0070	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**116,325**	**7.06%**	**115,619**	**7.02%**	**706**	**0.04%**
0080	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**136,147**	**8.27%**	**135,441**	**8.22%**	**706**	**0.04%**

Template 5 Taxonomy non-eligible economic activities, FINGUAR KPI stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7,656	0.46%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	-
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,216,035	73.82%
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**1,223,697**	**74.29%**

Template 2 Taxonomy-aligned economic activities (denominator) - FINGUAR KPI stock, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	73	-	73	-	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	8	-	8	-	-	-
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	427,418	25.95%	418,848	25.43%	8,570	0.52%
0080	**Total applicable KPI**	**427,500**	**25.95%**	**418,930**	**25.43%**	**8,570**	**0.52%**

Template 3 Taxonomy-aligned economic activities (numerator) - FINGUAR KPI stock, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	73	0.02%	73	0.02%	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	8	-	8	-	-	-
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	427,418	99.98%	418,848	99.98%	8,570	100.00%
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**427,500**	**100.00%**	**418,930**	**100.00%**	**8,570**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - FINGUAR KPI stock, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-	1	-	-	-
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	15,461	0.94%	13,917	0.84%	1,544	0.09%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	15	-	15	-	-	-
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	240,268	14.59%	240,888	14.62%	-620	-0.04%
0080	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**255,744**	**15.53%**	**254,821**	**15.47%**	**924**	**0.06%**

Template 5 Taxonomy non-eligible economic activities - FINGUAR KPI stock, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,548	0.15%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	959,503	58.25%
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**962,051**	**58.41%**

Template 1 Nuclear and fossil gas related activities - FINGUAR KPI flow

Row	Nuclear energy related activities	Yes/No
		0010
0010	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
0020	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
0030	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
0040	**Fossil gas related activities**	
0050	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
0060	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
0070	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2 Taxonomy-aligned economic activities (denominator) - FINGUAR KPI flow, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,567	0.38%	2,567	0.38%	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	48,657	7.23%	47,521	7.06%	1,136	0.17%
0080	**Total applicable KPI**	**51,224**	**7.61%**	**50,088**	**7.45%**	**1,136**	**0.17%**

Template 3 Taxonomy-aligned economic activities (numerator) - FINGUAR KPI flow, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2,567	5.01%	2,567	5.13%	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	48,657	94.99%	47,521	94.87%	1,136	100.00%
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**51,224**	**100.00%**	**50,088**	**100.00%**	**1,136**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - FINGUAR KPI flow, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-	1	-	-	-
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	14,091	2.09%	14,091	2.09%	-	-
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,614	0.39%	2,614	0.39%	-	-
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	-	4	-	-	-
0070	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	38,904	5.78%	38,503	5.72%	401	0.06%
0080	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**55,614**	**8.27%**	**55,213**	**8.21%**	**401**	**0.06%**

Template 5 Taxonomy non-eligible economic activities - FINGUAR KPI flow, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7,643	1.14%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	-
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	558,207	82.98%
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**565,855**	**84.12%**

Template 2 Taxonomy-aligned economic activities (denominator) - FINGUAR KPI flow, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	29	-	29	-	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	178,760	26.57%	177,668	26.41%	1,091	0.16%
0080	**Total applicable KPI**	**178,788**	**26.57%**	**177,697**	**26.42%**	**1,091**	**0.16%**

Template 3 Taxonomy-aligned economic activities (numerator) - FINGUAR KPI flow, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	29	0.02%	29	0.02%	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	178,760	99.98%	177,668	99.98%	1,091	100.00%
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**178,788**	**100.00%**	**177,697**	**100.00%**	**1,091**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - FINGUAR KPI flow CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-	1	-	-	-
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	13,579	2.02%	12,035	1.79%	1,544	0.23%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	15	-	15	-	-	-
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	80,381	11.95%	81,788	12.16%	-1,408	-0.21%
0080	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**93,976**	**13.97%**	**93,839**	**13.95%**	**137**	**0.02%**

Template 5 Taxonomy non-eligible economic activities - FINGUAR KPI flow, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,548	0.38%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	397,204	59.05%
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**399,752**	**59.43%**

AUM KPI

Template 1 Nuclear and fossil gas related activities – AuM KPI stock

Row	Nuclear energy related activities	Yes/No
		0010
0010	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
0020	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
0030	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
0040	**Fossil gas related activities**	
0050	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
0060	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
0070	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Template 2 Taxonomy-aligned economic activities (denominator) - AuM KPI stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	-	6	-	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	96,024	2.97%	84,789	2.62%	11,234	0.35%
0080	**Total applicable KPI**	**96,030**	**2.97%**	**84,795**	**2.62%**	**11,234**	**0.35%**

Template 3 Taxonomy-aligned economic activities (numerator) - AuM KPI stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	6	0.01%	6	0.01%	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	96,024	99.99%	84,789	99.99%	11,234	100.00%
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**96,030**	**100.00%**	**84,795**	**100.00%**	**11,234**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - AuM KPI stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	22	-	22	-	-	-
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6,052	0.19%	6,052	0.19%	-	-
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-	1	-	-	-
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	511,243	15.81%	497,025	15.37%	14,218	0.44%
0080	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**517,319**	**16.00%**	**503,100**	**15.56%**	**14,218**	**0.44%**

Template 5 Taxonomy non-eligible economic activities - AUM KPI stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	-
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,599,071	80.39%
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**2,599,074**	**80.39%**

Template 2 Taxonomy-aligned economic activities (denominator) - AUM KPI stock, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9	-	9	-	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	199,475	6.17%	188,746	5.84%	10,729	0.33%
0080	**Total applicable KPI**	**199,484**	**6.17%**	**188,755**	**5.84%**	**10,729**	**0.33%**

Template 3 Taxonomy-aligned economic activities (numerator) - AUM KPI stock, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	9	-	9	-	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	199,475	100.00%	188,746	100.00%	10,729	100.00%
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**199,484**	**100.00%**	**188,755**	**100.00%**	**10,729**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - AUM KPI stock, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	19	-	19	-	-	-
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3,696	0.11%	3,696	0.11%	-	-
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-	1	-	-	-
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	755,353	23.36%	735,101	22.74%	20,252	0.63%
0080	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**759,069**	**23.48%**	**738,817**	**22.85%**	**20,252**	**0.63%**

Template 5 Taxonomy non-eligible economic activities - AUM KPI stock, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9	-
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,233,360	69.08%
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**2,233,369**	**69.08%**

Template 1 Nuclear and fossil gas related activities - AUM KPI flow

Row	Nuclear energy related activities	Yes/No
		0010
0010	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
0020	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
0030	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
0040	**Fossil gas related activities**	
0050	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
0060	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
0070	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Template 2 Taxonomy-aligned economic activities (denominator) - AUM KPI flow, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	4,632	0.60%	1,879	0.24%	2,754	0.35%
0080	**Total applicable KPI**	**4,632**	**0.60%**	**1,879**	**0.24%**	**2,754**	**0.35%**

Template 3 Taxonomy-aligned economic activities (numerator) - AUM KPI flow, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	4,632	100.00%	1,879	100.00%	2,754	100.00%
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**4,632**	**100.00%**	**1,879**	**100.00%**	**2,754**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - AUM KPI flow, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	985	0.13%	985	0.13%	-	-
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-	1	-	-	-
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	150,031	19.29%	147,431	18.95%	2,601	0.33%
0080	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**151,017**	**19.41%**	**148,416**	**19.08%**	**2,601**	**0.33%**

Template 5 Taxonomy non-eligible economic activities - AUM KPI flow, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	620,729	79.79%
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**620,729**	**79.79%**

Template 2 Taxonomy-aligned economic activities (denominator) - AUM KPI flow, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	16,975	2.18%	14,343	1.84%	2,632	0.34%
0080	**Total applicable KPI**	**16,975**	**2.18%**	**14,343**	**1.84%**	**2,632**	**0.34%**

Template 3 Taxonomy-aligned economic activities (numerator) - AUM KPI flow, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	16,975	100.00%	14,343	100.00%	2,632	100.00%
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**16,975**	**100.00%**	**14,343**	**100.00%**	**2,632**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - AUM KPI flow, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	603	0.08%	603	0.08%	-	-
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-	1	-	-	-
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
0070	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	224,574	28.87%	221,239	28.44%	3,335	0.43%
0080	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**225,178**	**28.95%**	**221,843**	**28.52%**	**3,335**	**0.43%**

Template 5 Taxonomy non-eligible economic activities - AUM KPI flow, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	526,579	67.69%
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**526,579**	**67.69%**

12.2.2. Climate change

BCR Group addresses climate change within its strategic approach towards sustainability. Transitioning to net zero, based on science-based decarbonisation pathways, is crucial for long-term wellbeing, financial stability and overall prosperity. We are committed to the Paris Climate Agreement, and work closely on this front with Erste Group who had joined the Net Zero Banking Alliance (NZBA) in November 2021.
Through our double materiality analysis (DMA), we have identified climate change as one of the key issues that significantly impacts our business and stakeholders. BCR Group aims to address the impact of its own operations and its financing activities on climate change. To support this transition, BCR Group adheres to strict sustainability criteria for finance, which are focused on climate change mitigation, renewable energy deployment and enhanced energy efficiency.

E1 SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Material impacts, risks and opportunities (IROs)

Sustainability matter	Type of IRO	IRO Description	Value chain	Time horizon
E1-Climate change adaptation	Physical Risk	BCR Group faces a higher credit risk as climate-related physical risks can lead to a devaluation of collateral and/or to negative effects on the business models and lastly financial stability of debtors. The consequences are increased risk provisions for BCR and connected negative impacts to its P&L and own funds.	Portfolio	Long-term
	Opportunity	Additional financial opportunities might be captured by BCR Group from financing of mitigation strategies/projects conducted by a wide array of entities, from local SMEs to large companies (e.g. adaptation solutions for residential and commercial real estate), municipalities and other public entities for adaptation infrastructure.	Portfolio	Long-term
E1-Climate change mitigation	Actual negative impact	The CO_2e emissions of BCR Group's 's own operations and in the upstream value chain contribute to climate change and thus to global warming.	Upstream & Own operations	Long-term
	Actual negative impact	The CO_2e emissions financed by BCR Group contribute to climate change and thus to global warming.	Portfolio	Long-term
	Potential positive impact	Providing transition finance and green financing has a positive impact on curving down emissions and therefore slowing climate change.	Portfolio	Long-term
	Transition Risk	BCR Group faces a higher credit risk as climate-related transition events (e.g. carbon pricing and regulatory interventions) can lead to negative effects on the profitability of business models and the financial stability of debtors. The consequences are increased risk provisions for BCR Group and connected negative impacts to its P&L and own funds.	Portfolio	Long-term
	Opportunity	For BCR Group additional financial opportunities arise from investments into and the financing of customers for supporting their decarbonisation and transition to a sustainable business.	Portfolio	Long-term
E1-Energy	Actual negative impact	Until the assumed net zero targets for own operations are achieved, the energy (electricity, fuel and heating) used by BCR Group continues to generate CO_2e emissions and therefore contributes to climate change. Also, a potential slow progression on the adoption of renewable energy (either purchased or self-generated) may lead to a higher contribution to any risk associated with climate change, physical or transitional.	Upstream & Own operations	Medium-term
	Potential negative impact	Financing of energy-intensive companies that still rely on fossil fuels lead to high CO_2e emissions, which in turn contribute to climate change.	Portfolio	Medium-term
	Potential positive impact	BCR Group can positively support the transition to renewable energy use via its financing activities. The provision of financing products to companies which generate renewable energy, or which use and sustain the renewable energy market in any way will support the Paris Agreement goals. This includes supporting with the limitation of temperature increase not higher than 1.5 degrees Celsius, as compared to pre-industrial levels and a net zero target on any economic activity.	Portfolio	Long-term
	Risk	Higher operational costs and capital expenditure for clients to align to increasing standards due to climate change can result in decreased profitability in companies in energy-intensive sectors, leading to a higher default risk and a related increase in risk provisions for BCR Group, impacting P&L as well as own funds. Investments made in non-renewable energy firms may become stranded assets due to shifts towards renewable energy sources, potentially generating financial losses.	Portfolio	Medium and Long-term
	Opportunity	BCR Group's financing of and investments into renewable energy projects (e.g. wind and solar projects, energy storage) and energy transition enables neutral/low CO_2e energy production and offers new opportunities for the portfolio.	Portfolio	Long-term

Resilience of the business model[37]

The increasing volatility and uncertainty in the global climate and environmental landscape entail a rigorous evaluation of business model resilience. As climate and environmental (CE) risks continue to shape financial markets and operational paradigms, organisations must adapt their strategic frameworks to ensure integration of sustainability related aspects for enabling long-term stability and growth. BCR Group, in line with Erste Group, has implemented a comprehensive scenario-based approach to assess and quantify CE risks in the short-, medium and long-term on own operations, client relationships and the asset portfolio in 2024. The systematic analysis of potential future scenarios enables the identification of opportunities for enhanced resilience and adaptation[38].

Transition risk analytical framework: scenario overview

The analytical framework applied by BCR Group is developed at Erste Group level and incorporates scenarios informed by the Network for Greening the Financial System (NGFS) to assess transition risks arising from the transition to a climate-neutral economy. These scenarios encompass four distinct pathways: (1) Net Zero 2050, (2) Below 2°C, (3) Delayed Transition, as well as (4) Hot House World. Each scenario models different assumptions about the timing and intensity of climate policy actions and technological developments: the Net Zero 2050 scenario represents an orderly path to net-zero emissions by 2050, while the Below 2°C scenario achieves climate goals but with less ambitious timing. In contrast, the Hot House World scenario assumes minimal climate action, leading to severe physical risks.

Physical risk analytical framework: scenario overview

For the assessment of physical risks, including extreme weather events and gradual climatic changes, BCR Group employs the Representative Concentration Pathway (RCP) scenarios established by the Intergovernmental Panel on Climate Change (IPCC). These internationally recognized scenarios provide standardized trajectories of greenhouse gas concentrations, enabling robust modelling of potential climate outcomes under various emission pathways. The RCP framework encompasses multiple scenarios, from ambitious climate action and low emissions (e.g., RCP 2.6) to high-emission pathways with limited mitigation measures (e.g., RCP 8.5). The scenario labelling does not correspond to the temperature increase; for instance, scenario RCP 4.5 corresponds to a temperature increase of 2.1 to 3.5°C in the long-term.

Transition risk: selected scenario analysis

After testing and analysing all four scenarios, the Delayed Transition scenario is selected and applied in the subsequent in-depth analysis laid out in this statement, as global mitigation efforts in line with a Net Zero 2050 scenario are not materialising, but high-emissions scenarios such as the Hot House World may very well still be preventable. The Delayed Transition scenario examines the implications of a rapid, disorderly transition to a low-carbon economy, characterised by sudden policy changes and market disruptions as countries rush to meet the Paris Agreement target of limiting global warming to well below 2°C[39].

Physical risk: selected scenario analysis

The scenario analysis for physical risks was performed by Erste Group following consultation with climate science experts from the Wegener Center for Climate and Global Change at the University of Graz. Erste Group has currently identified the RCP 4.5 scenario as the most appropriate framework for their climate risk analysis, which is applied for BCR Group as well. This intermediate emissions pathway has been selected based on thorough evaluation of current global climate trajectories and policy developments. The assessment indicates that while more optimistic scenarios such as RCP 2.6 are no longer feasible given the current pace of global climate action, high-emissions pathways like RCP 8.5 seem less realistic given current global emission reduction targets. The RCP 4.5 scenario models feasible reduction efforts and provides a realistic baseline for strategic planning.

Scope of the resilience analysis

BCR Group contributed to Erste Group's initiative of conducting an extensive assessment of the resilience of its business model to climate-related and environmental risks as an integral part of the strategic planning and risk management process. The identification and analysis of current and probable future developments is done from both perspectives (1) impact on risk profile and (2) business opportunities.

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37 ESRS 2 SBM-3 §19a,b,c
38 ESRS 2 IRO-1 §20a,b
39 ESRS 2 IRO-1 §20-c

The resilience assessment is performed by considering both transition and physical risks in two key internal processes, namely the Business Environment Scan (BES) coordinated at Erste Group level and considering the BCR Goup data as well, and the Risk Materiality Assessment (RMA). Furthermore, business model resilience to CE risks is assessed by integration of physical risks in the Collateral Management Framework. BCR also assesses these risks at the client level through an ESG questionnaire and integrates them into the risk analysis of the credit application process.

The scope of the resilience analysis encompasses the most significant parts of BCR Group's and Erste Group's portfolio and own operations, making it representative of its business model. Based on objective criteria used for the selection, the following sectors have not been considered under the analysis: cyclical consumer products, healthcare, telecommunications, media and technology. Also, the assessment does not consider the upstream value chain.

Scope for transition risk evaluation:
- Clients including large corporates, SME and real estate (commercial real estate and retail mortgages);
- BCR Group's own operations.

Scope for physical risk evaluation:
- loans collateralised by real estate (commercial and residential);
- BCR Group's own and outsourced operations (i.e. headquarters and branches including critical facilities like data centers).

Beyond collateralised assets, physical risk assessment is planned to be extended also to large corporate customers, and will rely on the availability of geolocation data for clients' assets (i.e. major production sites). The process of collecting such geolocation data is currently under consideration. Once this data becomes available, the assessment of physical risks will be further enhanced.

The assessment of CE risks is conducted over the short-, medium and long-term horizons. The time horizons used for the physical and transition risk assessments are as follows:
- short-term: up to 1 year
- medium-term: 1 to 5 years
- long-term: more than 5 years (for transition risk up to 2050, for physical risks up to 2100).

Physical risks from climate change are expected to materialise in credit risk starting from the middle of the century. Consequently, the short- and medium-term horizons show similar physical outcomes, with substantial differences becoming more apparent in the long-term horizon (2050 and beyond). To emphasise the importance of a long-term outlook, an additional time horizon (2050-2100) for physical risks was implemented within Erste Group, thus for BCR as well. This horizon applies to physical risks and allows both Erste Group and BCR Group to develop a comprehensive understanding of future risks and to increase preparedness for the full spectrum of climate-related physical risks[40].

Description of the resilience analysis

The resilience analysis starts with the Business Environment Scan (BES) identifying potential threats or opportunities resulting from the transition to a climate-neutral economy or due to physical risks. The main objective of the BES is to offer a comprehensive understanding of the changes in the operational environment, the drivers of CE risk events and the resulting implications for BCR Group's and Erste Group's clients, assets, real estate and overall business model. The sub-portfolio(s), business lines and industry sectors as well as regions/geographic areas, which may be exposed to elevated risks, are identified based on scientific and socioeconomic research as well as technological and demographic trends. This approach is also used to pinpoint areas where emerging trends and changes in the operational environment can generate new business opportunities.

The resilience analysis for the transition risk is performed based on scenario analysis and the impacts of transition risk drivers on Erste Group and BCR Group through key risks from its inventory (credit, market, liquidity, operational, strategic and reputational risk). The scenarios employed to assess transition risk are informed by NGFS but internally adapted to reflect the specifics of BCR Group's and Erste Group's business model, drawing on insights from the BES across relevant sectors (industries) and portfolios. While the overall framework follows the intergovernmental bodies' and standard-setters' vision of a delayed transition, details – such as narrative elements, risk parameters and transmission channels – are refined to reflect the characteristics of BCR Group's and Erste Group's business model and clients, as well as the operational and geographic context. Additionally, the scenario incorporates an extra layer

40 ESRS 2 IRO-1 §21

of downside risk assumptions for societal transitions unrelated to climate, i.e. environmental risks, acknowledging that such shifts could realistically occur alongside climate transition efforts.

The methodology for the transition risk assessment focuses on the impact of increasing (shadow) carbon prices on the financial position of counterparties. This (shadow) carbon price encompasses a multitude of risk drivers related to transition risk and is therefore a prudent way to quantify the risk impact. The modelling reflects the direct impact of a higher carbon price on counterparties as well as the indirect effects of macroeconomic developments. The macroeconomic parameters were derived from the regulatory scenarios as well as the economic research departments of BCR Group and Erste Group and cover each critical sector individually in a projection of the gross value added. The developments are based on each scenario's narrative tailored to the current economic starting points of key markets in which Erste Group operates, including Romania. Critical assumptions on developments are therefore aligned to regulatory as well as scientific scenarios.

The impact of physical risks is assessed based on MunichRe data as the primary source. The most relevant physical risks for real estate in the core region of Erste Group were defined in cooperation with experts from the Wegener Center for Climate and Global Change, University of Graz. They include heat stress, drought stress, fire weather stress, river floods and coastal floods. For BCR, the earthquake risk is also relevant.

BCR Group's and Erste Group's RMA framework systematically evaluates the impact of climate and environmental risk drivers on various risk types, including credit, operational, market, liquidity, strategic and reputational risks. This analysis is conducted at two levels: first, by examining client portfolios and business segments and second, by assessing own operations as well as key suppliers such as data centres and outsourcing partners.

When assessing client portfolios, one of the primary risk metrics is the potential effect on expected credit loss (ECL). ECL estimates potential future losses by considering both the likelihood of a borrower default the borrowers' probability of default and the potential amount lost in such events. In the context of resilience analysis, ECL allows for the quantification of future credit losses arising from climate and environmental risks under various future scenarios. For BCR Group's own operations, the impact is simulated on the profit and loss (P&L) statement, as it provides a comprehensive measure of financial performance by capturing both revenues and expenses, thereby helping to identify how CE risks could affect overall profitability.

The evaluation of transition risks is based on insights from the transition risk scenario analysis. More specifically, downside scenario analysis is used to assess potential financial impacts if the transition of the economy unfolds in a disorderly fashion.

The physical risk assessment combines quantitative analyses, utilizing MunichRe's climate risk data and the results from internal stress testing programs, which simulate extreme climate scenarios to evaluate portfolio resilience.

To evaluate the business model resilience, it is essential to quantify the gross impact of CE risk and assess the effectiveness of BCR Group's strategic responses and mitigation actions to determine the net impact. This process involves comparing the financial impact of the transition risk scenario with and without mitigating actions (i.e., the decarbonisation strategy). The subsequent comparison helps determine the effectiveness of the strategies and reveals whether they provide the expected cost-benefits and resilience for the business model.

At the core of the assessment of the resilience of BCR Group's business model to CE risks also lies the inclusion of the impact assessment of physical risks on the real estate taken as collateral for loans issued by the group. The value of real estate used by clients as collateral for loans is adjusted based on the property's exposure to CE risks. The value of this collateral influences the risk associated with the loans it secures and this level of risk is reflected in the risk-weighted assets (RWA).

In terms of collateral management, to account for future climate risks in property valuation, a reasonable timespan for the assessment of physical risks is necessary. The 20-year period around 2050 (2041-2060) is considered the most appropriate, given the lending standards of BCR Group. Within this period, the difference in climate projections between moderate emission scenarios (RCP 4.5) and the high emission scenario (RCP 8.5) shows no significant deviation.

Results of the resilience analysis

The outcomes of the resilience analysis coordinated by Erste Group and also covering BCR Group are as follows:

Transition Risk:

- Credit Risk: The analysis conducted by Erste Group, also considering the inputs provided by BCR Group indicates notable exposure to transition-induced credit risk across all time horizons in case the transition to a low carbon economy occurs disorderly. The transition risk on the credit risk exposure is driven largely by climate-related factors and drivers such as environmental taxation and subsidies, regulatory requirements, energy and transport policies, behavioural changes of investors, consumers, suppliers and employees as well

as technological developments, while non-climate related drivers are immaterial. Looking towards medium and long-term time horizons, these transition risks intensify, with impacts gradually spreading across an expanding range of sectors. This scenario and its impact do not reflect Erste Group's and BCR Group's most likely or baseline scenario, but serve as an exploratory analysis to assess the exposure to transition risk in the event of a disorderly and abrupt transition. Under the baseline or orderly transition scenario, the direct impact of the transition risk drivers on both BCR Group and Erste Group is significantly smaller and limited;
- Operational Risk: From an operational risk perspective, two of the most relevant transition risks have been identified in the medium- and long-term horizon. First, there is an increased risk of regulatory non-compliance due to rapidly evolving ESG requirements and heightened regulatory oversight. Second, shifting behaviours and expectations of stakeholders (consumers, suppliers and employees) regarding environmental performance create additional operational challenges that require careful management. Both factors materially contribute to the overall operational risk profile;
- Market, Liquidity and Reputational Risk: The evaluation concluded that no material transition risks were identified across all time horizons – short-, medium- and long-term.

Physical Risk:
- Credit and Strategic Risk: According to both BCR Group's and Erste Group's assessment, physical risks are a material driver for long-term credit and strategic risk. This projection is based on forecasts indicating that (predominantly) climate-related physical hazards will materialise and intensify from mid-century onwards, thereby impacting the portfolio and strategic position of BCR Group. However, in the short and medium term, physical risks are considered immaterial due to BCR Group's limited exposure to regions or sectors that are particularly vulnerable;
- Operational Risk: For internal operations, physical risks are a material driver in the long-term (up to the year 2100), from heat waves potentially impacting BCR Group's operations;
- Market, Liquidity and Reputational Risk: The evaluation concluded that no material physical risks were identified across all time horizons – short-, medium- and long-term.

Decarbonisation strategic priorities:
- Erste Group's and BCR Group's current decarbonisation strategic priorities are well aligned to NGFS scenarios 'Net Zero 2050' and 'Below 2°C'. The strategic initiatives also perform well in the NGFS scenario 'Delayed Transition'. The established decarbonisation pathways for key sectors affected by transition risk help mitigate Erste Group's and BCR Group's credit losses from climate and environmental risks. This aligns with the Paris Agreement's Net Zero 2050 scenario. Further information on the established decarbonisation pathways can be found in chapter E1-4.

BCR Group has strengthened risk management processes by embedding CE factors into the core underwriting and collateral management frameworks. To mitigate physical risks, BCR Group continuously monitors and reports on collaterals, and has updated its collateral policy to include detailed guidelines for assessing increased physical risks in both residential and commercial real estate valuations.

Transition Risks

To provide a comprehensive understanding of how climate and environmental transition risks are embedded within the internal processes, Erste Group also supported also by BCR Group analysed the transmission channels, the scenarios used, and their impact on credit and operational risk. These two risk types are considered materially exposed to transition risk in at least one time horizon. This section highlights the mechanisms through which transition risks impact both BCR Group's and Erste Group's business, including the specific pathways and risk factors that influence credit and operational risk profiles. By doing so, BCR Group ensures transparency and demonstrates a commitment to robust risk management practices in the face of evolving environmental challenges.

Several climate-related transition events from the fields of politics and economics, market participant behavior and technological development and these impacts were considered, and their impacts on the probability of default, loss given default, risk-weighted assets and expected credit loss were identified at Erste Group level.
For each risk driver, transmission channels have been identified for each portfolio segment and for own operations:

Large corporates and SMEs: Regulatory requirements and environmental taxation significantly increase operational and capital expenditure for corporates. This results in higher default probabilities and increased credit risk, especially for industries with high exposure to carbon-intensive activities.

Real estate (commercial real estate including income producing residential real estate and retail mortgages): Market sentiment and rising renovation costs, driven by energy and transport regulations, create income vulnerabilities for households. These pressures lead to greater difficulties in meeting loan obligations, increasing default probabilities and associated credit losses, particularly for low-income households.

Own operations: For own operations, regulatory requirements and climate-related compliance obligations increase operational expenditures, such as investments in IT systems and sustainability reporting capabilities.
Additionally, reputational risks stemming from stakeholder expectations regarding environmental performance and competitive pressures from sustainability-focused peers may further elevate credit and strategic risk.

Through this framework set up at Erste Group level, BCR Group systematically evaluates and manages credit risk across all customer segments, ensuring resilience in its portfolio while addressing the financial impacts of transition risk.

The selected scenario applied by Erste Group to centrally evaluate transition risk is broadly based on the NGFS scenario 'delayed transition' and its respective working hypothesis of a society first doing too little to mitigate climate change and then pushing with severe effort to reach a net zero society. Hence, this scenario is more adverse than an 'orderly transition' which suffers much less stress due to an organized effort of society to reach the net zero target with a longer potential transition period for economies. In the delayed transition scenario, the stress is expected to increase due to firms continuing to struggle to decarbonize or to transition, needing higher investment volumes to switch their business model to more sustainable technologies. This will have continued effects on their financial position and creditworthiness, particularly on CO_2-intensive 'brown' industries, which are less prepared to adapt quickly, due to lack of low-carbon scalable solutions. An immediate shock of carbon prices in 2025 was added to the 'Delayed Transition' scenario. This way the potential worst impact in short-term horizon was simulated.

The materiality of the risk is determined by comparing the increase in expected credit loss (ECL) in the accelerated delayed transition scenario to a defined threshold of 1.75% of Pillar 2 capital. The results are then categorized as either 'material' or 'immaterial' across the three-time horizons. To determine the potential ECL increase, Erste Group centrally conducted a simulation of the effects on transition risk on the ECL on a gross basis. This means that impact calculations exclude any management actions or mitigation efforts. However, in practice, the organization has made significant efforts to mitigate transition risk, inter alia, by setting decarbonisation targets. The calculated ECL increase represents the potential financial effect contingent only on a sensitivity analysis of the accelerated delayed transition scenario and is not considered in the IFRS 9 ECL. The 1.75%-threshold of Pillar 2 capital is exceeded for every considered time horizon, indicating that the simulated risk on a gross basis, i.e. before mitigation actions, is material.

In addition to the conducted materiality assessment of transition risk, the Forward-Looking Best-Estimate Weighted Average Carbon Intensity (WACI) offers insights into both BCR Group's and Erste Group's exposures to transition risks across different climate scenarios. The maximum value of the short-term time horizon is set to be equal to the actual WACI observed in December 2024 to establish a baseline for the future forecasts. Emissions projections based on climate scenarios suggest differing trends in carbon intensity depending on the pace and ambition of decarbonisation efforts. Ambitious pathways, such as the 'Net Zero 2050' scenario, show the steepest decline, while limited-policy scenarios, such as 'Current Policies', indicate minimal reductions, emphasising the potential financial impact of delayed action.

For the current reporting year BCR Group is using the phase-in option for disclosing anticipated financial effects from material physical and transition risks and potential climate-related opportunities, as detailed in the section "BP-2 – Disclosures in relation to specific circumstances".

To date, there have been no material losses affecting the balance sheet, despite localised flood events in Romania. These events were mitigated by existing protective measures in place for clients, alongside regional risk management initiatives. While unforeseen events cannot be entirely ruled out, the low exposure to significant physical risks, coupled with effective safeguards, ensures that any potential losses would remain contained and manageable. Therefore, the BCR Group anticipates no material impact and expects no significant losses moving forward. For more information please refer to Note 28 in the Financial Statement.

E1-2 – POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION[41]

BCR Group's policies to transition to a sustainable economy focus on targets for investment and financing activities, which are considered to support the objectives of the Paris Climate Agreement. BCR prioritizes sectors that benefit the most from a transition comprising real estate, electricity production, heat and steam production, oil and gas extraction and automotive production.

BCR Group's business model is within the scope of the EU Paris-aligned benchmarks, which have the primary goal of assisting the transition towards a low-carbon economy and limiting global temperature rise to 1.5°C above pre-industrial level. BCR's targets are already compatible with limiting global warming to 1.5°C and 1.75°C for the selected sectors. Furthermore, BCR Group will phase out coal financing by 2030 in line with its Responsible Financing Policy. The targets are implemented by internal experts following external guidelines, but without external verification. Furthermore, scope 1, 2 and partially 3 emissions are monitored for high-emission clients operating in sectors not yet covered by decarbonisation targets.

BCR has set an ambitious Net Zero target for its own operations by 2030. The target is to reduce Scope 1 and Scope 2 emissions for BCR by 90% by until 2030 (baseline: 2017) and compensate the remaining 10%. However, this indirectly covers the subsidiaries of BCR Group providing that the office spaces used by the entities in the group are shared with and managed by the Bank. This target is aligned to the 1,5° target of the Paris agreement.
Specifically, BCR Group aims to maintain the share of green electricity of 100 % of total consumption of electricity, determined in line with the market-based method, by 2030 and reach a share of electric vehicles in our fleet of 100% by the same year.

With these targets, BCR Group pursues a consistent reduction approach towards net zero across all scopes, which is compatible with the Paris Agreement. These measures are part of our efforts to develop and adopt a transition plan in the following 2 years.

For further information on the scenarios and methodologies used for target setting please refer to chapter 'E1-4 Targets related to climate change mitigation and adaption'.

Decarbonisation levers and key actions

Portfolio decarbonisation levers and key actions

Given their significance to BCR Group's portfolio and their overall emission intensity, two decarbonisation levers, including several key actions, have been implemented for the energy and real estate sectors to achieve BCR Group's Net Zero portfolio decarbonisation targets:

Decarbonisation lever 'Emission reduction in the energy sector': The first decarbonisation lever focuses on reducing financed emissions within the energy industry. BCR Group supports its customers in their efforts to optimise their existing technology mix and invest in new plants that use renewable energy sources. Thus, two key actions for BCR Group are the financing of renewable projects and reducing financings in coal-related activities. More details can be found in chapter E1-3.

Decarbonisation lever 'Promoting a sustainable real estate sector': The financed emissions of BCR Group's portfolio are further reduced by directing its investments towards sustainable real estate. BCR Group promotes building renovations and the installation of heating and cooling systems powered by renewable energies. BCR Group aims to attain its target by offering a commercial real estate financial health (FH) tool, as well as a renovation financing product to private individuals. More details can be found in chapter E1-3.

Own operations decarbonisation lever and key actions

BCR Group also takes responsibility for the emissions that lie within its direct control, meaning associated to its own operations. Thus, another decarbonisation lever was established that encompasses several key actions.

Decarbonisation lever 'Emission reduction in own operations': The lever focuses on key activities such as switching to low carbon energy sources, reducing energy consumption for business premises, decarbonizing employee mobility and conducting employee engagement and awareness training to promote sustainable behavior. More details can be found in chapter E1-3.

41 ESRS 2 MDR-P-a

Embedment in strategy

As part of its ambition to support the transition to a sustainable economy BCR Group aims to guide clients and sectors towards decarbonizing and achieving net zero targets, while also reducing emissions from its own operations.

This plan is envisioned to be developed and integrated into BCR's overall business strategy and financial planning, ensuring that decarbonisation efforts are part of core decision-making processes. It emphasises continuous engagement with clients across various industries to support their transition and manage climate-related risks. The client engagement process has three phases: assessment, engagement and financing, steering and monitoring.

Assessment phase: BCR assesses where clients stand in their transition journey, using data reported by clients or collected through the ESG client assessment. It is working on classifying its clients according to their transition readiness. This helps identify clients most in need of advisory on their sustainability journey and further on accessing transition financing.

Engagement and financing phase: BCR engages with clients using an approach tailored to their maturity in the transition journey. BCR evaluates their transition plans, if any, contextualises them with the sector's decarbonisation targets and ensures alignment of their financing needs with the sustainable finance guidelines (SFG). It plans to engage with relevant clients especially in the energy, oil and gas, natural resources, construction and auto manufacturing industries by 2026. BCR will integrate emission reduction targets into its business strategy to direct capital to sectors and clients with the highest transition potential, supporting both the clients' transition and the Bank's sustainability goals. In case clients have no transition plans, we offer advice to the clients, in our ESG dialogue workshops, presenting a summary of the sustainability regulatory framework, material topics and best practices within specific sectors, including financing options (EU funds, subsidies, sustainable financing and transition finance).

Steering and monitoring phase: BCR monitors portfolio developments and client progress quarterly. This process includes assessing the impact of client engagements, adjusting financing strategies and implementing necessary measures. Progress is reported regularly to the Management Board and Supervisory Board. Additionally, this steering process influences BCR Group's business planning by incorporating lessons learned and adjusting exposure targets and emission intensity forecasts, ensuring alignment with industry trends and local regulatory requirements.

BCR Group's progress towards achieving reduction targets set for the financing activities is described in chapter E1-4.

The pace of the transition to a sustainable economy will be driven by technological advancements and their adoption by both the economy and BCR Group's clients. Achieving decarbonisation targets requires coordinated efforts and aligned regulations among EU member states, ensuring the necessary infrastructure and legal framework are in place. Guided by Erste Group, BCR Group has developed elements of a transition plan, using as orientation the recommendations of Glasgow Financial Alliance for Net Zero (GFANZ) and focusing on renewable energy and a sustainable real estate sector. The Bank will continue to enhance its transition planning in a stepwise approach in upcoming years in line with Article 76(2) of Directive 2013/36/EU, the EBA's recently published ESG risk management guidelines and will take necessary actions to ensure compliance.

At a glance: Addressing impacts, risks and opportunities

Addressing impacts, risks and opportunities

Impacts, risks and opportunities	Strategy / Policy	Key decarbonisation lever and actions	Targets
For BCR additional financial opportunities arise from investments into and the financing of customers supporting their decarbonisation and transition to a sustainable business. (Opportunity Climate Change Mitigation) BCR can positively support the transition to renewable energy use via its financing activities. The provision of financing products to companies which generate renewable energy, or which use and sustain the renewable energy market in any way will support the Paris Agreement goals. This includes supporting with the limitation of temperature increase not higher than 1.5 degrees Celsius, as compared to pre-industrial levels and a net zero target on any economic activity. . (Pos. Impact Energy) BCR 's financing of renewable energy projects (e.g. wind and solar projects, battery storage) enables neutral/low CO_2eenergy production and offers new opportunities for the portfolio. (Opportunity Energy)	Sustainable Finance Guideline	Lever: Promoting a sustainable real estate sector Lever: Financed mission reduction in the energy sector	15% sustainable retail mortgages by 2027 25% sustainable corporate financing by 2026
BCR Group faces a higher credit risk as climate-related physical risks can lead to a devaluation of collateral and/or to negative effects on the business models and lastly financial stability of debtors. The consequences are increased risk provisions for BCR and connected negative impacts to its P&L and own funds. (Risk Climate Change Adaptation) Additional financial opportunities might be captured by BCR from financing of mitigation strategies/projects conducted by a wide array of entities, from local SMEs to large companies (e.g. adaptation solutions for residential and commercial real estate), municipalities and other public entities. . (Opportunity Climate Change Adaptation)	BCR Real Estate Financing (REF) Policy	Lever: Promoting a sustainable real estate sector Lever: Emission reduction in the energy sector	Portfolio decarbonisation target
The CO2 emissions of BCR's own operations and in the upstream value chain contribute to climate change and thus to global warming. (Neg. Impact Climate Change Mitigation) Financing of energy-intensive companies that still rely on fossil fuels lead to high CO_2e emissions, which in turn contribute to climate change. (Neg. Impact Energy)	BCR Group Responsible Financing Policy BCR Corporate Lending Policy	Lever: Promoting a sustainable real estate sector Lever: Emission reduction in the energy sector	Portfolio decarbonisation target
Higher operational costs and capital expenditure for clients to align to increasing standards due to climate change can result in decreased profitability in companies in energy-intensive sectors, leading to a higher default risk and a related increase in risk provisions for BCR, impacting P&L as well as own funds. Investments made in non-renewable energy firms may become stranded assets due to shifts towards renewable energy sources, potentially generating financial losses. (Risk Energy)	BCR Retail Credit Risk Management Policy BCR Corporate Lending Policy BCR Real Estate Financing (REF) Policy	Lever: Promoting a sustainable real estate sector Lever: Emission reduction in the energy sector	Portfolio decarbonisation target
BCR faces a higher credit risk as climate-related transition events (e.g. carbon pricing and regulatory interventions) can lead to negative effects on the profitability of business models and the financial stability of debtors. The consequences are increased risk provisions for BCR Group and connected negative impacts to its P&L and own funds. (Risk Climate Change Mitigation)	BCR Retail Credit Risk Management Policy BCR Corporate Lending Policy	Lever: Promoting a sustainable real estate sector Lever: Emission reduction in the energy sector	Portfolio decarbonisation target
The CO_2e emissions of BCR 's own operations and in the upstream value chain contribute to climate change and thus to global warming. (Negative Impact Climate Change Mitigation) Until the assumed net zero targets for own operations are achieved, the energy (electricity, fuel and heating) used by BCR continues to generate CO2 emissions and therefore contributes to climate change. (Negative Impact Energy)	No formal policy considered necessary because the target for scope 1 and scope 2 emissions was approved, and the related action plan was endorsed by relevant management body	Lever: Emission reduction in own operations	Net zero operations target
Providing transition finance and green financing has a positive impact on curving down emissions and therefore slowing climate change. (Pos. Impact Climate change mitigation)	Sustainable Finance Guideline	Lever: Promoting a sustainable real estate sector Lever: Emission reduction in the energy sector	Portfolio decarbonisation target 15% sustainable retail mortgages by 2027 25% sustainable corporate financing by 2026

Sustainable Finance Guideline (SFG)

Policy objectives to address impacts, risks and opportunities

BCR Group's primary environmental impact stems from its lending activities, specifically the emissions generated by the projects it finances. BCR Group, through its financing activities, plays an important role in facilitating the transition to a low-carbon economy and it is actively engaging with its clients and supporting them on their decarbonisation journey. Considering the climate crisis, this means mobilizing funds to create a fairer and more prosperous world for all, and contributing to a sustainable future. By adhering to the SFG of Erste Group, BCR Group will strengthen its position in sustainable financing, with a particular focus on climate change mitigation (for more details see chapter SBM-1).

The Sustainable Finance Guideline and thus BCR Group's sustainable financing is a strategy that primarily addresses its opportunities and positive impacts and, under certain conditions, may contribute to its decarbonisation target[42], such as:

- BCR Group's financing of investments into renewable energy projects (e.g. energy from renewable energy sources such as wind power and solar energy, battery storage) enables CO2e-neutral energy production and offers new opportunities for the portfolio;
- BCR Group's financing of other energy transition projects enables low carbon energy production, which is necessary for a low carbon economic system within the planetary boundaries;
- BCR Group's additional financial opportunities arise from other sustainable investments (ex. circular economy, sustainable transportation) and the financing of customers supporting their decarbonisation and transition to a sustainable business state;
- Through the financing of climate-change adaptation solutions, BCR Group might gain additional financing opportunities whilst contributing towards reducing vulnerabilities to climate change impacts.

Detailed CO_2e results for financed emissions are available in chapter E1-6.

Methodology

'Sustainable financing' is a term used by BCR Group to determine financings that address the interplay of BCR Group's identified environmental impacts and opportunities and aligned with Erste sustainable finance guidelines.

This involves screening and evaluating BCR Group's financed portfolio in accordance with a bespoke approach and set of criteria, grounded in the principles of established standards and frameworks. With the decarbonisation levers of "promoting a sustainable real estate sector" as well as the "reduction of financed emissions in the energy sector", BCR Group's sustainable financings have a primary focus on:

Real estate financings:

- energy efficient buildings with energy-efficient indicators in the Energy Performance Certificate (e.g. EPC label A);
- buildings meeting the requirements for a 'nearly zero energy building' (NZEB) according to EU Directive 31/2010;
- buildings that account to the top 15% (based on an estimate) of the national or regional building stock expressed as operational Primary Energy Demand (PED). This methodology is explained in chapter E1-4.

Renewable energy projects financings:

- supporting the fulfilment of decarbonisation via cost-effective actions (e.g. transition or increase to renewable energy sources from non-renewable energy sources, battery storage capacities, upgrades of the transmission and distribution networks).

Further technical details on the screening approach and the criteria can be found in chapter E1-4. In addition, the above-mentioned decarbonisation levers are contributing to the achievement of the target are explained in chapter E1-3.
The Sustainable Finance Guideline provides the framework for the achievement of the portfolio decarbonisation target, attaining 15% sustainable mortgages by 2027 and reaching the goal of 25% sustainable corporate financing by 2026. Through this, BCR Group continues to maintain its prominent role in sustainable financings (see SMB-1 for more details on strategic priorities).

42 ESRS E1-2 §22, ESRS E1-2 §24

Scope

The policy applies to BCR Group's lending entities (BCR and BCR Leasing IFN S.A.), as defined in chapter E1-4. The policy includes customer groups currently excluded from EU taxonomy disclosure regulations and considers their limited capacity to provide information. The Sustainable Finance KPI does only apply to corporate and retail business lines of BCR. BCR's Sustainable Financing KPI is an internal remuneration-linked metric and must not be confused with the Green Asset Ratio (GAR) KPI under the EU Taxonomy. BCR's Management Board does not have a GAR ratio KPI.

An ongoing dialogue is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in the policy setting process carried out at Erste Group level. For more details on the consideration of interests and views of stakeholders please refer to chapter SBM-2.

The BCR Head of Sustainability Department is accountable for approving and implementing the policy in BCR, and this is scheduled to be formally transposed into a BCR policy in 2025. The policy is only available internally, but elements of this policy such as the criteria for sustainable financings are discussed with clients during the regular ESG dialogues carried out by BCR.

BCR Group Responsible Financing Policy

Policy objectives to address impacts, risks and opportunities

The BCR Group Responsible Financing Policy sets out exclusion criteria for specified economic activities that have harmful socio-environmental effects. Besides the topic of biodiversity, one main area of concern of the policy is the energy sector. The objective is to implement principles for the energy sector for better management of environmental and climate risks, as well as energy security and social impacts of the energy transition. The alignment of the financed portfolio with Paris Climate Targets is a key priority for BCR Group.

Thus, the policy contributes to the achievement of the portfolio decarbonisation targets by 2050. To reach this target, BCR Group has implemented a well-defined structure and governance framework for the execution of decisions under the BCR Group Responsible Financing Policy. The key decarbonisation lever contributing to achieving the policy's target is 'emission reduction in the energy sector' (see chapter E1-3 for more details). Detailed CO_2e results for financed emissions, covering both the current and previous years, are available in chapter E1-6.

Methodology

The policy mandates a two-tier review process. To comply with the requirements of the policy, the deal originator must:

- seek a dedicated dialogue with high-emitting clients. This typically starts with an industry and client-specific assessment of ESG issues, to identify sustainable finance instruments that match the client's sustainability and funding strategy;
- collect relevant information and documents related to the specific deal;
- assess the non-financial risks in line with the BCR Group Responsible Financing policy and propose corresponding follow-up measures if necessary.

The second review is carried out by the Sustainability Department and Non-financial Risk Management (NFR) function. They guide the deal originator and associated employees through the specific NFR process required by the deal in question.

BCR Group implements principles for the energy sector to advance the management of environmental and climate risks as well as energy security and social impacts of actual energy transition projects. These energy sector principles are based on accepted industry principles and acknowledged by various stakeholders as best practice. These principles are also aligned with BCR Group´s commitment to reduce carbon emissions as BCR Group recognizes the strategic importance of renewable energy and energy efficiency projects.

Scope of the responsible financing policy

The policy applies to on and off-balance sheet transactions of BCR, and BCR Leasing IFN S.A., and has no application for BCR Group's upstream value chain.

All products and services in the corporates and markets segment for BCR Group financing entities are in the scope of this Policy, no matter whether the financing is direct or indirect, on- or off-balance-sheet financing and whether financial risks are linked to it or not. These include all products and services in the Corporates and Markets area for all BCR's entities are in scope of this policy no matter whether it is direct or indirect, on - or off-balance-sheet financing, and whether financial risks are linked to it or not. A client company/group is considered within the scope of the policy if the economic activity in scope of the deal accounts for more than 5% of the group's turnover, unless otherwise specified. Not in scope of this policy are all retail business line products, single payment transactions, transactions below a threshold of EUR 1 million within an already approved limit and "Responsible Investments" (including Erste Asset Management). For transactions managed by Financial Institutions Department below a threshold of EUR 0,5 million within the approved limit, compliance with the BCR Group Responsible Financing Policy is assessed by the Business line.

An ongoing dialogue is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in BCR Group's policy setting process. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

The BCR Group Responsible Financing Policy is made available on the internal website of BCR Group and relevant external stakeholders were provided upon request with this document via e-mail. This Policy is owned by the Sustainability Department. By adhering to this policy, BCR Group commits to respect the demands by the EU Paris agreement as well as the EU taxonomy.

BCR Retail Credit Risk Management Policy

Policy objectives to address impacts, risks and opportunities

Higher operational costs and capital expenditure for clients to align to increasing standards due to climate change can result in decreased profitability for companies in energy-intensive sectors as well as liquidity shortage of retail clients. Also, BCR Group faces a higher credit risk as climate-related transition events can lead to negative effects on the profitability of business models and the financial stability of debtors. The consequences for BCR Group are increased risk provisions and connected negative impacts the profit and loss statement and funds. The policy supports the achievement of the portfolio decarbonisation targets by 2050. Decarbonisation levers primarily contributing are the emission reduction in the energy sector as well as the promotion of a sustainable real estate sector (see chapter E1-3 for more details). For a detailed understanding of the CO_2e metrics associated with financed emissions, chapter E1-6 provides comprehensive results for the current and prior years.

Methodology

The policy requires BCR lending entities, to collect and store sustainability data, which can be obtained through an EPC of the financed object or an alternative method of assessing energy classification. If no energy classification information is received, the worst category of the available energy performance scale is assumed for the loan decision. The policy includes special lending conditions based on the energy efficiency values of the objects being financed. These conditions acknowledge that objects with lower energy efficiency are more likely to incur higher future maintenance and investment costs, which could impact the repayment capacity of customers and represent a credit risk. Higher energy efficiency, evidenced by an EPC, means a lower carbon footprint for the building. Thus, for retail mortgages, the pricing is linked to energy efficiency of the real estate collateral, higher energy efficient purchases are incentives with interest rate discounts, on the entire loan lifetime.

In BCR lending process, the recommended parameters for housing loans are differentiated by type of housing loan products (which have specificities including different EPC levels among other parameters), with different minimum application score and minimum income requested for applying a higher than standard maximum Debt Service to Income (DSTI) assigned to each type of housing loan product.

Scope

The scope of the policy applies to BCR Group's entities that are engaged in lending to private individuals and micro entities. The Chief Risk Officer (CRO) of BCR is responsible for the implementation of the policy and ensuring that majority-owned subsidiaries also comply with the requirements of this policy. The policy covers the entire end-to-end retail credit cycle, which includes loan granting, portfolio management and collections. It is adopted across geographies in compliance with local regulatory requirements. There are no explicit exclusions mentioned in terms of activities or the upstream and down-stream value chain.

An ongoing dialog is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in both Erste Group's and BCR Group's policy setting process. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

By adhering to this policy, BCR Group also follows the European Banking Authority (EBA) guidelines on loan origination and monitoring, the EU GDPR and KYC requirements, as well as the regulation and recommendations issued by the National Bank of Romania. This policy is available to internal stakeholders and it has also been communicated to the National Bank of Romania.

BCR Real Estate Financing Policy

Policy objectives to address impacts, risks and opportunities

BCR benefits from the financial opportunities that arise from the financing of and investments into companies that offer solutions for adapting to climate change and the funding of adaptation solutions in the real estate market (residential and commercial real estate). However, BCR also considers climate-related physical risks that can lead to a devaluation of collateral and/or to negative effects on the business models and financial stability of debtors. The consequences are increased risk provisions and negative impacts on BCR profit and loss statement and own funds. For this reason, BCR Real Estate Financing Policy requires a sustainability assessment for real estate financings projects before making a credit decision. In doing so, the policy contributes to the achievement of the portfolio decarbonisation targets by 2050. Principal mechanisms for decarbonisation that are instrumental in attaining the policy's objectives include 'promoting a sustainable real estate sector' as well as 'emission reduction in the energy sector' (see chapter E1-3 for more details). Detailed CO_2e results for financed emissions, covering the current year, are available in chapter E1-6.

Methodology

With regards to the monitoring process, the policy requires an assessment of energy efficiency, physical risk (e.g. flooding, drought etc.) and the CO_2e value of the asset. It requires a Technical Due Diligence report, which includes the following areas:

- a technical and functional evaluation of the asset;
- verification of the legal authority's (permitting) status;
- a general evaluation of the building specification;
- a technical/economical evaluation of the used products;
- the implemented technology, the overall quality and workmanship;
- a rough estimation of necessary investments.

Scope of the real estate financing policy

The scope of the policy encompasses all real estate financing transactions with corporate clients or client groups, regardless of segmentation criteria. It covers BCR`s Commercial Real Estate segment, all specialized lending income-producing real estate clients and clients with certain codes in the nomenclature statistique des activités économiques dans la communauté européenne (NACE) related to the corporates segment or the industry segments of Real Estate or Hotels and Leisure. The policy does not apply to workout clients, as defined in the Policy for managing Corporate Workout Clients-, which focuses on restructuring rather than new business generation.

For engagements above EUR 40 million, the policy requires legal documentation to be based on international Loan Market Association standards, ensuring the possibility of syndication or sub-participation.

During the BCR policy review, the Erste Group -wide standards and principles are considered by consolidating the internal input from stakeholders. This process involves gathering and analysing feedback and suggestions from group members and other relevant parties. The goal is to ensure that the proposed policies align with the organization's values and objectives, as well as the expectations and needs of the relevant stakeholders. This approach results in a more comprehensive and well-founded formulation and implementation of policies. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

The BCR Management Board is accountable for approving and implementing the policy. The policy is available to internal stakeholders on the internal website of BCR Group.

BCR Corporate Lending Policy

Policy objectives to address Respective impacts, risks and opportunities

BCR Corporate Lending Policy defines group-wide rules and principles for corporate lending to ensure sound credit risk management, responsible banking and standardised client creditworthiness assessments. The policy supports managing risks stemming from energy and climate change mitigation by conducting a comprehensive ESG assessment of large corporate borrowers. BCR Group may face higher credit risk caused by climate-related transition events that can lead to negative effects on the profitability of business models and the financial stability of debtors. The consequences are increased risk provisions for BCR Group and connected to negative impacts to its profit and

loss statement and own funds. For example, price instability in the energy market due to climate change can result in decreased profitability in companies belonging to high emitting sectors. By managing these risks, the policy supports the BCR Group's portfolio decarbonisation targets and potential subsequent emission reduction. The key decarbonisation lever contributing to achieving the policy's target is 'emission reduction in the energy sector'(see chapter E1-3 for more details). Detailed CO_2e results for financed emissions, covering the current year, are available in chapter E1-6.
If clients are exposed to increased sustainability risks, these must be properly assessed with respect to their financial position in the credit application and considered in the final lending decision as well as the rating. For large corporates in certain industries that lack a climate transition plan and do not measure the current emissions, any new transaction including a policy exception must be approved by the holding credit committee. This ensures that material sustainability matters are integrated into the lending process and encourages clients to adopt sustainable practices. Additionally, ESG assessments are updated annually to reflect any changes in the client's ESG risks.

Methodology

The evaluation of the client performance or solvency includes an assessment of its financial metrics and their engagement in mitigation activities. ESG assessment questionnaires are used during the lending process to evaluate climate change mitigation risk and how ESG factors may positively (mitigation) or negatively (risks) impact the financial performance or solvency of the client. Large corporates are required to share their corporate carbon footprint as well as their carbon offsets. In addition, the client's energy mix and efficiency are analysed. A more sustainable energy mix and higher energy efficiency benefits the client's overall performance in the evaluation.

Scope

The policy is also applicable to the BCR Leasing IFN SA subsidiary and covers all corporate clients (LC, SME, CRE, Non-Banks Financial Institutions, Corporates owned by Sovereigns or Sub-Sovereigns and public sector). The policy explicitly excludes clients involved in suspicious and illegal activities or controversial industries as well as pure financial holdings without transparency and captive/ offshore companies not consolidated into the internal BCR Policy on the creation of groups of connected clients (GCC).

During the policy review, the group's standards and principles are considered by consolidating the internal input from stakeholders. This process involves gathering and analysing feedback and suggestions from group members and other relevant parties. The goal is to ensure that the proposed policies align with the organization's values and objectives, as well as the expectations and needs of the relevant stakeholders. This approach results in a more comprehensive and well-founded formulation and implementation of policies.
For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

By adhering to this policy, BCR complies with the EBA Guidelines on loan origination and monitoring. The Management Board is accountable for the implementation of the policy. The policy is made available internally on the intranet.

E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES[43]

The energy and real estate sectors in BCR Group's portfolio are key to its decarbonisation efforts. To achieve net zero emission targets, BCR focuses on two portfolio decarbonisation levers that comprise several already implemented key actions. For a more comprehensive understanding of the CO_2e results pertaining to financed emissions, please consult chapter E1-6.
To achieve our net-zero own operations target BCR has defined a third decarbonisation lever which is broadly related to employee mobility, enhancing building energy efficiency, and switching to low-carbon energy sources.

Decarbonisation lever 'Promoting a sustainable real estate sector'[44]

BCR aims to reduce its financed emissions by increasing sustainable financing in the real estate sector through two main enablers, its Financial Health Commercial Real Estate Tool to track the carbon footprint of commercial real estate portfolios and the development of Renovation Financing solutions to assess its client's home renovation need and energy efficiency.

On one hand, the real estate decarbonization action contributes to the achievement of the Sustainable Finance Guideline's objective in strengthening its role in sustainable financing. On the other hand, the action aligns with BCR 's Real Estate Financing Policy, as the policy requires a sustainability assessment for residential real estate financings projects before making a credit decision. Therefore, this decarbonisation lever addresses the impacts,

43 ESRS E1-2 §25, ESRS E1-2 §26
44 ESRS E1-3 §29-a

risks and opportunities (IRO) of these policies as outlined in chapter E1-2. As a result, it contributes to the achievement of the portfolio decarbonisation targets by 2050. This lever further contributes to the attainment of the 25% sustainable corporate financing target and the 15% sustainable mortgage target (see chapter E1-4 for more details on targets).

Enabler 1: Financial Health Commercial Real Estate Tool

BCR applies the Financial Health Commercial Real Estate Tool, which was developed at Erste Group level, to enhance client engagement, provide greater transparency and improve the overall quality of its portfolio. It is expected that this instrument will have a positive impact on climate change mitigation by enabling the identification and promotion of energy-efficient building practices. By integrating asset-level data on energy performance and greenhouse gas (GHG) emissions, the tool allows both the Bank and its clients to actively track and manage the carbon footprint of commercial real estate portfolios. The tool raises client awareness and encourages the adoption of renewable energy solutions, such as on-site solar power generation or green electricity procurement. With this initiative, BCR aims to enhance energy efficiency and reduce carbon emissions within its commercial real estate holdings.

The Financial Health Commercial Real Estate Tool integrates client asset KPIs with benchmark values derived from Erste Group's portfolio data, internal policies and GHG thresholds. For instance, BCR compares client EPCs among other client assets in the portfolio (EPC values of CRE assets). A pre-defined CO_2e threshold allows BCR to identify assets that are desirable in terms of CO_2e emissions and are aligned with its portfolio reduction pathway. The tool enables clients to visualize their projects, compare them with other portfolio projects and place them within the context of BCR 's commercial real estate decarbonisation pathways.

The screening of each client within the portfolio is currently underway and will continue throughout 2025. The primary objective is to engage with all relevant commercial real estate clients, using available underlying asset information. As a result, the Financial Health Real Estate Tool indirectly contributes to climate change mitigation and GHG reduction by facilitating the identification and promotion of energy-efficient building practices among clients.

Enabler 2: Renovation financing

To support the energy efficiency transition in residential properties, BCR Group is planning to further provide its retail clients with dedicated products to accommodate their home renovation needs. BCR launched the Casa Mea Natura loan in August 2021, which is dedicated for energy efficient homes. This product can be accessed providing that an energy performance certificate (EPC) A or B, issued based on the most recent methodology in place at national level, is available. Furthermore, in partnership with a technology provider we have developed a loan aimed at supporting installation of solar panels for private homes. BCR plans for short and medium term envisage rolling out new products, such as renovation loans, to support the increase of energy efficiency of buildings. Also, BCR will continue its actions aimed at enhancing the EPCs collection for its portfolio private individuals secured loans by focusing on the implementation of tailored campaigns. The expected results include increased client engagement via various channels, with more homeowners adopting energy-efficient renovation measures and have an EPC issued.
By developing and implementing new financing solutions, BCR shall continue to support its clients in enhancing the energy efficiency of their homes, thereby promoting sustainable housing solutions. Additionally, clients are encouraged to access subsidy programs and to receive financing options, leading to better utilization of energy-saving technologies such as solar panels, heat pumps and home insulations. Where financially viable and credit risk parameters are met, BCR is easing the time to cash for customers to receive financing for energy upgrades. This measure supports the implementation and fulfilment of the retail credit risk policy and the SFG. It contributes to the achievement of the target 'sustainable retail mortgages' as outlined in the table 'Sustainable financing –actuals and targets'.

BCR Group proactively engages with clients, offering renovation calculation and financing options through various channels. By leveraging the renovation calculator and associated financing solutions, BCR Group supports clients in enhancing the energy efficiency of their homes, thereby promoting sustainable housing solutions. The effectiveness of this initiative will be monitored by the granted renovation loans.

The described decarbonisation lever with its two enablers drives GHG emission reductions as shown in the table 'Sustainable Financing – actuals and targets'.

Scope of the decarbonisation lever

Currently in the rollout phase, the Financial Health Commercial Real Estate Tool was implemented by BCR Group, with the screening of all existing stock assets expected to be completed in the short to medium term. The tool focuses on downstream value chain and addresses the commercial real estate portfolio of BCR. The Renovation Financing will apply to the downstream value chain of BCR Group, focusing on retail mortgage clients, particularly targeting those with high energy intensity. Detailed CO_2e results for financed emissions, covering the current year, are available in chapter E1-6.

The actions under the decarbonization lever 'Promoting a sustainable real estate sector' have been considered particularly for short and medium term, but in light of the decabonization targets set these are to be further enhanced as to be used on a long-time horizon as well. For the implementation of these actions resources from Corporates, Retail, Risk and Sustainability teams are allocated.

Decarbonisation lever 'Financed emissions reductions in the energy sector'

BCR aims to reduce its financed emissions in the energy sector by increasing sustainable financing for renewable energy projects and by reducing its loan portfolio in the coal sector. The contribution to decarbonisation targets significantly depends on the nature of the financed company. For instance, a coal or a conventional fuels-reliant company that utilises the financing to implement adaptation solutions (e.g. such as wind parks) can thereby reduce its reliance on fossil-based technology.

This lever contributes to the decarbonisation of BCR's energy portfolio and is in line with the Sustainable Finance Guideline which defines sustainable investments that contribute to climate-neutrality as well as the BCR Group Responsible Financing Policy which sets exclusion criteria for harmful socio-environmental economic activities, such as investments into carbon-intensive energy activities. Additionally, it contributes to the objectives of the BCR Corporate Lending Policy. Therefore, this decarbonisation lever addresses the IROs of these policies as outlined in chapter E1-2. The lever further contributes towards the policies' objectives such as the net zero portfolio target as well as the 25% sustainable corporate target. The achievement of the policies' targets is outlined in chapter E1-4.

Through the key actions 'renewable energy financing' and 'reducing coal financings', investment in and financing of energy-intensive energy companies will be reduced, while financing renewable energy projects enables CO_2e-neutral energy production, which is necessary for the transition to a low carbon economic system within the planetary boundaries, offering new clean energy opportunities for BCR's portfolio.

Key action 1: Renewable energy financing

BCR's renewable energy financing aims to increase the share of sustainable financing for projects that support the transition to cleaner energy sources, contributing to the adoption of renewable energy solutions, including wind, solar and battery storage. The anticipated impact includes an increase in financing for renewable energy projects and a reduction in financed emissions from the energy and heat production sectors, particularly if fossil-reliant companies transition to cleaner energy technologies. This initiative is a key measure contributing to the fulfilment of the targets and goals outlined in the SFG.

Key action 2: Reducing coal financings

In line with its Responsible Financing Policy, BCR Group is committed to progressively reduce its financing of thermal coal mining and thermal coal-based power generation, phasing out coal financing by 2030 in alignment with the National Energy and Climate Plan (NECP) of Romania. For the oil and gas sector, BCR Group has committed to avoiding any expansion of financing for oil and gas exploration unless it is crucial for independence from Russia and is indispensable for national energy security within Europe.

BCR actively engages with all clients exposed to thermal coal, focusing on understanding their transition plans. By the end of 2025, BCR aims to analyse all clients in this sector in-depth to assess and align their transition plans with the bank's net zero targets. This includes identifying clients with over 25% of revenues from thermal coal and requiring them to present a credible, time-bound exit plan to phase out coal-related activities by 2030. BCR ensures that its engagement focuses on helping oil and gas sector clients adopt environmental action plans and decarbonisation strategies. On one hand, this includes avoiding financing for extraction in unconventional sectors. On the other hand, BCR is prioritising engagements of high emitting clients, who are part of their sector's decarbonisation targets, to assess their transition plans including the necessary CAPEX investments.

Through the implementation of the two outlined measures, this initiative will result in a substantial reduction in financed emissions. Renewable energy financing currently constitutes the second-largest component of the Bank's 25% sustainable financing target. Following commercial REF, it is the most significant contributor to the reduction of financed emissions. Romania's coal phase-out strategy is expected to achieve a notable reduction in financed emissions associated with fossil fuels. Focusing on specific-purpose financing in renewable technologies, such as wind, solar and hydro, will further reduce BCR's financed emissions and significantly contribute to the 25% corporate sustainable financing target.

Additional information on the achieved GHG reductions can be found in table 'Portfolio Decarbonisation Targets including progress in 2024,' with particular emphasis on the electricity production sector.

Scope of the decarbonisation lever

The scope of the sustainable finance for renewable energy measure covers the downstream value chain of BCR Group, specifically targeting renewable energy projects in the energy and heat production sectors. The implementation of the sustainable financing measure for renewable energy is designed for a long-term period.

With regards to clients belonging to sectors not included in BCR's portfolio decarbonisation targets, BCR conducts similar engagement strategies as for clients with high financed emissions.

The actions under the decarbonization lever 'Financed emissions reductions in the energy sector' have been considered particularly for short and medium term, but in light of the decarbonisation targets set these are to be further enhanced as to be used on a long time horizon as well. For the implementation of these actions resources from Corporates, Retail, Risk and Sustainability teams are allocated, and the effectiveness of the action is determined based on the financed emissions and coal exposure trends.

The decarbonisation levers "Promoting a sustainable real estate sector" and "Financed emissions reductions in the energy sector" do not directly address providing remedies for those affected by actual material impacts. The related expenditure for the portfolio decarbonisation levers is not significant for the financial performance of the BCR Group. With regards to the two decarbonisation levers considered for the portfolio, no assessments can be made concerning the CO_2e reduction potential yet.

Decarbonisation lever 'Emission reduction in own operations'

BCR Group aims to decarbonise its operations by decarbonising employee mobility through electrification, enhancing building energy efficiency, switching to low-carbon energy sources and increasing employee engagement through trainings and joint action. The implemented actions target tCO_2e emissions from own operations, thus contributing to its net zero operations goal set at Bank level. BCR Group's actions currently focus on the reduction of scope 1 and 2 emissions as managing operational scope 3 emissions represents a significant challenge, as these emissions are largely influenced by the activities of third parties and external stakeholders. Please refer to chapter E1-4 to gain a deeper understanding of the achieved GHG emission reductions within Scope 1 and 2. Additionally, chapter E1-6 outlines the current CO_2e balance results. For more insights into energy consumption and its breakdown, please see chapter E1-5.

Resources from Property Management, IT operations, People and Culture and Sustainability teams are allocated for the implementation of these actions. This also depends to some extent on the availability of resources, including financial ones. Nevertheless, no constraints in terms of resources which might impair our ability to implement the climate change and mitigation actions in own operations were identified at this stage.

No significant capital expenditure and operating expenditure is required for the described measures. No projections have yet been made for the CO_2e reduction potential concerning own operations.

Scope of the decarbonisation lever

The implementation of the measures relates to the short-term period for employee engagement and awareness and to the medium-term period for decarbonisation of employment mobility, increased energy efficiency of own buildings and low carbon energy use.

E1-4 – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTION

Portfolio Decarbonisation Targets

BCR's decarbonisation targets are presented in the 'Portfolio Decarbonisation Targets' table, detailing emission scopes, the base year, the target value, the reference value and the selected scenario pathways and methodologies. BCR's GHG emission reduction targets are scientifically sound and compatible with limiting global warming to 1.5°C, except the real estate sectors.

The net zero portfolio target set at Erste Group level, which is supported by BCR, is strategically designed to evaluate the effectiveness and efficiency of the initiatives in mitigating the emissions associated with its financing activities. This target not only serves as a benchmark for assessing the success of various measures implemented to reduce the carbon footprint of financed projects but also underscores the Bank's commitment to sustainable finance. Detailed CO_2e results for financed emissions, covering the current year, are available in chapter E1-6.

The policies described in chapter E1-2, such as the SFG, the BCR Group Responsible Financing Policy, the BCR Corporate Lending Policy, the Group Real Estate Financing Policy and the BCR Group Retail Credit Risk Management Policy, collectively support the achievement of the portfolio decarbonisation target by addressing BCR Group's material IROs as listed in the table 'Material Impacts, Risks and Opportunities' in chapter SBM-3. The portfolio target is primarily achieved through a reduction in financed emissions in the energy sector as well as the promotion of a sustainable real estate sector. This is explained in more detail in the prior chapter E1-3.

By focusing on both the energy and real estate sectors, BCR aims to address major sources of emissions through sustainable financing, energy efficiency improvements and the transition to renewable energy sources. These efforts are expected to contribute significantly to achieving the GHG emission reduction targets. The portfolio decarbonisation targets address BCR's downstream value chain and applies to the entire geographical area in which it operates.

Client executives, industry experts and sustainability advisors were engaged to ensure that Erste Group's goals, and therefore BCR`s, are both ambitious and aligned with broader industry standards and expectations. The targets' setting process was coordinated by Erste Group and comprised a series of workshops carried out with the support of an external consultant. During these sessions the SBTi/PACTA methodologies for each sector were discussed, as well as the country level scenarios. BCR provided inputs on the business perspectives for each sector, transactions pipeline, mid- and long-term scenarios. The results of these workshops were used for developing the decarbonization targets at both Erste Group and BCR level.

The following medium and long-term targets have been set to define the path towards a net zero portfolio and make progress clearly measurable:

Portfolio decarbonisation targets[45,46]

Sector	Metric	Methodology[3]	Scenario/ pathway	Emissions scope[4]	Baseline		Targets			
					Year	Value	2030	Reductio n in %	2050	Reduction in %
Mortgages	$kgCO_2e/m^2$	SBTi SDA	IEA B2DS	1 and 2	2022	72.20	49.23	-32%	4.60	-94%
Commercial real estate	$kgCO_2e/m^2$	SBTi SDA	IEA B2DS	1 and 2	2022	43.93	21.07	-52%	2.79	-94%
Electricity production	$kgCO_2e/MWh$	PACTA	IEA NZE2050	1 and 2	2022	147.24	72.93	-50%	7.83	-95%
Oil and gas extraction	Tsd tCO_2e	PACTA	IEA NZE2050	1, 2 and 3	2023	250.67	233.65	-7%	103.21	-59%
Automotive production sector*	gCO_2e /km	PACTA	IEA NZE2050	1, 2 and 3	2023	186.72	102.18	-45%	24.07	-87%

*Bottom-up values.

[3] BCR's baseline values fulfill the requirements and calculation approach of third-party standard setters such as SBTi and PACTA. Those standards are based on the latest findings from leading environmental institutions, such as the IPCC. Hence, BCR's baseline value is to be considered a representative one.
[4] The given scopes represent emissions from BCR's downstream activities, in particular the scope 1, 2 emissions of the client financed by BCR, and where significant also Scope 3 emissions from the financed company / project.

No decarbonisation targets have been set for the portfolio of BCR Leasing due to the fact that no material exposures were booked at subsidiary level for sectors included in the decarbonization setting exercise.

Out of total credit risk volume of RON 141 billion as disclosed in the financial statements in section 28. Credit Risk, 57.7% is covered by the financed emissions calculation (see details in the respective chapter of CSRD). The portfolios with decarbonisation targets cover 37% (scope 1 and scope 2) and 28% (scope 1+2 and scope 3) out of financed emissions in 2024. Decarbonisation targets were established for carbon intensive sectors considering also available scientific methodologies.

As all targets are derived based on the Science-Based Target Initiative (SBTi) and PACTA methodologies, these targets serve as 1.5°C scenario-based benchmarks, except the real estate sectors. For those, BCR considers to re-baseline the targets.[47]

45 ESRS E1-4 §30
46 ESRS E1-4 §34-a to -f
47 ESRS E1-1 §16-g

Portfolio Decarbonisation Targets including progress in 2024

Sector	Metric	Methodology	Scenario/ pathway	Baseline Year	Baseline Value	Value 2024	Value Reduction in%	Targets 2030	Targets Reduction in %	Targets 2050	Targets Reduction in %
Mortgages	$kgCO_2e/m^2$	SBTiSDA	IEAB2DS	2022	72.20	68.11	-6%	49.23	-32%	4.60	-94%
Commercial real estate	$kgCO_2e/m^2$	SBTiSDA	IEAB2DS	2022	43.93	33.51	-24%	21.07	-52%	2.79	-94%
Electricity production	$kgCO_2e$/MWh	PACTA	IEA NZE2050	2022	147.24	87.16	-41%	72.93	-50%	7.83	-95%
Oil and gas extraction	Tsd tCO_2e	PACTA	IEA NZE2050	2023	250.67	191.54	-24%	233.65	-7%	103.21	-59%
Automotive sector	gCO_2e/km	PACTA	IEA NZE2050	2023	186.72	175.99	-6%	102.18	-45%	24.07	-87%

Methodology defined measures and the current progress towards the targets will be described below.

After defining portfolio decarbonisation targets for priority sectors, the BCR's risk appetite evaluation has been enhanced through the introduction of an internal indicator. The internal indicator addresses the question at what level of CO_2e emissions or CO_2e emissions per physical metric (identical to the metric used in decarbonisation target setting) in the respective year (e.g., 2024) puts the target achievement for 2030 at risk. Thus, its aim is not only to support the commitment to climate action, but also to enable pro-active monitoring of portfolio development along the defined decarbonisation path. The internal indicator is set as a buffer of maximum 13% above the downward decarbonisation pathway for 2024, thus allowing some deviations above it but still ensuring sufficiently early alert in case of possible misalignment with 2030 targets.

In case of a trigger event, the reasons for the indicator breach are analysed and mitigation measures are developed with the involvement of relevant stakeholders. This process is dependent on the drivers, industry specifics, impact as well as necessary time for remediation. It is discussed and agreed upon with the relevant stakeholders on a case-by-case basis.

The progress along the decarbonisation pathway is monitored quarterly via dedicated internal reports presented to the management. Moreover, the actuals are approved by the Management Board as part of the BCR Group Risk Management Report.

The explanation on the progress is elaborated in the chapters dedicated to the decarbonisation of the respective sectors.

Electricity sector decarbonisation target

The focus within the electricity production portfolio is on diversified electricity producers as well as project-based financing of electricity production. A thorough review is applied to confirm that the activities are centered on electricity generation. This focus supports the broader goal of reducing carbon emissions in the power sector, which is a significant contributor to global GHG emissions.

Moreover, the energy sector will be the central cornerstone of Europe's decarbonisation success. As one of the most pollutant industries at present, it also offers a substantial opportunity to transform from fossil fuels to renewable energy. Besides, a more environmentally sustainable energy mix, origination from electricity transformation, will be a key contributor to reduce emissions in other industries.

To support the energy transition, the EU climate objectives have helped to increase the ambition of national programs for deploying clean energy measures. Electricity systems need to be flexible and require growth in battery energy storage and flexible peaking power plants such as combined cycle gas turbines. Expansion and modernisation of transmission and distribution grids offer opportunities for financing to meet growing electrification demands.

This portfolio's scope includes direct emissions (scope 1) from the combustion of fossil fuels and indirect emissions (scope 2) associated with the purchase of electricity, heat and cooling necessary for operations. Emissions related to activities further down the value chain (scope 3) are not included, as they represent a relatively small part of the total emissions in the power generation sector.

BCR's methodological approach is grounded in the Paris Agreement Capital Transition Assessment (PACTA) framework, customized for financial institutions. This allows to track and manage the physical emission intensity of electricity producers within its portfolio. Decarbonisation targets are defined considering a physical metric and measured as $kgCO_2e/MWh$.

This metric plays a crucial role in evaluating whether BCR's clients are prepared for the necessary transition in line with the 2030 and 2050 decarbonisation objectives.

To align with global efforts to limit temperature rise, BCR has adopted the IEA (International Energy Agency) Net Zero 2050 scenario as the guiding benchmark. The targets aim for a 50% reduction in the physical emission intensity of the portfolio by 2030, bringing it down from a 2022 baseline of 147 kgCO2e/MWh to 73 kgCO2e/MWh. BCR is tracking the progress closely, with interim results showing a reduction of 41% to 87 kgCO2e/MWh by 2024. This status reflects the group-wide focus on energy transformation and financing renewable energy projects.

Based on the year-end monitoring of the decarbonisation progress of the electricity sector, the actual metric is in line with the internal indicator of 135 kgCO2e/MWh established by BCR Group, thus indicating that the bank's respective decarbonisation target set for 2030 is not at risk.

For deriving the future trajectories for each technology, the NZE (Net Zero Emissions) 2050 (1.5°C) scenario was used. The IEA, with its 'Net Zero by 2050: A Roadmap for the Global Energy Sector report,' depicts the pathway to building a global energy sector with net zero emissions by 2050. The key drivers of this scenario are electrification and electricity supply and demand. Electricity supply will change with the share of renewables rising and the use of coal falling globally. Natural gas is used as a transition up to 2030 but will decline in the long term.[48]

Oil and gas upstream decarbonisation target

The focus within the oil and gas portfolio is exclusively on clients' upstream activities, thus BCR applies a thorough review process to confirm that activities are related to upstream. Decarbonisation of this portfolio includes scope 1, 2 and 3 emissions.

The methodological approach is grounded in the PACTA framework, customized for financial institutions.

The scenario used is World Energy Outlook (WEO) 2021 NZE aligned (1.5^{0}C) global. The scenario implies the decline in global oil demand and foresees that natural gas demand remains mostly stable until 2030. The scenario foresees oil demand reduction coming from the shift of passenger vehicles, transport cars and heavy trucks electric power. The share of natural gas in the global energy mix remains around 11%, while around 70% of natural gas use in 2050 in NZE is equipped with carbon capture, utilisation and storage.[49]

BCR's targets aim for a 7% reduction in the absolute financed emissions of the portfolio by 2030, bringing it down from a 2023 baseline of 250.67 (which takes into account also expected pipeline added to the baseline) thousand tCO_2e to 233.65 thousand tCO_2e. BCR is tracking progress closely, with interim results of 191.54 thousand tCO_2e by 2024. Based on the year-end monitoring of the decarbonisation progress of oil and gas upstream, the actual metric is in line with the internal indicator of 139 thousand tCO_2e established by BCR.

The baseline value has factored in BCR 's business with its energy client at the point of targets setting. BCR has committed to refrain from increasing its exposure to oil and gas exploration financing, with the exemption of projects that align with Europe's national energy and climate plans (NECPs). BCR Group will provide banking services subject to its Group Responsible Financing Policy.

Automotive decarbonisation target

BCR has defined a decarbonisation target for the original equipment manufacturers, namely manufacturers of light duty vehicles (LDV). A thorough review process was carried out to identify the clients whose business activities fall under the definition of this sector. This portfolio includes scope 1, 2 and 3 emissions, thus enabling the consideration of emissions for the entire lifetime of the vehicle.

The methodological approach is grounded in the PACTA framework, customized for financial institutions. This allows BCR to focus on the automotive value chain that controls the bulk of the impact and the decarbonisation efforts, to track and manage the physical emission intensity of auto manufacturers within the portfolio that is measured as gCO_2e/km, following the well-to-wheel methodology. This metric as well as technology mix plays a crucial role in evaluating whether BCR's clients are prepared for the necessary transition in line with BCR's 2030 and 2050 decarbonisation objectives.

To align with global efforts to limit temperature rise, BCR has adopted the Net Zero 2050 scenario (WEO 2021) as guiding benchmark. The targets aim for a 45% reduction in the physical emission intensity of BCR 's portfolio by 2030, bringing it down from a 2023 baseline of 186.72 gCO_2e/km to 102.18 gCO_2e/km.
The reduction of the CO_2e emissions captured in BCR's decarbonisation path is mostly driven by the EU regulation published by the European Parliament, stating the EU ban on sale of new petrol and diesel cars from 2035 and the program Fit for 55.

BCR is tracking progress closely, with interim results showing a reduction of 6% to 175.99 g CO_2e/km by 2024. Relatively stable development of emission intensity in the portfolio of BCR Group resembles the trends that are seen on the market, namely slow transition by the auto manufacturers.

Based on the year-end monitoring of the decarbonisation progress of automotive sector, the actual metric is in line with the internal indicator of 187 gCO_2e/km established by BCR, thus indicating that the Bank's respective decarbonisation target set for 2030 is not at risk.

48 ESRS 2 IRO-1 §21
49 ESRS 2 IRO-1 §21

Commercial real estate and mortgages decarbonisation target

BCR decarbonisation targets for real estate are defined for the clients in scope of the Partnership for Carbon Accounting Financials (PCAF) mortgages and commercial real estate calculation which covers specific commercial real estate including income producing residential real estate and retail mortgages. This portfolio includes scope 1 and 2 emissions.

The methodological approach is grounded in the SBTi (Science Based Targets Initiative) framework using the SDA (Sectoral Decarbonization Approach). This allows BCR Group to track and manage the physical emission intensity of this portfolio. It uses a key metric that measures the amount of CO2e emissions per square meter (kgCO2e/m2). This metric plays a crucial role in evaluating whether the real estate assets are in line with the decarbonisation pathway connected to the 2030 target. To align with global efforts to limit temperature rise, it has adopted the Beyond 2°C Degrees (IEA ETP 2017) scenario as the guiding benchmark. The mortgage targets aim for a 32% reduction in the physical emission intensity of the portfolio by 2030, bringing it down from a 2022 baseline of 72.2 kgCO2e/m2 to 49.23 kgCO2e/m2. The portfolio largely consists of volumes in retail business segments. BCR is tracking its progress closely, with interim results of 68.11 kg CO2e/m2 by 2024, indicating a stable development. The stable development in this sector stems mainly from the different business characteristics in comparison with the other segments for which targets are set:

- Mortgages cannot be steered on an individual client basis, but systematic and portfolio-based approaches need to be followed.
- Mortgages are highly exposed to the macroeconomic circumstances and national programs available, such as the availability of subsidies for renewable energy systems and national renovation campaigns. Systematic approaches need to be taken by the respective policy makers to be on track for this segment.

Considering these characteristics, BCR acknowledges its limited possibility to steer this portfolio stand-alone. Currently, based on the year-end monitoring of the decarbonisation progress of mortgages, the actual metric is in line with the internal indicator (74 $kgCO_2e/m^2$) established by BCR.

The commercial real estate target is a 52% reduction in the physical emission intensity of the portfolio by 2030, bringing it down from a 2022 baseline of 43.93 $kgCO_2e/m^2$ to 21.07$kgCO_2e/m^2$. BCR is tracking progress closely, with interim results showing a reduction by 24% to 33.51$kgCO_2e/m^2$ by 2024. The portfolio largely consists of volumes in the corporate business segment, primary from the sub-segment commercial real estate and SME. Developments in this segment are driven by improvements in data quality (e.g., obtaining energy performance certificates), new business with lower emission intensity and methodological changes. Based on the year-end monitoring of the decarbonisation progress of commercial real estate, the actual metric is in line with the internal indicator (44.2 gCO_2e/m^2) established by BCR, thus indicating that the bank's respective decarbonisation target set for 2030 is not at risk.

BCR Group categorises the portfolio real estate assets based on factors of relevance for the portfolio such as energy demand and energy source. This classification helps to assess the readiness of clients for the transition and to shape engagement strategies with them.

In setting these targets, it engaged with key internal stakeholders, providing insights gained from their usual engagement with client executives, industry experts and sustainability advisors, to ensure that goals are both ambitious and aligned with broader industry standards and expectations.

Net Zero operations target

BCR has set a net zero target to reduce its operational scope 1 and 2 emissions by 90 % in comparison to the base year (2017). In absolute figures, the target is to reduce scope 1 and 2 emissions (market-based method) from 21.374 to 2.137 tCO2e by 2030. Detailed CO_2e results for emissions in own operations, covering the current year, are available in chapter E1-6. Additionally, chapter E1-5 provides more in-depth information on BCR Group's energy consumption and its composition.

The target covers BCR, and it is indirectly applicable to the subsidiaries of BCR Group as the office spaces are shared by all entities in the BCR Group.

The Net Zero target for operational scope 1 and 2 emissions was set according SBTi´s net zero Standard and Target Setting tool v 1.1, hence there is compatibility with limiting global warming to 1.5°C. The target setting method applied is absolute contraction, using a cross-sector pathway. It was set in 2021 and was updated to reflect the further development of the standard and align to best practices. The target covers 100 % of scope 1 and 2 emissions of BCR. For scope 2, the market-based method is used to calculate the target.

The Net Zero operations target addresses climate change mitigation and energy by aiming to reduce negative impacts through energy mix and own GHG emissions. Currently, there is no formal policy covering the operational emission reduction target, but an internal set of measures. The decarbonisation measures needed to achieve the operational target, have been identified to be renewable energy transition, energy efficiency improvement, decarbonizing employee mobility and employee engagement and awareness trainings like explained in chapter E1-3.

An ongoing dialogue is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in BCR 's target setting process which was centrally coordinated by Erste Group. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

The basis for BCR 's target monitoring and review process represent the annual emission calculation of scope 1 and 2 emissions including details on energy consumption and efficiency. With updated annual data, BCR assesses its performance against the set targets and adjusts or plans measures accordingly towards the achievement of the target (e.g. an increased focus on switching to alternative heating systems in own branches where feasible). In the last two years, BCR's scope 1 and 2 emissions showed a significant decrease resulting from the switch to green electricity and reduction in consumption of gas used for business premises heating.

In 2024, a 71 % reduction in scope 1 and scope 2 emissions (market-based) was achieved compared to the base year 2017. Specifically, scope 1 emissions decreased from 11,435 tCO2e to 5,617 tCO2e, while scope 2 emissions fell from 9,939 tCO2e to 520 tCO2e compared to the base year. This significant reduction is primarily due to increased renewable energy consumption and reduction in consumption of gas used for business premises heating. Additionally, the share of electric cars in the fleet increased from 0% in 2017 to 21% in 2024.

Table Scope 1 and 2 targets

		Baseline		Actual		Short term		Mid term	
Targets	Metric	Year	Value	Year	Value	Year	Target	Year	Target
Total scope 1 and 2 emissions	tCO_2e	2017	21,374	2024	6,137	2025	6,000	2030	2,137
Electric fleet	% of e-cars in total car fleet	-	-	2024	21%	2025	30%	2030	100%

BCR's focus is to decrease scope 1 and scope 2 emissions in own operations, and it has not adopted a target for scope 3 emissions as to be able to progress promptly based on actions targeted at the part of its value chain that it can influence.

Sustainable financing targets

25% sustainable corporate financing target by 2026

The 25% sustainable corporate financing target addresses BCR's identified impacts and opportunities related to climate change mitigation, emission reduction for real estate, and deployment of renewable energy deployment. This includes primarily financing of real estate and renewable energy projects, while also supporting BCR Group's clients in their decarbonisation efforts and transition to a sustainable business model. The Sustainable Finance Guideline and criteria set outlines which financings contributes to the target achievement (see 'Methodology' in this chapter and E1-2 for more details).

BCR aims to achieve a ratio of 25% of sustainable financings towards corporates in 2026. The target is defined in relative to the gross carrying amount of corporate financing on the balance sheet. The target is applicable for all corporate business lines of BCR.
In 2024, the share of sustainable financing related to the corporate's portfolio was 11.3%. Monitoring is done on a quarterly basis and discussed at the Sustainability Committee meetings.

15% sustainable mortgages target by 2027

The 15% target for sustainable mortgages tackles BCR's recognized positive impacts and opportunities concerning climate change mitigation and efficient energy use. This involves financing and investing in real estate, renovation and energy efficient projects. The Sustainable Finance Guideline and related criteria outlines which financings contribute to the target achievement (see 'Methodology' in this chapter and E1-2 for more details).
BCR is committed to achieve a ratio of 15% of sustainable mortgage lending towards retail clients in 2027, to support the target set at Erste Group level. However, we have the local ambition to overachieve this target and reach at 25% sustainable mortgage lending by 2027. The target is defined in relative terms to the on-balance gross carrying mortgage amount towards retail clients.

Since the target is a fix ratio of 15% for 2027, a baseline value and baseline year to measure progress are not applicable. In 2024, the share of sustainable financing related to sustainable mortgages was 20.1%. The actual results are monitored and reviewed in regular intervals. Monitoring is done on a quarterly basis and discussed at Sustainability Committee meetings.

Table Sustainable financings actuals and targets

						Targets			
		Baseline		Actual		short term		mid term	
	Metric	Year	Value	Year	Value	Year	Target	Year	Target
Sustainable corporate financing	% of corporate financing portfolio	-	-	2024	11.3%	-	-	2026	25.0%
Sustainable retail mortgages*	% of retail mortgage portfolio	-	-	2024	20.1%	-	-	2027	15.0%

* BCR is committed to achieve a ratio of 15% of sustainable mortgage lending towards retail clients in 2027, to support the target set at Erste Group level. However, we have the local ambition to overachieve this target and reach 25% sustainable mortgage lending by 2027.

The sustainable retail mortgage ratio of 20.1 % in 2024 indicates that BCR fulfils its sustainable retail mortgage target ahead of the schedule.
Sustainable corporate financings reaching 11.3% in 2024 were mainly driven by real estate financings, and renewable energy projects, while also further enhancing BCR's financing opportunities in other sustainable areas.

New corporate sustainable financing has been supported by a strong contribution from commercial real estate financing and renewable energy projects, as shown in the Table Sustainable corporate financing. This growth has further strengthened our sustainable corporate financing KPI.

Table Sustainable corporate financing

in RON million	2024
New corporate sustainable financing, total new business[1]	2,375.6
Construction and Real estate	788.4
Renewable energy	1,119.7
Transportation	149.2
Other corporate financing[1]	318.3

1 The target is applicable for all corporate business lines of BCR

The measurement of these metrics has not been validated by an external body, apart from the assurance provider.
No changes in the targets, corresponding metrics or the underlying methodologies have been made in 2024. The sustainable corporate financing target and the sustainable mortgages target were set based on guidance collected through bilateral discussions, conferences, dialogues from supervisory and regulatory authorities, investors, analysts and rating agencies as well as NGOs, academic and environmental institutions. The internal experts' recommendations were subsequently integrated into the target-setting process which was centrally coordinated by Erste Group. For more details on consideration of interests and view of stakeholders please refer to chapter SBM-2.

E1-5 – ENERGY CONSUMPTION AND MIX

BCR Group uses the UL360 software program from UL Solutions, which is implemented at Erste Group level, to gather energy consumption data. Energy consumption at approximately 350 business locations is individually recorded and evaluated. Annual electricity and heating consumption values in MWh are collected on an individual address level, broken down by source of electricity and heating type to be able to split the total energy consumption into fossil, nuclear and renewable sources. As proof documents, supplier invoices are recorded in the accounting system. The split between energy from fossil, nuclear and renewable sources is done directly in the UL360 system following this logic:

— consumption from 100% renewable sources (e.g. purchased green electricity as defined in the contract with the energy supplier or via other contractual instruments such as Energy Attribute Certificates – Guarantee of Origin (EECS-GO) for green electricity) is automatically allocated to ''renewables''.
— consumption from 100% fossil sources (e.g. oil for heating or diesel for emergency generators) is automatically allocated to "fossil''.
— For mixed sources like national electricity supply or district heating partially from renewables and fossil sources, data contributors have the option to enter the split as indicated on their energy bills or provided by their suppliers into the system.
— If data contributors do not have access to this information a national average split is applied.

Measurement uncertainty can result from the fact that the collection of energy consumption is not linked directly to the meters installed at the office or branch locations but based on the manual input of energy consumption as invoiced by the energy provider. Adjustments are made to the invoiced quantity if part of the property is leased out to third parties. Adjustments are based on leased out area as % of total property area if there is no meter available for tenant's space. Overall aim is to estimate BCR Group part of the consumption in the property. For some locations, data must be extrapolated if invoices are received after the reporting deadline or to account for different cut-off periods. For those locations where no consumption values, supported by a supplier invoice, were available, an average consumption is automatically applied and calculated for the individual location based on the net floor area and comparable properties and considering a national average split of energy source by fossil, nuclear and renewables. The total energy consumption in 2024 amounts to 43,515 MWh.

Energy consumption and mix[50]

Energy consumption mix	2024
Total fossil energy consumption (MWh)	25,157
Share of fossil sources in total energy consumption (%)	57.81%
Consumption from nuclear sources (MWh)	-
Share of consumption from nuclear sources in total energy consumption (%)	-
Total energy consumption from renewable sources disaggregated by:	18,358
-fuel consumption for renewable sources[1]	-
-consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources;	18,356
-consumption of self-generated non-fuel renewable energy.	2

[1] incl. biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renewable sources

50 ESRS E1-5 §37-a to -c

E1- 6 – GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

Total Greenhouse gas Emissions

Table Total GHG emissions

	Base year (2022)	Reporting year (T)	Milestones and target years[51] 2025	2030	(2050)	Annual % target / Base year
Scope 1 GHG emissions[1]						
Gross scope 1 GHG emissions (tCO_2e)	5,750	5,617				
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)[2]	N/A	N/A	N/A	N/A	N/A	N/A
Scope 2 GHG emissions [1]						
Gross location-based scope 2 GHG emissions (tCO_2e)	6,192	5,605				
Gross market-based scope 2 GHG emissions (tCO_2e) [52]	2,001	520				
Significant scope 3 GHG emissions[3] [53]						
Total Gross indirect (scope 3) GHG emissions (tCO_2e)	1,926,941	4,046,684				
Purchased goods and services	704	1,388				
Capital goods	61	93				
Fuel and energy-related activities	1,918	1,176				
Upstream transportation and distribution	3,774	3,984				
Waste generated in operations	175	1,100				
Business travels	730	1,473				
Employee commuting	2,961	3,355				
Downstream leased assets	100,082	121,043				
Investments	1,816,536	3,913,072				
Total GHG emissions						
Total GHG emissions (location-based) (tCO_2e)	1,938,883	4,057,906				
Total GHG emissions (market-based) (tCO_2e)	1,934,692	4,052,821				

[1] Note: No biogenic emissions are emitted.
[2] BCR Group is not part of any regulated emission trading schemes. Therefore, no scope 1 GHG emissions stem from such schemes.
[3] ESRS E1 refers to the GHG protocol Corporate Value Chain (scope 3) Accounting and Reporting Standard, 2011, which defines 15 scope 3 categories of which only material ones should be disclosed.

The baseline value determined for Scope 1 and 2 emissions is 21.374 CO_2 tones and the related base year is 2017, as described above under section E1-4 – Targets related to climate change mitigation and adaption. Values presented in the table above for scope 1 and 2 under column "Base year 2022" were included to ensure consistency and comparability with the data presented for Scope 3, for which the base year was set to be 2022 (for all Scope 3 categories).
A cumulated target (Scope 1 & Scope 2 emissions) was approved by highest level of management for 2025 as 6,000 tones CO_2 and for 2030 2,137 tones. Scope 2 emissions are market based emissions.

51 ESRS E1-6 §44-a to -d
52 ESRS E1-6 §52-a and -b
53 ESRS E1-6 §51

The cumulated targets are supported by separate targets for Scope 1 and Scope 2 approved at a lower level of management. These are as follows: Scope 1: 5,480 tons in 2025 and 1,679 tons in 2030; Scope 2: 520 tons in 2025 and 458 tons in 2030.
With regards to the methodologies and assumptions used for calculating the measured GHG emission please refer to the subsequent paragraphs concerning operational and financed emissions.

Greenhouse gas intensity per net Revenue

GHG intensity per net revenue[54]

	2024
Total GHG emissions (location-based) per net revenue used to calculate GHG emissions (tCO_2e/RON)	1,518.51
Total GHG emissions (market-based) per net revenue used to calculate GHG emissions (tCO_2e/RON)	1,516.84

Reconciliation of Net Revenue and Assets

Reconciliation of net revenue[55]

in RON thousand	Revenue 2024
Amounts used to calculate GHG emissions *	2,671,880
Total amount according to the financial statements	9,039,740

* Net revenue used to calculate GHG emissions refer to the net revenue generated from the loans that were included in the financed emissions calculation. GHG intensity per total net revenue is 448.83 tCO_2E / RON (location-based) and 448.33 tCO_2E / RON (market-based).

RECONCILIATION WITH THE STATEMENTS OF PROFIT OR LOSS

The revenues amounting to RON 2,671 thousands which served as the basis for calculating GHG emissions represents net revenue associated with the exposure included in the financed emissions calculation (as presented in Table "Share of the portfolio covered by the calculations"), and are part of the total revenues amounting to RON 9,039 thousands, as presented in the Financial Statements, in the Statements of profit or loss as follows:

in RON thousand	Notes to the Financial Statements	Revenue 2024
Interest income	1	6,692,846
Other similar income	1	242,463
Fee and commission income	2	1,450,865
Dividend income	3	6,192
Net trading result	4	487,915
Foreign currency translation		4,371
Rental income from investment properties and other operating leases	5	34,543
Other revenues included in the Statements of profit or loss in Other Operating Result, but not as a separate presentation line	11	120,545
Total amount according to the financial statements		9,039,740

GHG emissions generated by BCR Group's operations are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Calculations cover scope 1, scope 2 and scope 3 emissions and each was measured in CO_2e. The organisational scope of the calculation refers to all entities in the IFRS scope of consolidation with at least one FTE. To calculate the emissions from activities emission factors with a GWP (Global Warming Potential) of 100 was used including relevant GHG emissions (carbon dioxide - CO_2, methane - CH_4,

54 ESRS E1-6 §53, 54
55 ESRS E1-6 §55

nitrous oxide - N_2O, hydrofluorocarbons - HFCs, perfluorocarbons - PFCs, sulfur hexafluride - SF_6, nitrogen triflouride - NF_3). The results are not validated by an external body.

In case of the various emission categories, BCR Group implemented the following approaches:

Scope 1 and 2

BCR Group uses the UL360 software programme from UL Solutions to gather scope 1 and scope 2 environmental data as stated in chapter E1-5. For a better understanding of BCR Group's methodologies and significant assumptions behind the metrics please refer to chapter E1-5. Scope 2 emissions were calculated by using a location-based and a market-based method. In case of the location-based method, grid factors were used to calculate the emissions. In case of the market-based evaluation approach, BCR Group considered its actual energy composition based on its own procurement strategy. For conversion to GHG equivalents (CO_2e), UL360 uses emission factors from DBEIS 2024 (UK Department for Environment, Food and Rural Affairs) and the IEA 2024 (International Energy Agency). These sources are considered reliable sources and were validated at Erste Group level.

These sources are considered reliable sources and were validated at Erste Group level.
Out of BCR Group total energy consumption, 42% is electricity consumption. Out of electricity consumption, 39% of it was renewable energy through unbundled contractual instruments, Energy Attribute Certificates – Guarantee of Origin (EECS-GO). The remaining 61% of it was renewable energy through bundled contractual instruments directly from Romanian suppliers. As such, this entire 42% from the total energy consumption was renewable electricity.

In 2024, due to the increased use of renewable energy and overall reduction in energy consumption, BCR Group reduced its Scope 1 and Scope 2 emissions by 71%, from 21,374 tCO2e to 6,137 tCO_2e as compared to the baseline from 2017. Approximately 12% of Scope 1 data is based on estimates, while the corresponding percentage for Scope 2 is 20%.

Scope 3

For the computation of Scope 3 emissions BCR Group has focused on those categories for which data was available or could be determined on estimates which would not entail high uncertainty, whilst also considering the perspective of exercising a certain level of influence towards commitment to curve down emissions.

Scope 3 category 1 – Purchased goods and services

For scope 3 category 1 a spend-based method was used. Emissions for goods and services were estimated by collecting data on the economic value of goods (spend in EURO) and services purchased by BCR Group and multiplying it by emission factors originating from an environmentally extended input-output analysis (EEIOA; exiobase 2024). Each purchase, based on customer country, was mapped with the corresponding emission category from exiobase and multiplied accordingly.

Scope 3 category 2 – Capital goods

For scope 3 category 2 a spend-based method was used. Just like for scope 3 category 1, emissions for capital goods were estimated by collecting data on the economic value (spend in EURO) of capital goods purchased by and multiplying it by emission factors originating from an EEIOA (exiobase 2024). Each purchase, based on customer country, was mapped with the corresponding emission category from exiobase and multiplied accordingly.

Scope 3 category 3 – Fuel-and-energy-related activities (not included in scope 1 or 2)

For scope 3 category 3 the average-data method was used. The emissions were estimated by using secondary emission factors (DBEIS, 2024) for upstream emissions per unit of consumption (T&D and WTT). The data for purchased energy and fuel is actual supplier data, which also serves as the basis for the scope 1 and 2 calculations. This data is extracted from the internal ESG database UL360.

Scope 3 category 4 – Upstream transportation and distribution

For scope 3 category 4 a spend-based method was used. Just like for scope 3 category 1 and scope 3 category 2, emissions for upstream transportation and distribution were estimated by collecting data on the economic value (spend in EURO) of transportation and distribution services purchased by BCR Group and multiplying it by emission factors originating from an environmentally extended input-output-analysis (exiobase, 2024). Each purchase, based on customer country, was mapped with the corresponding emission category from exiobase and multiplied accordingly.

Scope 3 category 5 – Waste generated in operations

For scope 3 category 5 a waste-type-specific method was used if primary data was available for different waste types. For all primary data available, waste descriptions were mapped to waste activities and waste types. Waste types were then matched to waste treatment options based on ''GHG reporting by department for business, Energy and Industrial Strategy UK'' (defra 2024). After that, the emissions for the waste types were multiplied by emission factors based on the waste treatment options provided by defra. The waste treatment splits were set based on research and municipal waste treatment data from OECD and European Environment Agency.

Scope 3 category 6 - Business travel

For scope 3 category 6 the distance-based method was applied. The distance and mode of business trips are collected in the UL360 system and partially extrapolated when no primary data was available. For the extrapolation country average distance travelled by mode of transportation based on actual data entered in the system was used. The appropriate emission factors (Umweltbundesamt (UBA), 2023) for each mode of transportation used were applied.

Scope 3 category 7 - Employee commuting

For scope 3 category 7 a survey was performed among Erste Group employees in to assess the average distance travelled and mode of transportation used by employees to travel to their place of work. However, this was not carried out by BCR Group until 2024, therefore the results available at Erste Group level were extrapolated for our organization. The 2024 emission calculation is based on survey results from 29 entities part of Erste Group. In addition, the number of working days, with consideration to vacation days, average sick days and home office rates, was determined. Such information was provided by Erste Group People and Culture department The appropriate emission factors for each mode of transportation used were applied (UBA, 2024) and multiplied accordingly.

Measurement uncertainty can result especially where extrapolations are made in calculating emissions. This is especially relevant for emission categories where actual data availability is limited such as ''employee commuting''.

In the process for preparation and presentation of sustainability information in 2024, BCR Group assessed the ESRS-related requirements on the reporting on Total GHG emissions, to provide information of the group's GHG emissions occurring from its upstream value chain. It was identified that ESRS requires to consider the emissions for associates/joint ventures which were previously not included. After its analysis, it was concluded that emissions from CIT One SRL need to be included in the calculation. BCR Bank owns 33% of CIT One SRL in a joint venture arrangement and CIT One SRL is financially consolidated through equity method by BCR. It is the main supplier of BCR for cash transport and processing services.[56]

In 2024 BCR Group's total operational scope 3 emissions increased due to enhancements in data quality with the biggest increase in emission from employee commuting and waste generated in operations. The calculation of scope 3 categories 1, 2 and 4 emissions are 0% based on estimates. For category 3 emissions the share of estimates is 14%, for category 5 the share of estimates is 89% and for category 6 emissions the share of estimates is 24%. The calculation of scope 3 category 7 is 100% based on estimates as results from the employee surveys performed were extrapolated using the number of FTEs.

Scope 3 Category 13 and 15 Financed Emissions

Financed emissions stood at 4 million tons CO_2e and include 'Investments and Downstream Leased Assets' in table 'Financed Emissions'. Financed emission intensity stood at 88 tCO_2e/RON million). An amount of 30.4 million tons biogenic CO_2e emissions is included in the financed emissions.

Overall, the calculation of 2024 financed emissions covers 57.7 % of the BCR Group credit exposure. The remaining uncovered exposure originates from the fact that selected portfolios (e.g., exposure to central banks and credit institutions, off-balance sheet items and consumer loans) are not part of the current financed emission calculation.

56 ESRS E1-6 §46

Share of the portfolio covered by the calculations

	Credit exposure	covered by financed emissions		not covered by financed emissions	
	in RON million	in RON million	%	in RON million	%
Off-balance sheet exposures	29,706,710	-	-	29,706,710	100
Central banks	-	-	-	-	100
Central governments	44,525,482	35,630,180	80.02	8,895,301	19.98
Credit institutions	7,492,959	-	-	7,492,959	100
Other financial corporations	1,603,218	853,509	53.24	749,709	46.76
Non-financial corporations	25,503,935	25,455,763	99.81	48,172	0.19
Households	32,227,017	19,387,940	60.16	12,839,077	39.84
Total	**141,059,320**	**81,327,393**	**57.65**	**59,731,928**	**42.35**

BCR uses the PCAF methodology (version 2022) to account for its financed emissions (scope 3 emissions category 15 'Investments'). As this standard is in conformity with the internationally recognised GHG Protocol (Corporate Value Chain (scope 3) Accounting and Reporting Standard) emissions are calculated for all the seven GHGs that are listed in the Kyoto Protocol. These are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and the fluorinated gases (F-gases): hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6) as well as nitrogen trifluoride (NF_3).

For details of the methodology including assumptions see the 'Methodology' section below. BCR Group includes the following PCAF-defined asset classes in its calculation: corporate bonds, business loans, project finance, commercial real estate finance and mortgages. Additionally, BCR calculates emissions of the PCAF-defined asset class 'sovereign debt' and reports them in a separate table. The leasing business (category 13 'Downstream Leased Assets') is included in BCR scope 3 emissions. This category is calculated using the same methodology as for category 15 and is separately shown as a sub-item.

BCR reports for the first time the metric Weighted Average Carbon Intensity (WACI), which sets the client emissions in relation to client revenues, weighted by the share of the respective client in the total portfolio. The WACI can only be calculated for in the PCAF-asset classes business loans, corporate bonds and project finance. For the real estate the metric is not applicable, as the calculation is dependent on the financed object and not the client emissions. The portfolio WACI stands at 138 gCO_2e/RON revenue for Scope 1 and 2 and at 612 gCO2e/RON for Scope 3, mainly driven by the Energy and Automotive industries.

One out of the seven currently existing PCAF calculation methodologies – motor vehicle loans – have not been applied yet. The motor vehicles asset class has not been implemented as such because of the low weight of this portfolio. The financed emissions of this portfolio are currently calculated by means of the methodology used for business loans.

Methodology Business Loan, Corporate Bonds and Project Finance

In the case of business loans, BCR follows the PCAF methodology by relying either on emissions reported by the corporate customers or emission factors drawn from the PCAF database or on its own approach for loans to large real estate managing companies. The loans granted to large real estate management companies (NACE L68) are included in the PCAF business loans asset class if the finance purpose cannot be unambiguously assigned to one or more commercial real estate properties. As the PCAF database shows only very low emission intensity figures for these exposures, it replaced them with the higher emission intensities of the commercial real estate asset class. In doing so, it proceeded on the conservative assumption that a large part of the funds granted to real estate management companies will de facto be used to finance the relevant buildings, even if the loan agreements as such contain no evidence thereof. BCR is working on improving the assignment of deals to the respective PCAF asset classes and expect that specific deals (e.g., allocated in NACE L68) currently calculated as Business Loan, will move to Commercial Real Estate asset class to ensure consistency with internal segmentation.

BCR is deviating from PCAF standard for listed companies in the business loan and corporate bond modules. It applies the balance sheet value instead of the Enterprise Value including Cash (EVIC) as a denominator to calculate the attribution factor, as using EVIC might lead to higher volatilities only driven by capital market movements, e.g., in a market stress situation its financed emissions would increase, which doesn't need to be directly related to movements in the physical production of the company. The use of EVIC in the financed emission calculation is not applied by all financial institutions due to the limitation of the metric. The topic was recognized by PCAF, which published a discussion paper on that topic in December 2024.

In case of project finance, BCR assumes that renewable energy projects (wind, solar, geothermal and hydropower) have an emission factor for Scope 1 and 2 of zero. In the absence of a financing purpose and with other project finance it follows the calculation methodology for the business loans asset class by using either the emissions reported by the businesses or estimates based on financial metrics and emission factors drawn from the PCAF database.

BCR keeps using the base year 2015 PCAF emission factors (Exiobase database) for the 2024 reporting to ensure comparability with the figures of the previous year, which were also used as a basis for target setting. The initial PCAF version is based on Exiobase 2015 data base and was the most up-to-date version until March 2023, being replaced by Exiobase 2019 data base. Keeping for 2024 the Exiobase 2015 data base is also in line with the user briefing published by PCAF, providing as a recommendation to apply the same economic emission factor dataset for longer periods of time (minimum 3 years). For scope 3 PCAF Emission factors are not containing Downstream Emissions.

Methodology Commercial Real Estate and Mortgages

With regards to commercial real estate and mortgages, the calculation of financed emissions is based on building data, which in a first step is used to calculate the emissions of a building. Depending on data availability, BCR calculates emissions from buildings in the following order (which does not reflect the data quality score):

1. CO_2e emissions as per energy performance certificate
2. primary energy demand (PED) as per energy performance certificate
3. PED class as per energy performance certificate
4. PED class with advanced EPC proxy estimation approach
5. PED class based on the year of construction
6. PED class based on the national average drawn from the PCAF database for buildings in Europe as of 2022

For calculation 3 to 6, average primary energy demand is based on the primary energy demand class recorded in the PCAF database of buildings in Europe as of 2022 to ensure comparability with the previous year's figures, which were likewise used as the basis for setting targets in the priority sectors. Once primary energy demand has been determined it has to be converted into emissions as input for calculation 2 to 6.

BCR decided to use emission conversion factors based on statistical data on energy mixes and emission intensities. These factors are also a key component in the development of scenarios for the future in the decarbonisation model. In addition, conversion factors obtained in this manner comes with the advantage, that where in-house portfolio data are available, national averages may be substituted by the relevant portfolio data (e.g. if the gas portion in the portfolio is below/above the national average). Main data source for the energy mixes and electricity-based emission intensities of the core countries was the European Calculator[57] and for the heating-based emission intensities the German UBA[58].

[57] https://www.european-calculator.eu/
[58] umweltbundesamt.de/sites/default/files/medien/1410/publikationen/2021-12-13_climate-change_71-2021_emissionsbilanz_erneuerbarer_energien_2020_bf_korr-01-2022.pdf

Table Financed emissions

	Credit exposure	Credit exposure covered by emission calculation	Financed emissions, thousand tCO_2e [1, 2]		Emission intensity	Weighted data quality (High=1, Low=5)		Weighted average carbon intensity	
	in RON million	in RON million	scope 1 and scope 2[3]	scope 3[2,4]	tCO_2e/in RON million	scope 1 and scope 2	scope 3	scope 1 and scope 2	scope 3
2024									
per PCAF asset class									
Corporate bonds	-	13	-	-	8	4.0	4.0	14	62
Business loans	-	22,157	687	3,041	168	3.7	3.8	131	581
Project finance	-	859	3	13	19	3.8	3.8	368	1,393
Mortgages	-	19,231	277	-	14	3.3	-	-	-
Commercial real estate	-	3,438	12	-	4	3.0	-	-	-
Total	**141,059**	**45,697**	**980**	**3,054**	**88**	**3.5**	**3.8**	**138**	**612**
per sector									
Natural resources & commodities	5,235	3,427	143	645	230	3.8	3.9	113	508
Energy	11,907	4,556	273	1,096	300	2.7	2.8	396	1,588
Construction	8,250	3,485	165	200	105	4.2	4.2	263	319
Automotive	2,266	1,514	11	703	472	3.4	3.4	18	1,166
Cyclical consumer goods	1,844	1,068	18	27	42	4.2	4.2	71	108
Non-cyclical consumer goods	4,342	2,786	44	188	83	3.6	3.7	64	277
Machinery	1,142	498	5	15	42	4.1	4.0	49	140
Transportation	4,614	2,552	11	112	48	4.5	4.5	17	176
TMT	746	508	6	15	40	4.1	4.1	41	109
Healthcare & Services	2,824	1,587	10	41	32	4.2	4.2	35	139
Hotels and Leisure	493	384	3	6	24	4.3	4.5	26	117
Real estate	3,906	3,799	14	5	5	3.1	4.0	104	187
Public sector	48,362	1	-	-	42	4.2	4.2	22	104
Financial institutions	10,943	302	-	1	6	4.2	4.2	27	113
Private customers	33,930	19,231	277	-	14	3.3	5.0	16	20
Other sectors	254	-	-	-	9	5.0	5.0	88	274
Total	**141,059**	**45,697**	**980**	**3,054**	**88**	**3.5**	**3.8**	**138**	**612**
of which category 13 (Downstream Leased Assets)	-	**2,409**	**63**	**58**	**50**	**5.0**	**5.0**	-	-

[1] For details on the calculation of financed emissions see Methodology

[2] Financed emissions also include category 13 'Downstream Leased Assets' of BCR Group Scope 3 emissions, which are shown separately as a sub-category.

[3] including biogenic CO_2 emissions

[4] Where BCR Group uses reported emissions for calculating scope 3 emissions, this includes – if both are reported – both upstream and downstream emissions. Where BCR Group uses emissions with national emission factors from the PCAF database, only Scope 3 upstream emissions are accounted for due to data availability. The data quality score for Scope 3 emissions is therefore reported separately.

Detailed results by PCAF asset class

Corporate bonds

Corporate bonds with a volume of RON 13 million account for 0.1 thousands tCO_2e in financed emissions and an emission intensity of 8 tCO_2e/ RON million.

Business loans

Business loans in the amount of RON 22,157 million are a major source of financed emissions, because of both their absolute amount (3,728 thousands tCO_2e) and financed emission intensity (168 tCO_2e/RON million). Business loans comprise financing granted to large international and national corporates, small and medium-sized enterprises as well as micro entrepreneurs (non-financial corporates).

Project finance

The project finance portfolio had a moderate exposure of RON 859 million and 16 thousands tCO_2e of financed emissions and an emission intensity of 19 tCO_2e/RON million.

Commercial real estate

Commercial real estate accounted for an exposure of RON 3,438 million, with emissions of 12 thousands tCO_2e and a financed emission intensity of 4 tCO_2e/RON million.

Mortgages

Retail mortgages with an exposure of RON 19,231 million were the second largest contributor of absolute emissions with 277 thousands tCO_2e, but had a low financed emission intensity of 14 tCO_2e/RON million.

Detailed results by sector

BCR used its in-house customer segmentation by sectors for the purpose of PCAF measuring and disclosure of financed emissions. The aggregated level of financed emissions had a positive impact on BCR's emission intensity as well as the favourable balance between the low financed emission intensity of real estate and the marginal share of the high-emission heavy industry and energy sectors.

The sector posting the highest financed emission intensity was the energy industry, with a credit exposure covered in the emission calculation of RON 4.6 billion (scope 1 and 2: 60 tCO2e/RON million, scope 1, 2 and 3: 300 tCO2e/RON million).

Detailed results by data quality

BCR relies on the PCAF methodology for scoring data quality (data availability), where the scale ranges from a score of DQ 1 (= highest data quality) to DQ 5 (= lowest data quality). The data quality of the calculations reflects the high dependence on sectoral emission factors, as relevant customer information was not widely available. Reported emissions in the corporate customers segment are currently not distinguished between verified and non-verified and therefore the DQ 2 is applied, following a conservative approach.

The weighted average data quality of the quantified portfolio was 3.5 as of 2024 reporting. The table shows a breakdown of financed emissions distinguished by data availability (energy performance certificates for the real estate sector and reported emissions for the other PCAF asset classes).

BCR is disclosing financed emissions from clients reported emissions or derived from an available energy performance certificate separately from financed emissions where it used PCAF factors to calculate financed emissions. The share of emissions derived from reported emissions or an available energy performance certificate amounts to 46% of the credit exposure (covered by the emission calculations) and 38% of financed emissions. The exposure share is higher for the real estate sector.

For corporate segments, the emission intensity (tCO_2e/RON million) is lower where BCR Group uses PCAF factors to calculate emissions. For scope 3 this is mainly driven by the fact that PCAF emission factors only contain upstream emissions. Also, the scope 1 and 2 emission intensity for corporate clients are higher in the reported emissions segment. One of the drivers can be unequal industry distribution as clients in carbon intensive sector are more likely in scope of emission disclosure requirements.

Table Financed emissions by data quality

	Credit exposure covered by calculated emissions	Financed emissions, thousand tCO_2e		Emission intensity tCO_2e/in RON million		Weighted data quality (High = 1, Low = 5)	
	In RON million	scope 1 and scope 2[3]	scope 3	scope 1 and scope 2	scope 3	scope 1, 2 and 3	scope 3
2024 Total	**45,697**	**980**	**3,054**	**21**	**133**	**3.5**	**3.8**
Reported emissions / energy performance certificate available (by PCAF asset class)							
Corporate bonds[1]	-	-	-	-	-	-	-
Business loans[1]	4,958	217	2,416	44	487	2.0	2.0
Project finance[1]	69	1	7	9	102	2.0	2.0
Mortgages[2]	13,105	146	-	11	-	3.0	-
Commercial real estate[2]	3,093	10	-	3	0	3.0	-
Total	**21,224**	**374**	**2,423**	**18**	**482**	**2.8**	**2.0**
No Reported emissions / no energy performance certificate available (by PCAF asset class)							
Corporate bonds	13	-	-	1	6	4.0	4.0
Business loans	17,199	470	625	27	36	4.2	4.3
Project finance	790	3	6	4	7	4.0	4.0
Mortgages	6,126	131	-	21	-	4.1	-
Commercial real estate	345	2	-	7	-	3.2	-
Total	**24,473**	**606**	**631**	**25**	**35**	**4.2**	**4.3**

[1] Availability of reported emissions for corporate bonds / business loans : reported emissions are available for all scopes that are of relevance for calculating financed emissions (equivalent to DQ 2).

[2] Availability of energy performance certificate for mortgages and commercial real estate: energy performance certificate is available and has been used for calculating financed emissions (equivalent to DQ 3).

[3] including biogenic CO_2 emissions

Sovereign emissions

BCR's sovereign emissions stand at 0.8 million tCO_2e including land use, land change and forestry (LULUCF) and 1.4 million tCO_2e excluding LULUCF. The decision to report them separately from other financed emissions is driven by the fact that sovereign scope 1 emissions include the whole production of a country, thus leading to double counting of financed emissions. Additionally, it is important to note that sovereign emissions will decarbonise automatically when the respective country is decarbonizing. For the calculation of Sovereign emissions, BCR applies the PCAF database as of March 2024. The database provides mainly 2021 and partially 2020 figures, expressed in million USD. For the calculation of sovereign emissions, it converted the emission factor by USD with the USD/EUR FX rate of the respective emission factor year.

	Credit exposure covered by emissions calculation	Financed emissions, thousand tCO_2e		Emission intensity tCO_2e/RON million		weighted data quality
Country	In RON million	Scope 1 incl. LULUCF[1]	Scope 1 excl. LULUCF[1]	Scope 1 incl. LULUCF[1]	Scope 1 excl. LULUCF[1]	Scope 1[2]
Romania	35,582	773	1,348	22	38	1.0
United States	48	3	3	55	62	1.0
Total	**35,630**	**775**	**1,351**	**22**	**38**	**1.0**

[1] Land use, land change and forestry (LULUCF)

[2] no change between incl. and excl. LULUCF

12.2.3. Biodiversity and ecosystems

This section focuses on BCR Group's impact on biodiversity and ecosystems. Biodiversity or biological diversity can be understood as the variety of life and refers, quite simply, to the uniqueness of all living things. Biodiversity loss can lead to the extinction of species and the depletion of genetic variations. This can have a far-reaching impact on the food chain and the dynamics of ecosystems, on which humanity thrives. According to ESRS E4 there are five impact drivers explicitly indicated for biodiversity loss:

- land-use change (e.g. soil sealing), freshwater-change and sea-use change.
- direct exploitation such as hunting and over-fishing.
- climate change.
- pollution, and
- invasive alien species.

BCR Group is committed to assessing and disclosing its biodiversity-related impacts, dependencies, risks, and opportunities. BCR Group recognises the indirect impact its financing can have on biodiversity through contributing at soil sealing, but also the potential risks it might face due to increasing regulations driven by the EU Biodiversity Strategy 2030.

E4 SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Sustainability matter	Type of IRO	IRO description	Value chain	Time horizon
E4-Soil sealing	Potential negative impact	Financing real estate and public infrastructure projects can have a negative impact on biodiversity as soil is sealed, thus causing increased flooding risks and lower carbon sequestration in soil through natural processes. Soil degradation could also occur due to intensive agriculture practices.	Portfolio	Medium-term
E4-Soil sealing	Risk	Stricter regulations on land degradation and soil sealing could increase BCR Group's risk by potentially reducing the volume of crop production financing and greenfield project developments, due to higher compliance costs faced by portfolio clients.	Portfolio	Medium-term

Soil sealing

The EU Soil Strategy for 2030 emphasises that soil sealing is highly relevant for Europe and efforts towards sustainable use of soils are a key driver in reaching climate neutrality as well. Soil sealing has substantial negative impacts on the environment and society, including the loss of essential ecosystem services, increased flood risks, and more intense urban heat island effects. Additionally, soil sealing can contribute to water scarcity, as sealed surfaces prevent the natural infiltration of water into the ground.

The relationship between biodiversity and financial institutions is indirect. BCR finances companies that are at least partly dependent on ecosystem services to produce goods and services. Soil sealing has been identified in the 2024 double materiality assessment as a negative impact and risk on biodiversity originating from the Bank's portfolio activities, in particular the financing of real estate, development of new facilities and energy projects that involve sealing the land. Soil sealing contributes to increased flooding risk, exacerbates climate change, and can lead to potential health issues due to reduced air and water quality. Commercial and retail real estate accounts for a large share of BCR 's portfolio activities, therefore we contribute to the effects entailed by sealing the soil. Further information can be found in the Financial Statement under the sections 'Credit Risk Exposure by Industry and Risk Category' and 'Credit Risk Exposure by Financial Instrument and Collateral'.

BCR Group has no material sites (offices and branch locations) located in or at the limit of biodiversity - sensitive areas and no material impacts were identified related to its own operations affecting any biodiversity-sensitive areas. No material negative impacts related to land degradation and land desertification have been identified.[59]

59 E4,SBM-3,16(b)

E4-1 – TRANSITION PLAN AND CONSIDERATION OF BIODIVERSITY AND ECOSYSTEMS IN STRATEGY AND BUSINESS MODEL

BCR GROUP'S BUSINESS ENVIRONMENT

Alongside Erste Group, BCR Group has analysed the business environment in which it operates and performed an analysis of the resilience of BCR Group's business model. As part of the resilience analysis, both physical and transitional risks are tracked and analysed. Within this framework, biodiversity loss is categorised under other-environmental risks. BCR Group's own operations and upstream value chain have not been assessed[60].

The assessment covers short-, medium-, and long-term horizons. The time horizons, used for the assessment of the business environment and resilience, are different from the ones indicated in the ESRS to align with our internal risk processes, as follows:

- Short-term: 0-2 year.
- Medium-term: 3-5 years.
- Long-term: more than 5 years (up to 2050)[61].

Currently, systematic external stakeholder involvement in the analysis has not yet been established[62]. However, an ongoing dialog is conducted with relevant stakeholders, such as supervisory and regulatory authorities, investors, analysts, and rating agencies, as well as academic and environmental institutions and NGOs. The aspects covered during these dialogues were also considered in the assessment of the topic as material based on the consolidated input provided by our internal experts.

RESULTS OF THE RESILIENCE ANALYSIS

The evaluation for the resilience analysis was carried out in a holistic and qualitative manner and was coordinated by Erste Group. The primary goal was to illustrate how the business models of Erste Group and BCR Group could be influenced by various climate and environmental risk factors. No significant threats to the business model or strategy when considering biodiversity and ecosystems-related physical, transition, or systemic risks were identified for BCR Group.

Further details regarding the resilience analysis can be found in the chapter Climate Change, section SBM-3 – E1 Climate Change[63].

STRATEGY AND BUSINESS MODEL

Supported by Erste Group, BCR Group is assessing its strategy and business model in the light of this assessment. BCR Group uses ESG Factor Heatmaps for SMEs and ESG questionnaires for large corporate in its loan application process[64] (for its banking activities), actively engages with clients and takes environmental policies into account when deciding on new products and services.

E4-2 – POLICIES RELATED TO BIODIVERSITY AND ECOSYSTEMS

BCR Group has not yet developed a comprehensive policy to address this sustainability matter which was identified as relevant for its business activities for the first time during the double materiality assessment process conducted in 2024. As a first immediate step, the BCR Group Responsible Financing Policy has been complemented by restrictions to finance activities or construction projects that may impact protected sites. BCR Group will not provide financing and any other banking services to entities that:

- contribute to degradation of land by adopting intensive practices.
- damage biodiversity because of practicing monocultures.

[60] E4-1-13.b

[61] E4-1-13.d

[62] E4-1-13.f

[63] E4-1-13.a, E4-1.13.c

[64] SBM3-16.a.

- practice land abandonment and neglect, especially by using agricultural land for other purposes, with the exceptions permitted by law.[65]

The BCR Group Responsible Financing Policy does not directly address social consequences of biodiversity and ecosystems-related impacts.[66]

Once having established a methodology to estimate or measure the actual contribution to soil sealing from BCR's financed portfolio, it is dedicated to developing a strategy, establish more actions and set targets to reduce negative impacts on biodiversity and ecosystems from soil sealing. Material dependencies, physical and transition risks and opportunities are currently not covered.

BCR GROUP RESPONSIBLE FINANCING POLICY

The BCR Group Responsible Financing Policy, which is implemented within the Bank and BCR Leasing IFN S.A., establishes the principles for financing of the Energy, Defence/Weapons, Biodiversity and Gaming sector. In the double materiality assessment, BCR Group has identified a material impact, and a risk related to its financed portfolio for the subtopic soil sealing. As a result, BCR Group has broadened the scope of this policy and implemented exclusion criteria regarding activities and construction projects in protected areas as a first step to reduce the identified negative impact and better mitigate the related risks. BCR Group will not finance any activities or projects located in or which have a material impact on protected areas. An impact assessment of the project must be carried out to assess all potential impacts. If the impact assessment confirms that satisfactory mitigation measures have been taken to compensate for any negative impacts of the project on the protected area, the project may be financed.
The BCR Group Responsible Financing Policy focuses on the financing business for large corporate clients of BCR Group, and its leasing subsidiary. This policy supports the overseeing of the portfolio and contributes to addressing the identified material impact and managing potential risks related to soil sealing. As explained above, BCR Group has broadened the scope of its Responsible Financing Policy in 2024 and implemented exclusion criteria regarding activities and construction projects in protected areas as a first step to reduce the identified negative impact. This policy applies to all products and services in the Corporates and Markets area for all BCR's entities no matter whether it is direct or indirect; (on - or off-balance-sheet financing), where the activity financed accounts for more than 5% of the customer (group)'s turnover, apart from retail business line products, single payment transactions, and transactions below a threshold of EUR 1 million within an existing approved limit and "Responsible Investments" (including Erste Asset Management).
Compliance is monitored as part of the regular loan origination process. At present, the BCR Group's Responsible Financing Policy does not consider any third-party standards or initiatives.

BCR Group has established a clear structure and governance for executing decisions within the scope of the Responsible Financing Policy and has implemented both a first (carried out by the business function) and second (carried out by the non-financial risk management function) line of defence. The BCR Group Responsible Financing Policy is owned by the Sustainability Department, it has been communicated to employees, including as part of the onboarding training for the corporate coverage teams, and is available on BCR's internal website[67]. Relevant external stakeholders have also received the policy via email.

The principles described in this policy are reviewed at least annually, however, more frequent updates are made whenever BCR Group deems it necessary.

[65] E4-2,23(d)

[66] E4-2,23(f)

[67] MDR-P 22/65 (c), AR20.

E4-3 – ACTIONS AND RESOURCES RELATED TO BIODIVERSITY AND ECOSYSTEMS

BCR Group recognizes the critical importance of biodiversity and ecosystems and is committed to addressing the negative impact of soil sealing. Specific actions have not yet been established providing that this topic was recently identified as material for the activities performed by BCR Group during the materiality assessment performed in 2024. However, BCR Group has broadened the scope of its Responsible Financing Policy and implemented exclusion criteria regarding activities and construction projects in protected areas as a first step to reduce the identified negative impact. Following the identification of the material impact in the double materiality assessment performed in 2024, specific actions to measure progress will be defined in the upcoming years based on a more in-depth analysis.

E4-4 – TARGETS RELATED TO BIODIVERSITY AND ECOSYSTEMS

BCR Group, aligned with Erste Group, is dedicated to integrating targets to reduce negative impacts on biodiversity and ecosystems into its strategic framework. Specific targets have not yet been established considering that this topic was recently assessed as material for BCR Group. The identified material impact of soil sealing will trigger more comprehensive disclosures in the upcoming years.

E4-5 – IMPACT METRICS RELATED TO BIODIVERSITY AND ECOSYSTEMS CHANGE

Specific metrics related to the identified material impact of soil sealing in BCR Group's portfolio have not yet been established and thus are not provided in this year reporting. BCR Group does not disclose biodiversity metrics relating to its own operations, because it has no material sites located in or at the limit of biodiversity-sensitive areas.

E4-6 – ANTICIPATED FINANCIAL EFFECTS FROM BIODIVERSITY AND ECOSYSTEM-RELATED RISKS AND OPPORTUNITIES

The risk stemming from biodiversity related aspects was identified during the double materiality assessment process and it is mainly related to a decrease of financing volumes for greenfield projects due to stricter regulations on land use and change of land use. However, an accurate quantification of the anticipated financial effects was not possible due to insufficient data, thus the main prerequisite are improved data collection processes, as well as a longer period of data collection. First steps have been taken to gather more data, and BCR Group aims to quantify risks stemming from biodiversity related topics in the future.

12.3. Social information

12.3.1. Own workforce

The scope of this chapter covers the material impacts, risks and opportunities that BCR Group has identified towards the company's own employees and non-employees.

Our success in the ongoing development of BCR Group's organization, its corporate culture and competences is critically driven by employee engagement. BCR Group promotes modern working methods that support flexible, adaptive, and client-centric work. BCR Group places great importance to recruiting, retaining, and engaging a highly qualified workforce to ensure its continuing success and strive to be the employer of choice in the region in the financial sector by providing opportunities for training and continuing professional development, working in diverse and international teams, as well as stimulating tasks within a flexible organization.

S1 SBM3 – MATERIAL IMPACTS, RISK AND OPPORTUNITIES AND THEIR INTERACTIONS WITH STRATEGY AND BUSINESS MODEL

As part of its commitment to transparency and sustainability, this chapter provides a comprehensive overview of the impacts, risks and opportunities (IROs) related to its own workforce. As a prominent business in the market, it is crucial for BCR Group to prioritize the well-being and development of its employees.

Sustainability matter		Type of IRO	IRO Description	Value chain	Time horizon
Working conditions	S1-Collective bargaining, including rate of workers covered by collective agreements	Actual positive impact	Positive impact on employees as there is a collective bargain agreement in place, thus employees have the security to receive standardised and adequate wages.	Own operations	Short-term
	S1-Work-life balance	Actual positive impact	Fostering a good balance between career and personal life positively impacts the standard of living and satisfaction of employees.	Own operations	Short-term
	S1-Health and safety	Actual positive impact	By focusing on physical and mental health of employees BCR Group continuously expands its health offerings to ensure access to quality medical support.	Own operations	Short-term
Equal treatment and opportunities for all	S1-Training and skills development	Opportunity	Training and further professional qualification can increase employee's motivation, improve their skills and capabilities, leading to employee loyalty and enhanced productivity	Own operations	Short-term
	S1-Diversity	Potential positive impact	By proactively promoting and perpetuation of a diverse and inclusive workplace BCR Group will create an environment for employees to feel respected, valued and included.	Own operations	Short-term

Collective bargaining agreement

BCR Group's strategy includes ensuring fair and standardized wages for all employees across all its subsidiaries via a collective agreement. This approach promotes financial well-being and equal pay.[68][69] It also affirms our commitment to include our employees, through their representatives, in deciding all major aspects of their employment life such as remuneration and other financial benefits, working time and flexible working arrangements (including remote work), support in case of redundancies, retirement and other personal life events. It is worth mentioning that the banking sector concluded a sectorial collective bargaining agreement only last year, and therefore BCR was more advanced on this front and being a differentiator on the local market.

Work-life balance

A work environment that allows employees to achieve a sound work-life-balance is essential for BCR Group's **attractiveness** as an employer and for the commitment of its staff. BCR Group supports *flexible working hours* and balancing family life with work. [70]

BCR Group's overarching strategy is to encourage employees to actively manage their work-life balance by using various options that are in place. Developing healthy self-management skills and the ability to set coherent priorities are crucial for employees to work effectively and maintain a good balance between time at work and private time. Hybrid working, which combines working from home and in the office, has become an essential aspect of the new normal in working life.
No matter if the employees prefer part-time or full-time working hours, working onsite or remote, BCR Group is providing many options that can be used while always putting strong emphasis on collaboration, productivity and efficiency at work.

[68] ESRS 2 SBM-3-13-a

[69] ESRS 2 SBM-3-14-c

[70] ESRS 2 SBM-3-13-a

Health & Safety
By focusing on both physical and mental health, BCR Group continuously expands their health offerings to ensure timely access to medical support.

Overall, BCR Group's focus on promoting a healthy work environment is integral to its business strategy. We believe that ensuring timely health support for its employees leads to improved health and satisfaction
Therefore, all employees receive a comprehensive health services package from the largest private health care providers in Romania, choosing their provider annually. They have access to a wide range of free medical services, unlimited specialist consultations, and various advanced medical procedures like Magnetic Resonance Imaging (MRIs). A similar package is provided to family members (children and spouse).
Our health care providers deliver annual statistical reports on the general health of our employees, thus guiding awareness campaigns on preventable illnesses. In addition to these services, on-site screening for certain illnesses are offered in cities with limited clinic access, as well as vaccination campaigns based on employees‘ requests.
Employees of BCR subsidiaries and their family members are covered by the same health care services contract.
Additionally, an integrative program addresses all well-being dimensions, focusing on physical, mental and emotional health. The scope was defined from the essential health and safety elements to employee self-actualization. For this purpose, a Digital Wellbeing Platform, launched in BCR Group, in partnership with a specialized provider offers access to various digital resources, live open sessions and webinars, wellbeing assessments, etc. The wellbeing offerings for employees also include on-site chair massages, healthy lifestyle webinars and workshops, and awareness campaigns.
These actions demonstrate the strong commitment to ensuring timely access to medical support and prevention. For more details, please refer to chapter S1-4.

Training and skills development
BCR Group's **growth focus** is centered on providing its employees with the best possible support in their ongoing development. Training and further education creates an *opportunity* to increase employee motivation, improve their professional skills and qualifications and lead to continuously greater employee engagement and productivity. BCR Group's promotion of talent is based on Erste Group-wide defined leadership dimensions and, as part of a structured succession planning process for senior management, its managers of tomorrow will be developed on this basis, thus ensuring seamless management transitions in the future.
BCR Group's focus on employee training and skills development ensures its employees can offer a full spectrum of banking services ranging from lending, deposit, and investment products to current accounts and credit cards.[71]
Further development of its employees in close connection to company goals is managed through *performance reviews and development talks* between managers and employees.
Moreover, by putting emphasis on its leadership, development and **growth and empowerment** approach, BCR Group ensures a strong talent pipeline and continuous development of next generation leaders. This focus on leadership is integral to the Group's ability to deliver a full spectrum of services and meet the diverse needs of its customer base. *Talent management and leadership programs* are actions to foster opportunity to continuous greater employees' engagement and productivity, which contributes to BCR Group's financial success in the future [72]. Coordination of these actions is in BCR People & Culture division.

Diversity
BCR Group provides equal professional development to ensure equal opportunities for all genders with a positive impact on its employees. Ensuring diversity inside the organization creates an open and inclusive corporate culture which contributes to BCR Group being an attractive employer. BCR Group stands for a work culture that fosters a sense of belonging and values the work of its employees. Measures include a commitment to greater transparency and gender equality in remuneration, this being also a part of our people and culture strategy.

Nonmaterial sustainability matters
BCR Group has not identified any material negative impacts on the own workforce arising from transition plans for reducing negative impacts on the environment and achieving greener and climate-neutral operations.[73] Moreover, the group did not identify any significant risk of incidents of forced labor, compulsory labour or child labour.[74] BCR Group has not identified any sub-groups of their employees that are at greater risk of harm[75].

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[71] ESRS 2 SBM-3-13-b

[72] ESRS 2 SBM-3-13-d

[73] ESRS 2 SBM-3-14-e and ESRS 2 SBM-3-14-g

[74] ESRS 2 SBM-3-14-f

[75] ESRS 2 SBM-3-15

S1-1 – POLICIES RELATED TO OWN WORKFORCE

The People & Culture strategy of BCR Group is founded on the objective of building the business of tomorrow through its people. People & Culture strategy is organised around three key priorities: Empowerment, Growth and Attractiveness. As part of BCR Group's empowerment approach, the group gives its employees a voice through regular group-wide engagement surveys described in S1-2 in more detail. Based on this continuous feedback from its employees, BCR Group supports targeted improvement measures in all areas and constantly grows with its employees. The growth focus is centered on providing BCR Group's employees with the best possible support in their ongoing development. BCR Group is committed to strategic workforce planning to enable more targeted recruitment and further development measures as well as flexible skills development. Talent promotion is based on Group-wide defined leadership dimensions and, as part of a structured succession planning process for senior management, BCR Group's managers of tomorrow will be developed on this basis, thus ensuring seamless management transitions in the future.

BCR Group stands for a work culture that fosters a sense of belonging and values the work of its employees. Therefore, with the attractiveness pillar of the People & Culture strategy, BCR Group focuses on ensuring the financial health of its employees and further establishing a successful employer brand. Measures include a commitment to greater transparency and gender equality in remuneration as well as the continuous improvement of BCR Group's employees' financial literacy. BCR Group's principles of employee centricity drive its operations, enabling BCR Group to realise the potential of its employees. Furthermore, BCR Group is committed to nurturing an inclusive work environment for all employees.

Human rights commitments

The Code of Ethics, deriving from Erste Group Code of Conduct, aligns with the provisions of the Romanian Labor Code and other relevant national legislation and it is structured in a manner which is consistent with the principles outlined by the international standards and conventions (including, but not being limited to the UN Guiding Principles on Business and Human Rights which prohibits involvement in human trafficking, forced labor, or child labor). It was last updated and internally published in January 2024 and its principles essentially derive from the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights, amongst others. BCR Group must under no circumstances be involved in human trafficking, forced labor, or child labor, nor should it benefit from these practices in any way, the principle of human rights observance being the basis of all relations, also considering that the rights and liberties shall under no circumstances be exerted in contrary manner to the goals and principles of the United Nations Organization. This commitment aligns also with the principles outlined within ILO Convention No. 29 on Forced Labour, ILO Convention No. 138 on the Minimum Age, and ILO Convention No. 105 on the Abolition of Forced Labour. Processes and mechanisms to monitor compliance with these international standards and conventions include BCR Group's regular procedures as outlined in sections S1-2 and S1-3 and are intended to raise the concerns and include remedies, if the case, for negative impacts on human rights violation.

All BCR Policies are periodically revised as agreed with the National Bank of Romania, at every 12 or 36 months depending on the type or scope of the policy. In addition, there are some other triggers for interim reviews, such as alignment to regulatory, business or Erste Group requirements.

BCR policies and procedures are revised based on a general framework (BCR Group Policy Framework) that sets the key requirements related to developing, maintaining, classifying, approving, and implementing policies and procedures in BCR and BCR Group, as applicable. A monthly report on policies and procedures is used to make sure these are being updated regularly. BCR Group policies and procedures are published on the BCR Intranet[76].

WORK-LIFE BALANCE

Work-life balance is steered under common umbrella within the BCR Group, without a specific Erste Group policy in place. A dedicated policy on this topic was not deemed necessary for flexibility reasons as these elements are already provided in the Internal Regulation which is updated at least annually. Regardless of location and hours worked, BCR Group strives to create an environment that promotes collaboration, productivity, efficiency, trust, safety, and health. To achieve this, BCR Group encourages employees to actively use the opportunities provided by its group entities to balance their private and professional goals, develop healthy self-management skills and prioritize their work effectively. BCR Group's overarching objective in the group is to provide options for work-life balance of all

[76] ESRS 2 MDR-P-f

its employees and encourage them actively manage their choices with an emphasis on effective collaboration, productivity, efficiency, personal and business goals.

HEALTH AND SAFETY

The topic of Health and Safety is steered under common umbrella within the BCR Group, without specific Erste Group policy in place. However, this topic is addressed either as part of the collective bargaing agreement in place or in an internal policy applicable at subsidiary level in case such an agreement is not concluded. BCR Group aims to create a positive impact on employees by focusing on their physical and mental health. BCR Group's overarching group-wide objective is to provide additional health services beyond the legal requirements, to ensure preventive healthcare and timely access to medical health care to all its employees such as additional private medical healthcare and access to mental health platforms.

TRAINING AND SKILLS DEVELOPMENT

BCR Group aims to be the place where people embrace opportunities, learn every day and collaboratively work together. Collective contribution and impact should go beyond geography, entity, or business area borders. BCR Group's employees are encouraged and supported to challenge its confidence by taking regular steps outside the comfort zone and go above and beyond for its customers. Training and further education improves professional qualifications and leads to continuously greater employee engagement and productivity. Talents, skills and capabilities should be placed at the core of placements for key positions and the right people will have the chance to contribute to the right roles, across the group. All its employees have the opportunity to improve their professional qualification coordinated by the People & Culture division in strong collaboration with business needs and strategy.
Talent initiatives will make a difference across BCR Group in the future. Beyond the passion for BCR Group's customers and BCR Group's brand, employees will use their individual passions and deep understanding of technology to create tangible customer value. BCR Group's leadership culture will be one of the key differentiations of the employer brand. Across all levels, tailored, high-quality development programs will provide the leaders with regular opportunities for self-reflection, exchange, and growth to maximize their potential. This will contribute to BCR Group's financial success in the medium and long-term future.

Nomination and Suitability Assessment Policy for Management Body

The Nomination and Suitability Assessment Policy for Management Body outlines the process for assessing the suitability of individuals who are members of the Management and Supervisory Boards; it also outlines the succession process for potential members of its Supervisory and Management Board and training for the Management Body of BCR. This policy provides a structured framework for defining a diverse succession list of potential candidates for these boards, and for monitoring the gender balance targets as specified in the Diversity and Inclusion Policy. Specific criteria outlined in the succession planning part of the Nomination and Suitability Assessment Policy for Management Body are used by the Erste Group Holding Management Board, in collaboration with the local People and Culture division, to evaluate respective managers based on performance and potential. The results of all assessments form the basis for a pre-selection of potential successors and are discussed in upcoming succession talks[77].

Erste Group People and Culture department is responsible for developing and constantly reviewing the succession process for all Management Bodies of the local banks. It also initiates the annual succession process and provides instructions and documentation templates to the local People and Culture division.

The Policy also provides a framework based on which the members of the Management Body are provided with proper induction and training that are relevant and appropriate to the members' individual and collective responsibilities and meet the current and future needs and strategic objectives of the Bank, in accordance with risk and regulatory compliance standards.
The Nomination Committee is responsible for the preparation of an annual training plan for Management Body members based on the training needs identified following the periodical assessment/ re-assessment.
The Nomination and Suitability Assessment Policy for Management Body applies to BCR and subsidiaries, namely BCR Banca pentru Locuinte and BCR Pensii SAFPP (except for the succession process)[78].

[77] ESRS 2 MDR-P-a
[78] ESRS 2 MDR-P-b

Management Board, The Nomination Committee of the Supervisory Board, is responsible for implementing this policy in BCR[79]. People and Culture Division, Legal, Governance and Public Affairs Division (Group Secretariat Department) and Compliance Division support the Nomination Committee in all matters related to this Nomination and Suitability Assessment Policy.

The policy implements the Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the Management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU (EBA/GL/2021/06), the EBA Guideline on internal governance under Directive 2013/36/EU (EBA/GL/2021/05), the Circular Letter on the Suitability of members of the Management Board, Supervisory Board, and Key Function Holders, and the ECB Guide for fit and proper assessments[80].

The Nomination and Suitability Assessment Policy for Management Body is available on the Intranet[81].

DIVERSITY

For BCR Group, an inclusive corporate culture means recognizing every employee in their individuality. BCR Group understands diversity and inclusion as a mindset that obliges everyone to treat each other with respect, so that everyone feels safe to speak their mind openly. BCR Group seeks to create an environment in which people are enabled to develop themselves, support each other when facing challenges and bring out the absolute best in themselves and their peers.

The relations between the BCR Group and its employees are governed by the principle of non-discrimination and elimination of all actions which would violate a person's dignity, which is guaranteed by the Constitution, governing the rights of Romanian citizens. Any discrimination based on reasons of race, nationality, ethnicity, language, religion, social category, age, opinions, gender or sexual orientation, disability, chronic non-communicable disease, HIV infection, membership of a underprivileged group or on any other criterion which has as purpose or as effect limiting or elimination of acknowledgment, use or lawful exercising of the fundamental human rights and liberties provisioned by the law of a political, economic social and cultural type, or of any other types or domains of public life is strictly forbidden.
By adopting and implementing the provisions of the Guide on preventing and combating gender-based and moral harassment in the workplace, included in the Internal Regulation, the organization undertakes to ensure a safe environment for all employees, as per the requirements of the Diversity and Inclusion Policy.

Group Diversity and Inclusion Policy

BCR Group's Diversity and Inclusion Policy addresses the Group's impacts related to diversity and gender equality. Promoting diversity within the organization fosters an open and inclusive corporate culture, which positively impacts employee's wellbeing so that they can develop and grow within BCR Group's organization regardless of gender.
The purpose of this policy is to outline how BCR Group responds to the societal context in which it operates. It addresses stakeholders' expectations with regards to diversity and inclusion by defining the common understanding of these two concepts within BCR Group and Erste Group. Additionally, it describes roles and responsibilities, as well as the general guidelines for developing, implementing, and adjusting diversity and inclusion strategies and targets. [82]
Diversity management is part of our corporate strategy and embraces dimensions like age, gender, sexual identity, origin as well as the question of the greatest possible cognitive diversity.
Embedded within the Erste Group People & Culture division, Erste Group Diversity Management (GDM) identifies key focus areas (like gender balance, anti-discrimination and harassment, etc), **and develops a diversity strategy in close collaboration with relevant stakeholders, such as local Diversity Management, Group Communications, Group ESG Office, and Group Corporate Affairs and Stakeholder Management.** GDM develops diversity targets which are subsequently transposed into the local Diversity and Inclusion Policy approved by BCR Supervisory Board.
At local level, BCR established the function of "Local Diversity Manager" (LDM) who acts as a focal point for all diversity-related issues of the bank. While GDM defines the Group diversity strategy, LDM adapts measures, trainings and the Group Diversity & Inclusion Policy, to suit local circumstances and priorities. Regular communication between GDM and LDM ensures that a mutual understanding of diversity issues across Erste Group exists.

BCR Group strives to ensure equal opportunities of development for all employees. Thus, an important field of action, as per the Diversity and Inclusion Policy is to ensure a discrimination-free environment, as a basic prerequisite for establishing an inclusive working culture. For this purpose, BCR Group implemented a clearly defined procedure for

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[79] ESRS 2 MDR-P-c
[80] ESRS 2 MDR-P-d
[81] ESRS 2 MDR-P-f
[82] ESRS 2 MDR-P-a

dealing with discrimination and harassment. The Guide on preventing and combating gender-based and moral harassment in the workplace, which is included in BCR Internal Regulation.
Besides the above-mentioned commitment to ensure a discrimination-free environment for all employees, there are no specific policy commitments related to people from groups at particular risk of vulnerability in our own workforce.

The BCR Diversity and Inclusion Policy covers all BCR employees within own operations. The policy has also been adopted by the following BCR subsidiaries: BCR Banca pentru Locuinte SA, BCR Pensii SAFPP SA and BCR Leasing IFN SA[83]. The management board holds the highest level of accountability for the implementation of the policy[84]. The policy is monitored and reviewed annually or whenever necessary, considering applicable legislation, regulatory requirements and revisions of Erste Group Diversity Policy.

S1-2 – PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

As a responsible employer, BCR Group recognizes the importance of engaging with its workforce and workers' representatives to understand the impacts of its operations on its employees. One approach that BCR Group takes to foster positive impacts is by supporting a feedback culture. The company supports this culture by providing many channels for direct and indirect engagement with employees, managers, teams, and communities such as Employee Engagement Survey, dedicated open lines, People & Culture events, etc[85]. This gives employees ample opportunities to voice their views and concerns and provide feedback on material matters of work-life balance, health and safety, training and skills development, diversity and any other topic. With the actions that BCR Group takes it tries to prevent future negative impacts on its employees and strengthen the positive impacts.

The management board, in particular the CEO, is entrusted with the responsibility of managing the organization in a manner that serves the best interests of the BCR Group, while considering the interests and concerns of employees[86].

Feedback is collected from all employees using the Microsoft Viva Glint platform, which is an employee engagement platform designed to help organisations gather real-time feedback, analyze sentiment and drive meaningful actions. All managers have access to the platform to monitor the result of their team. The platform suggests action plans corelated to the main improvement opportunities and managers can share the results and action plans with their team members.
Overall engagement results are communicated to the Management Board and drives decisions on important people related topics. The result and main decision are communicated to all employees via intranet and through managers and Magic Advisors engagement community. This community is composed of more than 150 members who volunteered to work along side managers in developing and implementing engagement actions within the organization.

DIRECT ENGAGEMENT

BCR Group engages directly with its employees through annual one-to-one performance reviews[87], through the Group internal social network, via the Group engagement survey, various open lines events dedicated to employees, and People & Culture corner (onsite event).
All engagement activities take place at entity level, but also at team, project or BCR Group community level. Particular measures to improve culture and work environment may be taken by managers at unit level, part of our non-structured response to employee's feedback.

Engagement community (Magic Advisors) drives engagement activities in all business areas and ensures the communication of actions through VIVA Engage internal platform. This is an employee experience platform that fosters communication, collaboration and community building within organizations. It is integrated with Microsoft Teams enabling employees to share updates, engage in discussions and connect across departments. The engagement activities take place at department and division level and they are centralized by the Community Manager. The most inspiring and impactful engagement activities are promoted on the company intranet and on management level.

83 ESRS 2 MDR-P-b
84 ESRS 2 MDR-P-c
85 S1-2-27-a
86 S1-2-27-c
87 S1-2-27-b

Performance Reviews

Talent management at BCR Group is driven by constructive feedback and a fair and transparent assessment of individual potential and performance. The individual performance review meeting takes place annually between the direct superior and the employee. During the performance review, the contribution and impact the employee has made to the company's success and employee's personal development plan are discussed[88]. The division management (B-1), as the most senior role, is required to consider the results of these discussions and have an overview of performance and impact in their area of responsibility.
Additionally, assessments of long-term performance and potential of individuals can be made during talent reviews / succession planning sessions throughout the year.
For senior management (B-1 level), the performance and potential are assessed by a dedicated Performance Evaluation Committee composed of members of the Management Body and People & Culture representatives ensuring calibration and cross functional alignment.

Group-wide Internal Social Network

In 2024 BCR Group made use of the internal social network which was successfully launched for all employees of Erste Group. It is part of the communication platform "echo", which will be launched by mid-2025.

The Echo platform is an interactive and easy-to-communicate channel, which fosters dialogue between employees, visibility and interaction across country and entity borders and establishes unique and shared employee experience. Additionally, this tool is useful for top management to share and discuss current topics, initiatives, and events with all employees. For example, the CEO of Erste Group connects directly with employees through the platform in "Ask Me Anything" chat sessions.

Overall, Erste Group's internal social network is very well received by employees. As of the end of December 2024, there are already 14 active Erste Group-wide communities in which employees exchange knowledge about various topics including ESG (Environmental, Social and Governance). The BCR Group Communication Department in cooperation with their counterparty at Erste Group level take responsibility to develop the communication platform enhancing employee experience and strengthening its governance[89].

Engagement Survey

BCR Group aims to improve its workplace culture by actively listening to employees and acting on their feedback. Employee surveys provide insights into employee engagement, identifying both strengths and areas for growth. BCR Group conducts the survey on a yearly basis[90]. The People & Culture division is responsible for coordinating regular engagement surveys at the BCR Group level.

The employee engagement survey serves as a highly valuable mechanism for receiving feedback from employees which influences decisions directly. The transparent nature of the results and feedback obtained from the survey enables the implementation of an effective improvement and action plan. These results are presented to both the local management board and the Holding Board at Erste Group level. Teams are encouraged to work on improving identified areas at a team level. Furthermore, areas that require improvement and summary of actions and approaches on country level are made available to all employees via the SharePoint in intranet. As an example, is the introduction of so-called role of "Magic Advisors in BCR Group to customise actions within their own teams based on the team's feedback in engagement survey.

In 2024, BCR participated in the Erste Group employee engagement survey meant to measure employee engagement and to enhance workplace quality. With a response rate of 90%, BCR achieved an Employee

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[88] S1-2-27-b
[89] S1-2-27-c
[90] S1-2-27-b

Engagement Index score of 81 (out of 100 points), inviting all employees to voice their opinions. To assess the effectiveness of the survey, a follow-up process to discuss feedback with employees and plan the next steps was initiated at various levels across the Group[91].

INDIRECT ENGAGEMENT VIA WORKER'S REPRESENTATIVES

In accordance with legal requirements, BCR Group involves its employees in management decisions via representative bodies in matters that directly affect employees.

In Romania, two representative trade union federations in the banking sector (including banks, savings banks, etc.) negotiate a sector-wide collective agreement. This agreement establishes minimum financial rights that apply to all employees in the banking sector.

In BCR, there are two trade unions, namely the BCR Independent Trade Union (SIBCR) and the BCR National Employees' Union (SNS BCR), which represent members' interests. SIBCR is legally representative and negotiates collective agreements.

The unions secure ongoing collaboration between the management board and BCR employees. The unions meet quarterly with management board representatives, based on an Agenda brought forward by the unions[92]. Minutes of these meetings are communicated to unions, who further distribute them to their members. Relevant feedback is incorporated into our people strategy, policies and procedures during revisions.
People and Culture also routinely convene with the unions to maintain steady communication beyond legally required topics. In 2024 we focused our bilateral conversations to the topic of understanding pay transparency and gender pay gap and the measures envisaged to address pay disparities and increase transparency on remuneration. Legally required information and consultation with the unions on topics relevant to employees is documented formally, through email exchanges.

SIBCR has members in two BCR subsidiaries (BCR BPL and BCR Leasing) and participates in local dialogue and collective labor agreement negotiations.

BCR subsidiaries continuously collaborate with employee representation bodies and have regular meetings between the management board and the representative body.

The effectiveness of engagement with our employees is ensured through the various direct and indirect engagement opportunities and the active usage of these formats. Additionally, the employee survey provides insights to continuously improve BCR Group's engagement efforts[93].

S1-3 –PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS

BCR Group has not identified any material negative impacts related to own workforce.
However, processes to remediate potential negative impacts and channels for own workforce to raise concerns are crucial for any organization that cares about its employees' satisfaction and engagement. BCR Group takes this responsibility seriously and is dedicated to addressing any potential negative impacts on its workforce that it may cause or contribute to with special attention to equal treatment and non-discrimination. BCR Group identifies and assess potential negative impacts through employee engagement survey, feedback mechanisms between managers and employees, and incident reporting systems through dedicated channels. Furthermore, BCR Group investigates reported issues to understand their root causes.

When a negative impact is identified, BCR Group takes steps to provide a remedy, which may include:

- Providing access to counseling and support services.
- Implementing corrective actions, such as policy changes or additional training.
- Engagement with employees and their representatives to ensure that the remedies provided are fair and effective.

[91] S1-2-27-e
[92] S1-2-27-b
[93] S1-2-27-e

To ensure effectiveness, BCR Group monitors the outcomes of its remediation actions through feedback from affected employees and engagement surveys.

Channels for employees to raise concerns on matters of discrimination and harassment

Banca Comercială Română has specific procedures and guidelines in place, in line with EU and local legislation, and has established dedicated channels and processes to enable employees to raise their concerns and get negative impacts remedied. The objectives of such guidelines and processes are to ensure a zero-tolerance policy for harassment and discrimination in the workplace and to provide all employees with the necessary tools to fully exercise their rights. As regards the anti-discrimination channel, it has been established internally (without participation in third-party mechanisms). All concerns and complaints regarding the harassment and discrimination in the workplace are managed by an internal Committee comprised of three members representing Compliance, Legal and People and Culture Divisions, all certified experts in equal opportunities. The Committee is responsible for receiving, investigating and solving harassment and/or discriminations allegations. Each case is taken seriously and treated with promptness and confidentiality. If the case is classified as a harassment incident, may be subject to appropriate disciplinary sanction according to the provisions of the Internal Regulation[94].

Channels to raise concerns

BCR Group has established multiple channels through which employees can raise their concerns and have their needs addressed by the organization:

- line manager as the first contact point
- whistleblowing process (see chapter G1-1)
- worker's representatives
- employee Survey
- Performance reviews
- Queries on AskHR team
- Contact with the ethics advisors and the anti-discrimination officer.

The channels through which employees can raise their concerns and needs are well-established, as dialogues with line managers and the employee survey occur regularly. Due to the consistent rhythm of engagement opportunities and the multitude of channels available for employees to raise their concerns and issues, without fear of retaliation, the measures taken to improve employee matters are regularly monitored with consideration of employee interests on BCR Group leve[l95]

Each reporting channel where issues are raised, tracks and monitors the reported claims. For example, complaints (17 received during 2024) sent via AskHR are monitored by complaint tracking on the Mediatel application (a dedicated call center app), and complaints sent via the Anti-Discrimination channel are highlighted in a dedicated register (11 claims received in 2024). Moreover, relevant stakeholders (such as People and Culture) are involved in the remediation process, if necessary, to find solutions
BCR informs employees about the availability of channels to raise their concerns. One of the options used is to inform newcomers right from the beginning of their employment as part of the onboarding welcome program[96].

The channels through which employees can raise their concerns and needs are well-established, as dialogues with line managers and the employee survey occur regularly.

The measures taken to improve employee matters are regularly monitored, and constant consideration is given to employee interests at BCR Group level through the continuous engagement process and the channels in place for employees to raise their concerns.

BCR has implemented according to local governance standards management escalation channels for reporting any kind of grievance or complaints relating to employee matters. The process is managed as normal course of business in case of minor cases, conflicts or claims by People and Culture division, HRBP and Direct Management functions. In addition, in line with local legislation, BCR has implemented special reporting channels and management flows for complains or claims relating employee matters, as follows:

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[94] S1-3-32-a
[95] S1-3-32-b & S1-3-32-c
[96] S1-3-32-d

- The process related to Antidiscrimination and Anti-harassment is defined in BCR's Internal Regulation and generally addresses cases in which BCR employees are submitting different claims or complains related harassment and discrimination (exclusively). This also includes provisions concerning the non-retaliation safeguards provided to employees.
- The Whistleblowing process which is focused on BCR employees' conduct and covers the following categories of abatements: (a) Financial crimes (fraud, embezzlement, etc.), including theft (of material goods and information); (b) Breach of internal regulations and legislation (Regulatory Compliance);(c) Infringement of securities and market regulations (insider dealing, market manipulation, dissemination of false information); (d) Bribery and Corruption, including conflicts of interest (invitations, gifts, extra-professional activities, intercompany relations, etc); (e) Money laundering/ terrorism financing; (f) Data security, confidential information; (g) any act involving a violation of the law, international regulation, professional ethics, by a member of staff/ suppliers/ partner of the Bank.
- As for reportings through workers representatives' protective measures as concerns protection against retaliation are foreseen by the law and the collective bargaining agreement in force.

Details are available to any interested party on BCR website.[97]
BCR Group ensures that employees are familiar with these channels through regular monitoring and through the mandatory Compliance/Whistleblowing course. Related whistleblower channels standard promotion mechanisms are in place such as the annual training for all employees and BCR's website for third parties. In 2025 customized training material will be launched related to antidiscrimination and anti-harassment using also standard communication related channels and process in place[98].
Whistleblowing management process is subject to internal audits (3rd line of defense). Last review was performed in 2023, and no findings were identified. Annually, during the Supervisory Review and Evaluation Process (SREP) inspections conducted by the National Bank of Romania (NBR), information is presented to the regulator (regulator controls). In line with an internal procedure and the applicable regulatory framework, BCR is submitting a semestrial report to NBR related all situations investigated in the reference period. Statistical information is also submitted annually to Erste Group.

[97] https://www.bcr.ro/ro/despre-noi/whistleblowing
[98] S1-3-33

S1-4 – TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

BCR Group has implemented various actions to address the material topics of diversity, training and skills development, work-life balance, as well as health and safety to demonstrate it's commitment towards preventing significant negative impacts while especially contributing to achieving positive impacts. BCR Group has established group policies that provide a framework for its approach to these material matters (listed in Chapter S1-1). The local policies follow the local legal framework and are in line with the group policies through a rollout implementation process.

Financial and other resources for actions related to BCR Group's own employees are allocated mostly from the People & Culture departments, but other teams provide support for specific actions as well. The actions are taken in the reporting year and are also planned to continue on an yearly basis on medium and long term as well, to bring a continuous positive impact on the employees. To support the implementation of the actions listed in the table below BCR Group allocates resources from a several departments, and allocates dedicated budgets.

Table Key actions and policies associated with the material IROs

Sub-topic	List of key actions	Policy
S1-Collective bargaining	Maintain current coverage (100%) at bank level by committing to periodical negotiations with representative unions, according to national legislation. As regards the subsidiaries, periodical collective bargaining are taking place in those companies where representative unions were established (BCR Leasing IFN and BCR Banca pentru Locuinte SA).	Mandatory negotiations are provided by law, therefore there is no need for a company policy in place.
S1-Work-life balance	Flexibility of working time (part-time, flexible working hours) Hybrid work of remote and on site	Local strategies under overarching Erste Group objectives Collective bargaining agreement and BCR Internal Regulation
S1-Health and safety	Medical healthcare packages Social aids for medical expenses for employees and family members suffering from serious or incurable diseases	Collective bargaining agreement and BCR Internal Regulation
S1-Training and skills development	Talent management and leadership Performance reviews and development talks	Overarching Erste Group objective BCR Nomination and Suitability Assessment Policy for Management Body
S1-Diversity	Diversity Council, Accessibility Diversity indexing	Diversity and Inclusion Policy

COLLECTIVE BARGAINING

Since BCR has 100% of its own workforce covered by a company collective bargaining agreement, our measure is to maintain the current coverage by committing to periodical negotiations with representative unions, according to national legislation. As regards subsidiaries, our measure will be also to maintain 100% coverage for those subsidiaries that have a representative body, since two of them already have a collective bargaining agreement in place (BPL and BCR Leasing) and one is covered by the collective bargaining agreement applicable at banking sector level (BCR Payments).

WORK-LIFE BALANCE

BCR Group has adopted a number of measures to allow working times to be adjusted to personal requirements. BCR Group offers a range of family-friendly measures which are regularly adapted to the needs of its employees. With family-friendly flexitime and work-from-home schemes, BCR Group enables its employees to balance personal time and work[99].

We prioritize work-life balance through a comprehensive strategy that considers employee perspectives. Through a bottom-up approach, we engaged colleagues from various levels of the organization in a collaborative exercise to shape our flexible work benefits, ensuring diverse needs of our workforce are met. The effectiveness of these actions

[99] ESRS 2 MDR-A-a & S1-4-38-c

is determined based on monitoring reports on the rate of use for such options and based on the employee's feedback provided specifically or as part of the Engagement Surveys.

HEALTH AND SAFETY

BCR Group prioritizes the health and safety of its employees, providing regular preventive checks. Employees have access to workplace psychologists and external support services for various personal and family issues.

All employees receive a comprehensive health services package from the largest private health care providers in Romania, choosing their provider annually. They have access to a wide range of free medical services, unlimited specialist consultations and various advanced procedures like MRIs. A similar package is provided to family members, including children and spouse.
Our health care providers deliver annual reports[100] on the general health of our employees, thus guiding awareness campaigns on preventable illnesses including information regarding type of medical services accessed by employees and family members. In addition to these services, on-site screening for certain illnesses is offered in cities with limited clinic access, as well as vaccination campaigns based on employees' requests[101].

Employees of BCR subsidiaries and their family members are covered by the same health care services contract.[102]

BCR Group employees and their family members suffering from serious or incurable diseases, or physical/functional impairments are eligible to receive financial aids for medical services exceeding the above-mentioned health service package. The financial aids are granted based on supporting medical and financial documents, in accordance with the provisions of the Regulation on the organization and functioning of the Social Committee within BCR.

Additionally, an integrative program addresses all well-being dimensions, focusing on physical, mental and emotional health. The scope was defined from the essential health and safety elements to employee self-actualization. For this purpose, a Digital Wellbeing Platform, launched in BCR Group in partnership with a specialized provider offers access to a dedicated platform integrating various digital resources, live open sessions and webinars, wellbeing assessments, etc. The wellbeing offerings for employees also include on-site chair massages, healthy lifestyle webinars and workshops, and awareness campaigns.
The effectiveness of these actions is indirectly monitored through the trend for the number of sick days, see S1-14.

TRAINING AND SKILLS DEVELOPMENT

Talent management and leadership

BCR Group provides centrally managed group-wide learning programs and personalized development offers. Specialized training covers areas such as corporates & markets, finance including controlling, asset/liability management, accounting, data excellence, and AI knowledge.

All courses and programs are easily accessible and bookable through the Learning Management System. BCR continually updates learning materials to reflect changes in regulations and offer training in fields like risk management, security, and compliance. The accessibility of learning offerings is constantly enhanced by the extensive implementation of digital learning formats.
Leadership development is a key focus within BCR Group's learning and development initiatives. Through coaching, mentoring, and customized programs, BCR Group supports its leaders in developing their leadership potential and skills. BCR CEO is part of the CEO board development program for 2025 organised at Erste Group Level which includes the local CEOs and Holding Board members The goal of the program is to gain insights on world-wide trends via moderated discussions around digital transformation/mindset, business model innovation and executive leadership as well as to strengthen a common picture around leadership and technology in the context of Erste Group strategy[103].

BCR offers its employees centrally managed group-wide learning programs and personalized development[104]. These programs are a current long-term initiative designed to achieve a sustained impact. All these programs are happening on yearly basis and are ongoing throughout some years, and come to support the implementation of and the

[100] ESRS 2 MDR-A-c
[101] ESRS 2 MDR-A-a & S1-4-38-c
[102] ESRS 2 MDR-A-b
[103] ESRS 2 MDR-A-a & S1-4-40-b
[104] ESRS 2 MDR-A-b

objectives in the Nomination and Suitability Assessment Policy for Management Body as concerns readiness for leadership positions [105].

In 2024, BCR Group employees completed on average 48 hours of professional development. Employees in management positions completed an average of 73 hours of training. BCR monitors average trainings hours by collecting the information per year and comparing them to the previous year[106]. The indicator is calculated as the number of training hours in the reporting period divided by the total head count as of 31.12.2024. There is no targeted value as the number of training hours may fluctuate throughout the years, as some regulatory training may be required.

Performance reviews and development talks

At BCR Group, talent management is driven by constructive feedback, a fair and transparent assessment of individual potential, and high-quality development activities. Each year, all employees and their line managers participate appraisal interviews to define goals for the current year and determine development plans to assist employees in their further personal development[107].

The employee appraisal interview with line managers is a group wide current measure[108]. These employee interviews are long-term initiative designed to achieve a sustained impact. The interviews are initiated on a yearly basis[109].

In 2024, performance reviews were held with 82.6% of all employees of BCR Group, out of which 93.3% were management-level and 81.5% were employees without management responsibility[110]. The percentage of performance review concluded by gender is further detailed in section S1-13. However, the opportunity effectiveness of qualified high skilled employees with greater employee engagement and productivity is not directly measurable with any specific indicator but can be visible in a long run through improvements in processes and products that indirectly contribute to financial result of the BCR Group.

DIVERSITY

BCR established the Diversity Council, as a frame for debating the local diversity strategy and major initiatives by:
- Identifying local diversity priorities together with the BCR Diversity Manager and facilitating their implementation.
- Supporting the adoption of the diversity targets set through the policy and the required measures to achieve the targets.
- Promoting diversity as part of corporate culture and strategy[111].

The Diversity Council is comprised of Board Members and Executive Directors (B-1) representing relevant business areas in the Bank and BCR subsidiaries, as well as managers with inclusive leadership styles and valuable insights on D&I topics, acting as diversity ambassadors.

In 2024, the Council focused on pursuing the following D&I actions: equity (e.g. diverse top management and equal opportunities for employees), transparency, reporting, and accessibility and professional inclusion of people with disabilities. Despite Romania's underdeveloped market for disability inclusion, we launched a pilot project and a platform for recruiting and integrating employees with disabilities. In the context of EAA (European Accessibility Act) implementation, the expertise of these employees will help BCR understand the accessibility challenges our clients are facing when they are using banking products and services. The insights provided by them following participation in the pilot project, as well as their feedback, come to support our readiness as an inclusive employer from the accessibility perspective. This would also facilitate for both BCR managers and future new colleagues a proper onboarding and integration process. By working towards facilitating a smooth integration, BCR Group is committed to become an inclusive organization that stands for accessibility and empowerment for people with disabilities[112].

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[105] ESRS 2 MDR-A-c
[106] ESRS 2 MDR-A-e
[107] ESRS 2 MDR-A-a & S1-4-40-b
[108] ESRS 2 MDR-A-b
[109] ESRS 2 MDR-A-c
[110] ESRS 2 MDR-A-e
[111] ESRS 2 MDR-A-a & S1-4-38-c
[112] ESRS 2 MDR-A-b & ESRS 2 MDR-A-e

Actions taken by BCR in coordination with Erste Group to address diversity include training programs, like unconscious biases, in order to promote an inclusive and respectful working culture. Additionally, diversity indexing is an action to establish a group-wide monitoring methodology. These initiatives aim to promote an inclusive corporate culture that strengthens both the internal and external perception of BCR Group as an attractive workplace which also supports the achievement of the objectives in the Diversity Policy.

The effectiveness of the initiatives related to fostering diverse and inclusive work environment are tracked considering the gender and age balance in BCR Group's workforce (see S1-9) and number of complaints and discrimination incidents (see S1-17).

Resources for actions related to diversity matters are allocated in People and culture team. Budget for group diversity training is coordinated and allocated in group diversity team on yearly basis.

S1-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Target setting is an important practice in an organization, as it helps to focus efforts and resources towards achieving specific goals.

BCR Group does not set measurable targets for all its aforementioned actions and it shall further consider this matter. The aim of BCR Group is to be flexible towards the needs of its employees and therefore as concerns the topics ”health and safety” and ”work-life balance” it proactively adopts the necessary steps during the collective bargain negociation process and this is the core reason for not adopting dedicated targets. As concerns training and development BCR Group monitors the number of hours at employee level focusing to encourage and support an ascending trend. Gender diversity targets are in place and are covered by a dedicated policy implemented in BCR.

S1-6 – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

At 31 December 2024, BCR Group had 5.220 own employees. Employees actively undertake business activities based on their job role for which they are compensated for in line with the BCR Group Remuneration Policy. This includes all employees, long-term sick leave employees, interns, trainees and early retirement.

Data is reported in headcounts (one person = one headcount, irrespective of the number of hours worked). The headcount measure is the relevant metric for labor law and better representation of material topics such as training, diversity and health and safety, compared to full-time equivalent measures. It provides a full picture of the organization's diversity and inclusion efforts and employees' overall health and safety. Data points related to own employees refer to the end of the reporting period 31 December 2024[113].

The table Employee headcount broken down by gender shows data for BCR Group, namely the bank and the six subsidiaries. All BCR Group entities operate in Romania, and as such, reporting the own workforce headcount by country is not relevant[114].

Table Employee headcount broken down by gender

Gender	2024
Male	1,359
Female	3,861
Other	-
Not reported	-
Total Employees	5,220

Table Own workforce headcount by contract type, broken down by gender indicates that the majority of BCR Group's workforce holds a permanent contract. A permanent (unlimited) contract of employment is a contract of unlimited duration and includes all new employees currently on a probationary period who are likely to have their contract made permanent. Temporary employees have limited contracts and include Interns, some service positions and

[113] S1-6-50-d
ESRS 2 MDR-M-77-a
[114] S1-6-50-a

Management Board contract. Most of the active headcount are full-time employees, defined as those with 100% occupancy (FTE= 1). BCR Group does not have hourly paid employees[115].

The table Own workforce headcount by contract type, broken down by gender shows data for BCR Group, namely the bank and the six subsidiaries.

Table Own workforce headcount by contract type, broken down by gender

2024	Female	Male	Other	Not reported	Total
Number of employees (headcount)	3,861	1,359	-	-	5,220
Number of permanent employees (headcount)	3,658	1,312	-	-	4,970
Number of temporary employees (headcount)	203	47	-	-	250
Number of full-time employees (headcount)	3,735	1,326	-	-	5,061
Number of part-time employees (headcount)	126	33	-	-	159
Number of non-guaranteed hours employees (headcount)	-	-	-	-	-

The table Employee turnover (including retirements) shows data for BCR Group, namely the bank and the six subsidiaries.

Table Employee turnover (including retirements)

	2024
New hires	386
Female	281
Male	105
Other	-
Gender not reported	-
Leavers	615
Female	462
Male	153
Other	-
Gender not reported	-
Turover ratio (%)	11.6

**Turnover ratio includes employees who leave voluntarily or due to dismissal, retirement, or death in service.*

In 2024, employee turnover at BCR Group (total of men and women) was 11.6 %.[116]
The turnover ratio presents the number of employees who left voluntarily, due to dismissal, retirement, or death in service during the fiscal year. It does not include employees on parental leave, students completing mandatory internship and internal transfers within the group. The employee turnover rate (%) is calculated using the formula: the number of employees who left the company during the reporting period (12 months) divided by the average headcount (HC) at the reporting date (31.12.2024) since the beginning of the year.[117]

Information about average FTEs can be found in financial statements Note 6 (General administrative expenses). Using Full-time Equivalent for financial statements, especially in tracking administrative expenses, is generally more effective than headcount as it better represents the cost of labor[118].

[115] S1-6-50-b
S1-6-50-d
ESRS 2 MDR-M-77-a

[116] S1-6-50-c

[117] S1-6-50-d
ESRS 2 MDR-M-77-a

[118] S1-6-50-f

S1-7 – CHARACTERISTICS OF NON-EMPLOYEES IN THE UNDERTAKING'S OWN WORKFORCE

In addition to own employees, there are 584 non-employee workers in BCR Group (headcount as of 31.12.2024), which are either self-employed individuals (5) or individuals contracted through a third party engaged in employment activity (579)[119]. Non-employees are contracted for a specific period of time based on their contract conditions and are mostly active in IT and Risk areas. Similar to BCR Group's operations, where employees' contracts prevail over non-employees' contracts, non-employees represent only 11% of the total own-workforce headcount. For non-employees, there are currently no policies, actions or targets in place. Thus, all policies, are specifically addressed to BCR Group's own employees. Additionally, actions, targets, metrics, and engagement and grievance mechanisms are designed to support and benefit own employees.

S1-8 – COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

Overall, a percentage of 99,92% BCR employees are covered by a collective bargaining agreement. As for BCR Group subsidiaries, only employees of two BCR subsidiaries (BCR BPL and BCR Leasing) are covered by the organization's collective bargaining agreement. BCR Payments employees are covered by the banking sector collective bargaining agreement[120].

Under Romanian legislation, BCR Group does not have the obligation to organize European Workers councils since it does not have subsidiaries in other EU countries. However, both of BCR Trade Unions are part in the European Workers Council organized by Erste Group (each of the two Trade Unions has 2 members).

The Board Members of BCR and BCR subsidiaries (operating under mandate and not under a labour contract) are not covered by the collective bargaining agreement.

Collective bargaining Coverage (either by company or by sectoral agreement)		Social dialogue
Coverage Rate	Employees	Workplace representation
BCR Bank	99.92%	Yes, 2 trade unions
BCR BPL	92.59%	Yes, 1 trade union
BCR Leasing	97.99%	Yes, 1 trade union
BCR Payments	98.53%	No
BCR Pensii, Fleet Management, Suport Colect	0%	No

The argument for materiality of the positive impact related to collective bargaining is that the security provided by the existence of a collective bargaining agreement is certain, given that such measures cover all BCR Group employees.

119 S1-7-55-a

120 S1-8-60-a
S1-8-60-b

S1-9 – DIVERSITY METRICS

Table Employee gender distribution at top management

Gender	Top Management* (headcount)	Top Management* (share)
	2024	2024
Female	15	38.5%
Male	24	61.5%
Other	-	-
Not reported	-	-
Total Employees	39	100%

* Management board positions (B0), as well as positions reporting directly to the management board (B-1), are defined as top management positions on the single entity level. From the consolidated group perspective (Table Employee gender distribution at top management) Top Management is defined as BCR Bank Top Management (B0 and B-1) and Top Management of the BCR Group subsidiaries.

Table Employee age distribution[121]

Age Groups	2024	
	Number of employees (headcount)	Share of employees (headcount)
under 30 years old	783	15%
between 30-50 years old	3,161	61%
over 50 years old	1,276	24%
Total Employees	5,220	100%

The table Employee age distribution shows data for BCR Group, namely the bank and the six subsidiaries.

[121] S1-9-66-b

S1-13 – TRAINING AND SKILLS DEVELOPMENT METRICS

The material matter of training and skills development is tracked by the average training hours metric and the proportion of performance reviews to the foreseen number of performance reviews concluded by management.

Table Training and skills development metrics

	2024
Average training hours	47.6
Female	47.8
Male	47.2
Other	-
Gender not reported	-
Management functions	72.9
Non management functions	45.0

The table Training and skills development metrics shows data for BCR Group, namely the bank and the following subsidiaries: BCR Leasing IFN, BCR Pensii, Societate de administrare a fondurilor de Pensii Private, BCR Banca pentru Locuinte.
In 2024, BCR Group's employees completed on average 47.6 hours of professional development (women 47.8 hours and men 47.2 hours). Employees in management positions completed an average of 72.9 hours of training. BCR Group monitors average training hours by collecting the information per year for each entity and comparing them to the previous year. The indicator is calculated as the number of training hours completed in the reporting period by its employees active as of 31 December 2024 divided by the total headcount as of 31 December 2024. There is no targeted value at group level, as for each entity the optimal number of training hours might be different. Moreover, the number of training hours may fluctuate throughout the years, as some regulatory trainings may be required.

Next to talent management and leadership, performance reviews are one of BCR Group's actions to address the material matter of Training and skill development identified in the double materiality assessment.
In 2024, performance reviews were concluded for 82.55 % of all employees of BCR Group. The figure has been derived through group consolidation of number of performance reviews per active head count (as of December 31) during the reporting period divided by the number of total head count (as of December 31).[122]
As per the provisions of the performance management process, all employees with more than 3 months worked during 2024, should have a final performance evaluation concluded for the reporting period. All performance reviews are concluded by each respective manager.

Table Performance Reviews[123]

	2024
Percentage of employees that participated in regular performance and career development reviews	82.55%
Female	80.99%
Male	86.98%
Other	-
Gender not reported	-
Out of which for Management functions	93.35%
Out of which for Non management functions	81.45%

The table Performance reviews shows data for BCR Group, namely the bank and the six subsidiaries.

[122] ESRS 2 MDR-M-77-a
[123] S1-13-83-a

S1-14 – HEALTH AND SAFETY METRICS

The total number of own employees (head count as of 31.12.2024) who are covered by the company´s health and safety management system based on local legal requirements and/or recognized standards in Romania is collected for BCR and subsidiaries.
All (100%) BCR Group's employees and non-employees are covered by the health and safety management system based on legal requirements. There were no fatalities as a result of work-related injuries and work-related ill health recorded in 2024. In 2024 BCR Group recorded 1 work-related accident. The rate of recordable work-related accidents of 0.10 indicates the number of work-related injuries per 550 full time employees in the workforce over a 1-year timeframe. This calculation uses a proxy of 1,808 working hours per one FTE per year (as suggested in ESRS S1-14 AR89). There were no cases of work-related ill health recorded in 2024, and no calendar days lost to work-related injuries. These indicators cover all workers working on our premises.
There is no exact split between own employees and non-employees available this year. There were no work-related fatalities recorded for own employees, non-employees and value chain workers working on the site of BCR Group's premises.

Table Health & Safety[124]

Health and safety metrics represented in headcount	2024
Number of fatalities related to work-related injuries / ill health	-
Number of recordable work-related accidents	1
Rate of recordable work-related accidents	0.1
Number of cases of recordable work-related ill health	-
Number of days lost to work-related injuries/ill health/fatalities	-

Additionally, sick leave days may act as an indicator if specific health and safety initiatives are needed.
Sick leave is a type of leave that is either paid for by the employer, by social insurance or is unpaid, due to illness or work incapacity (health problems). Sick leave is calculated in workdays from the first day of leave. The total duration of illness-related absences from work is calculated based on the total number of days of leave attributable to sickness or incapacity for the given period. In the reporting period, there were on average 6.22 sick leave days per headcount at BCR Group level (as of 31.12.2024).

[124] S1-14-88-a
S1-14-88-b
S1-14-88-c
S1-14-88-d
S1-14-88-e

S1-15 – WORK-LIFE BALANCE METRICS

All of BCR Group's own employees are entitled to take family-related leaves (based on head count), which include maternity leave, paternity leave, parental leave, and leave for family caregivers, etc., as granted under national law or collective bargaining agreements[125]. A percentage of 18.2% of employees took family-related leaves during the reporting period (female employees, 20.59%, male employees 11.1%)[126].

Also, all BCR Group employees benefit of a hybrid working model in accordance with their area of activity. During the reporting period more than 55% of BCR Group employees used teleworking days.

S1-17 – INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

BCR Group has reported on its approach to complaints, channels to raise them and on remediation of negative impacts in Chapters S1-2 and S1-3. Channels for raising concerns have been set-up, and the number of complaints submitted to the organization's reporting tool has been recorded. There have been in total 11 reported incidents of discrimination. The discrimination cases are under the investigation without involvement of local authorities. BCR has received 28 total complaints from its workforce regarding various topics, relating to unacceptable behavior, discrimination, termination of employment and entitlements, and workplace management. There have been no fines, penalties, or compensation for damages resulting from incidents of discrimination and complaints or relating to severe human rights issues or incidents connected to BCR's own workforce.

12.3.2. Consumers and end users

This chapter focuses on BCR Group's impact on consumers and end-users. The scope of this chapter covers the impacts, risks and opportunities (IROs) that BCR Group has identified towards the retail customer base. As part of BCR Group's commitment to transparency and sustainability, BCR Group places the interests and needs of its customers at the core of its business activities.

BCR Group acknowledges the positive impact that it has on its customer base regarding financial health, privacy, and access to products and services. Furthermore, BCR Group recognizes the opportunity related to the financial health of its customers on its business model. However, a risk was identified on the topic of privacy that will also be disclosed in this chapter.

[125] S1-15-93-a

[126] S1-15-93-b

S4 SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

As part of its commitment to transparency and sustainability, this chapter provides a comprehensive overview of the impacts, risks, and opportunities (IROs) related to consumers and end-users. As a prominent business in the local market, it is crucial for BCR Group to prioritize the interests and needs of its customers while effectively managing potential risks.

Sustainability matter	Type of IRO	IRO description	Value chain	Time horizon
S4-Financial Health & Financial Literacy	Potential positive impact	BCR Group has consistently led financial education initiatives, open to both customers and non-customers, playing a key role in improving financial literacy in Romania	Own operations	Medium-term
	Opportunity	Through the active support of its customers' financial health BCR Group can not only improve customer satisfaction and loyalty but also enhance its own financial performance and market position	Upstream & Own operations and Portfolio	Medium-term
S4-Privacy	Potential positive impact	Through good data protection practices, BCR Group may contribute positively to the overall client sentiment	Own operations	Short-term
	Risk	Data breaches or cyberattacks could lead to a loss of trust from customers and a loss of reputation, as well as legal consequences (e.g. breach of GDPR).	Upstream &Own operations and Portfolio	Short-term
S4- Access to products and services	Actual positive impact	By ensuring that all banking products and services are accessible to socially vulnerable people (e.g. people with disabilities and the elderly), BCR Group promotes their autonomy, social and professional integration and active participation in community life.	Own operations	All time horizons

Financial Health & Financial Literacy

Positive impact

Financial health and financial literacy serve as **key pillars of BCR strategy**, positively impacting its retail customer base and other stakeholder groups through literacy programs that enhance their economic stability and quality of life. These financial literacy programs develop a combination of financial awareness as well as the knowledge, skills, attitudes, and behaviors necessary to make sound financial decisions and ultimately achieve individual financial well-being.

BCR is committed to support financial education, being aware of its transformative impact on Romanian society.

Opportunity

BCR Group believes that by actively supporting the financial health of its retail customer base it can enhance their satisfaction and loyalty, which in turn reinforces its financial performance and market position. With a growing and extensive customer base, BCR Group has a strong foundation for financial health advisory services, as well as tools. This also presents an opportunity to deepen client relationships, especially with those who are digitally active. Technological advancements are driving a shift in its approach to financial health advice. Digital channels allow BCR Group to increase advisory touchpoints and reach more customers.

Privacy

Handling customer data is a crucial part of BCR Group's business model. As such, our organization is dedicated to protecting this data and must be vigilant about potential data breaches or cyberattacks, which pose a material risk to the business. Examples of this could include identity theft, fraud and financial loss. Such incidents related to data breaches could compromise the security and privacy of customers by exposing their private and financial data. Nevertheless, data privacy is considered a short-term risk that could lead to a loss of trust, damage to BCR Group's reputation, and legal consequences (e.g., breach of the General Data Protection Regulation (GDPR)). To mitigate these risks on a timely basis, BCR Group has implemented robust cybersecurity measures, regularly conducts security audits and data protection organizational measures including employee training.

Conversely, through good data protection practices, BCR may contribute positively to the overall client sentiment. Marketing and sales strategies are subject to privacy consultancy in order to prevent unwanted commercial communications.

Access to products and services

An aspect of BCR Group's business is to provide financial services also to socially vulnerable people, including those who would otherwise be excluded from access to financial goods and services. Initiatives focused on financial health, transparency and inclusivity of these customers are key to its value proposition and help build long-term customer relationships while improving their financial autonomy. These efforts also enhance customer trust and loyalty, contributing to the stability and resilience of its business.

S4-1 – POLICIES RELATED TO CONSUMERS AND END-USERS

Human Rights

BCR Group commits itself to meeting its responsibilities on human rights and corruption prevention. The BCR Group strategy is based on principles which are in line with the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Convention Against Corruption, among others.

The Code of Ethics serves as a basis of our customer oriented commitment (further details are provided in the section Human Rights, in chapter S1-1 "Policies related to own workforce"). Also, BCR Group dutifully considers and responds to the feedback and inquiries from its customers on a range of topics.
BCR Group's Code of Ethics, is based on principles which are aligned with international instruments that respect the human rights of its customer base such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The principles set forth by these international instruments are also incorporated into BCR Group's policies ensuring that operations involving BCR Group's customer based are considering the highest standards of ethical behavior and respect for human rights[127].

Furthermore, any non-respect of human rights by BCR Group towards its customer base can be reported by any stakeholder through the whistleblower channels, and standard claim channels, where it is addressed promptly. This reporting mechanism allows BCR Group to maintain transparency and accountability, ensuring that any violations are identified and rectified in a timely manner. In 2024 BCR Group had no case of non-compliance related to breaches of Human Rights. [128]
For more information on the whistleblowing platform, please see 'G1-1 – Business conduct policies and corporate culture'.

Financial Health (positive impact)

In line with the pillar in its business strategy, BCR guides its customers through important financial decisions, enabling choices that allow them to improve their financial health. By fostering informed decision-making and providing practical solutions, based on the policies and procedures in place for its core banking activities and which are intertwined with the financial health framework, BCR enables its customers to build a financially secure and confident future.
Through the calculation of the Financial Health Indicators, every client will have access to their financial health status (budget, reserve, protection, pension, investments). These help BCR to provide all clients an opinion on how to improve their financial health, and how to grow their wealth.

BCR Group's financial health framework is based on the monitoring of five indicators that support its customers to: 1) live within their means, 2) build up a financial reserve, 3) manage their risks, 4) grow their money through investments and private pensions. The calculation of these indicators helps BCR Group take a personalized approach towards supporting each digital enabled customer. The Retail Division is responsible for monitoring and implementing this framework.

The financial health of BCR Group's retail customers is reflected by the status, stability and knowledge of their financial situation. By analyzing and evaluating the financial health indicators of its customers, BCR Group can better understand their needs to help them become financially independent. Information regarding the financial health indicators is available on the digital platform George, with some already accessible and others being gradually introduced as the framework evolves.

Financial Health (opportunity)

BCR Group plans to take advantage of the opportunity to expand its customer base by supporting its clients in leading better and healthier financial lives. The overarching goal of this strategic pillars is to normalize financial advice, ensuring that customers receive support, by combining the expertise of human advisors with its digital platform, George. This involves understanding each client's unique situation through listening, showing empathy, and analyzing their finances and financial situation. BCR Group is building on the strengths of its human advisors while enhancing its digital advisory capabilities. To better understand the needs of its customer base regarding financial literacy, BCR will enhance the deployment of financial health indicators to further focus its strategy and further improve customer loyalty and trust.

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[127] S4-1-§16
[128] ESRS 2 MDR-P-a,b,d,f

Financial Literacy (positive impact)

BCR Group is committed to improving financial education through its "Scoala de Bani" (School of Money) initiative, which aims to provide individuals with the necessary knowledge and skills to manage their personal finances effectively. The program is linked to one of the pillars in our business strategy and is designed to help participants, both customers and other stakeholder groups, to understand key financial concepts, such as budgeting, saving, and investing, ensuring they can make informed decisions about their financial future.
By integrating digital tools such as the dedicated platform[129] and expert guidance, BCR Group ensures that financial education is accessible and engaging for people of all ages and backgrounds. Also, BCR Group contributes to the empowerment of teachers to integrate financial literacy content in their lessons. This is part of the Life Lab sub-program under School of Money and aims to bring financial literacy in each topic of school curricula.
Through personalized approaches and interactive learning experiences under this program BCR Group supports the development of a more financially stable and educated society. Furthermore, through the implementation of this framework BCR Group supports the UN Sustainable Development Goal 4: quality education.
The School of Money framework is aimed to support the strategic objectives of BCR on medium and long term. The Marketing and Communication Division of BCR is responsible for the implementation and monitoring of this financial education program.

Privacy

BCR Group considers the protection of its customer's data to be of the utmost importance. To earn trust, it is essential to ensure transparency. BCR Group places significant emphasis on providing customers with clear and comprehensible information regarding the processing of their personal data. Where necessary, prior consent for the processing of personal data is obtained.

Thus, the objective of the policy together with its related procedures is to achieve and maintain appropriate protection of all personal data according to regulatory and business needs within BCR specifically to reach compliance with the GDPR.

The BCR Group Security Strategy, approved by the Management Board, defines strategic goals that are aligned with regulatory standards. Organizationally, many security policies and procedures govern security-related requirements and controls for systems, infrastructure and BCR Group's own employees to protect data of its customers. Compliance with these policies is mandatory for BCR Group. All security-related policies are reviewed and updated on an annual basis. Higher frequency updates are possible, if necessary, such as to integrate new regulatory requirements.

Information related to data protection is made available to BCR Group's client base on the website. This includes the rights of its clients regarding their data as well as whom to contact in the case of any concerns related to data processing or potential breaches.

BCR Group ensures that employees are well-informed about the implementation of Group policies related to privacy through yearly trainings. This comprehensive understanding enables its staff to better serve BCR Group's customers by adhering to high standards of service and data protection. Consequently, these policies directly support BCR Group's commitment to meeting the needs and rights of its customers, while mitigating the risk of any cyberattacks or data breaches.

BCR Data Protection Policy

BCR's Data Protection Policy, along with its associated procedures, is available to all employees via an internal communication platform and its aim is to ensure and sustain the appropriate safeguarding of all personal data in alignment with both regulatory requirements and business needs. This objective is focused on achieving compliance with the General Data Protection Regulation (GDPR). In alignment with the GDPR, the focus of the data protection policy is the personal data of natural persons. Additionally, personal data pertaining to natural persons acting for or on behalf of a legal person are included within the scope of this policy. The Management Board is ultimately accountable for the policy's implementation. Accountability for policy implementation is assigned to data controlling representatives within each BCR division.[130]

Complementary to this policy, BCR has implemented a bank-wide Data Protection Procedure, which include detailed annexes on different data protection requirements (e.g., roles and responsibilities, transparency, data subjects' rights, etc.). This procedure ensures continuous adherence to data protection standards and allows for identification of areas for improvement.

[129] www.scoaladebani.ro

[130] ESRS 2 MDR-P-c

By implementing this internal policy BCR ensures that data protection rules are respected through all its processes internally (comprising rules to follow, templates, other internal obligations, which reflect the legal provisions on data protection etc.). The Data protection policy and procedure are transposed from Erste Group by the Data protection department and adapted to local specifics. The adoption process follows the rules applicable at BCR Group, entailing all the competent reviewers. After adoption in BCR, the Data protection policy and procedures follows the same adoption flow in subsidiaries.
The Data protection policy and procedures provide rules on transparency principle, which is subject to specific privacy notices. The privacy notices are updated when necessary.
The transparency principle is ensured through general and/or dedicated privacy notices available on BCR's website, as well as in the Framework agreement for Banking Services, signed between the customer and BCR. Depending on the product contracted by the customer, dedicated privacy notices are also provided (e.g., loans, current accounts, investments), enabling customer to understand how their data is processed in detail.
Each subsidiary adopts its privacy notices adapted to their own processes.

BCR Cyber and Information Security

The Cyber and Information Security policy, along with its associated procedures, is available to all employees via an internal communication platform, and it defines security principles, security management objectives, and an overall cyber and information security governance and management framework. Additionally, it outlines the organizational structure, related roles and responsibilities, information security risk management context, as well as definitions and implementation to be performed within BCR. Generally, the security procedures refer to protection of the BCR infrastructure, including applications and data therein. Each procedure has a set of security controls, which are monitored on a regular basis. Generally, the security procedures have to be implemented by all BCR subsidiaries as well.

The Chief Information Security Officer (CISO) is generally accountable for cyber and information security control and management within the Group, including the definition of the cyber and information security strategy, as well as for the implementation, monitoring and update of the Cyber Information Security policy. A primary task of the CISO is to monitor and support the implementation of cyber and information security, ensuring it follows "good practices" and is executed effectively, efficiently, and consistently in daily operations.

The rules and requirements stipulated by this policy are binding for all BCR Group employees, contractors, or service providers who implement, manage, or administer IT solutions used by or for BCR Group entities and their employees. Contractors, service providers or other vendors receive BCR's security requirements in both RFPs, as well as annexes within contracts. The BCR management board is the most senior level responsible for the implementation of the policy.

BCR Group regularly adapts its policies to meet changing practices and developing technologies. The policy has been updated to adhere to the requirements of the Digital Operational Resilience Act (DORA). Additional internal stakeholders and experts were consulted in the drafting of this policy to best cater to the protection of customer data. [131]

Access to products and services

Social banking at BCR seeks to improve access to financial goods and services for vulnerable groups who might otherwise be excluded, offering them access to financial products. Social Banking seeks to foster starting entrepreneurs through working capital loans and start up loans to create new jobs, as well as supporting vulnerable groups by improving their financial situation through special accounts and micro loans. For example, BCR offers specialized services for NGO's, including tailored products such as current accounts, financing options, and support for community and educational initiatives. BCR services are designed to empower organizations by providing the financial tools they need to grow and make a positive impact. We support NGO's within following their purpose through dedicated banking solutions.

In its annual impact report, BCR Group Social Banking publishes information related to the output of its activities as well as the direct and intended outcomes of its clients. Data in the annual impact report is collected through over 120 interviews with BCR clients. The report is publicly available on BCR Group's website. BCR's Social Banking Department, which reports to the CEO, is responsible for the overall implementation of the policy which is made available to internal stakeholders via an internal platform. The Social Banking Risk Policy applied by BCR Group covers social banking lending to private individuals, starting entrepreneurs or special impact projects, regardless of the further client segmentation

[131] ESRS e MDR-P-e

The policy applied for the social banking lending activities within BCR Group is also aimed to support the UN Sustainable Development Goals 3 (good health and well-being), 4 (quality education), 8 (decent work and economic growth) & 10 (reduced inequality) and thus we contribute at evolving to a more inclusive society by facilitating the access to banking products and services.

S4-2 – PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

Financial Health & Financial Literacy, Access to products and services (positive impacts)

Through analyzing and assessing the financial health of its customers, including those in financial difficulties, BCR better understands their needs and help them to become more financially independent. BCR is also able to determine whether the actions, products, and services it recommends to its customers are making a difference in their financial health as well as defining areas to focus its efforts on to benefit its customers.

Direct engagement with retail customers occurs through a variety of channels, both online and in the branches where BCR offers advisory services to help them achieve their financial goals. To ensure that its customers continue to benefit from BCR's positive impacts, an advisory framework is in place. This framework revolves around encouraging active customer engagement around BCR advisory propositions, which leads to addressing their drivers of financial health. A key element of this approach is ensuring advice is easily accessible across all channels.

BCR also has processes in place to determine the effectiveness of these channels of engagement. These are mainly based on annual monitoring of key data such as topics addressed, frequency and number of clients raising a particular topic, as well as the overall levels of usage and knowledge of the channels available. Following financial health discussions, surveys are regularly triggered, targeting a representative sample of customers. Studies are then conducted on the feedback provided that occur on a quarterly basis and further help to inform the business strategy. BCR continuously improves accessibility and service quality by collecting and analyzing customer feedback from advisory interactions. Further research is also undertaken to gain insight into the perspectives of retail customers that may be particularly vulnerable. For example, the social banking impact report includes specifically targeted feedback from a representative sample that included financed NGOs who provide support to people in financial difficulties.[132]

BCR designs and delivers financial health products and services tailored to the diverse needs of people in the regions it operates in. The development and approval of new offerings follow a structured process to ensure high-quality standards. Moreover, BCR creates inclusive environment in which special needs customers (e.g. those with disabilities) have adequate access to its products and services.

BCR conducts user interviews and pilot programs prior to the full rollout of new products to gather customer feedback at an early stage and adapt its processes if necessary. BCR Retail Division is responsible for ensuring engagement with our retail customers.

Privacy (positive impact)

By continuously sharing information and best practices group wide, BCR Group ensures that the best interests of its customers are always considered. This is based on sharing lessons learned, identification of the best industry practices and options for implementation, which constitutes the foundations of reviewing of the processes on the normal flow or case triggered in BCR and at the level of the Group by the advising process. The Data Protection Officer (DPO), who reports to the Chief Risk Officer (CRO), ensures a consistently high level of data protection throughout BCR Group. To ensure data protection governance, binding standards have been rolled out to and implemented by BCR Group subsidiaries.

BCR ensures through multiple channels available (website, e-mail address or post, territorial units, contact center) that its consumers can submit a request regarding their rights under GDPR.
In addition, the Data Protection Officer carries out monitoring measures as required under Article 39 of the GDPR, at the local level. BCR Group places great emphasis on providing customers with clear and understandable information about how their personal data are being processed. Prior consent is obtained for the processing of personal data upon initiation of the business relationship or whenever necessary. Furthermore, providers are contractually committed to fulfilling strict requirements related to the handling of customer data.
The processes surrounding the GDPR are heavily regulated and thus are valid for all customers, regardless of background. Therefore, BCR Group does not single out specific groups for insight into an already heavily regulated process.
Separately, related to vulnerable consumers, if processing activities are subject to data protection impact assessments ("DPIA"), the impact of the processing on vulnerable subject is also assessed.

[132] S4-2-§20-a, b,d

S4-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

Privacy

There is no material negative impact related to data protection. Data breaches are defined as breaches of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, personal data transmitted, stored, or otherwise processed. The reasons for a data breach can vary, e.g. from an email sent erroneously to the wrong recipient, to a system malfunction. Data breaches can be detected through internal technical or organizational measures (e.g., through the data leak prevention system or through internal reports from employees that became aware of the data breach), or through external reports (e.g., through a notification from the wrong recipient).

BCR has implemented a structured process to ensure that personal data breaches can be promptly investigated and notified to the ANSPDCP (the National Supervisory Authority for Personal Data Processing), in case the conditions of the GDPR are met, according to the internal policy and procedures.[133][134]

All data breach reports are collected and evaluated per entity of BCR Group. According to Article 33 of the GDPR, a notification will be filed with the responsible data protection authority if the data breach is likely to result in a risk to the rights and freedoms of natural persons. Beyond that, the data breach is communicated to the affected person, when it is likely to result in a high risk to their rights and freedom in accordance with Article 34 GDPR. The relevant risk assessment is supported by an internally developed data breach risk assessment, based on the methodology established in line with the European Data Protection Board (EDPB) guidelines and other competent authorities. Developing and refining BCR Group's incident response plan is a crucial element of its risk mitigation efforts. This includes clear protocols for identifying, reporting, investigating, lessons learned and mitigating any potential negative impacts on customers.

All data breaches are documented and evaluated. The root causes are analyzed on a case-by-case basis, and relevant steps are taken in a follow up activity. In 2024, BCR had only one data breach notified to the relevant data protection authority and no fine was applied. Should a data breach result in a high level of risk to the personal rights and freedoms of any customers affected, the data breach will be communicated to them as well. In 2024, no such notifications were issued.[135]

BCR Contact Center is the first port of call for instant customer support, playing a crucial role in maintaining strong business relationships and all our formal communications with clients include details on the availability of this channel. Available 24/7 and reachable by telephone and other touchpoints (as e-mail, messages from George, live chat, Facebook Messenger etc.) the Contact Center ensures that BCR Group's clients receive timely and effective assistance. In addition to the Contact Center there are also other communication channels in place and which are available for customers to raise concerns or matters of dissatisfaction, in which case the feedback is formally recorded as a complaint. For specific data privacy-related matters, contact details are provided online and in the data protection notice. Further reinforcing BCR Group's commitment to transparency and trust in its business interactions, customers have access to a whistleblowing platform which can be used on an anonymized basis (for more information, see chapter G1-1).[136]

[133] S4-3-§25-a

[134] S4-3-§25-d

[135] S4-4-§29-a

[136] S4-3-§25-b, c

S4-4 – TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END- USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND EFFECTIVENESS OF THOSE ACTIONS[137]

BCR Group's various initiatives share a common goal of promoting financial and social inclusion, while properly mitigating the risk of data breaches and cyberattacks. These actions are designed to address the diverse needs of different demographic groups, from individuals facing financial exclusion to entrepreneurs trying to start their own business. Continuous monitoring, regular assessments, and stakeholder engagement are integral to ensuring the effectiveness and adaptability of these programs. By focusing on education, financial stability, and social innovation, BCR aims to create a positive and lasting impact on its customer base.[138]
All the following actions are performed on an ongoing basis, with the exception of the rollout of financial health indicators, which is in progress. Two out of five financial health indicators are live in George app, and the others planned for 2025. For the implementation of the actions listed in the table below BCR allocates budgets and resources from various departments.
As concerns the implementation of these actions no significant Capex or Opex was identified as needed for both this year and for medium term.

Subtopic	List of key-actions	Policy
S4-Financial Health & Financial Literacy	Rollout of financial health indicators	Overarching BCR Group objective Financial Health Framework
S4-Financial Health & Financial literacy	Financial Literacy *Scoala de Bani & Financial literacy*	Local Strategy under overarching Erste Group objective
S4-Financial Health & Financial literacy	Financial Literacy *FLiP*	Local Strategy under overarching Erste Group objective
S4-Privacy	Incident response plan	Local Strategies under overarching BCR group objective
S4-Privacy	Data Protection Policy	Overarching BCR group objective
S4-Privacy	Security Management System	Overarching BCR group objective
S4-Access to products and services	Microfinancing and Social Banking	Overarching Erste Group objective Group Social Banking Policy
S4-Access to products and services	Voice for Hands	Overarching group objective Group Social Banking Policy

FINANCIAL HEALTH & FINANCIAL LITERACY (OPPORTUNITY)

Rollout of financial health indicators

Through financial advice and offerings, BCR positively impacts the financial health of its customers, contributing to an improvement in their overall economic stability. By actively supporting its customers' financial health, BCR also improves customer satisfaction and loyalty, building on the opportunity to enhance its own financial performance and market position.
As a part of its approach to Financial Health, BCR is currently in the process of rolling out the financial health indicators (described in S4-1 'Policies related to consumers and end-users') to all retail customers. This process is supported and locally coordinated by BCR Retail Division, and Erste Group Retail Transformation is responsible for ensuring the rollout. These financial health indicators provide customers with a comprehensive overview of their financial situation, enabling them to set financial goals and make informed decisions and covers areas such as current accounts, savings, lending and securities.

FINANCIAL HEALTH AND FINANCIAL LITERACY (POSITIVE IMPACT)

BCR Group's financial literacy initiatives aim to promote accessibility to financial education, including for people which are not part of its customer base. The monitoring and subsequent assessment of effectiveness for these financial literacy initiatives are carried out through feedback surveys of participants. These continuous evaluation and feedback cycles are in place to not only assess the effectiveness of the initiatives, but also to enable necessary adjustments that can be made to further enhance the impacts of the tree actions further detailed below.

[137] S4-4-§28

[138] S4-4-§31-c

Scoala de Bani and financial literacy

Scoala de Bani by BCR is an extensive financial education program launched 8 years ago and aimed at empowering Romanians with the knowledge and skills needed to make informed financial decisions, ensuring they can effectively manage their personal finances and plan for long-term financial stability. The long-term initiative, which addresses kids from kindergarten, school, high-school, universities and adults from companies, public institutions, NGOs, already reached through workshops, webinars, events, online platform more than 800,000 Romanians across the country. The face-to-face workshops are delivered by 2,000 BCR employees who became volunteers in the School of Money program. Its core objectives are to reduce financial illiteracy, promote responsible financial behavior, and foster a deeper understanding of essential concepts such as savings, budgeting, and investment. The results have been positive, with participants reporting increased confidence in their ability to manage finances and a significant improvement in their financial knowledge. Through this initiative, BCR aims to create a financially literate society that can contribute to the overall economic development of the country.

Around 250,000 of the participants in our School of Money program were kids and youngsters. The Ministry of Education endorsed this program of BCR for the last 8 years, and now it considers introducing financial literacy notions in school teaching curricula. BCR contributes to these efforts of improving financial literacy nationwide through its Life Lab subprogram.

Also, BCR continued one of its initiatives which is focused on accelerating banking and financial inclusion in rural areas. During 2024 it had one mobile branch travelling more than 6,000 kilometers and reaching 12 localities in Romania. Thus, it provided access to banking services and products, as well as to financial literacy workshops, to more than 1,500 people in the visited rural areas.

FLiP

In Romania, Money School on Wheels – FLIP truck - is an itinerant financial education exhibition for kids aged 7-14 whose purpose is to teach kids how to manage their money correctly and why it is important to have a financially responsible behavior. For an hour and a half, kids enter in the “Money World” where they have to pass through 5 steps together with their allies and friends: Games, Interaction and Joy. In 2024 around 31,410 kids have participated to 600 online workshops and 700 offline workshops that took place. The Marketing and Communication Division of BCR is responsible for the implementation and monitoring of FLIP, with one colleague from CSR team allocated for this project.

PRIVACY (POSITIVE IMPACT AND RISK)

Incident response plan

BCR Group has an incident response plan, defined as a crucial element of our risk mitigation efforts on the topic of privacy and data processing. While clear protocols are in place in internal procedure for identifying, reporting, investigating, lessons learned and mitigating any potential negative impacts on all BCR customers, these protocols must be communicated and taught to all employees across the group.
Separately, in order to prevent data breaches, BCR invests in training programs to ensure all staff members are well equipped with the knowledge and skills necessary to handle customer data securely, and how to respond to incidents properly. In addition, our employees are then expected to be able to communicate effectively to our customers about the processing of their personal data. By emphasizing the importance of data protection, BCR Group aims to not only safeguard its customers' information and maintain their trust in its organization but also to foster a culture of responsibility by raising awareness among its employees about potential risks.

Data protection team provides a training framework comprised of a suit of training forms, such as online (at least once a year)/ individual (subject to topic or event), applicable in different cases such as general know-how or particular topics (specific areas such as data protection agreements, marketing/profiling), performed for all BCR employees/external contractors within BCR and BCR subsidiaries throughout the year. The training framework is updated on yearly basis from two perspectives: (i) the type of trainings to be performed throughout the year and (ii) the information to be delivered through the trainings. The effectiveness of action is monitored, so it reaches a high level of participation and completion rate.

The training program is overseen by the Data Protection Officer, through delegates responsible for organizing and/or conducting the trainings at the level of BCR Group.

These trainings directly contribute to the achievement of BCR Group’s objectives outlined in its data protection and cybersecurity policies. Specifically, they support BCR Group’s goal of ensuring the highest standards of data security and customer privacy, which are critical components of its overall commitment to transparency.

Security Management System
The Security Management System is measured and steered by BCR's Security Maturity Assessment (SMA) framework. The SMA is a control self-assessment to measure the compliance of implemented security requirements as defined in Security policies and procedures. The Chief Security Officer is accountable for the in timely and correct execution of the SMA assessments. Also, the SMA process is integrated into the BCR Group Security Policy Framework process. BCR's Security performs quality checks on security key-controls and, where applicable, spot checks on a regular basis and performs regular reviews with Erste Group to harmonize with the group's standards.

ACCESS TO PRODUCTS AND SERVICES (POSITIVE IMPACT)

Microfinancing and Social Banking
BCR Group's Social Banking initiatives focuses on financing NGOs, Social Enterprises and startups across its core market, targeting clients who are typically underserved by traditional banking services. This initiative ensures that these organisations have access to essential financial resources, enabling them to address social and environmental challenges effectively and contribute to sustainable community development.

The Social Banking department within BCR supports the financial inclusion of social organisations and entrepreneurs by providing tailored financial products, such as loans and current accounts, and capacity-building programs such as Amplify and Marc. Amplify, a BCR Social Finance and Launch Romania initiative, supported by BCR and Erste Foundation, contributes to a thriving, more sustainable and innovative social-impact sector, where all actors act and engage as a purpose-driven community. Marc is a high-impact enterprise scaling program, a joint initiative of Erste Foundation, Erste Social Finance Holding, IFUA Nonprofit and SIMPACT, implemented in Romania by BCR, BCR Social Finance and Synerb.
Furthermore, BCR offers specialized services for NGO's, including tailored products such as current accounts, financing options, and support for community and educational initiatives. BCR services are designed to empower organizations by providing the financial tools they need to grow and make a positive impact. We help NGO's achieve their mission with dedicated banking solutions.
Periodical social impact assessments, including client surveys, are conducted to evaluate the outcomes of these initiatives. This continuous evaluation ensures that the Social Banking financings and programs deliver measurable results, enhancing the economic stability of its clients and strengthening their capacity to create meaningful change within their communities and Romania.

Voice for Hands
This initiative enhances client's accessibility and was rolled out in 2021 by BCR, when BCR became the first banking institution in Romania being able to serve customers who have hearing impairments and who know sign language. "Voice for Hands" is a remote video interpreting app, in Romanian Sign Language, based on video calls initiated using the Internet. The use and promotion of the application at the level of society significantly increased the total number of interpretation services provided to Deaf and hard-of-hearing people, eliminating distance barriers between the interpreter and the beneficiary whenever possible.

The "Voice for Hands" application directly supports BCR's strategic objectives by promoting inclusion, accessibility, and diversity among our clients. The application removes communication barriers for people with hearing impairments, ensuring equal access to banking products and services.
The following aspects position the application as an initiative with profound impact on the community and on how BCR approaches its relationship with all its clients:
- Promotes social inclusion: the application ensures that people with hearing impairments can access financial services without barriers, reducing discrimination and isolation
- Accessible financial education: the application facilitates the understanding of banking products for people with hearing application, contributing to improved financial literacy
- Improves quality of life: Clients with hearing impairments benefit from a personalized and accessible service, providing them with greater autonomy in managing their financial matters
- Changes social perceptions: the initiative demonstrates that people with disabilities are an integral part of society and deserve equal treatment

For the implementation of this medium and long term action BCR allocates both financial resources and people from retail product teams and follows effectiveness based on the reports furnished by an external provider managing the access to this platform.

S4-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

FINANCIAL HEALTH (OPPORTUNITY)

Target

A crucial element in enhancing the financial health of BCR's customers is the implementation of financial health indicators (previously detailed in section S4-1 'Policies related to consumers and end-users') throughout the various channels as well as in advisory services provided in branches by end of 2025. This initiative will enable customers to receive more tailored advice to achieve their financial objectives. Additionally, the calculation of these indicators will allow BCR to focus on further development of its business, by refining the advice and tools offered. A focused and tailored response to the financial needs of BCR's customer base is further aimed at consolidating customer loyalty to further enhance the Bank's financial performance and market position.

This will also be reflected in the results of the corresponding targets of the Customer Experience Index (CXI), which measures customer satisfaction and loyalty, considering satisfaction ratings, referrals, readiness to switch banks, customer effort scores, and repurchase rates. It captures the overall customer experience and its impact on the relationship with BCR. The CXI is calculated using the formula:

CXI=%advocates+%loyal customers+0.5×%simply satisfied−%non-engaged−%dissatisfied[139]

	% Dissatisfied Satisfaction 0–4	% Not engaged Satisfaction 5–6	% Simply satisfied Satisfaction 7–10	% Loyal Simply satisfied and Repurchase 9–10 Bank change 0–1	% Advocates Loyal and Recommendation 10 Effort 10
Vs. competition	Clear competitive disadvantage	Competitive disadvantage	No advantage or disadvantage	Clear competitive advantage	Clear competitive advantage
Likely behavior	Likely to change bank as soon as they can	Likely to look for better offers and change bank	Leave easily even for slightly better offer	Likely to repurchase even pays some price premium	Likely to recommend to friends and family
Target	Optimize		Neutral	Maximize	

The CXI is measured through quarterly and annual surveys conducted by an external market research institute, covering private, micro, and SME segments. The results are used to set targets for the following year, aiming for significant yearly improvements. The CXI is also used in bonus assessments for management and employees, with targets set by Group People & Culture, Group Customer Experience, and relevant business lines. Due to the large amount of market research involved in calculating the CXI, a limitation of this metric is standard deviation.[140]

Through supporting financially excluded micro enterprises and start-ups, BCR Group fosters economic stability and enhances customer satisfaction, whilst also maintaining its positive impacts on the topics "financial health and financial literacy" and "access to products and services". The long-term target for BCR Group is to become the leader in CXI in the country. The target is relative compared to the top 3 competitors in the market.[141]

The target setting process and review is part of the yearly Strategy and Budget Dialogue with our shareholders.

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[139] ESRS 2 MDR-T-80c

[140] ESRS 2 MDR-T-79-a, e, ESRS 2 MDR-T-80-b

[141] ESRS 2 MDR-T-79-b

CXI results

	PI	Micro
	Difference in relation to the top 3 competitors	Difference in relation to the top 3 competitors
	2024	2024
Banca Comercială Română	-0.4	1.5

BCR had consistent improvements on both Private Individuals and Micro segments on customer satisfaction in the last years, as a result of the continuous digitalization and new service models. BCR is now in top 3 CXI positions in the market, for both business segments which are connected to the IROs identified in its downstream value chain.

PRIVACY (POSITIVE IMPACT AND RISK)

Due to the high level of regulation within the fields of data protection and cybersecurity, BCR Group has set no additional overarching quantitative targets. However, BCR Group's aim is continued strict compliance with the GDPR to ensure the highest level of protection for customer data.

BCR monitors the number of data breaches, as well as that the policy and procedure are observed.
As a result of the implemented actions, as previously described in section "S4-4 – Taking action on material impacts on consumers and end- users[..]", BCR had no significant incidents in 2024. In the reporting year BCR had only one data breach notified to the relevant data protection authority and no fine was applied.

ACCESS TO PRODUCTS AND SERVICES, FINANCIAL HEALTH & FINANCIAL LITERACY (POSITIVE IMPACTS)

Targets

BCR Group is committed to promoting social banking to improve access to products and services as well as the financial health of its customers through financial literacy initiatives. The set targets directly support these objectives and contribute to the financial health and economic stability of customers. The targets for social banking financing and job creation and retention are related to measuring the effectiveness of BCR Group's Social Banking initiatives, while the target related to education support initiatives measures the effectiveness of the Group's financial health and financial literacy positive impact.

The target of social banking financing volume focuses on increasing access to financial services for starting entrepreneurs and NGOs / social enterprises. This is achieved by financing micro companies and start-ups that do not meet regular retail lending criteria.
The target of financial literacy participants aims to increase financial education and knowledge among individuals, especially disadvantaged groups. These educational activities are organized and conducted by BCR in Romania.

The volume of social banking financing is reported quarterly by local Social Banking Department of BCR to Erste Group and annually to the Management Board. The number of financial literacy participants is reported annually by local Social Banking Department to Erste Group. Job creation and preservation are assessed through impact form from clients and then reported in Group Social Banking Impact report along with qualitative impact data performed on a representative sample of social banking clients. Information regarding the number of beneficiaries and the SDGs supported is collected through the social impact form filled in by NGO clients.

By promoting social banking and achieving these targets, BCR Group contributes to the financial health and economic stability of its customers, ultimately leading to a better quality of life and a stronger market position.

	Metric	Year	Value
Social banking financing	in RON	2024	71,546,887
Education support participants*	Number of participants	2024	638,541
Job creation and retention	Number of jobs	2024	134

*out of which, targets are set only for Education support in financial health dialogues:

		Baseline		Actual		Targets			
						short term		medium term	
	Metric	Year	Value	Year	Value	Year	Target	Year	Target
Education support participants1	Number of participants	2022	32,000	2024	634,271	2025	1,000,000	2026	1,500,000

[1]The target shows the total number of persons participating in educational activities

Performance indicators

BCR Group has developed social banking yearly performance indicators. Part of them serve as a measure to track the progress of the social banking targets, which have been set.
The individual yearly social banking performance indicators shown below measure the progress and summarise the social banking targets. Social banking financing includes microfinance, start-up financing, and financing for social organisations. The target for education support participants is based on the number of participants in educational activities organised or initiated by Social Banking each year. The job creation and retention target relates to the financing and support activities of Social Banking. Data is collected every second year through the social banking client survey, with the next survey scheduled for 2025.

Social Banking Yearly Performance Indicators	2024
New social banking financing in RON	71,546,887
New social banking financing in number of new clients	319
Microfinance and start-up finance in RON	60,302,158
Microfinance and start-up finance in number of new clients	317
Social organisation finance in RON	11,244,729
Social organisation finance in number of new clients	3
Number of education support participants	4,270

12.4. Governance information

Business conduct

This section focuses on BCR Group's business conduct and its commitment to ethical behaviour. BCR Group places a high value on ethically correct behaviour, considering it as a fundamental prerequisite for its business activities and strategic priorities. This commitment is reflected in the Statement of Purpose defined at Erste Group level, which requires employees to consider not only the legality and profitability of business decisions but also whether they are the right thing to do. Building on this foundation, BCR Group's Code of Ethics, last updated and approved by the Management Board in January 2025, sets forth binding rules and ethical principles for all employees and board members. The Code emphasises responsibility, respect, and sustainability in all business activities. Additionally, Erste Group and therefore BCR, is committed to the principles of the UN Global Compact, which include upholding human rights, labour standards, and combating corruption, drawing from key international declarations and conventions.

In the context of the double materiality assessment, three sustainability matters have been identified as material within Business Conduct, each with positive impacts:

Sustainability matter	Type of IRO	IRO description	Value chain	Time horizon
G1- Corporate Culture	Potential positive impact	BCR Group has a positive corporate culture, promotes a safe, transparent, and ethical environment thus ensuring healthy working environment and can increase employee satisfaction.	Own operations	Short-term
G1-Protection of whistle-blowers	Actual positive impact	Whistle-blower protection at BCR Group has a positively impact by encouraging the reporting of misconduct, leading to a safer and compliant work environment.	Upstream & Own operations	Short-term
G1-Corruption and bribery - Prevention and detection including training	Potential positive impact	Prevention training offered to all employees can effectively counteract potential corruption and bribery and promotes a trusting and ethical business environment.	Upstream & Own operations	Short-term

Corporate culture

Our corporate culture is strategically aligned with the way BCR Group positions itself on the market: as a community partner, fostering the financial education in Romania. This is the main strategic driver that brings together our corporate values of care, learning, results and order.

Protection of whistleblowers

Whistleblower protection at BCR Group plays a crucial role as it positively impacts the work environment by encouraging the reporting of misconduct. It is essential for securing the integrity and ethical standards of the organization. By providing a secure and confidential channel for employees to report unethical behaviour, BCR Group ensures that potential issues are addressed promptly and effectively.

Corruption and Bribery – Prevention and detection including training

Prevention training offered to all employees is another key component of BCR Group's strategy for its employees to counteract potential corruption and bribery. By educating employees on the importance of ethical behaviour and providing them with the tools to recognize and prevent corruption, BCR Group strengthens its commitment to corporate responsibility and ethical business practices.

Ultimately, these initiatives contribute to a positive corporate culture and enhance the reputation of BCR Group as a responsible and ethical financial institution. BCR Group demonstrates its commitment to ethical business conduct and reinforces its position as a trusted partner in the financial industry.

G1-1 – BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

BCR Group's policies relating to business conduct comprise the Code of Ethics, which fosters its corporate culture by embedding its core values of people, fairness and transparency into every aspect of its operations. BCR Group's culture is aligned with its business strategy. The Code of Ethics also serves as a guide for leaders to ensure the organisation is fit for the future while adhering to all relevant ethical standards. BCR Group regularly monitors and refines its culture through exchanges, employee feedback and 360° leadership evaluations to ensure it remains strong and effective. BCR Group enhances its corporate culture through leadership development, employee training on values and ethics and engagement surveys.

To ensure the integrity and trust in the organisation, BCR Group has implemented two group-wide key policies: the Risk Policy Whistleblowing and the Policy on Conflict of Interest and Anti-Bribery and Corruption (implemented in BCR through Anti-Corruption Policy and Code of Ethics). These policies are essential components of its governance structure and contribute to an ethical and transparent work environment.

Corporate culture

The above-mentioned policies and the frameworks indicated below are aimed to nurture the integration of sustainability principles in our corporate culture, whilst also encouraging employees to adopt our values.
BCR Group has identified financial education as a main driver for both its strategy and for growing our corporate culture. A good financial education brings better financial decisions of every citizen. It creates a healthier society. And it gives our employees a sense of purpose.[142] Our core values of care, learning, results, and order were established as part of our mission to foster an internal culture that empowers employees to grow personally and professionally while supporting our clients in becoming financially educated.
We actively promote[143] these values through consistent involvement in internal employee training, learning programs and volunteering activities. In addition, we conduct internal campaigns to highlight employee benefits through our dedicated initiative, Valued@BCR. This platform not only informs but also reinforces our commitment to creating a supportive and engaging work environment that reflects our core values. Through annual Employee Engagement Survey we listen to our teams, understand their needs, and take action to improve their experience.
Each employee can benefit of one paid volunteering day per year, motivating them to engage in community activities and live these values. For the last 8 years we, as a team, were actively involved in impactful sustainability programs and acted as an active promoter of financial education.
Internal communities created around common values, beliefs and interests, with the involvement of our employees, drive an inclusive environment (e.g. Step Into the Future, Mindful Parent, Magic Advisor, Edu Fin Teachers, Career School Teachers). The members of these communities act as ambassadors and are involved in various engagement activities aimed at promoting and nurturing our internal culture.
We regularly inform Board Members as concerns employee related initiatives. These meetings also serve as a platform to review the results of the Employee Engagement Survey (EES) and identify actionable ways to support our employees' attachment to our organizational culture[144].
Board Members encourage and offer guidelines regarding leadership programs development, by acting internally as Sponsors for specific learning modules and participating in internal & external learning and corporate activities and events.
The main themes promoted[145] and communicated as part of our corporate culture include:

1. People: Valued@BCR: A dedicated initiative that highlights our benefits, available to our employees, career opportunities and personal development, work-life balance, ensuring they feel appreciated and supported.
2. Financial Health: These campaigns are designed to help employees to better understand our strategy and direction, fostering alignment and engagement across all levels.
3. Society & Education: We actively promote the bank's community engagement initiatives, encouraging employees to participate and contribute to our community projects.
4. Digital Excellence (Bank on an App): integrating digital tools into internal operations, reducing manual workloads, and promoting sustainability by minimizing paper consumption.
5. Commercial Time: BCR's advisory approach, processes and commercial focus.

[142] DR G1-1, 9

[143] DR G1-1, 9

[144] DR G1-1, 9

[145] DR G1-1, 9

By maintaining an open dialogue at the leadership level, we ensure that our strategies align with employee needs and that we continuously enhance the programs and opportunities that contribute to their growth, satisfaction, and engagement. This collaborative approach reinforces our commitment to building a workplace culture where everyone can thrive.

We have specific incentives and tools designed to foster and encourage our corporate culture, ensuring employees are engaged, informed, and continuously developing. These include:

1. Intranet Network and Viva Engage: A centralized platform that facilitates communication, collaboration, and access to essential resources, keeping employees connected and informed.
2. Learning Platform Courses: available training courses available through our learning platforms, empowering employees to grow their skills and align with the values and goals of the organization.
3. Regular Newsletters: These provide updates on internal initiatives, achievements, career & learning opportunities and events, ensuring transparency and a sense of inclusion across the organization.
4. BCR News: Dedicated news updates keep employees up to date with the latest developments within the company, reinforcing a shared understanding of our direction and progress.

Protection of whistleblowers

The Group Risk Policy Whistleblowing at BCR Group establishes group-wide standards to identify, report, and investigate concerns about unlawful behaviour. Promoting a well-established whistleblowing process helps BCR Group to maintain the positive impacts for employees, the organization, and customers. A key benefit of this process is the creation of a culture of transparency and accountability. When employees have a safe and confidential way to report concerns, they are more likely to do so, ensuring that instances of misconduct are detected and addressed promptly, fostering a safer and more ethical environment. The policy is based on the EU Directive on the protection of persons who report breaches of Union law no 2019/1937, and the Law regarding the protection of whistleblowers for public interest no 361/2022 and industry regulations (e.g. The Bank complies with National Bank of Romania Regulation concerning prudential requirements for credit institutions no 5/2013) and best practices in the sector). Further details on the categories of incidents covered by the whisteblowing process are provided in the section S1-3 –Processes to remediate negative impacts and channels for own workforce to raise concerns. [146]

Following an alert each whistleblower receives a confirmation within 7 days of submission. The investigation must be finalized within 45 days but depending on the investigation pattern and complexity it is possible to extend this term up to 90 days.

BCR Group provides various channels for reporting concerns, including email, telephone, personal meetings, and Erste web platform. These channels are accessible not only to employees but also to third parties, in accordance with applicable whistleblower protection laws. Information about whistleblowing is provided through BCR Group website[147], internal mandatory training courses, annual mandatory information sessions are conducted using e-learning tools. Whistleblowing Officers receive specialized training, particularly in data protection, and maintain the independence necessary for their role[148] [149] [150].

Whistleblowers will not be at risk of dismissal, disciplinary actions or any other contractual penalties or any other form of sanction. Their identity is protected, even if it is found that what is reported is not confirmed, provided that:

- they act in good faith.
- they believe on reasonable grounds that the information is correct.
- not to make the report in bad faith or for the purpose of personal gain or reward.
- not to make the referral with the purpose of exonerating himself/herself from possible legal/ procedural liability.

BCR does not tolerate any harassment or victimization (including informal pressures) and will take appropriate action to protect the identity of whistleblowers that raise a concern in good faith. If a whistleblower requests protection of their identity, BCR will not disclose it without their consent.

The Risk Policy Whistleblowing covers all employees, customers and third parties. The Compliance Division is responsible for implementing this policy with the involvement and support of employee representatives to ensure better acceptance among employees, facilitated by a specific mutual works agreement.

Detailed information regarding the process and protection against retaliation is available in internal regulation and a summarized version on BCR`s website. The "BCR alerting system includes an internal reporting office where employees can report suspected cases or ask questions about possible violations. This office, under the Chief

[146] ESRS MDR-P a to f

[147] https://www.bcr.ro/en/about-us/whistleblowing

[148] G1-1-10-a

[149] G1-1-10-c

[150] G1-1-10-d

Compliance Officer, is staffed by qualified and authorized employees within Compliance Division. Reports are received and processed confidentially according to a standardized process, with all reports being investigated and appropriate measures taken if necessary. The system provides safeguards for whistleblowers, including anonymity protection, protection of involved individuals, and protection against false accusations[151]. Correct processing of concerns is ensured through regular reporting to the Management and Supervisory Board, as well as internal and external audits.

In the policy setting process, in addition to the legal requirements, inputs from internal and external stakeholders were received through bilateral talks and envisaged trends and best practices in the sector.

All policies related to employees are available on the intranet, accessible exclusively to internal stakeholders. External stakeholders are informed via BCR website.

Corruption and bribery - Prevention and detection including training

BCR Group's policies, which are based on Erste Group's Policy on Conflict of Interest (CoI) and Anti-Bribery and Corruption (ABC),directly address the positive impact identified in the materiality assessment on Corruption and bribery - Prevention and detection including training. The aforementioned Erste Group documents are implemented locally through BCR Code of Ethics and BCR Anti-Corruption Policy.
The framework establishes comprehensive standards to prevent and detect conflicts of interest, bribery, and corruption. The framework is derived from the "Statement of Purpose" and the "Code of Conduct" of Erste Group. Responsibilities and standardized procedures for managing conflicts of interest and anti-bribery and corruption throughout all levels of Erste Group's business, including BCR, are defined in the framework aims to prevent legal breaches and protect the company's reputation through a responsible corporate culture, a clear compliance framework, and appropriate employee qualifications. This policy is implemented through prevention training offered to all employees. This training effectively counteracts potential corruption and bribery, benefiting the interests of consumers, employees and business partners, and promoting a trusting and ethical business environment152.

All individuals are considered at risk for bribery and corruption therefore BCR Group does not differentiate between employees.

Conflict of Interest and Anti-Bribery and Corruption web-based trainings (WBT) are mandatory for all Erste Group, including BCR Group employees. The WBT must be repeated every year by all BCR Group employees.
In addition, BCR has developed a dedicated material in line with country specific which is also mandatory for all BCR employees each year. Management Board is addressed through regulatory annual training which is provided by an external consultant (also addressing ABC topics).
The trainings provide an overview of different types of conflicts of interest, such as organizational CoI, confidential CoI, and CoI regarding procurement or the supply chain. The WBT consists of four categories: general information, treatment of benefits, treatment of secondary activities, and personal and close relationships. It details various terms to ensure a uniform understanding and presents the reporting and approval processes for different types of CoI involving various stakeholders. Employees must pass a knowledge test with a rate of at least 80% at the end of the training.

The Framework is approved by Management Bodies, who are legally accountable and liable for the group-wide Anti-Corruption Policy and Code of Ethics. The framework is owned by the Compliance Division and follows a yearly review cycle, during which contents are reviewed and assessed based on changes in legal acts or recommendations from public authorities. Investigations regarding the prevention and detection of corruption and bribery are coordinated by the Compliance Division independently of business units (including staff and management).

The policy applies across all geographical areas in which BCR Group operates and addresses the needs and concerns of all affected stakeholder groups. Inputs from internal and external stakeholders, obtained during bilateral meetings, were considered in the policy setting process. The policy is made available through the intranet for all employees and is part of the yearly compliance trainings that all employees must complete. Process owners define detailed processes and regulations, which are rolled out via the intranet or the communication platform to employees. General information about BCR Group's Policies on Anti-Corruption Policy and Code of Ethics is also made available to external stakeholders on our website.

[151] G1-1-10-c

[152] G1-1-10-g

G1-3 – PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

A corruption incident is defined as the abuse of entrusted public or business power, office, or resources for private gain, either by elected government officials or by other private individuals. Bribery, a form of corruption, is defined as the act of receiving a benefit, whether financial or non-financial, that alters the behaviour of the recipient. A bribery incident involves intentionally offering, giving, receiving, or soliciting the benefit, directly or indirectly, or through a third party, to improperly influence a person in the performance of a duty, to obtain or retain a benefit or any undue advantage, or to influence the actions of an official or other person in charge of a public or business duty.
The ABC Program implemented in BCR Group is structured as to address the following 3 pillars: 1. prevention and deterrence; 2. reporting, detection & investigation; 3. reporting& correction.

When an incident of bribery or corruption is suspected, the Compliance Function coordinates the investigation, with cooperation from other functions, if the case (such as Internal Audit function Security Experts, IT experts, experts from Erste Group Compliance. This ensures that all allegations are investigated independently and comprehensively. The Compliance Division, which operates separately from the chain of management, plays a crucial role in investigating these incidents according to the 3-Lines-of-Defense Model. This model ensures that responsibility for compliance matters, including investigation of BCR has established rigorous procedures to prevent, detect, and address allegations or incidents of corruption and bribery. These efforts focus on ensuring compliance with financial sanctions, embargoes, securities compliance, and good conduct compliance, which includes anti-bribery and anti-corruption agendas.[153]

Regular risk-based monitoring activities /controls are conducted by Compliance Division (as 2nd level controls) , actions which ensures adherence to these procedures and raise awareness of compliance risks among all relevant staff. The management bodies of BCR Group are informed on critical conflicts of interest, particularly those indicating corruption, which are also reported to the National Bank of Romania. Such instances are reported to the board and supervisory board of Erste Group Bank AG as well. Reports are submitted through Group Conduct Compliance to Group Internal Audit, the Management Board, and the Supervisory Board.[154]
Compliance officers are provided with specific internal working instructions outlining procedures to prevent, detect and address allegations or incidents of corruption and bribery. Investigations are carried out by the Compliance Division Monitoring Unit, which operates independently from the chain of management, ensuring unbiased and thorough investigations.[155]

BCR Compliance Division Monitoring Unit monitors the fulfillment of the e-learning completion and is responsible for implementation of the e-learning and for escalating cases of non-completion. The overall process within the BCR Group Compliance steering scope is the same as the IFRS consolidation scope.

People and Culture Division provides support for the implementation of the e-learning and furnishes regular completion reports to the Compliance Division Monitoring Unit. For the year 2024, the Group E-learning Training had its due date by 31st January 2025. The completion rate by end of January 2025, for own employees active at 31.12.2024, was 98.5%.

The following data includes the completion rates within BCR.

Anti-corruption and bribery training 2024[156] (Group E-learning Training)	All staff incl. Management roles	Out of which, Management roles including MB
Training coverage (%)	98.5%	97.9%
Total trainings (#)	4,843	422
Total trainings completed (#)	4,670	389
Duration of web-based training	1 hour	1 hour
Frequency	Annually	Annually

Training data are based primarily on the completion of the groupwide web-based-training on Conflicts on Interest and Anti-bribery and corruption. The training covers all relevant aspects around the different types of conflicts of interests, corruption and bribery, how they occur, how they can be prevented and reported. The web-based training takes 1 hour, with the theoretical input lasting 45 minutes and the quiz 15 minutes.

[153] G1-3-20

[154] G1-3-18-c

[155] G1-3-18-b

[156] G1-1-10-g

Additional training courses vary in duration and assignment logic and are adapted to the specific content and targeted audience, based on entity risks.
To this extent BCR is rolling out on annual basis a local e-learning addressed to all staff, including management, on the topics Ethics/Conflicts of Interests /Whistleblowing/Anti-bribery and Corruption.

Anti-corruption and bribery training 2024[157] (BCR Local E-learning Training)	All staff incl. management roles
Training coverage (%)	99.5%
Total trainings (#)	4,895
Total trainings completed (#)	4,822
Web-based training	1 hour
Frequency	annually

The training sessions started in March 2024 and availability ended in December 2024. The training covers all relevant topics within the framework (Code of Ethics, ABC Policy and Whistleblowing). The training is finalized with a test contains questions from the information material. Beside quantitative monitoring process the qualitative indicators are followed, meaning that each employee who attends the training session must obtain a pass rate of minimum 70%. For the implementation of the actions related to these training sessions no significant Capex or Opex was identified as needed for both this year and for medium term.

G1-4 – INCIDENTS OF CORRUPTION OR BRIBERY

Incidents of corruption or bribery within an organization can severely undermine its integrity and ethical standards of BCR, such incidents are addressed with utmost seriousness, in alignment with the BCR Anticorruption Policy.

There have been zero convictions for violations of anti-corruption and anti-bribery laws, and the number of fines for such violations is zero for year 2024.[158] [159] [160] [161] [162] [163]

Subtopic	List of key-actions	Policy
G1- Corruption and bribery - Prevention and detection including training	Training programs to prevent and detect corruption and bribery	Code of Ethics and BCR Anticorruption Policy

For the implementation of the programs indicated in the table above no significant Capex or Opex was identified as needed for both this year and for medium term.

Training programs to prevent and detect corruption and bribery

Erste Group has established comprehensive training programs to prevent and detect corruption and bribery, aligned with the Policy on Conflict of Interest and Anti-Bribery and Corruption, which are also implemented by BCR Group. These ongoing actions are designed to raise awareness, prevent corruptive behaviour and address any material gaps, thereby supporting the positive impact of promoting a trusting and ethical business environment.

[157] G1-1-10-g
[158] G1-4-24-a
[159] G1-4-24-b
[160] G1-4-25-a
[161] G1-4-25-b
[162] G1-4-25-c
[163] G1-4-25-d

Employees are assigned a web-based training that covers general anti-corruption principles and specific issues identified through analyses. These trainings are mandatory and must be repeated as described above (yearly). The contents include general information, treatment of benefits, secondary activities, personal and close relationships.
BCR employees have completed in 2024 the Erste Group web-based training Anti-corruption and Bribery as per completion rate mentioned under section G1-3 above.
An additional Erste Group-wide action is the implementation of a compliance platform, scheduled for 2025. This platform will serve as a central hub for knowledge transfer, including topics such as conflicts of interest, the Policy on Conflict of Interest and Anti-Bribery and Corruption, important contact persons and notes on the web-based training. The platform aims to enhance the accessibility and dissemination of critical compliance information across the organization.
The progress of these actions is monitored through evaluations of the web-based training, data analysis of the reporting tool, checks and risk assessments. BCR Compliance Division Monitoring Unit, with support from the People and Culture Division, monitors the completion rates of the e-learning programs and escalates cases of non-completion. By implementing these targeted training programs and the compliance platform, both Erste Group and BCR Group effectively foster the positive impacts identified in the materiality assessment 2024.

Supervisory Board Chairman,

Manfred WIMMER

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Societate administrată în sistem dualist
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STATEMENT

According to the articles 30 and 31 of the Accounting Law no. 82/1991

The "Separate and Consolidated Financial Statements" as at December 31st, 2024 for the Group Banca Comercială Română (the Group) and for the bank individually (Bank) have been prepared in accordance with National Bank of Romania Order no. 27/2010 for the approval of the Accounting Regulations compliant to International Financial Reporting Standards, applicable to credit institutions, as subsequently amended and supplemented.

We, Sergiu Cristian Manea as Executive President and Elke Meier as Executive Vicepresident of Banca Comercială Română SA, undertake the responsibility for the preparation of the Separate and Consolidated Financial Statements as at 31.12.2024 and we confirm the following:

a) The accounting policies applied for the preparation of the separate and consolidated financial statements for the year ended 2024 are in accordance with accounting regulations applicable to credit institutions, correspondingly in accordance with the NBR's Order no. 27/2010;

b) The Annual Separate and Consolidated Financial Statements reflect a true and fair view of the financial position, financial performance and further information related to the activity of the Bank and the Group;

c) Banca Comercială Română SA prepared its Financial Statements and carry on their business on a going concern basis.

d) The Consolidated and Separate Administrators' Report includes an analysis of the development, performance and risks related to the Group's and the Bank's activity. The Consolidated Sustainability Statement is an integral part of the Administrators' Report and was prepared in accordance with Order 1/2024 on the amendment and completion of Order 27/2010.

Executive President,
Sergiu Cristian Manea

Executive Vicepresident,
Elke Meier