

Banca Comercială Română S.A.

Interim Condensed Financial Statements

Consolidated and Separate

30 June 2024

Prepared in accordance with
IAS 34 „Interim Financial Reporting”
and unaudited

Lei Code: 549300ORLU6LN5YD8X90

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STATEMENT OF PROFIT OR LOSS
Consolidated and Separate
As of 30 June 2024

Statement of profit or loss

in RON thousands	Notes	Group		Bank	
		30.06.2024	30.06.2023	30.06.2024	30.06.2023
Net interest income	10	2,098,804	1,770,090	2,029,149	1,673,093
Interest income		3,304,468	2,842,908	3,321,217	2,810,746
Other similar income		81,187	61,464	595	969
Interest expense		(1,271,762)	(1,122,817)	(1,277,797)	(1,127,281)
Other similar expense		(15,089)	(11,465)	(14,866)	(11,341)
Net fee and commission income	11	525,271	449,550	497,495	427,283
Fee and commission income		682,965	578,319	651,964	551,226
Fee and commission expense		(157,694)	(128,769)	(154,469)	(123,943)
Dividend income		5,944	5,102	57,854	65,976
Net trading result	12	243,787	284,173	241,946	275,332
Gains/(losses) from non-trading financial instruments mandatorily measured at fair value through profit or loss		9,063	3,216	9,063	3,216
Gains/losses from derecognition of financial instruments not measured at fair value through profit or loss		(3,432)	-	(3,432)	-
Net result from equity method investments		4,712	2,354	-	-
Rental income from investment properties and other operating leases		18,161	22,388	2,758	2,649
Personnel expenses	13	(523,152)	(541,068)	(492,470)	(499,614)
Other administrative expenses	13	(394,284)	(345,249)	(389,551)	(335,836)
Depreciation and amortisation	13	(123,086)	(120,846)	(114,558)	(105,380)
Net impairment loss on financial instruments	14	(94,335)	(128,075)	(74,976)	(104,267)
Other operating result	15	(181,065)	(92,781)	(172,681)	(67,742)
Profit before tax		1,586,388	1,308,854	1,590,597	1,334,710
Taxes on income	16	(271,893)	(198,021)	(261,668)	(195,221)
Net result for the period		1,314,495	1,110,833	1,328,929	1,139,489
Attributable to non-controlling interests		3	7	-	-
Attributable to owners of the parent		1,314,492	1,110,826	1,328,929	1,139,489

The interim condensed separate and consolidated financial statements were approved by the Management Board on August 21, 2024 and Supervisory Board on August 27, 2024.

AUTHORISED PERSON
 First name, Name and
 Signature
 Executive Vice-President

Elke Meier


AUTHORISED PERSON
 First name, Name and
 Signature
 Executive Director Accounting Division

Gina Badea


STATEMENT OF OTHER COMPREHENSIVE INCOME

Consolidated and Separate

As of 30 June 2024

Statement of other comprehensive income

in RON thousands	Group		Bank	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Net result for the period	1,314,495	1,110,833	1,328,929	1,139,489
Actuarial gains/(losses) on defined benefit pension plans	(51)	-	-	-
Deferred taxes relating to items that may be reclassified	8	-	-	-
Items that cannot be reclassified to profit or loss	(43)	-	-	-
Items that may be reclassified to profit or loss				
Debt instruments at fair value through other comprehensive income	23,794	170,313	27,550	169,310
Currency translation reserve	3,402	3,677	-	-
Deferred taxes relating to items that may be reclassified	(3,957)	(27,210)	(4,408)	(27,090)
Total items that may be reclassified to profit or loss	23,239	146,780	23,142	142,220
Total other comprehensive income	23,196	146,780	23,142	142,220
Total comprehensive income	1,337,691	1,257,613	1,352,071	1,281,709
Total comprehensive income attributable to non-controlling interests	3	7	-	-
Total comprehensive income attributable to the parent	1,337,688	1,257,606	1,352,071	1,281,709

AUTHORISED PERSON

First name, Name and

Signature

Executive Vice-President

Elke Meier



AUTHORISED PERSON

First name, Name and

Signature

Executive Director Accounting Division

Gina Badea



STATEMENT OF FINANCIAL POSITION
Consolidated and Separate
As of 30 June 2024

Statement of financial position

in RON thousands	Notes	Group		Bank	
		30.06.2024	31.12.2023	30.06.2024	31.12.2023
Assets					
Cash and cash equivalents	3	13,542,837	16,763,792	13,498,915	16,724,913
Financial assets held for trading		1,653,568	701,088	1,653,568	701,137
Derivatives financial instruments		137,568	135,678	137,568	135,727
Debt securities held for trading		1,516,000	565,410	1,516,000	565,410
<i>thereof pledged as collateral</i>		170,318	-	170,318	-
Non-trading financial assets mandatorily at fair value through profit or loss		88,971	79,363	88,971	79,363
Equity instruments		67,772	59,350	67,772	59,350
Debt securities		21,199	20,013	21,199	20,013
Financial assets at fair value through other comprehensive income	4	10,053,333	10,135,530	10,053,333	10,135,530
<i>thereof pledged as collateral</i>		14,131	115,714	14,131	115,714
Debt securities		10,053,333	10,135,530	10,053,333	10,135,530
Financial assets at amortised cost	5	80,466,068	74,818,710	82,393,172	76,486,958
Debt securities		18,661,507	17,495,369	18,578,557	17,375,556
<i>thereof pledged as collateral</i>		277,381	262,429	856,395	883,837
Loans and advances to banks		1,209,389	2,125,746	1,165,960	2,142,421
Loans and advances to customers		60,595,172	55,197,595	62,648,655	56,968,981
Finance lease receivables		2,221,836	2,022,555	16,454	17,393
Property and equipment		979,349	1,025,930	827,743	843,919
Investment property		119,363	133,035	119,363	133,035
Intangible assets		466,719	454,257	440,805	430,798
Investments in joint ventures and associates		34,720	30,008	25,961	25,961
Current tax assets		152	1,110	-	-
Deferred tax assets		76,948	118,404	75,917	115,234
Assets held for sale and disposal group		3,104	745,408	3,104	55,383
Trade and other receivables		862,286	1,522,407	853,796	1,511,077
Investments in subsidiaries		-	-	588,105	588,105
Other assets		386,442	299,193	202,680	159,277
Total assets		110,955,696	108,850,790	110,841,887	108,008,083
Liabilities and Equity					
Financial liabilities held for trading		131,472	165,467	131,472	165,467
Derivatives financial instruments		131,472	165,467	131,472	165,467
Financial liabilities measured at amortised cost		96,029,819	93,239,094	96,372,478	93,548,921
Deposits by banks	6	1,541,927	1,648,938	1,613,348	1,738,658
Deposits by customers	7	81,854,162	78,481,853	82,152,667	78,724,676
Debt securities issued	8	10,303,583	10,170,143	10,303,583	10,170,143
Other financial liabilities		2,330,147	2,938,160	2,302,880	2,915,444
Lease liabilities		461,765	449,467	459,295	448,488
Provisions	9	820,264	1,013,883	802,117	883,960
Current tax liabilities		84,122	83,339	82,236	82,494
Deferred tax liabilities		23,823	21,801	-	-
Liabilities associated with assets held for sale and disposal groups		-	560,644	-	-
Other liabilities		835,102	839,541	400,658	393,487
Total equity		12,569,329	12,477,554	12,593,631	12,485,266
Attributable to non-controlling interest		59	56	-	-
Attributable to owners of the parent		12,569,270	12,477,498	12,593,631	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		6,977,371	6,961,940	7,001,689	6,969,611
Other reserves		1,897,779	1,821,438	1,897,822	1,821,535
Total liabilities and equity		110,955,696	108,850,790	110,841,887	108,008,083

AUTHORISED PERSON
 First name, Name and
 Signature
 Executive Vice-President

Elke Meier



AUTHORISED PERSON
 First name, Name and
 Signature
 Executive Director Accounting Division

Gina Badea



STATEMENT OF CHANGES IN EQUITY

Consolidated and Separate

As of 30 June 2024

Statement of changes in equity

in RON thousands	30.06.2024											Group
	Subscribed capital	Share premium	Additional equity instruments	Retained earnings	Other reserves	Fair value reserves	Currency translation reserve	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
Transfers from retained earnings to other reserves	-	-	-	(55,355)	53,145	-	-	-	-	(2,210)	-	(2,210)
Dividends paid	-	-	-	(1,243,706)	-	-	-	-	-	(1,243,706)	-	(1,243,706)
Total comprehensive income	-	-	-	1,314,492	-	23,794	3,402	(51)	(3,949)	1,337,688	3	1,337,691
Net result for the period	-	-	-	1,314,492	-	-	-	-	-	1,314,492	3	1,314,495
Other comprehensive income	-	-	-	-	-	23,794	3,402	(51)	(3,949)	23,196	-	23,196
Total equity as of 30.06.2024	2,952,565	395,483	741,555	6,977,371	1,369,767	96,622	-	61,146	(25,239)	12,569,270	59	12,569,329

in RON thousands	30.06.2023											Group
	Subscribed capital	Share premium	Additional equity instruments	Retained earnings	Other reserves	Fair value reserves	Currency translation reserve	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
Transfers from retained earnings to other reserves	-	-	-	(73,548)	73,548	-	-	-	-	-	-	-
Dividends paid	-	-	-	(1,189,729)	-	-	-	-	-	(1,189,729)	-	(1,189,729)
Total comprehensive income	-	-	-	1,110,826	-	170,313	3,677	-	(27,210)	1,257,606	(7)	1,257,599
Net result for the period	-	-	-	1,110,826	-	-	-	-	-	1,110,826	(7)	1,110,819
Other comprehensive income	-	-	-	-	-	170,313	3,677	-	(27,210)	146,780	-	146,780
Total equity as of 30.06.2023	2,952,565	395,483	741,555	5,751,550	1,316,622	(100,015)	(9,034)	68,718	5,169	11,122,613	56	11,122,669

STATEMENT OF CHANGES IN EQUITY

Consolidated and Separate
As of 30 June 2024

Statement of changes in equity (continued)

	30.06.2024								Bank
in RON thousands	Subscribed capital	Share premium	Additional equity instruments	Retained earnings	Other reserves	Fair value reserves	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
Transfers from retained earnings to other reserves	-	-	-	(53,145)	53,145	-	-	-	-
Dividends paid	-	-	-	(1,243,706)	-	-	-	-	(1,243,706)
Total comprehensive income	-	-	-	1,328,929	-	27,550	-	(4,408)	1,352,071
Net result for the period	-	-	-	1,328,929	-	-	-	-	1,328,929
Other comprehensive income	-	-	-	-	-	27,550	-	(4,408)	23,142
Total equity as of 30.06.2024	2,952,565	395,483	741,555	7,001,689	1,369,767	96,624	61,197	(25,249)	12,593,631

	30.06.2023								Bank
in RON thousands	Subscribed capital	Share premium	Additional equity instruments	Retained earnings	Other reserves	Fair value reserves	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
Transfers from retained earnings to other reserves	-	-	-	(73,547)	73,547	-	-	-	-
Dividends paid	-	-	-	(1,189,729)	-	-	-	-	(1,189,729)
Total comprehensive income	-	-	-	1,139,489	-	169,310	-	(27,090)	1,281,709
Net result for the period	-	-	-	1,139,489	-	-	-	-	1,139,489
Other comprehensive income	-	-	-	-	-	169,310	-	(27,090)	142,220
Total equity as of 30.06.2023	2,952,565	395,483	741,555	5,621,758	1,316,621	(103,936)	68,718	5,637	10,998,401

STATEMENT OF CASH FLOW
Consolidated and Separate
As of 30 June 2024

Statement of cash flows

in RON thousands	Group		Bank	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Net result for the period	1,314,495	1,110,833	1,328,929	1,139,489
Non-cash adjustments for items in net profit/(loss) for the year				
Depreciation, amortisation of assets	123,086	120,846	114,558	105,380
Allocation to and release of impairment of loans	179,884	150,070	162,088	127,440
Other provisions	(89,397)	(28,397)	(88,621)	(39,536)
Impairment of subsidiaries	-	-	-	10,195
Interest income received from investing activities	(430,382)	(308,367)	(427,074)	(305,775)
Interest expense paid for financing activities	373,909	210,673	351,564	201,776
Dividend income from investing activities	(5,944)	(5,102)	(57,854)	(65,976)
Other adjustments	(10,576)	24,156	(15,757)	41,613
Changes in assets and liabilities from operating activities after adjustment for non-cash components				
Financial assets - held for trading	(950,590)	(175,358)	(950,590)	(175,358)
Financial assets at fair value through other comprehensive income	106,200	(1,478,357)	109,956	(1,478,755)
Financial assets at amortised cost				
Loans and advances to banks	916,357	(2,677,086)	976,460	(2,705,923)
Loans and advances to customers	(4,934,709)	(185,965)	(5,160,638)	(469,050)
Finance lease receivables	(199,281)	(199,771)	938	1,095
Other assets from operating activities	18,664	42,838	(28,695)	(244)
Deposits from banks	(302)	(834,847)	(106,248)	(834,041)
Deposits from customers	3,372,309	3,156,321	3,427,990	3,083,851
Other financial liabilities	(608,013)	382,872	(612,565)	402,718
Other liabilities from operating activities	3,975	(37,180)	13,693	24,461
Cash flow from operating activities	(820,315)	(731,819)	(961,866)	(936,641)
Proceeds of disposal				
Debt securities at amortised cost	1,641,941	1,463,706	1,603,473	1,463,706
Property and equipment, intangible assets, investment properties and assets held for sale	26,071	28,714	23,907	19,491
Subsidiaries	56,716	-	56,716	-
Acquisition of				
Debt securities at amortised cost	(2,736,771)	(1,504,067)	(2,735,181)	(1,469,886)
Property and equipment, intangible assets and investment properties	(89,111)	(90,694)	(84,136)	(86,890)
Interest received from investing activities	358,551	319,793	355,243	317,201
Dividends received from investing activities	5,944	5,102	57,854	65,976
Cash flow from investing activities	(736,659)	222,553	(722,124)	309,599
Repayment of principal of lease liabilities (IFRS 16)	(61,116)	(50,339)	(61,116)	(50,339)
Dividends paid to equity holders of the parent	(1,175,306)	(1,144,291)	(1,175,306)	(1,144,291)
Dividends paid to non-controlling interests	(1,295)	(1,271)	(1,295)	(1,271)
AT1 Dividends	(67,105)	(44,168)	(67,105)	(44,168)
Debt securities issued	223,970	3,565,880	223,970	3,565,880
Outflows from other financing activities	(118,690)	(82,974)	(19,062)	(20,228)
Interest expense paid for financing activities	(464,439)	(180,999)	(442,094)	(172,102)
Debt securities issued	(452,459)	(177,132)	(437,528)	(168,235)
Other financing activities	(11,981)	(3,867)	(4,566)	(3,867)
Cash flow from financing activities	(1,663,981)	2,061,838	(1,542,008)	2,133,481
Cash and cash equivalents at beginning of period	16,763,792	15,224,576	16,724,913	15,224,262
Cash flow from operating activities	(820,315)	(731,819)	(961,866)	(936,641)
Cash flow from investing activities	(736,659)	222,553	(722,124)	309,599
Cash flow from financing activities	(1,663,981)	2,061,838	(1,542,008)	2,133,481
Cash and cash equivalents at end of period	13,542,837	16,777,148	13,498,915	16,730,701

Notes to Interim Financial Statements

Consolidated and Separate

As of 30 June 2024

1. Bank and Group information

Banca Comerciala Romana S.A, (hereinafter called the „Bank”) was established on 1 December 1990. The Bank is a Romanian legal entity and is licensed by the National Bank of Romania (“NBR”) to conduct banking activities with both retail and corporate customers. The main services provided to customers include: loans, deposits, domestic and international payments, foreign exchange transactions, bank guarantees, letters of credit, etc.

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 June 2024, Erste Bank purchased further 38.01007% from employees and other shareholders of the Bank, adding up to 99.8901%. Erste Bank der oesterreichischen Sparkassen AG („Erste bank”) is owned 100% by Erste Group Bank AG. The ultimate parent of the Group is Erste Group Bank AG.

At 30 June 2024, the Bank’s shareholders were the following:

	30.06.2024		31.12.2023	
	Number of shares	Percentage holding (%)	Number of shares	Percentage holding (%)
Erste Group Bank AG	16,235,548,340	99.8901%	16,235,530,563	99.8900%
Lion Capital SA	1	0.0000%	1	0.0000%
Longshield Investment Group SA	1	0.0000%	1	0.0000%
SC Actinvest SA	226,802	0.0014%	226,802	0.0014%
FDI Certinvest Dinamic	13,699	0.0001%	13,699	0.0001%
BCR Leasing	109	0.0000%	109	0.0000%
Individuals	17,627,302	0.1084%	17,645,079	0.1085%
Total	16,253,416,254	100.00%	16,253,416,254	100.00%

The current registered office is located in Bucharest, Romania, No.15D, soseaua Orhideelor, The Bridge – Building 1, 2nd floor.

The Bank operates through the Head Office located in Bucharest and through its territorial units, as follows:

- Retail including 318 branches;
- Corporate grouped into 6 geographical areas, including 20 Commercial Centres and Area Centres, 18 Mobile Teams that support small, medium and large-sized customers, less strategic groups (SMEs & GLC).

The Bank has the following subsidiaries as at 30 June 2024 and 31 December 2023:

Company's name	Country of incorporation	Nature of the business	Shareholding		Gross Book Value	Net Book Value	Impairment
			30.06.2024	31.12.2023			
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	196,715	73,105
BCR Banca pentru Locuinte SA***)	Romania	Housing loans	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	Cash processing and storing	99.99%	99.99%	1,900	1,900	-
BCR Fleet Management SRL***)	Romania	Operational leasing	99.97%	99.97%	-	-	-
BCR Chisinau SA **)	Moldova	Banking	0.00%	100.00%	-	-	-

*) Company held indirectly by BCR through BCR Leasing SA;

**) Company reclassified as Asset Held for Sale starting with December 2022 and deconsolidated in January 2024 when the selling process ended.

***) Classified as non-going concern.

Starting with 31st December 2023, 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 June, 30th 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 2023. Net asset of the company as of June, 30th 2024 is RON 29.9 mn (2023: RON 27.8 mn).

Notes to Interim Financial Statements

Consolidated and Separate

As of 30 June 2024

1. Bank and Group information (continued)

The Management of Suport Colect evaluated the overall situation of the company and concluded that the most appropriate approach is to continue the application of the non-going concern basis for 2024. Net asset of the company as of June, 30th 2024 is RON 48.2 mn (2023: RON 95.8 mn).

BCR BpL's Supervisory Board approved, on January, 8th 2024, the proposal of BCR BpL's Management Board to prepare the BCR BpL starting with 2023 financial statements on a non-going concern basis, in accordance with the provisions of IAS1 - Presentation of Financial Statements. Net asset of the company as of June, 30th 2024 is RON 67.5 mn (2023: RON 55.8 mn).

The main arguments taken into consideration are as follows:

- the entity has no new business 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 2024 onwards (IAS 1.25).

2. Basis of preparation and presentation of the financial statements

a) Statement of compliance

These interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards („IFRS”), IAS 34 – Interim Financial Reporting.

These financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated and separate financial statements as at and for the year ended 31 December 2023.

b) Functional and presentation currency

The functional currency of the financial statements is the Romanian leu („RON”). All figures are shown in RON thousands, rounded to the nearest RON thousands.

c) Significant accounting policies

The individual and consolidated financial statements have been prepared on a going concern basis.

The accounting policies applied by the Bank and the Group in these interim condensed financial statements are the same as those applied in the annual consolidated financial statements as at 31 December 2023.

d) Use of estimates and judgements

The preparation of these interim condensed separate and consolidated financial statements requires judgements, estimates and assumptions by Management and together with the application of accounting policies determine the amounts of assets and liabilities, income and expenses.

In preparing the interim condensed separate and consolidated financial statements, the significant judgements made by Management in applying the Bank's accounting policies were the same as those that applied to the separate and consolidated financial statements for the year ended 31.12.2023.

3. Cash and cash equivalents

in RON thousands	Group		Bank	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Cash on hand	2,820,487	3,228,552	2,820,487	3,228,552
Cash balances at central banks	10,659,324	13,414,047	10,616,133	13,374,396
Other demand deposits to credit institutions	63,026	121,193	62,295	121,965
Cash and cash balances	13,542,837	16,763,792	13,498,915	16,724,913

Mandatory reserve rates at 30 June 2024 were for RON 8% (December 2023: 8%) and for foreign currencies 5% (December 2023: 5%).

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4. Financial assets at fair value through other comprehensive income

										30.06.2024	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	9,961,205	-	-	9,961,205	(4,497)	-	-	(4,497)	92,128	10,053,333	
General governments	9,440,538	-	-	9,440,538	(4,004)	-	-	(4,004)	77,777	9,518,315	
Credit institutions	520,667	-	-	520,667	(493)	-	-	(493)	14,351	535,018	
Total	9,961,205	-	-	9,961,205	(4,497)	-	-	(4,497)	92,128	10,053,333	

										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	

Allowances for financial assets at fair value through other comprehensive income

										30.06.2024	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	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance		
Debt securities											
Stage 1	(7,089)	(3,343)	2,953	2,573	198	-	-	211	(4,497)		
General governments	(6,625)	(628)	2,953	85	-	-	-	211	(4,004)		
Credit institutions	(464)	(2,715)	-	2,488	198	-	-	-	(493)		
Stage 2	(196)	-	-	196	-	-	-	-	-		
Credit institutions	(196)	-	-	196	-	-	-	-	-		
Total	(7,285)	(3,343)	2,953	2,769	198	-	-	211	(4,497)		

Notes to Interim Financial Statements
Consolidated and Separate
As of 30 June 2024

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

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	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	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)	

in RON thousands	Gross carrying amount				Credit loss allowances				30.06.2024	Bank
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Accumulated other fair value changes	Carrying amount
	Debt securities	9,961,206	-	-	9,961,206	(4,497)	-	-	(4,497)	92,127
General governments	9,440,538	-	-	9,440,538	(4,004)	-	-	(4,004)	77,777	9,518,315
Credit institutions	520,668	-	-	520,668	(493)	-	-	(493)	14,350	535,018
Total	9,961,206	-	-	9,961,206	(4,497)	-	-	(4,497)	92,127	10,053,333

in RON thousands	Gross carrying amount				Credit loss allowances				31.12.2023	Bank
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Accumulated other fair value changes	Carrying amount
	Debt securities	10,044,901	26,308	-	10,071,209	(4,557)	(196)	-	(4,753)	64,321
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

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Consolidated and Separate
As of 30 June 2024

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

Allowances for financial assets at fair value through other comprehensive income									30.06.2024	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	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance	
Debt securities										
Stage 1	(4,557)	(3,343)	421	2,573	198	-	-	211	(4,497)	
General governments	(4,093)	(628)	421	85	-	-	-	211	(4,004)	
Credit institutions	(464)	(2,715)	-	2,488	198	-	-	-	(493)	
Stage 2	(196)	-	-	196	-	-	-	-	-	
Credit institutions	(196)	-	-	196	-	-	-	-	-	
Total	(4,753)	(3,343)	421	2,769	198	-	-	211	(4,497)	

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	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	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)	

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As of 30 June 2024

5. Financial assets at amortised cost

in RON thousands	Gross carrying amount					Credit loss allowances					30.06.2024	Group
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount	
	Debt securities	18,668,824	736	-	-	18,669,560	(8,049)	(5)	-	-	(8,054)	18,661,507
General governments	18,668,824	736	-	-	18,669,560	(8,049)	(5)	-	-	(8,054)	18,661,507	
Loans and advances to banks	1,209,405	-	-	-	1,209,405	(16)	-	-	-	(16)	1,209,389	
Central banks	197	-	-	-	197	-	-	-	-	-	197	
Credit institutions	1,209,208	-	-	-	1,209,208	(16)	-	-	-	(16)	1,209,192	
Loans and advances to customers	51,941,768	9,865,009	1,627,217	168,162	63,602,156	(452,002)	(1,201,780)	(1,319,745)	(33,454)	(3,006,981)	60,595,172	
General governments	7,851,376	341,858	1,539	6,135	8,200,908	(8,572)	(35,513)	(774)	(39)	(44,898)	8,156,010	
Other financial corporations	1,244,061	206,155	628	-	1,450,844	(7,002)	(5,605)	(559)	-	(13,166)	1,437,677	
Non-financial corporations	17,034,997	5,491,998	605,484	15,796	23,148,275	(235,257)	(664,718)	(430,575)	(3,319)	(1,333,869)	21,814,406	
Households	25,811,334	3,824,998	1,019,566	146,231	30,802,129	(201,171)	(495,944)	(887,837)	(30,096)	(1,615,048)	29,187,079	
Total	71,819,997	9,865,745	1,627,217	168,162	83,481,121	(460,067)	(1,201,785)	(1,319,745)	(33,454)	(3,015,051)	80,466,068	

in RON thousands	Gross carrying amount					Credit loss allowances					31.12.2023	Group
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount	
	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	
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	
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	
Total	63,767,799	12,109,370	1,425,397	351,818	77,654,384	(358,681)	(1,289,469)	(1,151,635)	(35,889)	(2,835,674)	74,818,710	

Notes to Interim Financial Statements
Consolidated and Separate
As of 30 June 2024

5. Financial assets at amortised cost (continued)

The movements in allowances for financial assets at amortised cost – **debt securities** are presented below:

	30.06.2024								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	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance
Debt securities									
Stage 1	(7,494)	(1,688)	1,133	(25)	26	-	-	(1)	(8,049)
General governments	(7,494)	(1,688)	1,133	(25)	26	-	-	(1)	(8,049)
Stage 2	(36)	-	-	42	(11)	-	-	-	(5)
General governments	(36)	-	-	42	(11)	-	-	-	(5)
Total	(7,530)	(1,688)	1,133	17	15	-	-	(1)	(8,054)

	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	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	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)

The movements in allowances for financial assets at amortised cost – **loans and advances to banks** are presented below:

	30.06.2024								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	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance
Loans and advances to banks									
Stage 1	(33)	(30)	47	-	-	-	-	-	(16)
Credit institutions	(33)	(30)	47	-	-	-	-	-	(16)
Total	(33)	(30)	47	-	-	-	-	-	(16)

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Consolidated and Separate
As of 30 June 2024

5. Financial assets at amortised cost (continued)

	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	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	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)

The movements in allowances for financial assets at amortised cost – **loans and advances to customers** are presented below:

	30.06.2024								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	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance
Loans and advances to customers									
Stage 1	(351,154)	(180,971)	46,829	(310,204)	343,728	-	3	(233)	(452,002)
General governments	(5,665)	(2,446)	1,637	(3,065)	967	-	-	-	(8,572)
Other financial corporations	(5,651)	(869)	9	(491)	8	-	-	(8)	(7,002)
Non-financial corporations	(230,654)	(61,529)	31,057	(87,404)	113,494	-	-	(221)	(235,257)
Households	(109,184)	(116,127)	14,126	(219,244)	229,259	-	3	(4)	(201,171)
Stage 2	(1,289,433)	(39,670)	137,249	43,865	(57,912)	4,344	17	(240)	(1,201,780)
General governments	(33,176)	-	-	(2,129)	(208)	-	-	-	(35,513)
Other financial corporations	(10,317)	-	85	4,773	(141)	-	-	(5)	(5,605)
Non-financial corporations	(696,746)	(36,492)	89,446	11,995	(33,065)	351	-	(207)	(664,718)
Households	(549,194)	(3,178)	47,718	29,226	(24,498)	3,993	17	(28)	(495,944)
Stage 3	(1,151,635)	-	42,339	(260,274)	(1,260)	643	45,075	5,367	(1,319,745)
General governments	(838)	-	-	64	-	-	-	-	(774)
Other financial corporations	(653)	-	(1)	95	-	-	-	-	(559)
Non-financial corporations	(305,793)	-	14,200	(171,268)	(1,083)	54	34,144	(829)	(430,575)
Households	(844,351)	-	28,140	(89,165)	(177)	589	10,931	6,196	(887,837)
POCI	(35,889)	-	1,331	802	-	129	268	(95)	(33,454)
General governments	(19)	-	-	(20)	-	-	-	-	(39)
Non-financial corporations	(2,650)	-	346	(1,019)	-	(2)	75	(69)	(3,319)
Households	(33,220)	-	985	1,841	-	131	193	(26)	(30,096)
Total	(2,828,111)	(220,641)	227,748	(525,811)	284,556	5,116	45,363	4,799	(3,006,981)

Notes to Interim Financial Statements
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5. Financial assets at amortised cost (continued)

in RON thousands								31.12.2023	Group
	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	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	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)

Notes to Interim Financial Statements
Consolidated and Separate
As of 30 June 2024

5. Financial assets at amortised cost (continued)

in RON thousands	Gross carrying amount					Credit loss allowances					30.06.2024	Bank
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount	
	Debt securities	18,585,839	736	-	-	18,586,575	(8,014)	(5)	-	-	(8,019)	18,578,557
General governments	18,585,839	736	-	-	18,586,575	(8,014)	(5)	-	-	(8,019)	18,578,557	
Loans and advances to banks	1,165,977	-	-	-	1,165,977	(16)	-	-	-	(16)	1,165,960	
Central banks	197	-	-	-	197	-	-	-	-	-	197	
Credit institutions	1,165,780	-	-	-	1,165,780	(16)	-	-	-	(16)	1,165,763	
Loans and advances to customers	54,541,507	9,308,018	1,569,175	168,162	65,586,862	(437,594)	(1,179,964)	(1,287,195)	(33,454)	(2,938,207)	62,648,655	
General governments	7,851,376	341,858	1,539	6,135	8,200,908	(8,572)	(35,513)	(774)	(39)	(44,898)	8,156,010	
Other financial corporations	5,358,801	190,978	516	-	5,550,295	(12,525)	(4,891)	(513)	-	(17,929)	5,532,368	
Non-financial corporations	15,553,467	4,956,413	557,626	15,796	21,083,302	(215,639)	(644,286)	(407,681)	(3,319)	(1,270,925)	19,812,377	
Households	25,777,863	3,818,769	1,009,494	146,231	30,752,357	(200,858)	(495,274)	(878,227)	(30,096)	(1,604,455)	29,147,900	
Total	74,293,323	9,308,754	1,569,175	168,162	85,339,414	(445,624)	(1,179,969)	(1,287,195)	(33,454)	(2,946,242)	82,393,172	

in RON thousands	Gross carrying amount					Credit loss allowances					31.12.2023	Bank
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount	
	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	
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	
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	
Total	65,924,532	11,610,310	1,367,148	351,818	79,253,808	(344,334)	(1,270,794)	(1,115,833)	(35,889)	(2,766,850)	76,486,958	

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5. Financial assets at amortised cost (continued)

The movements in allowances for financial assets at amortised cost – **debt securities** are presented below:

	30.06.2024								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	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance
Debt securities									
Stage 1	(7,443)	(1,688)	1,118	(26)	26	-	-	(1)	(8,014)
General governments	(7,443)	(1,688)	1,118	(26)	26	-	-	(1)	(8,014)
Stage 2	(36)	-	-	42	(11)	-	-	-	(5)
General governments	(36)	-	-	42	(11)	-	-	-	(5)
Total	(7,479)	(1,688)	1,118	16	15	-	-	(1)	(8,019)

	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	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	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)

The movements in allowances for financial assets at amortised cost – **loans and advances to banks** are presented below:

	30.06.2024								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	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance
Loans and advances to banks									
Stage 1	(311)	(30)	325	-	-	-	-	-	(16)
Credit institutions	(311)	(30)	325	-	-	-	-	-	(16)
Stage 2	(223)	-	223	-	-	-	-	-	-
Credit institutions	(223)	-	223	-	-	-	-	-	-
Total	(534)	(30)	548	-	-	-	-	-	(16)

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5. Financial assets at amortised cost (continued)

in RON thousands	31.12.2023								Bank
	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	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	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)

The movements in allowances for financial assets at amortised cost – loans and advances to customers are presented below:

in RON thousands	30.06.2024								Bank
	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	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance
Loans and advances to customers									
Stage 1	(336,580)	(172,433)	46,827	(317,675)	342,497	-	3	(233)	(437,594)
General governments	(5,665)	(2,446)	1,637	(3,065)	967	-	-	-	(8,572)
Other financial corporations	(10,753)	(709)	8	(1,071)	8	-	-	(8)	(12,525)
Non-financial corporations	(211,513)	(53,263)	31,058	(93,969)	112,269	-	-	(221)	(215,639)
Households	(108,649)	(116,015)	14,124	(219,570)	229,253	-	3	(4)	(200,858)
Stage 2	(1,270,535)	(39,670)	137,247	41,441	(52,568)	4,344	17	(240)	(1,179,964)
General governments	(33,176)	-	-	(2,129)	(208)	-	-	-	(35,513)
Other financial corporations	(9,668)	-	85	4,699	(2)	-	-	(5)	(4,891)
Non-financial corporations	(678,835)	(36,492)	89,445	9,416	(27,964)	351	-	(207)	(644,286)
Households	(548,856)	(3,178)	47,717	29,455	(24,394)	3,993	17	(28)	(495,274)
Stage 3	(1,115,833)	-	42,340	(250,978)	(74)	643	30,527	6,180	(1,287,195)
General governments	(838)	-	-	64	-	-	-	-	(774)
Other financial corporations	(557)	-	-	44	-	-	-	-	(513)
Non-financial corporations	(279,281)	-	14,201	(162,352)	-	54	19,718	(21)	(407,681)
Households	(835,157)	-	28,139	(88,734)	(74)	589	10,809	6,201	(878,227)
POCI	(35,889)	-	1,331	802	-	129	268	(95)	(33,454)
General governments	(19)	-	-	(20)	-	-	-	-	(39)
Non-financial corporations	(2,650)	-	346	(1,019)	-	(2)	75	(69)	(3,319)
Households	(33,220)	-	985	(1,841)	-	131	193	(26)	(30,096)
Total	(2,758,837)	(212,103)	227,745	(526,410)	289,855	5,116	30,815	5,612	(2,938,207)

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5. Financial assets at amortised cost (continued)

in RON thousands								31.12.2023	Bank
	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	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	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)

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6. Deposits from banks

in RON thousands	Group		Bank	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Current accounts / overnight deposits	381,294	486,083	383,684	478,812
Term deposits from other banks	80,935	141,726	80,935	157,220
Repurchase agreements	463,895	370,694	1,010,440	949,692
Deposits from banks	926,124	998,503	1,475,059	1,585,724
Borrowings and financing lines	615,803	650,435	138,289	152,934
Total	1,541,927	1,648,938	1,613,348	1,738,658

7. Deposits from customers

in RON thousands	Group		Bank	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Overnight deposits	45,858,865	44,942,196	46,173,794	45,193,360
Savings deposits	3,336,172	2,902,660	3,336,048	2,902,510
Other financial corporations	30,820	32,080	30,820	32,080
Non-financial corporations	463,049	510,938	463,049	510,938
Households	2,842,303	2,359,642	2,842,179	2,359,492
Non-savings deposits	42,522,693	42,039,536	42,837,746	42,290,850
General governments	5,642,393	5,198,234	5,642,393	5,198,234
Other financial corporations	1,207,801	1,181,386	1,517,671	1,401,479
Non-financial corporations	13,251,955	14,141,643	13,257,138	14,169,025
Households	22,420,544	21,518,273	22,420,544	21,522,112
Term deposits	35,995,297	33,539,657	35,978,873	33,531,316
Deposits with agreed maturity	35,995,297	33,539,657	35,978,873	33,531,316
Savings deposits	369,001	383,862	237,408	216,633
Households	369,001	383,862	237,408	216,633
Non-savings deposits	35,626,296	33,155,795	35,741,465	33,314,683
General governments	5,018,267	3,358,747	5,018,268	3,358,747
Other financial corporations	1,185,884	1,020,240	1,228,814	1,092,660
Non-financial corporations	9,748,074	10,491,234	9,820,312	10,581,541
Households	19,674,071	18,285,574	19,674,071	18,281,735
Deposits from customers	81,854,162	78,481,853	82,152,667	78,724,676
General governments	10,660,660	8,556,981	10,660,661	8,556,981
Other financial corporations	2,424,505	2,233,706	2,777,305	2,526,219
Non-financial corporations	23,463,078	25,143,815	23,540,499	25,261,504
Households	45,305,919	42,547,351	45,174,202	42,379,972

8. Debt securities issued

in RON thousands	Group		Bank	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Subordinated debt securities issued	1,252,840	1,252,349	1,252,840	1,252,349
Senior non-preferred bonds	8,439,635	8,322,190	8,439,635	8,322,190
Other debt securities issued	611,108	595,604	611,108	595,604
Other debt securities issued	10,303,583	10,170,143	10,303,583	10,170,143

During 2024 the Bank issued bonds in amount of EUR 45,000,000 in accordance with the approved strategy.

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9. Provisions

in RON thousands	Group		Bank	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Long-term employee provisions	76,485	72,127	76,022	72,127
Pending legal issues	401,630	405,858	384,864	389,543
Commitments and guarantees given	329,786	411,031	328,868	411,203
Provisions for commitments and financial guarantees in Stage 1	105,260	92,018	105,821	92,351
Provisions for commitments and financial guarantees in Stage 2	168,424	239,349	166,945	239,188
Provisions for commitments and financial guarantees - Defaulted	56,102	79,664	56,102	79,664
Provisions for commitments and financial guarantees in Stage 3	55,855	77,028	55,855	77,028
Provisions for commitments and financial guarantees - POCI	247	2,636	247	2,636
Other provisions	12,363	124,867	12,363	11,087
Total	820,264	1,013,883	802,117	883,960

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.

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.

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.

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 June 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 276,284 thousand (December 2023: RON 277,234 thousand).

Therefore, a very slight decrease, although the last pending ANPC litigation was favorably solved by the Court on 6th of June 2024. As the Court decision can still be appealed by ANPC, as of end of June 2024, the Bank considered that there is still uncertainty over the final outcome of the litigation and, the main assumptions used and the computation methodology for the remaining loans perimeter did not change.

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.

During 2024, an ANPC thematic control verified the bank's compliance with the legal provisions on consumer protection in the case of credit contracts concluded before 2010 (included already in the calculation of the collective provision relating to ANPC litigations). For the provision assessment as at 30 June 2024, closed loans in the last 6 months were no longer removed from the population of active loans for separate assessment, as the measures imposed by the ANPC thematic control will affect them in the same way as will affect the active loans in the perimeter.

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9. Provisions (continued)

This decision to keep the closed loans in the computation and the Bank's assessment that the impact from ANPC thematic control will not exceed the level of the recognized provision for the above-mentioned litigation are responsible for the limited decrease of the overall collective provision during first half-year of 2024.

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 23 mil (December 2023: RON 29.6 mil) due to the decrease in the number of open cases.

10. Net interest income

in RON thousands	Group		Bank	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Interest and other similar income				
Financial assets at amortised cost	3,034,560	2,645,068	3,051,309	2,618,981
Financial assets measured at fair value through other comprehensive income	269,908	197,840	269,908	191,765
Interest income	3,304,468	2,842,908	3,321,217	2,810,746
Other assets and negative interest from financial liabilities	81,187	61,464	595	969
Other similar income	81,187	61,464	595	969
Total interest and other similar income	3,385,655	2,904,372	3,321,812	2,811,715
Interest and other similar expense				
Financial liabilities measured at amortised cost	(1,271,762)	(1,122,817)	(1,277,798)	(1,127,280)
Interest expenses	(1,271,762)	(1,122,817)	(1,277,798)	(1,127,280)
Other liabilities	(15,075)	(11,457)	(14,851)	(11,334)
Negative interest from financial assets	(14)	(8)	(14)	(8)
Other similar expenses	(15,089)	(11,465)	(14,865)	(11,342)
Total interest and other similar expense	(1,286,851)	(1,134,282)	(1,292,663)	(1,138,622)
Net interest income	2,098,804	1,770,090	2,029,149	1,673,093
Thereof: interest-income on credit impaired financial assets	17,934	25,098	15,590	20,221

Net interest income increased driven by higher business volumes.

11. Net fees and commissions income

in RON thousands	Group				Bank			
	30.06.2024		30.06.2023		30.06.2024		30.06.2023	
	Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses
Securities	34,410	(4,670)	28,217	(2,447)	34,410	(4,670)	28,217	(2,447)
Transfer orders	34,410	(4,670)	28,217	(2,447)	34,410	(4,670)	28,217	(2,447)
Clearing and settlement	4,897	(1,902)	4,364	(2,174)	4,902	(1,851)	4,368	(2,061)
Asset management	19,345	-	15,149	-	-	-	-	-
Custody	13,094	(3,598)	9,683	(2,780)	13,094	(2,143)	9,683	(1,434)
Payment services	436,819	(131,510)	374,131	(109,657)	437,047	(131,333)	371,203	(107,971)
Card business	201,379	(88,370)	152,777	(72,966)	201,380	(88,370)	151,032	(71,614)
Other	235,440	(43,140)	221,354	(36,691)	235,667	(42,963)	220,171	(36,357)
Customer resources distributed but not managed	93,444	(3,684)	69,511	(2,810)	83,524	(3,684)	63,123	(2,810)
Collective investment	24,425	-	15,693	-	24,425	-	15,693	-
Insurance products	67,438	(2,164)	52,866	(50)	55,836	(2,164)	44,871	(50)
Foreign exchange transactions	-	(1,520)	-	(2,760)	-	(1,520)	-	(2,760)
Other	1,581	-	952	-	3,263	-	2,559	-
Structured finance	12,065	-	1,051	-	12,065	-	1,051	-
Lending business	42,240	(10,592)	69,331	(7,468)	42,260	(10,440)	69,145	(6,880)
Guarantees given, guarantees received	5,790	(44)	15,183	(170)	5,795	(44)	15,103	(39)
Loan commitments given, loan commitments received	29,637	-	15,612	-	29,652	-	15,617	-
Other lending business	6,813	(10,548)	38,536	(7,298)	6,813	(10,396)	38,425	(6,841)
Other	26,651	(1,738)	6,882	(1,433)	24,662	(348)	4,436	(340)
Net fee and commission income	682,965	(157,694)	578,319	(128,769)	651,964	(154,469)	551,226	(123,943)

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12. Net trading result

in RON thousands	Group		Bank	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Securities and derivatives trading	74,634	75,142	74,634	75,142
Foreign exchange transactions	169,153	209,031	167,312	200,190
Net Trading Result	243,787	284,173	241,946	275,332

Foreign exchange transaction negative deviation triggered mainly from lower treasury trading.

13. General administrative expenses

in RON thousands	Group		Bank	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Personnel expenses	(523,152)	(541,068)	(492,470)	(499,614)
Wages and salaries	(494,672)	(502,126)	(465,549)	(464,049)
Compulsory social security	(12,991)	(14,715)	(12,225)	(12,260)
Long-term employee provisions	(2,437)	(2,276)	(2,048)	(2,276)
Other personnel expenses	(13,052)	(21,951)	(12,648)	(21,029)
Other administrative expenses	(394,284)	(345,249)	(389,551)	(335,836)
Deposit insurance contribution	(19,988)	(23,069)	(19,582)	(20,152)
IT expenses	(169,266)	(150,345)	(166,176)	(146,068)
Expenses for office space	(46,226)	(49,980)	(45,791)	(48,570)
Office operating expenses	(77,820)	(73,881)	(79,756)	(76,855)
Advertising/marketing	(43,134)	(21,747)	(42,642)	(21,055)
Legal and consulting costs	(21,052)	(11,744)	(19,940)	(10,051)
Sundry administrative expenses	(16,798)	(14,483)	(15,664)	(13,085)
Depreciation and amortisation	(123,086)	(120,846)	(114,558)	(105,380)
Software and other intangible assets	(40,444)	(30,404)	(37,592)	(28,566)
Owner occupied real estate	(40,877)	(44,541)	(39,776)	(43,392)
Investment properties	(2,645)	(2,758)	(2,645)	(2,758)
Office furniture and equipment and sundry property and equipment	(39,120)	(43,143)	(34,545)	(30,664)
General administrative expenses	(1,040,522)	(1,007,163)	(996,579)	(940,830)

The Group number of employees at 30 June 2024 was 5,225 (31 December 2023: 5,444).

14. Net impairment loss on financial instruments

in RON thousands	Group		Bank	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Financial assets at fair value through other comprehensive income	44	(2,236)	44	(1,632)
Financial assets at amortised cost	(172,750)	(130,541)	(160,314)	(118,251)
Net (allocation)/release to risk provisions	(179,884)	(147,834)	(162,088)	(125,808)
Direct write-offs	(5,746)	(3,478)	(5,746)	(3,478)
Recoveries recorded directly to the income statement	17,997	18,560	12,637	8,823
Modification gains or losses	(5,117)	2,211	(5,117)	2,212
Finance leases	(6,901)	(7,420)	106	428
Net (allocation)/release of provisions for commitments and guarantees given	85,272	12,122	85,188	15,188
Net impairment loss on financial instruments	(94,335)	(128,075)	(74,976)	(104,267)

Impairment result from financial instruments reflected a provision allocation of RON 94 in H1 2024, as compared to a provision allocation of RON 128 million in H1 2023. The current result has been triggered by allocations of collective provisions for rating downgrades and new business volumes, as well as for newly defaulted exposures, partially offset by recoveries and the update of risk parameters used in provisioning calculation based on the latest macroeconomic projections.

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15. Other operating results

in RON thousands	Group		Bank	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Other income, of which:	71,038	125,291	60,023	115,298
Other provisions - release	14,954	72,072	13,598	71,600
Gains on other assets	38,439	34,968	35,576	26,014
Other income	17,645	18,251	10,849	17,684
Other expense, of which:	(252,103)	(218,072)	(232,704)	(183,040)
Other provisions - allocation	(10,829)	(43,675)	(10,165)	(42,259)
Losses on other assets	(34,253)	(30,523)	(27,371)	(21,995)
Impairment of tangible and intangible assets	(2,563)	(6,949)	65	6,875
Recovery and resolution fund	(27,393)	(47,095)	(27,383)	(46,815)
Other taxes	(9,664)	(10,027)	(7,910)	(8,076)
Tax on bank revenues	(88,582)	-	(88,151)	-
Other expenses	(78,819)	(79,803)	(71,789)	(70,770)
Total	(181,065)	(92,781)	(172,681)	(67,742)

Tax on Bank revenues

Starting with financial year 2024, in addition to the profit tax, the Bank is liable for turnover tax calculated by applying the following tax rates to the turnover:

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

To determine the fiscal result, the turnover tax is a non-deductible expense. The turnover tax 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 turnover is calculated as total interest income, fee and commission income, dividend income, net trading result and net gains on financial instruments and other income.

As of June 2024, the amount of the turnover tax is RON 88,582 thsd.

16. Taxes on income

in RON thousands	Group		Bank	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Current tax expense/income	232,528	183,772	226,759	179,549
Current period	232,528	183,772	226,759	179,549
Deferred tax expense/income	39,365	14,249	34,909	15,672
Current period	39,365	14,249	34,909	15,672
Taxes on income	271,893	198,021	261,668	195,221

in RON thousands	Group		Bank	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Pre-tax profit/(loss)	1,586,388	1,308,854	1,590,597	1,334,710
Income tax expense for the financial year at the domestic statutory tax rate (16%)	(253,822)	(209,417)	(254,496)	(213,554)
Impact of tax-exempt earnings of investments and other tax-exempt income	167,825	129,842	163,217	128,560
Tax increases due to non-deductible expenses, additional business tax and similar elements	(185,896)	(118,446)	(170,389)	(110,227)
Income tax (expense) / release reported in the income statement	(271,893)	(198,021)	(261,668)	(195,221)
The effective tax rate	17.14%	15.13%	16.45%	14.63%

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16. Taxes on income (continued)

Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued 23 May 2023).

In May 2023, the IASB issued narrow-scope amendments to IAS 12, 'Income Taxes'. This amendment was introduced in response to the imminent implementation of the Pillar Two model rules released by the Organisation for Economic Co-operation and Development's (OECD) as a result of international tax reform. The amendments provide a temporary exception from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules. In accordance with IASB effective date, the companies may apply the exception immediately, but disclosure requirements are required for annual periods commencing on or after 1 January 2023.

Pillar Two legislation has been enacted Romania. The legislation is effective for the Group's financial year beginning 1 January 2024.

The Group is in scope of the enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. This assessment is based on the most recent information available regarding the financial performance of the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rate is above 15%.

17. Dividends paid

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) and dividends related to ordinary shares in amount of RON 1,176,600,923.

18. Segment reporting

An operating segment is a component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues, for example, start-up operations may be operating segments before earning revenues.

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Each segment is assessed both from Statement of financial position and Statement of profit or loss perspective, specific KPI's being yearly set and correlated with bank strategy (e.g. new volumes, operating result etc).

For management purposes, the Bank and the Group is organized into the following business segments:

A. Retail

The Group provides individuals and micro clients with a range of financial products and services, including lending (consumer loans, vehicles purchase, personal needs, mortgages, overdrafts, credit cards facilities and funds transfer facilities), savings and deposit taking business, payment services and securities business.

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18. Segment reporting (continued)

B. Corporate

Within corporate banking, the Group provides corporations, real estate and large corporate clients with a range of financial products and services, including lending and deposit taking, providing cash management, foreign commercial business, leasing, investments advices, financial planning, securities business, project and structured finance transactions, syndicated loans and asset backed transactions. Principal activity is of granting loans, other credit facilities, deposits, and current accounts for corporate and institutional customers, investment banking services and financial products and services provided by the leasing, insurance, brokerage, asset management, real estate services and financial consultancy services operations of the Group.

The main Corporate sub-segments are:

a. SME, comprising:

- companies with yearly turnover between EUR 1 mn - EUR 50 mn and a consolidated turnover < EUR 500 mn;
- companies part of a domestic group with at least one company with individual yearly turnover between EUR 1 mn - EUR 50 mn;
- companies part of an international group with at least one company with individual yearly turnover between EUR 1 mn - EUR 500 mn;
- companies with real estate financing for which total project value (including land acquisition, excluding VAT) is less than EUR 8 mn;
- companies having individual / consolidated turnover below EUR 1 mn.

b. Public Sector (PS):

Public Sector comprises Public sector, Public corporations clients and Non Profit sector.

Public sector includes the following institutions:

- central ministries and state funded funds and agencies;
- non-profit entities established by or under control of central government entities, state funded organizations, state universities or R&D institutions;
- regional governments and organizations funded by them;
- state capitals including city halls, regional capitals and other municipals and organizations funded by them. Exceptions: elementary and primary schools, high schools, kindergartens, small hospitals and libraries, which are segmented as Micro;
- public health and social insurance companies.

Public Corporations include:

- all non-financial state companies and corporations with more than 50% share of state or regional governments or municipals excluding stock exchange listed companies and State-Owned Companies acting in Energy & Utilities industry with turnover > 50 mn EUR.

Non-profit Sector includes the following private non-profit companies:

- central authorities of churches (archbishops, bishops, patriarchs, etc.);
- country-wide labour unions;
- political parties;
- social Banking Customers who have social impact.

c. Local Large Corporates (LLC)

- Companies/groups with a yearly individual turnover above EUR 50 mn;
- Clients with operations in core markets where the Erste Group operates or in extended core markets;
- Companies that meet the above-described criteria regarding the turnover with real estate financing for which total Real Estate project value (including land acquisition, excluding VAT) is less than EUR 8 mn;
- Financial sponsors (e.g. Private Equity Funds). The participations (in case of majority stake) of the financial sponsors will be grouped together with the financial sponsor;
- International groups that have their headquarters outside the expanded ERSTE target market (the target market where Erste is present plus Poland, Germany and Spain) with a consolidated annual turnover of over EUR 500 million are segmented by LLC only in which Erste Group has a relationship with its headquarters.

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18. Segment reporting (continued)

d. Commercial Real Estate (CRE)

- companies that request financing of real estate projects with total project value > EUR 8 mn (including land acquisition, excluding VAT);
- investors in Real Estate for the purpose of generating income from the rental of individual properties or portfolios of properties;
- developers of individual properties or portfolios of properties for the purpose of generating capital gains through sale;
- asset management services - Assets/SPVs held (on balance) by an Erste Group entity in order to generate income from rental activities (third party tenants);
- own property development – property developments done by an Erste Group entity in scope of this policy for the purpose of generating capital gains through sale or income from rental;
- clients using construction/technical advisory services of Erste Group International (EGI).

Other corporate includes activities related to investment banking services and financial products and services.

Other banking segments:

C. ALM & Local Corporate Center:

- Balance sheet management - principally providing assets and liabilities management, funding and derivative transactions, investments and issuance of bonds operations;
- Local Corporate Center - unallocated items, items which do not belong to business lines and Free Capital.

D. Group Markets:

a. Trading (GMT): principally providing money market and treasury operations, syndicated loans and structured financing transactions, foreign currency and derivative transactions, financial instruments trading.

b. Financial institutions (GMFI): companies that provide financial services for their clients or members and act as professional and active participant on financial markets for the purpose of proprietary trading or on behalf of their clients (banks, central banks, investment banks, investments funds, brokerages, insurance companies, pension funds, credit unions).

The business segment reporting format is the Group's basis of segment reporting. Transactions between business segments are conducted at arm's length.

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise property and equipment, intangible assets, other assets and other liabilities and taxation.

The mapping of individual accounts by main line items of income and expenses, respectively assets and liabilities and equity, for purposes of segment reporting is done on an internal management approach, rather than an external financial reporting approach.

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 mainly allocated on Retail and Corporate segments in accordance with clients' profit centers. Intragroup eliminations and the rest of the consolidation adjustments are allocated on Corporate Center.

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 statement of income:

- Net trading result;
- Result from financial instruments mandatorily measured at fair value through profit or loss;
- Foreign currency translation.

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18. Segment reporting (continued)

Statement of income	Group	Retail	Corporates	ALM & Local Corporate Center*	GM
in RON thousands					
30.06.2024					
Net interest income	2,098,804	1,014,224	621,914	452,502	10,164
Net fee and commission income	525,271	368,223	132,996	(2,030)	26,082
Dividend income	5,944	-	-	5,944	-
Net trading result	243,787	85,453	63,582	5,535	89,217
Gains/(losses) from non-trading financial instruments mandatorily measured at fair value through profit or loss	9,063	7,482	-	1,581	-
Gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	(3,432)	-	-	(3,432)	-
Net result from equity method investments	4,712	-	-	4,712	-
Rental income from investment properties and other operating leases	18,161	-	14,761	3,400	-
General administrative expenses	(1,040,522)	(797,138)	(199,533)	(22,314)	(21,537)
Net impairment loss on financial instruments	(94,335)	(153,614)	55,221	6,536	(2,478)
Other operating result	(181,065)	(29,555)	(40,616)	(108,760)	(2,134)
Profit before tax	1,586,388	495,075	648,325	343,674	99,314
Taxes on income	(271,893)	(79,457)	(103,065)	(73,480)	(15,891)
Net result for the period	1,314,495	415,618	545,260	270,194	83,423
Attributable to non-controlling interests	3	-	-	3	-
Attributable to owners of the parent	1,314,492	415,618	545,260	270,191	83,423
Operating income	2,902,310	1,475,382	833,253	468,212	125,463
Operating expenses	(1,040,522)	(797,138)	(199,533)	(22,314)	(21,537)
Operating result	1,861,788	678,244	633,720	445,898	103,926
Cost income ratio	35.9%	54.0%	23.9%	4.8%	17.2%

* All intercompany eliminations are included in the Local Corporate Center

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).

Statement of income	Group	Retail	Corporates	ALM & Local Corporate Center*	GM
in RON thousands					
30.06.2023					
Net interest income	1,770,090	985,388	560,236	223,335	1,131
Net fee and commission income	449,550	289,578	145,733	(6,109)	20,348
Dividend income	5,102	-	86	5,016	-
Net trading result	284,173	77,350	76,259	22,528	108,036
Gains/(losses) from non-trading financial instruments mandatorily measured at fair value through profit or loss	3,216	(883)	-	4,099	-
Net result from equity method investments	2,354	-	-	2,354	-
Rental income from investment properties and other operating leases	22,388	-	18,147	4,241	-
General administrative expenses	(1,007,163)	(758,070)	(203,566)	(24,192)	(21,335)
Net impairment loss on financial instruments	(128,075)	(74,287)	(54,830)	1,243	(201)
Other operating result	(92,781)	1,956	(17,513)	(74,336)	(2,888)
Profit before tax	1,308,854	521,032	524,552	158,179	105,091
Taxes on income	(198,021)	(83,271)	(83,096)	(14,840)	(16,814)
Net result for the period	1,110,833	437,761	441,456	143,339	88,277
Attributable to non-controlling interests	7	-	-	7	-
Attributable to owners of the parent	1,110,826	437,761	441,456	143,336	88,277
Operating income	2,536,873	1,351,433	800,461	255,464	129,515
Operating expenses	(1,007,163)	(758,070)	(203,566)	(24,192)	(21,335)
Operating result	1,529,710	593,363	596,895	231,272	108,180
Cost income ratio	39.7%	56.1%	25.4%	9.5%	16.5%

* All intercompany eliminations are included in the Local Corporate Center

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18. Segment reporting (continued)

Statement of income	Bank	Retail	Corporates	ALM & Local Corporate Center	GM
in RON thousands					
30.06.2024					
Net interest income	2,029,149	975,953	589,070	453,962	10,164
Net fee and commission income	497,495	347,663	123,782	(32)	26,082
Dividend income	57,854	-	-	57,854	-
Net trading result	241,946	84,902	62,299	5,528	89,217
Gains/(losses) from non-trading financial instruments mandatorily measured at fair value through profit or loss	9,063	7,482	-	1,581	-
Gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	(3,432)	-	-	(3,432)	-
Net result from equity method investments	-	-	-	-	-
Rental income from investment properties and other operating leases	2,758	-	-	2,758	-
General administrative expenses	(996,579)	(769,063)	(180,346)	(25,633)	(21,537)
Net impairment loss on financial instruments	(74,976)	(149,722)	70,534	6,690	(2,478)
Other operating result	(172,681)	(32,138)	(35,776)	(102,633)	(2,134)
Profit before tax	1,590,597	465,077	629,563	396,643	99,314
Taxes on income	(261,668)	(74,412)	(100,730)	(70,635)	(15,891)
Net result for the period	1,328,929	390,665	528,833	326,008	83,423
Operating income	2,834,833	1,416,000	775,151	518,219	125,463
Operating expenses	(996,579)	(769,063)	(180,346)	(25,633)	(21,537)
Operating result	1,838,254	646,937	594,805	492,586	103,926
Cost income ratio	35.2%	54.3%	23.3%	4.9%	17.2%

Statement of income	Bank	Retail	Corporates	ALM & Local Corporate Center	GM
in RON thousands					
30.06.2023					
Net interest income	1,673,093	945,131	509,137	217,694	1,131
Net fee and commission income	427,283	273,648	137,678	(4,391)	20,348
Dividend income	65,976	-	-	65,976	-
Net trading result	275,332	77,377	71,637	18,282	108,036
Gains/(losses) from non-trading financial instruments mandatorily measured at fair value through profit or loss	3,216	(883)	-	4,099	-
Rental income from investment properties and other operating leases	2,649	-	-	2,649	-
General administrative expenses	(940,830)	(724,428)	(165,399)	(29,668)	(21,335)
Net impairment loss on financial instruments	(104,267)	(71,348)	(41,014)	8,296	(201)
Other operating result	(67,742)	6,947	(18,686)	(53,115)	(2,888)
Profit before tax	1,334,710	506,444	493,353	229,822	105,091
Profit from discontinued operations net of tax	(195,221)	(81,031)	(78,936)	(18,440)	(16,814)
Net profit of the year	1,139,489	425,413	414,417	211,382	88,277
Operating income	2,447,549	1,295,273	718,452	304,309	129,515
Operating expenses	(940,830)	(724,428)	(165,399)	(29,668)	(21,335)
Operating result	1,506,719	570,845	553,053	274,641	108,180
Cost income ratio	38.4%	55.9%	23.0%	9.7%	16.5%

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18. Segment reporting (continued)

30.06.2024

in RON thousands	Group	Retail	Corporates	ALM & Local CorporateCenter*	GM
Assets					
Cash and cash equivalents	13,542,837	2,869,590	14,618	10,658,629	-
Financial assets held for trading	1,653,568	-	-	18,678	1,634,890
Derivatives financial instruments	137,568	-	-	18,678	118,890
Debt securities held for trading	1,516,000	-	-	-	1,516,000
Non-trading financial assets mandatorily at fair value through profit or loss	88,971	30,964	-	58,007	-
Equity instruments	67,772	30,964	-	36,808	-
Debt securities	21,199	-	-	21,199	-
Financial assets at fair value through other comprehensive income	10,053,333	-	-	10,053,333	-
Debt securities	10,053,333	-	-	10,053,333	-
Financial assets at amortised cost	80,466,068	32,013,316	26,867,620	18,731,319	2,853,813
Debt securities	18,661,507	82,950	121,335	18,457,222	-
Loans and advances to banks	1,209,389	726,446	-	180,309	302,634
Loans and advances to customers	60,595,172	31,203,920	26,746,285	93,788	2,551,179
Finance lease receivables	2,221,836	-	877,817	1,344,019	-
Property and equipment	979,349	7,103	111,743	860,503	-
Investment property	119,363	-	-	119,363	-
Intangible assets	466,719	5,332	-	461,387	-
Investments in joint ventures and associates	34,720	-	-	34,720	-
Current tax assets	152	-	139	13	-
Deferred tax assets	76,948	400	-	76,548	-
Assets held for sale and disposal group	3,104	-	-	3,104	-
Trade and other receivables	862,286	12,226	531,961	231,338	86,761
Other assets	386,442	55,175	9,191	321,763	313
Total assets	110,955,696	34,994,106	28,413,089	42,972,724	4,575,777
Liabilities and Equity					
Financial liabilities held for trading	131,472	-	-	11,618	119,854
Derivatives financial instruments	131,472	-	-	11,618	119,854
Financial liabilities measured at amortised cost	96,029,819	51,929,712	32,981,043	7,944,876	3,174,188
Deposits by banks	1,541,927	1,325,135	3,321,456	(3,725,455)	620,791
Deposits by customers	81,854,162	50,228,285	29,283,224	(104,800)	2,447,453
Debt securities issued	10,303,583	-	-	10,303,583	-
Other financial liabilities	2,330,147	376,292	376,363	1,471,548	105,944
Lease liabilities	461,765	-	-	461,765	-
Provisions	820,264	405,991	285,820	126,610	1,843
Current tax liabilities	84,122	771	-	83,351	-
Deferred tax liabilities	23,823	-	-	23,823	-
Other liabilities	835,102	402,167	43,855	383,301	5,779
Total equity	12,569,329	2,916,873	3,632,221	5,719,775	300,460
Total liabilities and equity	110,955,696	55,655,514	36,942,939	14,755,119	3,602,124

* All intercompany eliminations are included in the Local Corporate Center

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18. Segment reporting (continued)

	31.12.2023				
in RON thousands	Group	Retail	Corporates	ALM & Local CorporateCenter*	GM
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
Derivatives financial instruments	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

in RON thousands	Group	Retail	Corporates	ALM & Local CorporateCenter*	GM
Liabilities and Equity					
Financial liabilities held for trading	165,467	-	-	38,939	126,528
Derivatives financial instruments	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 by banks	1,648,938	1,248,810	3,051,838	(3,058,348)	406,638
Deposits by 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 groups	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

* All intercompany eliminations are included in the Local Corporate Center

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18. Segment reporting (continued)

	30.06.2024				
in RON thousands	Bank	Retail	Corporates	ALM & Local CorporateCenter	GM
Assets					
Cash and cash equivalents	13,498,915	2,820,488	-	10,678,427	-
Financial assets held for trading	1,653,568	-	-	18,678	1,634,890
Derivatives financial instruments	137,568	-	-	18,678	118,890
Debt securities held for trading	1,516,000	-	-	-	1,516,000
Non-trading financial assets mandatorily at fair value through profit or loss	88,971	30,964	-	58,007	-
Equity instruments	67,772	30,964	-	36,808	-
Debt securities	21,199	-	-	21,199	-
Financial assets at fair value through other comprehensive income	10,053,333	-	-	10,053,333	-
Debt securities	10,053,333	-	-	10,053,333	-
Financial assets at amortised cost	82,393,172	30,432,305	25,532,404	23,574,650	2,853,813
Debt securities	18,578,557	-	121,335	18,457,222	-
Loans and advances to banks	1,165,960	-	-	863,326	302,634
Loans and advances to customers	62,648,655	30,432,305	25,411,069	4,254,102	2,551,179
Finance lease receivables	16,454	-	-	16,454	-
Property and equipment	827,743	-	-	827,743	-
Investment property	119,363	-	-	119,363	-
Intangible assets	440,805	-	-	440,805	-
Investments in joint ventures and associates	25,961	-	-	25,961	-
Current tax assets	-	-	-	-	-
Deferred tax assets	75,917	-	-	75,917	-
Assets held for sale and disposal group	3,104	-	-	3,104	-
Trade and other receivables	853,796	4,788	523,334	238,913	86,761
Investments in subsidiaries	588,105	-	-	588,105	-
Other assets	202,680	28,704	355	173,308	313
Total assets	110,841,887	33,317,249	26,056,093	46,892,768	4,575,777
Liabilities and Equity					
Financial liabilities held for trading	131,472	-	-	11,618	119,854
Derivatives financial instruments	131,472	-	-	11,618	119,854
Financial liabilities measured at amortised cost	96,372,478	50,469,154	29,659,467	13,069,669	3,174,188
Deposits by banks	1,613,348	33	275	992,249	620,791
Deposits by customers	82,152,667	50,096,567	29,283,170	325,477	2,447,453
Debt securities issued	10,303,583	-	-	10,303,583	-
Other financial liabilities	2,302,880	372,554	376,022	1,448,360	105,944
Lease liabilities	459,295	-	-	459,295	-
Provisions	802,117	392,044	285,820	122,410	1,843
Current tax liabilities	82,236	-	-	82,236	-
Other liabilities	400,658	4,427	42,987	347,465	5,779
Total equity	12,593,631	2,656,366	3,154,067	6,482,738	300,460
Total liabilities and equity	110,841,887	53,521,991	33,142,341	20,575,431	3,602,124

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18. Segment reporting (continued)

	31.12.2023				
in RON thousands	Bank	Retail	Corporates	ALM & Local CorporateCenter	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
Derivatives financial instruments	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	-
Current tax assets	-	-	-	-	-
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

in RON thousands	Bank	Retail	Corporates	ALM & Local CorporateCenter	GM
Liabilities and Equity					
Financial liabilities held for trading	165,467	-	-	38,939	126,528
Derivatives financial instruments	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 by banks	1,738,658	33	255	1,331,732	406,638
Deposits by 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

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19. Related-party transactions and principal shareholders

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

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 30 June 2024 and 31 December 2023 are detailed below. Transactions were entered into with related parties during the course of business at market rates.

Transactions with parent

When establishing the transfer prices in intra-group transactions, BCR takes into account the provisions of the national tax legislation, as well as the OECD transfer pricing guidelines.

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. These transactions were carried out on commercial terms and conditions and at market rates.

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.

The following transactions were carried out with related parties:

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19. Related-party transactions and principal shareholders (continued)

Balances and off-balance exposures with related parties									Group
in RON thousands	30.06.2024				31.12.2023				
	Parent	Associates	Key management personnel	Other related parties	Parent	Associates	Key management personnel	Other related parties	
Total assets	1,093,465	116,764	4,241	112,118	736,282	112,180	4,609	113,970	
Cash and cash equivalents	36,421	-	-	-	64,083	-	-	-	
Derivatives financial instruments	113,311	-	-	-	100,332	-	-	-	
Equity instruments	-	25,961	-	23,482	-	25,961	-	23,482	
Financial assets at amortised cost	908,309	90,803	4,241	74,520	499,512	86,214	4,609	79,318	
Loans and advances to banks	908,309	-	-	-	499,512	-	-	-	
Loans and advances to customers	-	90,803	4,241	74,520	-	86,214	4,609	79,318	
Trade and other receivables	24,303	-	-	4,740	60,457	-	-	3,965	
Finance lease receivables	-	-	-	1,571	-	-	-	1,825	
Other assets	11,121	-	-	7,805	11,898	5	-	5,380	
Total Liabilities	1,779,707	20,725	12,358	215,608	1,851,606	22,332	9,080	248,287	
Financial liabilities measured at amortised cost	1,653,921	20,725	12,352	172,578	1,752,665	22,332	9,075	203,345	
Deposits by banks	230,524	-	-	5,155	317,329	-	-	1,250	
Deposits by customers	-	20,725	12,352	167,423	-	22,332	9,075	202,095	
Borrowings and financing lines	142,705	-	-	-	153,358	-	-	-	
Debt securities issued	1,280,692	-	-	-	1,281,978	-	-	-	
Lease liabilities	24,439	-	-	-	48,750	-	-	-	
Other liabilities	101,347	-	6	43,030	50,191	-	5	44,942	
Loans commitments, financial guarantees and other commitments given [notional amount]	36,943	84,060	751	226,800	22,472	48,850	560	243,557	
Loan commitments, financial guarantees and other commitments received	248,855	-	-	-	248,730	-	-	-	
Derivatives [notional amount]	9,604,822	-	-	-	5,381,577	-	-	-	

Expenses and income generated by transactions with related parties									Group
in RON thousands	30.06.2024				30.06.2023				
	Parent	Associates	Key management personnel	Other related parties	Parent	Associates	Key management personnel	Other related parties	
Interest income	53,492	3,030	102	1,769	39,508	70	148	1,629	
Interest expense	(56,558)	(382)	(191)	(3,142)	(58,971)	(1,427)	(139)	(3,140)	
Dividend income	-	-	-	4,054	-	-	-	3,376	
Fee and commission income	1,928	178	24	34,658	1,391	150	24	27,767	
Fee and commission expense	(3,048)	-	-	(3,529)	(1,977)	-	-	(1,291)	
Profit before tax income/(expense)	(4,186)	2,826	(65)	33,810	(20,049)	(1,207)	33	28,341	

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19. Related-party transactions and principal shareholders (continued)

Balances and off-balance exposures with related parties

in RON thousands	30.06.2024					31.12.2023					Bank
	Parent	Subsidiaries	Associates	Key management personnel	Other related parties	Parent	Subsidiaries	Associates	Key management personnel	Other related parties	
Total assets	1,093,465	4,775,875	116,764	4,241	104,771	692,546	4,436,311	112,180	4,609	108,605	
Cash and cash equivalents	36,421	-	-	-	-	20,347	1,596	-	-	-	
Derivatives financial instruments	113,311	-	-	-	-	100,332	49	-	-	-	
Equity instruments	-	598,106	25,961	-	23,482	-	652,882	25,961	-	23,482	
Financial assets at amortised cost	908,309	4,162,497	90,803	4,241	74,520	499,512	3,767,924	86,214	4,609	79,318	
Loans and advances to banks	908,309	-	-	-	-	499,512	19,780	-	-	-	
Loans and advances to customers	-	4,162,497	90,803	4,241	74,520	-	3,748,144	86,214	4,609	79,318	
Trade and other receivables	24,303	-	-	-	4,740	60,457	3	-	-	3,965	
Finance lease receivables	-	12,619	-	-	1,571	-	12,035	-	-	1,825	
Other assets	11,121	2,653	-	-	458	11,898	1,822	5	-	15	
Total Liabilities	1,779,707	989,478	20,725	12,358	207,985	1,840,236	1,007,484	22,332	9,080	240,695	
Financial liabilities measured at amortised cost	1,653,921	988,757	20,725	12,352	172,578	1,741,295	1,007,479	22,332	9,075	203,345	
Deposits by banks	234,941	548,934	-	-	5,155	310,376	587,243	-	-	1,250	
Deposits by customers	-	439,823	20,725	12,352	167,423	-	420,236	22,332	9,075	202,095	
Borrowings and financing lines	138,288	-	-	-	-	148,941	-	-	-	-	
Debt securities issued	1,280,692	-	-	-	-	1,281,978	-	-	-	-	
Lease liabilities	24,439	-	-	-	-	48,750	-	-	-	-	
Other liabilities	101,347	721	-	6	35,407	50,191	5	-	5	37,350	
Loans commitments, financial guarantees and other commitments given [notional amount]	36,943	1,271,310	84,060	751	226,800	22,472	899,356	48,850	560	243,557	
Loan commitments, financial guarantees and other commitments received	248,855	-	-	-	-	248,730	-	-	-	-	
Derivatives [notional amount]	9,604,822	-	-	-	-	5,381,577	104,467	-	-	-	
Accumulated impairment, accumulated changes in fair value due to credit risk and provisions on non-performing exposures	-	1,047	-	-	-	-	-	-	-	-	

Expenses and income generated by transactions with related parties

in RON thousands	30.06.2024					30.06.2023					Bank
	Parent	Subsidiaries	Associates	Key management personnel	Other related parties	Parent	Subsidiaries	Associates	Key management personnel	Other related parties	
Interest income	53,492	98,500	3,030	102	1,769	39,222	65,697	70	148	1,578	
Interest expense	(56,530)	(21,632)	(382)	(191)	(3,142)	(58,541)	(25,684)	(1,427)	(139)	(3,140)	
Dividend income	-	51,910	-	-	4,054	-	60,961	-	-	3,376	
Fee and commission income	1,928	256	178	24	32,063	1,391	313	150	24	26,024	
Fee and commission expense	(3,048)	-	-	-	(3,529)	(1,977)	(3)	-	-	(1,291)	
Net impairment loss on financial instruments	-	1,047	-	-	-	-	(60)	-	-	-	
Profit before tax income/(expense)	(4,158)	130,081	2,826	(65)	31,215	(19,905)	101,224	(1,207)	33	26,547	

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20. 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 statement 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 statement of financial position date. Where a fair value cannot reliably be estimated, unquoted equity instruments e.g. investments in subsidiaries 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 2023 and 30 June 2024.

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.

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20. Fair value of financial assets and liabilities (continued)

20.1. Financial instruments measured at amortised cost in the statement of financial position whose fair value is disclosed in the notes

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

in RON thousands	Group					Bank					30.06.2024
	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 equivalents	13,542,837	13,542,837	13,542,837	-	-	13,498,915	13,498,915	13,498,915	-	-	
Financial assets at amortised cost	80,466,068	79,635,291	17,608,335	232,442	61,794,514	82,393,172	81,633,402	17,530,270	226,890	63,876,242	
Loans and advances to banks	1,209,389	1,205,896	-	-	1,205,896	1,165,960	1,162,468	-	-	1,162,468	
Loans and advances to customers	60,595,172	60,522,719	-	-	60,522,719	62,648,655	62,647,875	-	-	62,647,875	
Debt securities	18,661,507	17,906,676	17,608,335	232,442	65,899	18,578,557	17,823,059	17,530,270	226,890	65,899	
Finance lease receivables	2,221,836	2,221,420	-	-	2,221,420	16,454	16,454	-	-	16,454	
Trade and other receivables	862,286	862,276	-	-	862,276	853,796	853,787	-	-	853,787	
Liabilities											
Financial liabilities measured at amortised cost	96,029,819	95,807,142	-	10,268,968	85,538,174	96,372,478	96,147,728	-	10,268,968	85,878,760	
Deposits by banks	1,541,927	1,540,711	-	-	1,540,711	1,613,348	1,610,157	-	-	1,610,157	
Deposits by customers	81,854,162	81,569,271	-	-	81,569,271	82,152,667	81,867,688	-	-	81,867,688	
Debt securities issued	10,303,583	10,367,003	-	10,268,968	98,035	10,303,583	10,367,003	-	10,268,968	98,035	
Other financial liabilities	2,330,147	2,330,157	-	-	2,330,157	2,302,880	2,302,880	-	-	2,302,880	
Lease liabilities	461,765	461,765	-	-	461,765	459,295	459,295	-	-	459,295	
Financial guarantees and commitments											
Financial guarantees	1,847,574	(5,241)	-	-	(5,241)	2,006,344	(5,708)	-	-	(5,708)	
Irrevocable commitments	20,924,919	469,573	-	-	469,573	21,973,221	482,054	-	-	482,054	
											31.12.2023
Assets											
Cash and cash equivalents	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 by banks	1,648,938	1,635,795	-	-	1,635,795	1,738,658	1,723,830	-	-	1,723,830	
Deposits by customers	78,481,853	78,298,143	-	-	78,298,143	78,724,676	78,540,968	-	-	78,540,968	
Debt securities issued	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	

Notes to Interim Financial Statements

Consolidated and Separate

As of 30 June 2024

20. Fair value of financial assets and liabilities (continued)

20.1. Financial instruments measured at amortised cost in the statement of financial position whose fair value is disclosed in the notes (continued)

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

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 CFs 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.

20.2. Financial instruments measured at fair value in the statement of financial position

in RON thousands	Group							
	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	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Assets								
Financial assets held for trading	1,267,258	565,410	386,310	135,678	-	-	1,653,568	701,088
Derivatives financial instruments	-	-	137,568	135,678	-	-	137,568	135,678
Debt securities held for trading	1,267,258	565,410	248,742	-	-	-	1,516,000	565,410
Non-trading financial assets mandatorily at fair value through profit or loss	7,314	8,680	1,550	-	80,107	70,683	88,971	79,363
Equity instruments	7,314	8,680	1,550	-	58,908	50,670	67,772	59,350
Debt securities	-	-	-	-	21,199	20,013	21,199	20,013
Financial assets at fair value through other comprehensive income	9,514,083	9,464,173	539,250	640,335	-	31,022	10,053,333	10,135,530
Debt securities issued	9,514,083	9,464,173	539,250	640,335	-	31,022	10,053,333	10,135,530
Total assets	10,788,655	10,038,263	927,110	776,013	80,107	101,705	11,795,872	10,915,981
Liabilities								
Financial liabilities held for trading	-	-	131,472	165,466	-	-	131,472	165,467
Derivatives financial instruments	-	-	131,472	165,466	-	-	131,472	165,467
Total Liabilities	-	-	131,472	165,466	-	-	131,472	165,467

Notes to Interim Financial Statements

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20. Fair value of financial assets and liabilities (continued)

20.2. Financial instruments measured at fair value in the statement of financial position (continued)

in RON thousands	Bank							
	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	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Assets								
Financial assets held for trading	1,267,258	565,410	386,310	135,727	-	-	1,653,568	701,137
Derivatives financial instruments	-	-	137,568	135,727	-	-	137,568	135,727
Debt securities held for trading	1,267,258	565,410	248,742	-	-	-	1,516,000	565,410
Non-trading financial assets mandatorily at fair value through profit or loss	7,314	8,680	1,550	-	80,107	70,683	88,971	79,363
Equity instruments	7,314	8,680	1,550	-	58,908	50,670	67,772	59,350
Debt securities	-	-	-	-	21,199	20,013	21,199	20,013
Financial assets at fair value through other comprehensive income	9,514,083	9,464,173	539,250	665,998	-	5,359	10,053,333	10,135,530
Debt securities issued	9,514,083	9,464,173	539,250	665,998	-	5,359	10,053,333	10,135,530
Total assets	10,788,655	10,038,263	927,110	801,725	80,107	76,042	11,795,872	10,916,030
							-	-
Liabilities								
Financial liabilities held for trading	-	-	131,472	165,466	-	-	131,472	165,467
Derivatives financial instruments	-	-	131,472	165,466	-	-	131,472	165,467
Total Liabilities	-	-	131,472	165,466	-	-	131,472	165,467

Financial assets held for trading position has increased during the first half of 2024 compared year end 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.

20.3. 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 June 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: 3,645 and an additional haircut of 27.07% was applied.

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20. Fair value of financial assets and liabilities (continued)

20.3. Valuation of level 3 financial instruments (continued)

Movements in Level 3 of financial instruments carried at fair value

							Group
in RON thousands	Balance	Gain/loss in profit or loss	Purchases	Sales	Transfers out of Level 3	Exchange rate differences	Balance
							01.01.2024
							30.06.2024
Assets							
Non-trading financial assets mandatorily at fair value through profit or loss	70,683	9,424	-	-	-	-	80,107
Equity instruments	50,670	8,238	-	-	-	-	58,908
Debt securities	20,013	1,186	-	-	-	-	21,199
Financial assets at fair value through other comprehensive income	31,022	-	-	(25,663)	(5,359)	-	-
Debt securities issued	31,022	-	-	(25,663)	(5,359)	-	-
Total assets	101,705	9,424	-	(25,663)	(5,359)	-	80,107

							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
							01.01.2023
							31.12.2023
Assets							
Non-trading financial assets mandatorily 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 issued	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

							Bank
in RON thousands	Balance	Gain/loss in profit or loss	Purchases	Sales	Transfers out of Level 3	Exchange rate differences	Balance
							01.01.2024
							30.06.2024
Assets							
Non-trading financial assets mandatorily at fair value through profit or loss	70,683	9,424	-	-	-	-	80,107
Equity instruments	50,670	8,238	-	-	-	-	58,908
Debt securities	20,013	1,186	-	-	-	-	21,199
Financial assets at fair value through other comprehensive income	5,359	-	-	-	(5,359)	-	-
Debt securities issued	5,359	-	-	-	(5,359)	-	-
Total assets	76,042	9,424	-	-	(5,359)	-	80,107

							Bank
in RON thousands	Balance	Gain/loss in profit or loss	Purchases	Transfers into Level 3	Transfers out of Level 3	Exchange rate differences	Balance
							01.01.2023
							31.12.2023
Assets							
Non-trading financial assets mandatorily 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 issued	54,856	-	-	5,359	(54,856)	-	5,359
Total assets	118,001	(66)	10,000	5,359	(57,252)	-	76,042

Notes to Interim Financial Statements

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21. Legal claims and contingent liabilities

Legal claims

As of June 30, 2024, the Bank was involved in the normal course of its business in a number of 1,708 litigations as defendant (December 31st, 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 June 30, 2024.

The impact of the control mission of the Romanian Court of Accounts on BCR Banca pentru Locuinte SA ("BCR BpL")

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 (MoD) 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.

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, being maintained at the date of preparation of these financial statements.

Litigations with the MoD

Considering the refusal of MoD to grant amnesty on the basis of GEO 69/2020 as unjustified, BCR BpL took legal action to obtain the amnesty / cancellation of the accessories.

On 20 April 2023, the Bucharest Court of Appeal partially admitted BCR BpL's application and ordered the annulment of the letters issued by MoD through which it was rejected the application for amnesty. The Court ordered MoD to review and to settle the amnesty application on the merits. This decision is neither final nor enforceable. Towards this first Court decision MoD has formulated a recourse. On April 18, 2024, the High Court of Cassation and Justice rejected MoD's recourse, upholding Bucharest Court of Appeal's initial ruling.

BCR BpL filed with the Bucharest Court of Appeal a formal claim asking the Court to suspend the execution of this MoD Ancillary Decision. The case was registered with the Bucharest Court of Appeal under case file No. 8823/2/2022 – the first Court decision was pronounced on 31 January 2023: the claim was rejected, and BCR BpL filed a recourse against first Court's decision, that shall be judged by the HCCJ. First court hearing was set for 7 November 2023, following BCR BpL request, the judgement of this file was suspended until final settlement of another file, 4770/2/2023, described below.

As a continuance to the legal action based on GEO 69/2020, there are also two additional cases started in July 2023 in which BCR BpL acted in court the MoD, in front of the Bucharest Court of Appeal (as first instance):

- i) Application to sue the MoD for annulment of the MoD Ancillary Decision (file No. 4758/2/2023) – the court hearing was initially set for 9 January 2024, and subsequently for 14 May 2024 and for 8 October 2024; and
- ii) A new application for suspension of execution of the MoD Ancillary Decision (file No. 4770/2/2023): on 22 September 2023, BCR BpL obtained in front of the Bucharest Court of Appeal the admission of this new application for the suspension of the execution of the MoD Ancillary Decision – this decision being executory, but still subject to a possible recourse from the MoD.

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36. Litigations and contingent liabilities (*continued*)

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.

BFP Litigation

On 23 December 2016, the BFP has received a request made 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 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 as of 30 June 2024.

Case corporate client vs. BCR

During 2023, a guarantor of a former corporate client and the guarantor's main shareholder initiated several lawsuits against BCR. There are currently 5 pending cases (out of which in 2 cases the plaintiff requested the bank to be obliged to pay damages) and 2 cases in which the proceedings are suspended pending the resolution in other cases) in which, in essence, they requested:

- that the Bank be ordered to pay EUR 33.7 million in damages, 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 the plaintiff's assets at a value below market prices and collecting undue amounts of money;
- the annulment of the loan restructuring contract, the annulment of the mortgage contract or to find that the effects of the mortgage contract have ceased when the loan has been restructured, the annulment of the acts of execution by which the guarantees were enforced and the repayment of RON 24.5 million, the value of the unmortgaged real estate assets sold during the insolvency proceedings of the guarantor.

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.

The 2 pending cases in which it was requested that the bank be obliged to pay damages are in the first instance. The court decisions that will be pronounced at this stage are not enforceable. The solutions in the other cases can only influence the bank's position in the 2 cases involving claims against the bank.

A provision in amount of RON 24.5 million is included in the Financial Statements as of 30 June 2024 for the 2 cases involving claims against the bank.

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 the Romanian Tax Authority's resolution on this topic in the Court, legal proceedings being ongoing as of August 2024.

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36. Litigations and contingent liabilities (continued)

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.

22. Subsequent events

On July 1, 2024, was published in the MO no 617, Part I. BNR Regulation no. 5 regarding the minimum mandatory reserve requirements. This regulation establishes the new requirements in relation to minimum mandatory reserve in terms of calculation, notification, maintenance of minimum mandatory reserve, as well as reporting and verification.

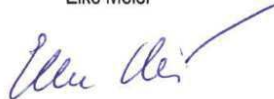
AUTHORISED PERSON

First name, Name and

Signature

Executive Vice-President

Elke Meier



AUTHORISED PERSON

First name, Name and

Signature

Executive Director Accounting Division

Gina Badea



STATEMENT

regarding the Administrators Report for the first semester of 2024

In accordance with the provisions of ASF Regulation no. 5/2018 art. 223, with subsequent amendments, we, Sergiu Manea, as Executive President of Banca Comerciala Romana SA and Elke Meier, as Executive Vice-President of Banca Comerciala Romana SA, state that:

- a) To the best of our knowledge, the interim consolidated and separate financial statements drawn up in accordance with applicable financial reporting standards provide a correct and accurate image of the assets, liabilities, statement of financial position and statement of comprehensive income of Banca Comerciala Romana SA and its subsidiaries included in the accounting consolidation perimeter.
- b) The consolidated and separate report of the Supervisory Board reflects in a correct and accurate manner the information related to Banca Comerciala Romana SA and its subsidiaries included in the accounting consolidation perimeter.

Executive President,

Sergiu Manea

Executive Vice-President,

Elke Meier

