BCR GROUP DISCLOSURE REPORT H1 2024

Pursuant to NBR Regulation no.5/2013 on prudential requirements for credit institutions, as further amended and Part Eight of the Capital Requirements Regulation (EU) no. 575/2013 (CRR) on prudential requirements for credit institutions and investment firms

Incorporated in Romania

Trade Register J40/90/1991

Unique Registration Code 361757

Bank Register RB PJR-40-008/18.02.1999

www.bcr.ro

Contents

List of templates, tables and graphs

1 Introduction

The provisions of the NBR Regulation no. 5/2013 on prudential requirements for credit institutions, with subsequent amendments, and Regulation (EU) No 2019/876 (CRR2) amending Regulation (EU) No 575/2013 (CRR) apply to BCR Group, hereinafter referred to as BCR Group. This Report is prepared on a consolidated basis (IFRS) according to NBR's Regulations. All information herein is presented as of June 30th, 2024, unless otherwise stated.

Following an overall frequency assessment of all Pillar 3 disclosures this half-year Pillar 3 Report provides principally an update to the areas mentioned below, which are also in line with the recommendations provided by the European Banking Authority ("EBA") in its Final Report – Final draft implementing technical standards on public disclosures by institutions of the information referred to in titles II and III of Part Eight of Regulation (EU) No. 575/2013 (EBA/ITS/2020/04) and Regulation EU 2019/876 of the European Parliament and of the Council of 20 May 2019.

Considering the above, areas which require that semi-annual disclosures to be provided are as follows:

- Information on the overview of risk-weighted exposure amount
- Information on the institution key metrics, which also includes information on Pillar 2 requirements
- Information on the institution's LCR, its liquidity buffers, cash outflows, cash inflows and high-quality liquid assets, complemented by qualitative information
- Information on comparison of own funds and capital and leverage ratios
- Information on risk exposures and credit quality
- Information on ESG Risks.

Apart from areas covered by Pillar 3 framework under EBA/ITS/2020/04, there are few additional areas which also require half-year disclosures to be provided, as follows:

- EBA/ITS/2021/07 – Final Report – Draft implementing standards amending Implementing Regulation (EU) No 637/2021 on disclosure of information on exposures to interest rate risk on positions not held in the trading book in accordance with art. 448 of Regulation (EU) No 575/2013.

- EBA/ITS/2022/01 – Final draft implementing technical standards on prudential disclosures on Environmental, Social and Governance risks (ESG) in accordance with Article 449a CRR. Such ITS was adopted by the European Commission and published on the Official Journal with the Implementing Regulation (EU) 2022/2453 of 30 November 2022, amending the Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (ESG).

- EBA/Rep/2023/41 - Final Draft Implementing Technical Standards amending the ITS on disclosures and reporting on MREL and TLAC.

For the full set of information please refer to "BCR GROUP DISCLOSURE REPORT 2023" which is available on the BCR Group website (https://www.bcr.ro/en/investors/transparency-and-public-disclosure).

Additional information on the financial and operational result of BCR Group is presented in the Interim Condensed Financial Statements Consolidated and Separate – Unaudited - 30 June 2024, hereinafter referred to as BCR Group Report. The BCR Group Report is available on the website of BCR Group (https://www.bcr.ro/en/investors/financial-reports).

2 Overview of non-applicable disclosures

The following table provides an overview of the CRR 2 Articles which are not covered by the Disclosure Report nor included in other reports as mentioned above, alongside an explanation regarding the reason behind their non-applicability.

1 Non-applicable CRR 2 articles

CRR2 article number	Article description	Reason for non-applicable disclosure	Non-applicable templates
437 (f)	Disclosure of own funds	BCR does not disclose capital ratios calculated using elements of own funds determined on a basis other than that laid down in the CRR.	
438 (h) and (e)	Own funds requirements and risk-weighted exposure amount	BCR Group calculates the risk-weighted exposure amounts under Standardized approach.	Template EU CR8 Template EU CR10 Template EU CCR7
439 (l)	Exposure to counterparty credit risk	BCR Group calculates the risk-weighted exposure amounts under Standardized approach.	Template EU CCR4
439 (j)	Exposure to counterparty credit risk	BCR Group has no credit derivatives in its portfolio.	Template EU CCR6
439 (i)	Exposure to counterparty credit risk	BCR Group does not have exposures towards central counterparties.	Template EU CCR8
442 (c) and (f)	Exposure to credit risk and dilution risk	The ratio of gross carrying amount of non-performing loans and advances divided by the total gross carrying amount of loans and advances subject to the definition of non-performing according to Article 47a of CRR2 for BCR Group does not exceed 5%	Template EU CR2a Template EU CQ2 Template EU CQ6 Template EU CQ8
449 (j-l)	Securitisation	BCR Group does not have any exposure to securitisations in its portfolio.	Template EU SEC1 Template EU SEC2 Template EU SEC3 Template EU SEC4 Template EU SEC5
452 (g)	Use of the IRB Approach to credit risk	BCR Group calculates the risk-weighted exposure amounts under Standardized approach.	Template EU CR6 Template EU CCR4
453 (j) and (g)	Use of credit risk mitigation techniques	BCR Group calculates the risk-weighted exposure amounts under Standardized approach.	Template EU CR7 Template EU CR7-A
455 (d), (e) and (g)	Use of internal market risk models	BCR Group does not apply the internal market risk model.	Template EU MR2-A Template EU MR2-B Template EU MR3 Template EU MR4
473 (a)	Disclosure requirements covered: EBA/GL/2020/12	The full impact related to credit risk provisions calculated in accordance with IFRS 9 requirements is considered in the calculation of own funds, capital ratio and leverage ratio	

3 Own funds

DISCLOSURE REQUIREMENT COVERED BY: ART. 437 (a) CRR 2

For the disclosure of own funds, BCR Group follows the requirements under Article 437 CRR 2. Based on the requirements defined by the European Bank Authority in the Implementing Technical Standards, the following information must be provided:

- A full reconciliation of CET1 items, Additional Tier 1 (AT1) items, Tier 2 (T2) items and filters and deductions applied pursuant to Articles 32 to 36, 56, 66 and 79 to own funds of the institution's statement of the financial position in the unaudited financial statements in accordance with Article 437 (a) CRR 2.

CRR Statement of financial position

Due to different applicable regulations, BCR Group distinguishes two consolidation perimeters:

- Prudential consolidation perimeter in accordance with articles 18 and 19 from CRR 2
- Accounting consolidation perimeter in accordance with IFRS 10 Consolidated Financial Statements.

The table below presents the information regarding the consolidation method applied for each entity according to accounting and prudential perimeters:

2 Template EU LI3 – Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
Banca Comerciala Romana	Full consolidation	X					Credit institution
BCR Banca pentru Locuinte	Full consolidation	X					Credit institution
BCR Leasing	Full consolidation	X					Other Financial Corporation - Finance Leasing
BCR Pensii	Full consolidation	X					Other Financial Corporation - Administrator of Pension Fund
BCR Suport Colect	Full consolidation	X					Non Financial Corporation - ancillary services undertaking
BCR Payments	Full consolidation	X					Other Financial Corporation
Fleet Management	Full consolidation			X			Non financial Corporation
BCR Social Finance	Equity method			X			Other Financial Corporation
CIT ONE	Equity method			X			Non Financial Corporation - ancillary services undertaking

Consideration of consolidation methods for the calculation of consolidated own funds according to the CRR 2

The amounts that are used as the basis for the calculation of own funds are based on the definition of the regulatory scope of consolidation pursuant to the CRR 2. Amounts that relate to the own share as well as to the minority interest in fully consolidated entities are therefore determined based on the regulatory scope of consolidation according to CRR 2.

Consideration of non-consolidated financial sector entities and deferred tax assets that rely on future profitability arising from temporary differences within the calculation of consolidated common equity tier 1 of BCR Group

Carrying amounts representing the investments in financial sector entities have to be deducted from the own funds based on the requirements as defined in Articles 36 (1) (h), Article 45 and Article 46 CRR 2 for non-significant investments and Articles 36 (1) (i) CRR 2, Article 43 and Article 45 CRR 2 for significant investments. For these purposes, non-significant investments are defined as investments in financial sector entities in which the participation is equal to or less than 10% of common equity tier 1 (CET 1) of the relevant financial sector entities, while significant investments are defined as investments that are above 10% of the common equity (CET 1) of the relevant financial sector entities.

To determine the participation in the relevant financial sector entities, these participations are calculated based on the direct, indirect and synthetic holdings in the relevant entities.

According to Article 46 (1) CRR 2, holdings in non-significant investments have to be deducted only if the total amount for such investments exceeds a defined threshold of 10% in relation to CET1 of the reporting institution. Deduction shall be applied to the amount that exceeds the 10% threshold. Amounts that are equal to or less than 10% of the CET1 of the reporting institution are considered within the RWAs based on the requirements from art. 46 (4) CRR.

For the deduction of significant investments in the CET1 of financial sector entities, a threshold is defined in Article 48 (2) CRR 2. According to Article 48 (2) CRR 2, significant investments in the CET1 of financial sector entities shall only be deducted if they exceed 10% of the CET1 of the reporting institution. If the 10% threshold is exceeded, the deduction is limited to the amount by which the defined threshold is exceeded. The remaining amount has to be considered within the calculation of the RWAs. The risk weight (RW) is defined at 250% according to Article 48 (4) CRR 2.

A 10% threshold related to the CET1 capital of the reporting institution is applied for deferred tax assets that rely on future profitability arising from temporary differences according to Article 48 (3) CRR 2. In case the amount for deferred tax assets that rely on future profitability that arise from temporary differences exceeds the threshold of 10% of CET1 of the reporting institution the exceeding amount has to be deducted from the CET1 of the reporting institution. The amount that is equal to or less than the threshold as defined in Article 48 (3) CRR 2 has to be considered within the calculation of RWAs with a 250% RW according to Article 48 (4) CRR 2.

In addition to the aforementioned thresholds, a combined threshold for the deduction of significant investments according to Article 36 (1) (i) CRR 2 and for deferred tax assets that rely on future profitability and arise from temporary differences according to Article 36 (1) (c) CRR 2 as well as according to Article 38 CRR 2 is defined in Article 48 (2) CRR 2. The combined threshold according to Article 48 (2) CRR 2 is defined at 17.65% of the CET1 of the reporting institution. If the threshold is exceeded, the exceeding amount has to be deducted from the CET1 of the reporting institution. The remaining amount has to be considered within the RWAs. A 250% RW shall be applied for the amount not exceeding the 17.65% threshold according to Article 48 (4) CRR 2.

At the reporting date, June 30th, 2024, BCR Group did not exceed any of the thresholds. Hence, direct, indirect and synthetic investments in financial sector entities were not deducted from the consolidated own funds of BCR Group and therefore are considered in RWAs.

BCR Group does not apply the transitory measures described in article 473(a) relate to IFRS 9. The full impact related to credit risk provisions calculated in accordance with IFRS 9 requirements is considered in the calculation of own funds, capital ratio and leverage ratio.

Breakdown of the constituent elements of BCR Group own funds

3 Template EU CC1 - Composition of regulatory Own Funds

	in RON million	Amounts As at 30.06.2024	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	3,348.0	
	of which: Instrument type 1	3,348.0	
	of which: Instrument type 2	-	
	of which: Instrument type 3	-	
2	Retained earnings	5,669.1	
3	Accumulated other comprehensive income (and other reserves)	1,415.8	
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**10,432.9**	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	(14.1)	
8	Intangible assets (net of related tax liability) (negative amount)	(230.1)	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
EU-20c	of which: securitisation positions (negative amount)	-	
EU-20d	of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
25	of which: deferred tax assets arising from temporary differences	-	
EU-25a	Losses for the current financial year (negative amount)	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	(147.8)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	(392.0)	
29	**Common Equity Tier 1 (CET1) capital**	**10,040.9**	

continued: Template EU CC1 - Composition of regulatory Own Funds

	in RON million	Amounts As at 30.06.2024	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Additional Tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts	741.6	
31	of which: classified as equity under applicable accounting standards	741.6	
32	of which: classified as liabilities under applicable accounting standards	-	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**741.6**	
	Additional Tier 1 (AT1) capital: regulatory adjustments		
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	-	
44	**Additional Tier 1 (AT1) capital**	**741.6**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**10,782.5**	
	Tier 2 (T2) capital: instruments		
46	Capital instruments and the related share premium accounts	1,244.3	
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	-	
51	**Tier 2 (T2) capital before regulatory adjustments**	**1,244.3**	
	Tier 2 (T2) capital: regulatory adjustments		
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
EU-56b	Other regulatory adjustments to T2 capital	-	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	-	
58	**Tier 2 (T2) capital**	**1,244.3**	
59	**Total capital (TC = T1 + T2)**	**12,026.8**	
60	**Total Risk exposure amount**	**56,776.8**	

continued: Template EU CC1 - Composition of regulatory Own Funds

	in RON million	Amounts As at 30.06.2024	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Capital ratios and requirements including buffers		
61	Common Equity Tier 1 capital	17.68%	
62	Tier 1 capital	18.99%	
63	Total capital	21.18%	
64	Institution CET1 overall capital requirements	11.75%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	0.99%	
67	of which: systemic risk buffer requirement	0.00%	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	1.50%	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	2.26%	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**12.96%**	
	Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	45.0	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	34.7	
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	77.3	
	Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	
	Additional information about own funds positions:		
a	Share capital including share premium; in template EU CC2 the share premiums are disclosed in other reserves	-	
b	Retained earnings: for regulatory purpose the planned dividend and the current year profit or loss are deducted	-	
c	Accumulated other comprehensive income (OCI): different disclosure of other reserve (other than OCI) of the balance sheet and regulatory reporting	-	
d	Intangible assets after deduction of DTL's associated to other intangible assets	-	
e	T2 instrumens: subordinated loans	-	

Compared to the first quarter, total own funds decreased by RON 47.5 mn mainly due to higher risk costs and a decrease in the fair value reserve on debt securities.

The below template presents the differences between the scope of accounting consolidation and the scope of regulatory consolidation and shows the link between BCR Group balance sheet in its published financial statements and the numbers that are used in the composition of own funds disclosure template (template EU CC1).

4 Template EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

	in RON million	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		Jun-24	Jun-24	
	Assets - Breakdown by asset clases according to the balance sheet in the published financial statements			
1	**Cash and cash balances**	**13,542.8**	**13,542.8**	
2	**Financial assets held for trading**	**1,653.6**	**1,653.6**	
3	Derivatives	137.6	137.6	
4	Other financial assets held for trading	1,516.0	1,516.0	
5	**Non-trading financial assets mandatorily at fair value through profit or loss**	**89.0**	**89.0**	
6	Equity instruments	67.8	67.8	
7	Debt securities	21.2	21.2	
8	Loans and advances to customers	-	-	
9	**Financial assets at fair value through other comprehensive income**	**10,053.3**	**10,053.3**	
10	Debt securities	10,053.3	10,053.3	
11	thereof pledged as collateral	14.1	14.1	
12	**Financial assets at amortised cost**	**80,466.1**	**80,513.3**	
13	Debt securities	18,661.5	18,661.5	
14	thereof pledged as collateral	277.4	277.4	
15	Loans and advances to banks	1,209.4	1,209.4	
16	Loans and advances to customers	60,595.2	60,642.4	
17	**Finance lease receivables**	**2,221.8**	**2,280.4**	
18	**Property and equipment**	**979.3**	**867.6**	
19	**Investment property**	**119.4**	**119.4**	
20	**Intangible assets**	**466.7**	**466.7**	**d**
21	**Investments in joint ventures and associates**	**34.7**	**64.7**	
22	**Current tax assets**	**0.2**	**0.2**	
23	**Deferred tax assets**	**76.9**	**76.9**	
24	**Assets held for sale**	**3.1**	**3.1**	
25	**Trade and other receivables**	**862.3**	**860.8**	
26	**Investments in subsidiaries**	**-**	**-**	
27	**Other assets**	**386.4**	**336.5**	
	Total assets	**110,955.7**	**110,928.5**	
	Liabilities - Breakdown by liability clases according to the balance sheet in the published financial statements			
1	**Financial liabilities held for trading**	**131.5**	**131.5**	
2	Derivatives	131.5	131.5	
3	**Financial liabilities measured at amortised cost**	**96,029.8**	**96,044.1**	
4	Deposits from banks	1,541.9	1,541.9	
5	Deposits from customers	81,854.2	81,868.7	
6	Debt securities issued	10,303.6	10,303.6	
7	Other financial liabilities	2,330.1	2,329.8	
8	**Finance lease liabilities**	**461.8**	**461.8**	
9	**Provisions**	**820.3**	**820.8**	
10	**Current tax liabilities**	**84.1**	**84.1**	
11	**Deferred tax liabilities**	**23.8**	**22.0**	
12	**Liabilities associated with assets held for sale**	**-**	**-**	
13	**Other liabilities**	**835.1**	**788.5**	
	Total liabilities	**98,386.4**	**98,352.7**	
	Shareholders' Equity			
1	**Attributable to non-controlling interest**	**0.1**	**0.1**	
2	**Attributable to owners of the parent**	**12,569.3**	**12,575.8**	
3	**Share capital**	**2,952.6**	**2,952.6**	**a**
4	**Additional equity instruments**	**741.6**	**741.6**	
5	**Retained earnings**	**6,977.4**	**6,983.8**	**b**
6	**Other reserves**	**1,897.8**	**1,897.8**	**c**
7	**Total shareholders' equity**	**12,569.3**	**12,575.8**	
8	**Total liabilities and equity**	**110,955.7**	**110,928.5**	

BCR

4 Key metrics and overview of risk-weighted exposure amounts

DISCLOSURE REQUIREMENT COVERED BY: ART. 438 (b), (d) and ART 447 CRR 2

As stated above, BCR Group currently computes its regulatory capital adequacy ratio based on Regulation (EU) No 2019/876 (CRR2) amending Regulation (EU) No 575/2013 (CRR), on a monthly basis for the Bank Standalone, as well as quarterly at BCR Group level (IFRS standards). The regulatory capital requirements computed as of June 30th, 2024, for the credit risk, market risk and operational risk were as follows:

5 Template EU OV1 - Overview of risk weighted exposure amounts

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
	in RON million	Jun-24	Mar-24	Jun-24
1	**Credit risk (excluding CCR)**	**47,194.3**	**44,464.8**	**3,775.5**
2	Of which the standardised approach	47,194.3	44,464.8	3,775.5
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which slotting approach	-	-	-
EU 4a	Of which equities under the simple riskweighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-
6	**Counterparty credit risk - CCR**	**309.6**	**438.8**	**24.8**
7	Of which the standardised approach	164.6	139.7	13.2
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	-	-	-
EU 8b	Of which credit valuation adjustment - CVA	144.7	82.1	11.6
9	Of which other CCR	0.4	217.1	0.0
15	**Settlement risk**	**-**	**-**	**-**
16	**Securitisation exposures in the non-trading book (after the cap)**	**-**	**-**	**-**
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	-	-	-
EU 19a	Of which 1250%	-	-	-
20	**Position, foreign exchange and commodities risks (Market risk)**	**577.5**	**189.6**	**46.2**
21	Of which the standardised approach	577.5	189.6	46.2
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	**Operational risk**	**8,695.5**	**8,931.7**	**695.6**
EU 23a	Of which basic indicator approach	457.9	549.4	36.6
EU 23b	Of which standardised approach	-	-	-
EU 23c	Of which advanced measurement approach	8,237.6	8,382.3	659.0
24	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**193.3**	**278.5**	**15.5**
29	**Total**	**56,776.8**	**54,025.0**	**4,542.1**

As of June 30th, 2024, the total RWA for BCR Group was 56,776.8 mn RON, with 2,751.8 mn RON higher as compared to March 31st, 2024 (54,025 mn RON). The increase in credit risk RWA (including counterparty credit risk) of 2,600.3 mn RON was due to the increase in volume of retail unsecured and corporate loans.

The increase in RWA for market risk witn 387.8 mn RON as compared to the previous quarter was due to considering the capital requirement for FX in the total capital requirement for market risk, as the materiality threshold of 2% of own funds was exceeded in June 2024.

RWA for operational risk decreased at June 30th, 2024 with 236.3 mn RON as compared to March 31st, 2024 mainly due to decrease in AMA for BCR.

A summary of the main prudential and regulatory information and ratios of BCR Group is presented in the below table.

6 Template EU KM1 - Key metrics

	in RON million	Jun-24	Mar-24	Dec-23	Sep-23	Jun-23
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	10,040.9	10,090.4	9,927.6	8,731.3	8,765.6
2	Tier 1 capital	10,782.5	10,831.9	10,669.2	9,472.9	9,507.2
3	Total capital	12,026.8	12,074.3	11,912.8	10,716.5	10,748.0
Risk-weighted exposure amounts						
4	Total risk exposure amount	56,776.8	54,025.0	51,904.3	50,625.0	49,134.6
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	17.68%	18.68%	19.13%	17.25%	17.84%
6	Tier 1 ratio (%)	18.99%	20.05%	20.56%	18.71%	19.35%
7	Total capital ratio (%)	21.18%	22.35%	22.95%	21.17%	21.87%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	4.01%	4.01%	3.71%	3.71%	3.71%
EU 7b	of which: to be made up of CET1 capital (percentage points)	2.26%	2.26%	2.09%	2.09%	2.09%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	3.01%	3.01%	2.78%	2.78%	2.78%
EU 7d	Total SREP own funds requirements (%)	12.01%	12.01%	11.71%	11.71%	11.71%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.99%	0.99%	0.98%	0.49%	0.49%
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	1.50%	1.50%	1.50%	1.50%	1.50%
11	Combined buffer requirement (%)	4.99%	4.99%	4.98%	4.49%	4.49%
EU 11a	Overall capital requirements (%)	17.00%	17.00%	16.69%	16.20%	16.20%
12	CET1 available after meeting the total SREP own funds requirements (%)	12.96%	13.95%	14.40%	12.55%	13.14%
Leverage ratio						
13	Total exposure measure	118,720.1	119,861.7	115,583.6	112,210.3	112,943.9
14	Leverage ratio (%)	9.08%	9.04%	9.23%	8.44%	8.42%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	40,052.3	39,484.2	36,868.4	34,787.7	32,268.1
EU 16a	Cash outflows - Total weighted value	22,725.9	23,004.3	22,428.6	22,302.5	21,874.0
EU 16b	Cash inflows - Total weighted value	4,006.4	3,843.9	3,643.1	3,695.4	3,704.0
16	Total net cash outflows (adjusted value)	18,719.4	19,160.4	18,785.5	18,607.1	18,169.9
17	Liquidity coverage ratio (%)	213.96%	206.07%	196.26%	186.96%	177.59%
Net Stable Funding Ratio						
18	Total available stable funding	84,540.8	83,813.0	81,393.2	76,987.1	77,324.4
19	Total required stable funding	49,260.4	46,136.4	45,468.0	43,975.9	43,150.5
20	NSFR ratio (%)	171.62%	181.66%	179.01%	175.07%	179.20%

Disclosure of minimum requirement for own funds and eligible liabilities (MREL)

7 Template EU KM2: Key metrics - MREL and, where applicable, G-SII requirement for own funds and eligible liabilities

in RON million		Minimum requirement for own funds and eligible liabilities (MREL)	G-SII Requirement for own funds and eligible liabilities (TLAC)				
		30.06.2024	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023
Own funds and eligible liabilities, ratios and components							
1	Own funds and eligible liabilities	20,915.2					
EU-1a	Of which own funds and subordinated liabilities	20,322.2					
2	Total risk exposure amount of the resolution group (TREA)	56,776.8					
3	Own funds and eligible liabilities as a percentage of the TREA	36.84%					
EU-3a	Of which own funds and subordinated liabilities	35.79%					
4	Total exposure measure (TEM) of the resolution group	118,720.1					
5	Own funds and eligible liabilities as percentage of the TEM	17.62%					
EU-5a	Of which own funds or subordinated liabilities	17.12%					
6a	Does the subordination exemption in Article 72b(4) of Regulation (EU) No 575/2013 apply? (5% exemption)						
6b	Aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion in accordance with Article 72b(3) of Regulation (EU) No 575/2013 is applied (max 3.5% exemption)						
6c	If a capped subordination exemption applies in accordance with Article 72b (3) of Regulation (EU) No 575/2013, the amount of funding issued that ranks *pari passu* with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks *pari passu* with excluded liabilities and that would be recognised under row 1 if no cap was applied (%)						
Minimum requirement for own funds and eligible liabilities (MREL)							
EU-7	MREL expressed as a percentage of the TREA	26.16%					
EU-8	Of which to be met with own funds or subordinated liabilities	22.66%					
EU-9	MREL expressed as a percentage of the TEM	5.90%					
EU-10	Of which to be met with own funds or subordinated liabilities	5.90%					

- This MREL- disclosure template has been prepared in line with the respective Commission Implementing Regulation (EU) 2021/763 ('Implementing technical standards (ITS) on disclosures and reporting on MREL and TLAC') and pertain to the Romanian Resolution Group.
- Erste Group's preferred resolution strategy has been determined to be Multiple Point of Entry (MPE). There are seven resolution groups defined within Erste Group, namely the Austrian, Slovakian, Croatian and Slovenian covered by the Single Resolution Board, as well as the Czech, Romanian and Hungarian resolution groups covered by the respective National Resolution Authority.
- The scope of the Romanian Resolution Group coincides entirely with the local prudential consolidation scope.
- **As of the report's reference date the Romanian Resolution Group is compliant with MREL and subordination requirements on both TREA and TEM-basis and including the applicable Combined Buffer Requirement.**
- Based on the applicable MREL reporting guidelines, Own Funds, TEM and TREA are reported at the sub-consolidated level of the Romanian Resolution Group, while only liabilities issued by the resolution entity of the Romanian Resolution Group, namely Banca Comerciala Romana SA, are reported as Eligible Liabilities.

5 Credit Risk

DISCLOSURE REQUIREMENTS COVERED: ART. 435(1) CRR 2

Credit risk management strategies and processes

BCR Group has in place strategies, policies and processes for the identification, measuring, monitoring, control and reporting of credit risk. The main types of credit risks that BCR is exposed to are default risk, migration risk, residual risk, FX induced credit risk and concentration risk.
Credit risk is governed by BCR Group's Principles for managing credit risk. These define the principles for managing credit risk and govern the loan policies and procedures of BCR Group.

BCR Group strategic goals with respect to credit risk are set through the BCR Group Risk Strategy and are in line with BCR Group's Risk Appetite Statement, and address the following:

- BCR's credit risk profile, defined based on the Risk Materiality Assessment Process
- BCR's strategic objectives regarding the management of credit risk, in accordance with the Group's risk tolerance and regulatory requirements.

Key principles and strategies for the management of credit risk are as follows:

- BCR Group only does business that it fully understands and that its clients fully understand. The ownership structure and economic reasoning for any transaction is fully transparent before approving it. No transaction can be executed without a risk opinion issued by risk management if the procedures require and explicitly delegated authorities.
- Collaterals and other credit enhancements have to be evaluated according to internally defined rules. BCR Group has a standardized structure for a collateral catalogue as well as evaluation and revaluation rules and appraisal regulations. Credit enhancements can be used to reduce the possibility of loss given defaults for selected customer segments. Depending on rating grade, purpose and tenor, risk bearing products are protected against losses by stipulating adequate collaterals fully, indisputable, legally enforceable and sufficiently documented for the Bank. Collaterals and other credit enhancements can never substitute repayment capability.
- BCR Group lends only if the integrity of the client is unquestionable. Furthermore, principles of responsible financing are implemented which govern corporate banking business with regard to transactions in sensitive industry sectors to protect the bank's reputation.
- Active portfolio screening, including the use of an early warning framework, allows early identification of negative developments in order to implement timely and adequate risk mitigating actions.
- A comprehensive limit framework is used in order to manage portfolio concentration.

Credit risk management structure and organization

Risk Management units in BCR Group report directly to the Risk Executive Vice-President (Chief Risk Officer - CRO). BCR regulatory framework utilizes "the four eyes principle" to critically assess and control credit risk. Management activities are fully segregated from business originators and decision makers.

Credit risk reporting, monitoring and mitigation

Based on an appropriate reporting framework and IT system, BCR has the ability to identify and measure credit risk, in line with its size, complexity, risk tolerance and risk-taking capacity.
BCR has a comprehensive reporting framework for credit risk management, approved by the Management Board, which includes the scope, manner and frequency of credit risk reporting, and which also designates the entity responsible for preparing the reports. The specific reports and documentation containing comprehensive and easily accessible information on credit risk are submitted regularly to the management body.

Regular credit risk reporting contains information concerning the development of credit risk exposures in each key segment, the evolution of the quality of the portfolio, provisions, cost of risk, risk rates (NPL rate, NPL coverage ratio with provisions), as well as capital adequacy.

The Group has implemented a wide framework of risk limits in order to mitigate all types of related credit risks. In the day-to-day process of lending BCR implemented dedicated policies which are meant to filter the loans granted through the underwriting criteria. Furthermore, the Group has a clear and robust system for managing the credit risk mitigation techniques, governing the entire process for evaluation, monitoring and management of collaterals.

6 Credit Risk Adjustments

DISCLOSURE REQUIREMENT COVERED BY: ART. 442 (c), (e), (f) and (g) CRR 2

In order to present the clear view of the credit risk in the following tables, loans and advances, finance lease receivables, trade and other receivables and debt securities are presented, as well as cash balances with central banks and other demand deposits where relevant. On top of the asset relevant positions, off-balance items are included.

The following table shows the credit quality by financial instrument of forborne exposures.

The share of forborne non-performing loans and advances in total forborne exposures as of 30th June, 2024 was 35% (42% at 31st December, 2023).

8 Template EU CQ1: Credit quality of forborne exposures

in RON million		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
005	**Cash balances at central banks and other demand deposits**	-	-	-	-	-	-	-	-
010	**Loans and advances**	**968.8**	**680.5**	**680.5**	**680.5**	**(101.5)**	**(493.0)**	**596.1**	**129.1**
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	5.1	1.5	1.5	1.5	(0.7)	(0.7)	1.1	0.6
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	-	-	-	-	-	-	-	-
060	Non-financial corporations	849.4	307.1	307.1	307.1	(85.1)	(193.9)	502.2	78.8
070	Households	114.2	371.9	371.9	371.9	(15.6)	(298.4)	92.8	49.7
080	**Debt Securities**	-	-	-	-	-	-	-	-
090	**Loan commitments given**	**366.6**	**48.6**	**48.6**	**48.6**	**(18.5)**	**(28.6)**	**21.8**	**1.1**
100	**Total**	**1,335.4**	**729.1**	**729.1**	**729.1**	**(120.0)**	**(521.6)**	**617.9**	**130.2**

The table below shows performing and non-performing exposure broken down by past due age structure and default status, financial instrument and counterparty.

9Template EU CQ3: Credit quality of performing and non-performing exposures by past due days

in RON million		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	**Cash balances at central banks and other demand deposits**	**10,723.5**	**10,723.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**66,344.2**	**66,153.7**	**190.5**	**1,764.7**	**779.5**	**313.7**	**150.8**	**172.2**	**279.0**	**28.5**	**41.0**	**1,764.7**
020	Central banks	0.2	0.2	-	-	-	-	-	-	-	-	-	-
030	General governments	8,242.5	8,242.5	0.0	1.7	1.1	0.0	0.0	0.1	0.0	0.3	0.2	1.7
040	Credit institutions	1,295.3	1,295.3	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	1,538.2	1,538.1	0.1	1.0	0.5	0.0	0.3	0.1	0.1	-	-	1.0
060	Non-financial corporations	25,368.2	25,325.6	42.5	691.4	261.7	257.9	61.8	40.8	51.2	6.2	11.8	691.4
070	Of which SMEs	9,331.6	9,307.1	24.5	523.2	180.1	181.5	57.1	40.6	46.0	6.2	11.7	523.2
080	Households	29,899.9	29,752.0	147.8	1,070.6	516.3	55.8	88.7	131.2	227.8	22.0	28.9	1,070.6
090	**Debt securities**	**28,748.6**	**28,748.6**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	28,191.9	28,191.9	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	535.5	535.5	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	21.2	21.2	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
150	**Off-balance-sheet exposures**	**26,868.1**			**114.5**								**114.5**
160	Central banks	-			-								-
170	General governments	5,409.8			0.1								0.1
180	Credit institutions	1,704.3			-								-
190	Other financial corporations	654.2			1.0								1.0
200	Non-financial corporations	17,217.9			108.0								108.0
210	Households	1,881.9			5.4								5.4
220	**Total**	**132,684.3**	**105,625.8**	**190.5**	**1,879.2**	**779.5**	**313.7**	**150.8**	**172.2**	**279.0**	**28.5**	**41.0**	**1,879.2**

As of 30th June, 2024, total BCR Group NPL ratio (taking into account on and off-balance sheet exposure) was 1.4% and NPL ratio pertaining to loans and advances was 2.7%.

In the following table, detailed split of gross credit exposure, accumulated impairment, write-offs and allocated collateral are presented, by financial instrument and counterparty. The figures are also broken down by IFRS stages.

BCR

10 Template EU CR1: Performing and non-performing exposures and related provisions

	in RON million	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	**Cash balances at central banks and other demand deposits**	**10,723.5**	**10,721.5**	**2.0**	**-**	**-**	**-**	**(1.1)**	**(0.8)**	**(0.3)**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**66,344.2**	**55,487.1**	**10,748.5**	**1,764.7**	**-**	**1,704.5**	**(1,720.9)**	**(477.2)**	**(1,240.4)**	**(1,395.0)**	**-**	**(1,364.2)**	**(226.1)**	**28,841.7**	**281.9**
020	Central banks	0.2	0.2	-	-	-	-	(0.0)	(0.0)	-	-	-	-	-	-	-
030	General governments	8,242.5	7,888.5	347.9	1.7	-	1.6	(44.5)	(8.7)	(35.8)	(1.0)	-	(0.9)	(5.1)	147.9	0.6
040	Credit institutions	1,295.3	1,269.6	25.7	-	-	-	(1.6)	(0.2)	(1.4)	-	-	-	-	1,105.9	-
050	Other financial corporations	1,538.2	1,315.4	222.8	1.0	-	1.0	(13.7)	(7.4)	(6.3)	(0.7)	-	(0.7)	-	127.9	0.2
060	Non-financial corporations	25,368.2	19,052.4	6,315.6	691.4	-	675.2	(959.6)	(259.3)	(700.2)	(471.9)	-	(468.1)	(165.2)	10,155.4	168.4
070	Of which SMEs	9,331.6	5,995.5	3,336.0	523.2	-	517.3	(521.5)	(105.1)	(416.3)	(364.5)	-	(363.7)	(61.0)	5,064.4	130.7
080	Households	29,899.9	25,961.0	3,836.6	1,070.6	-	1,026.7	(701.6)	(201.5)	(496.7)	(921.4)	-	(894.6)	(55.8)	17,304.6	112.7
090	**Debt securities**	**28,748.6**	**28,726.7**	**0.7**	**-**	**-**	**-**	**(12.6)**	**(12.5)**	**(0.0)**	**-**	**-**	**-**	**-**	**-**	**-**
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	28,191.9	28,191.1	0.7	-	-	-	(12.1)	(12.1)	(0.0)	-	-	-	-	-	-
120	Credit institutions	535.5	535.5	-	-	-	-	(0.5)	(0.5)	-	-	-	-	-	-	-
130	Other financial corporations	21.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	**Off-balance-sheet exposures**	**26,868.1**	**19,741.2**	**2,941.5**	**114.5**	**-**	**107.9**	**(274.4)**	**(105.2)**	**(168.9)**	**(58.0)**	**-**	**(55.9)**	-	**5,844.4**	**14.3**
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	General governments	5,409.8	2,443.5	92.2	0.1	-	0.1	(12.1)	(6.7)	(5.4)	(0.1)	-	(0.1)	-	2,321.1	0.0
180	Credit institutions	1,704.3	1,619.4	-	-	-	-	(1.1)	(1.1)	-	-	-	-	-	1,519.2	-
190	Other financial corporations	654.2	565.9	69.7	1.0	-	1.0	(2.1)	(0.9)	(1.2)	(0.3)	-	(0.3)	-	64.3	0.6
200	Non-financial corporations	17,217.9	13,514.4	2,502.5	108.0	-	101.5	(241.1)	(91.7)	(149.3)	(56.0)	-	(53.8)	-	1,928.2	13.6
210	Households	1,881.9	1,598.1	277.1	5.4	-	5.3	(18.0)	(4.9)	(13.0)	(1.6)	-	(1.6)	-	11.7	0.0
220	**Total**	**132,684.3**	**114,676.4**	**13,692.7**	**1,879.2**	**-**	**1,812.4**	**(2,009.0)**	**(595.8)**	**(1,409.6)**	**(1,453.0)**	**-**	**(1,420.1)**	**(226.1)**	**34,686.2**	**296.2**

Credit loss allowances (all stages combined) covered 184.2% of the reported non-performing on-balance and off-balance credit risk exposure as of 30th June, 2024.

Table below presents on-balance, off-balance sheet exposures, accumulated impairment and related provisions on off-balance-sheet commitments and financial guarantees given by significant geographical areas based on country of residence of the counterparty.
Geographical areas are defined by the operating country markets based on locations of the banking and other financial institution participations.

11 Template EU CQ4: Quality of non-performing exposures by geography

in RON million	Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which subject to impairment			
			Of which defaulted				
010 **On-balance-sheet exposures**	**109,097.0**	**1,764.7**	**1,764.7**	**107,559.8**	**(3,129.6)**		-
020 Core Market - Austria	974.0	0.2	0.2	974.0	(1.6)		-
030 Core Market - Croatia	0.0	0.0	0.0	0.0	(0.0)		-
040 Core Market - Czech Republic	0.0	-	-	0.0	(0.0)		-
050 Core Market - Hungary	55.2	0.0	0.0	55.2	(0.0)		-
060 Core Market - Romania	107,551.4	1,761.3	1,761.3	106,035.4	(3,117.6)		-
070 Core Market - Serbia	0.0	0.0	0.0	0.0	(0.0)		-
080 Core Market - Slovakia	9.3	-	-	9.3	(3.7)		-
090 Emerging Markets	18.7	0.1	0.1	18.7	(0.6)		-
100 Other EU Countries	404.9	2.9	2.9	404.9	(5.7)		-
110 Other Industrialized Countries	83.5	0.2	0.2	62.3	(0.3)		-
120 **Off-balance-sheet exposures**	**26,982.5**	**114.5**	**114.5**			**(332.4)**	
130 Core Market - Austria	313.6	16.6	16.6			(8.1)	
140 Core Market - Croatia	-	-	-			-	
150 Core Market - Czech Republic	9.2	-	-			(0.0)	
160 Core Market - Hungary	135.0	-	-			(0.1)	
170 Core Market - Romania	24,835.1	97.8	97.8			(321.3)	
180 Core Market - Serbia	-	-	-			-	
190 Core Market - Slovakia	-	-	-			-	
200 Emerging Markets	96.4	-	-			(0.9)	
210 Other EU Countries	1,110.2	0.0	0.0			(1.8)	
220 Other Industrialized Countries	483.1	-	-			(0.1)	
230 **Total**	**136,079.5**	**1,879.2**	**1,879.2**	**107,559.8**	**(3,129.6)**	**(332.4)**	**-**

In total, BCR Group's core markets and the EU accounted for 99.50% of credit risk exposure as of 30th June 2024, the share of emerging markets remained of minor importance. Regarding to the market with the most significant exposure - Romania – the structure of On balance financial instruments consists mainly of Loans and advances (RON 66,740mn) and Debt securities (RON 30,053mn), while the Off balance component include Loan commitments given (RON 19,364mn) and Other commitments given (RON 4,136mn).

In the following table the breakdown of exposure pertaining to loans and advances to Non-financial corporations by significant industries is provided. Industry breakdown is based on the NACE codes.

12 Template EU CQ5: Credit quality of loans and advances by industry

in RON million	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which loans and advances subject to impairment		
			Of which defaulted			
010 Agriculture, forestry and fishing	1,071.3	44.2	44.2	1,071.3	(59.7)	-
020 Mining and quarrying	526.8	6.3	6.3	526.8	(10.0)	-
030 Manufacturing	5,266.9	110.2	110.2	5,266.9	(268.1)	-
040 Electricity, gas, steam and air conditioning supply	1,979.9	0.0	0.0	1,979.9	(25.7)	-
050 Water supply	409.4	4.4	4.4	409.4	(46.6)	-
060 Construction	2,072.4	97.6	97.6	2,072.4	(117.1)	-
070 Wholesale and retail trade	6,171.4	260.7	260.7	6,171.4	(532.1)	-
080 Transport and storage	3,216.2	123.9	123.9	3,216.2	(167.1)	-
090 Accommodation and food service activities	253.5	11.7	11.7	253.5	(24.9)	-
100 Information and communication	214.1	5.2	5.2	214.1	(11.2)	-
110 Financial and insurance actvities	75.7	0.1	0.1	75.7	(0.1)	-
120 Real estate activities	3,048.0	0.5	0.5	3,048.0	(78.8)	-
130 Professional, scientific and technical activities	273.6	9.0	9.0	273.6	(28.4)	-
140 Administrative and support service activities	522.3	9.2	9.2	522.3	(19.0)	-
150 Public administration and defense, compulsory social security	0.6	0.0	0.0	0.6	(0.0)	-
160 Education	10.9	0.8	0.8	10.9	(1.6)	-
170 Human health services and social work activities	809.2	1.5	1.5	809.2	(24.9)	-
180 Arts, entertainment and recreation	49.3	3.3	3.3	49.3	(5.6)	-
190 Other services	87.8	2.8	2.8	87.8	(10.2)	-
200 Total	**26,059.5**	**691.4**	**691.4**	**26,059.5**	**(1,431.4)**	**-**

The industry with the largest exposure remained Wholesale and retail trade with a share of 24%, followed by Manufacturing (20%), Transport and storage (12%) and Real estate activities (12%).

The gross value of collateral obtained by taking possession and execution process and related impairment is presented in the below table by collateral type, the highest share being residential property at 90% as of June 2024.

13 Template EU CQ7: Collateral obtained by taking possession and execution processes

in RON million		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	-	-
020	Other than PP&E	93.5	(57.3)
030	Residential immovable property	84.0	(55.0)
040	Commercial Immovable property	2.4	(1.7)
050	Movable property (auto, shipping, etc.)	7.1	(0.6)
060	Equity and debt instruments	-	-
070	Other collateral	-	-
080	**Total**	**93.5**	**(57.3)**

In assessing the BCR's Group asset quality, the table below provides a comprehensive breakdown of On balance carrying amount per residual maturity buckets in case of loans and advances and debt securities.

14 Template EU CR1-A: Maturity of exposures

		Net exposure value					
	in RON million	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	105.9	10,984.9	22,219.4	29,607.6	2,075.3	64,993.0
2	Debt securities	-	3,889.5	16,660.9	9,701.6	-	30,252.0
3	**Total**	**105.9**	**14,874.4**	**38,880.3**	**39,309.2**	**2,075.3**	**95,245.0**

As of June 2024, in case of BCR Group, 41.3% of total net exposure has residual maturity greater than 5 years (consists mainly of Loans and Advances), followed by exposures with a residual maturity between 1 and 5 years with a share of 40.8%. Short term exposures (less than or equal to 1 year bucket) has a proportion of 15.6%.

DISCLOSURE REQUIREMENTS COVERED: ART. 442 (i) (I-V) CRR

The following table provides the changes in the institution's stock of non-performing loans and advances.

In BCR Group the definition of non-performing exposure follows the EBA "ITS on Supervisory reporting on forbearance and non-performing exposures under article 99(4) of Regulation (EU) No 575/2013". This category includes non-performing exposures to defaulted customers in the sense of Article 178 of EU Regulation no. 575/2013 including unlikeliness to pay, overdue material amounts with more than 90 days past due, restructuring resulting into a loss to the lender, realization of a loan loss and initiation of Bankruptcy proceedings.

15 Template EU CR2: Changes in the stock of non-performing loans and advances

in RON million		Gross carrying amount
010	**Initial stock of non-performing loans and advances**	**1,753.9**
020	Inflows to non-performing portfolios	508.5
030	Outflows from non-performing portfolios	(497.7)
040	Outflows due to write-offs	(75.2)
050	Outflow due to other situations	(422.5)
060	**Final stock of non-performing loans and advances**	**1,764.7**

The non-performing exposure situated at 1,765 RON million at the end of June 2024, greater with 11 RON million as compared with 31 December 2023.
Defaulted loans (opening stock vs closing stock) increased by 0.62% in H1 2024.

7 Counterparty credit risk

DISCLOSURE REQUIREMENT COVERED BY: ART. 439 (e) – (l) and ART. 444 (e) CRR 2

Description of the methodology used to assign internal capital and credit limits for counterparty credit exposures, including the methods to assign those limits to exposures to central counterparties

BCR has implemented prudent and proper credit limits for counterparty exposures, consistent with the risk appetite, risk profile and soundness of the Bank's capital.

The Bank manages credit risk by placing limits on the level of risk acceptable in relation to its counterparty credit exposures. Such risks are monitored on a regular basis and are subject to an annual or more frequent review when considered necessary.

The credit risk limits also cover settlement risk and credit exposure at counterparty level.

The method used to assign the operating limits defined in terms of internal capital for counterparty credit exposures

BCR determines the exposure value for derivative instruments arising from counterparty credit risk using the Standardised approach for counterparty credit risk as described in the Regulation no. 575/2013, amended by the Regulation no. 876/2019 (CRR2), article 274.
Exposure values for derivative instruments arising from counterparty credit risk for BCR are as follows:

16 Exposure from derivative instruments

in RON million

Type	Dec-23	Jun-24
Exposure from Derivative Instruments	327.8	537.1

The exposures value (net of provisions) for Securities Financing Transactions arising from counterparty credit risk is calculated using the Financial Collateral Simple Method as described in the Regulation no. 575/2013, amended by the Regulation no. 876/2019 (CRR2), article 222.

Exposure values for Securities Financing Transactions arising from counterparty credit risk for BCR are as follows:

17 Exposure from Securities Financing Transactions

in RON million

Type	Dec-23	Jun-24
Exposure from Securities Financing Transactions	2,014.6	1,107.3

The decrease in June 2024 is due to a decrease in the number of reverse repo transactions concluded with other credit institutions.

The amount of collateral the institution would have to provide given a downgrade in its rating is not material.

Counterparty credit limits are monitored on a daily basis. Any remedial action is taken so as to ensure that actual credit risk exposure to a client (country)/client group does not exceed the approved risk appetite.

Discussion of policies for securing collateral and establishing credit reserves

The bank has in place processes for securing collateral for transactions with derivatives. The exposure for each counterparty is limited by the bank by approving exposure thresholds based on the collateral posted by the counterparty. The limits are monitored daily and margin calls are performed in case the exposure reaches a predefined warning level.

Discussion of the impact of the amount of collateral the institution would have to provide given a downgrade in its credit rating

There are certain contracts concluded with a clause through which the minimum transfer amount is determined based on the rating of each counterparty, and the collateral transfer could be impacted through the change in this minimum threshold as a result of a credit downgrade of the bank. No such clauses were executed during the reporting period of H1 2024.

Gross positive fair value of contracts, netting benefits, and netted current credit exposure, collateral held and net derivatives credit exposure

18 Template EU CCR1 – Analysis of CCR exposure by approach

	in RON million	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	135.9	247.7		1.4	537.1	537.1	537.1	164.6
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	Of which securities financing transactions netting sets			-		-	-	-	-
2b	Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
2c	Of which from contractual cross-product netting sets			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					1,107.3	1,107.3	1,107.3	0.4
4	Financial collateral comprehensive method (for SFTs)					-	-	-	-
5	VaR for SFTs					-	-	-	-
6	**Total**					**1,644.4**	**1,644.4**	**1,644.4**	**164.9**

A comprehensive view of the methods used to calculate CCR regulatory requirements, and the main parameters used within each method

In order to determine the regulatory counterparty credit risk exposure, BCR uses the Standardised approach for counterparty credit risk in accordance with the Part Three, Title II, Chapter 6, Section 3 of Regulation no. 575/2013, amended by the Regulation no. 876/2019 (CRR2).
For the calculation of own funds requirements for CVA risk, BCR is using the standardized method in accordance with article 384 CRR 2.

CVA regulatory calculations (with a breakdown by standardized and advanced approaches)

19 Template EU CCR2 – Transactions subject to own funds requirements for CVA risk

	in RON million	Exposure value	RWEA
1	Total transactions subject to the Advanced method	-	-
2	(i) VaR component (including the 3× multiplier)		-
3	(ii) stressed VaR component (including the 3× multiplier)		-
4	**Transactions subject to the Standardised method**	**453.7**	**144.7**
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
5	**Total transactions subject to own funds requirements for CVA risk**	**453.7**	**144.7**

The table EU-CCR 2 reflects the best estimate of the potential loss incurred on derivative transactions due to the default of the counterparty. Compared to year end 2023, the CVA capital charge increase was mainly driven by FX Swaps transactions in foreign currency.

Overview of the amount of segregated and unsegregated collateral received and posted per type of collateral, further broken down between collateral used for derivatives and securities financing transactions, according to article 439(e) CRR

20 Template EU CCR5 – Composition of collateral for CCR exposures

in RON million		Collateral used in derivative transactions				Collateral used in SFTs			
Collateral type		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	-	-	-	-	-	-	-
2	Cash – other currencies	-	-	-	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	-	-
4	Other sovereign debt	-	-	-	-	-	803.0	-	-
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	-
7	Equity securities	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	302.5	-	-
9	**Total**	**-**	**-**	**-**	**-**	**-**	**1,105.5**	**-**	**-**

Measures for exposure value under the methods set out in Part Three, Title II, Chapter 6, whichever method is applicable

According to the method applied to determine the exposure value for CCR (standardised approach for counterparty credit risk), the bank measures: current replacement costs and potential future exposures.

The potential future exposure is calculated according to the article 278 of Regulation no. 876/2019 and the replacement cost is calculated according to article 275 of the same regulation.

21 Template EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

in RON million		Risk weight											Total exposure value
Exposure classes		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	471.5	-	-	-	-	-	-	471.5
7	Corporates	-	-	-	-	-	-	-	-	67.4	-	-	67.4
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	1,105.5	-	-	-	-	-	-	-	0.0002	-	-	1,105.5
11	**Total exposure value**	**1,105.5**	**-**	**-**	**-**	**471.5**	**-**	**-**	**-**	**67.4**	**-**	**-**	**1,644.4**

8 Countercyclical capital buffer

DISCLOSURE REQUIREMENT COVERED BY: ART. 440 CRR 2

The following tables disclose the amount of the institution's specific countercyclical buffer as well as the geographical distribution of credit exposures relevant for its calculation. The geographical split table shows countries on an individual basis if they impose a countercyclical capital buffer rate and also Romania which has significant own funds requirements. The values for the remaining countries are shown as Other Countries. The "General credit exposures" include only credit exposures to the private sector. Exposures to the public sector and to institutions are not in scope. The "Trading book exposures" contain market risk standardized approach for traded debt instruments related positions. Countercyclical capital buffer rates are determined by Basel Committee member jurisdictions.

The institution-specific countercyclical capital buffer rate is calculated as the weighted average of the countercyclical buffer rates that apply in the countries where the relevant credit exposures of the institution are located. The weight applied to the countercyclical buffer rate in each country is the share of own funds requirements of each country in total own funds requirements. Institution-specific countercyclical capital buffer requirement is calculated as the institution-specific countercyclical buffer rate applied to the total risk exposure amount of BCR Group.

22 Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

	General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
in RON million	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
010 Breakdown by country:													
(AM) Armenia	0.0	-	-	-	-	0.0	0.0	-	-	0.0	0.0	0.00%	1.50%
(AU) Australia	0.1	-	-	-	-	0.1	0.0	-	-	0.0	0.0	0.00%	1.00%
(BE) Belgium	3.6	-	-	-	-	3.6	0.2	-	-	0.2	3.1	0.01%	0.50%
(BG) Bulgaria	1.2	-	-	-	-	1.2	0.0	-	-	0.0	0.2	0.00%	2.00%
(CL) Chile	0.0	-	-	-	-	0.0	0.0	-	-	0.0	0.0	0.00%	0.50%
(HR) Croatia	251.7	-	-	-	-	251.7	0.0	-	-	0.0	0.0	0.00%	1.50%
(CY) Cyprus	0.0	-	-	-	-	0.0	0.0	-	-	0.0	0.0	0.00%	1.00%
(CZ) Czech Republic	0.0	-	-	-	-	0.0	0.0	-	-	0.0	0.0	0.00%	1.75%
(DK) Denmark	0.2	-	-	-	-	0.2	0.0	-	-	0.0	0.1	0.00%	2.50%
(EE) Estonia	0.0	-	-	-	-	0.0	0.0	-	-	0.0	0.0	0.00%	1.50%
(FR) France	1.6	-	-	-	-	1.6	0.1	-	-	0.1	0.8	0.00%	1.00%
(DE) Germany	53.9	-	-	-	-	53.9	4.2	-	-	4.2	52.0	0.12%	0.75%
(IE) Ireland	0.4	-	-	-	-	0.4	0.0	-	-	0.0	0.2	0.00%	1.50%
(KR) Korea	0.0	-	-	-	-	0.0	0.0	-	-	0.0	0.0	0.00%	1.00%
(LT) Lithuania	4.8	-	-	-	-	4.8	0.4	-	-	0.4	4.8	0.01%	1.00%
(LU) Luxembourg	0.3	-	-	-	-	0.3	0.0	-	-	0.0	0.2	0.00%	0.50%
(NL) Netherlands	0.9	-	-	-	-	0.9	0.0	-	-	0.0	0.3	0.00%	2.00%
(NO) Norway	0.0	-	-	-	-	0.0	0.0	-	-	0.0	0.0	0.00%	2.50%
(RO) Romania	60,223.9	-	3,473.1	-	-	63,697.0	3,367.2	-	-	3,367.2	42,089.4	99.25%	1.00%
(SK) Slovakia	196.7	-	-	-	-	196.7	0.6	-	-	0.6	7.3	0.02%	1.50%
(SE) Sweden	0.1	-	-	-	-	0.1	0.0	-	-	0.0	0.1	0.00%	2.00%
(GB) United Kingdom	5.0	-	-	-	-	5.0	0.3	-	-	0.3	4.3	0.00%	2.00%
Other Countries	742.6	-	302.7	-	-	1,045.3	18.9	0.8	-	19.6	245.3	0.59%	0.00%
020 Total	**61,487.1**	**-**	**3,775.8**	**-**	**-**	**65,262.9**	**3,391.9**	**0.8**	**-**	**3,392.7**	**42,408.3**	**100%**	

23 Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer

	in RON million or %	Jun-24
1	**Total risk exposure amount**	**56,776.8**
2	Institution specific countercyclical capital buffer rate	0.99%
3	**Institution specific countercyclical capital buffer requirement**	**564.4**

9 Credit Risk Mitigation Techniques

DISCLOSURE REQUIREMENT COVERED BY: ART. 453 (f) - (j) CRR 2

Policies and processes for collateral valuation and management

The netting agreements concluded by the bank are not used in the scope of regulatory credit risk mitigation.
In order to an asset to be accepted as collateral for a loan it is necessary for that asset to fulfil the provisions of the NBR regulations, EU regulations, as well the national, legal and internal requirements. In that perspective an asset must be valuated to determine the market value and the bank's accepted value beforehand.
The market value is estimated through valuation undertaken by a specialized external company or the value is internally estimated according to internal standards.
The collateral valuation is important for the identification of the secured and unsecured parts of the exposure of a client or group of clients according to the norms and standards internally regulated.
The valuation is performed in accordance with the International Standards of Valuation, ANEVAR Guide and internal procedures, when the loan is granted, during the lifetime of the loan and in case of foreclosure of the respective collateral. **The valuation report** for BCR clients must observe the models elaborated by the bank, sent to the external valuator when the collaboration agreement was signed. The valuation approaches used in the valuation report for BCR clients are:

- market approach
- income approach (capitalization or DCF)
- costs approach.

The market value is the estimated amount for which a good should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.
The accepted value is an internal view on collateral risk, which serves to show the most probable recovery amount of the collateral in case of its liquidation. The accepted value is calculated by applying haircut rates to the market value. The valuation report is the document in which the market value is estimated.
The calculation of credit collateral values is performed pursuant to the following process:

24 Credit collateral valuation

BASE VALUE	VALUATION RATE	REDUCTION OF THE BASE	NOMINAL VALUE AND EXPOSURE CEILING	ACCEPTABLE (ALLOCATED) VALUE
The base value is the internal market value of the collateral asset according to the definition in the Collateral Catalogue	The valuation rate is a percentage aplied to the base value representing a haircut to the base value	A reduction of the base considers prior-rankink rights on the collateral asset, e.g. encumbrances in favour of other creditors registered in the land register	The nominal value ceiling limits the acceptable value in case of a contractual ceiling defined in the collateral contract. The exposure ceiling limits the acceptable value to the maximum exposure amout	The acceptable value is the result of the collateral value calculation and represents an internal risk view on collateral. The allocated value is the part of acceptable value assigned to a specific exposure

Description of the main types of collateral taken by BCR

The main types of collateral taken by BCR are presented in the table below:

25 Main types of collateral

1 Real estate collateral	
	1.1. Residential real estate
	1.2. Commercial and industrial real estate
	1.3. Agricultural and forestry real estate
	1.4. Real estate with other uses
2 Movables	
	2.1. Furniture and equipment
	2.2. Computers and communication equipment
	2.3. Plants and equipment
	2.4. Transportation means/special vehicles
	2.5. Stock
3 Personal guarantees	
	3.1. Private individuals
	3.2. Legal entities
	3.3. Public sector
	3.4. Financial institutions
4 Financial guarantees	
	4.1. Credit balance of the account, deposit certificates and other collateral
	4.2. Insurance companies
	4.3. Gold
5 Claims and rights	
	5.1 Receivables
	5.2 Renting lands and buildings
	5.3 Receivables from letters of guarantee and letters of credit
	5.4. Equity interests (unlisted shares) of companies' share capital
	5.5. Rights

Market or credit risk concentrations within the credit mitigation taken

BCR registers credit risk concentrations in its risk mitigation operations towards the Romanian state. At June 30th, 2024, the total collaterals received from the Romanian state used for credit risk mitigation purposes amounted to 6,167 mn RON (out of which "Prima Casa" is 43.8%).
The table below provides the extent of the use of CRM techniques:

26 Template EU CR3: Credit risk mitigation techniques overview

	in RON million	Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
1	Loans and advances	49,708.7	29,123.7	26,729.2	2,394.4	-
2	Debt securities	28,748.6	-	-	-	-
3	**Total**	**78,457.3**	**29,123.7**	**26,729.2**	**2,394.4**	**-**
4	Of which non-performing exposures	1,482.8	281.9	246.4	35.5	-
EU-5	Of which defaulted	1,482.8	281.9			

The table below provides the effect of all CRM techniques applied in accordance with Part Three, Title II, Chapter 4 of the CRR, including the financial collateral simple method and the financial collateral comprehensive method in the application of Article 222 and Article 223 of the same regulation on standardized approach capital requirements' calculations. RWA density provides a synthetic metric on the riskiness of each portfolio.

27 Template EU CR4: Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

	in RON million	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
	Exposure classes	**On-balance-sheet exposures**	**Off-balance-sheet exposures**	**On-balance-sheet exposures**	**Off-balance-sheet exposures**	**RWEA**	**RWEA density (%)**
1	Central governments or central banks	40,786.7	65.2	45,953.3	532.3	2,555.4	5.50%
2	Regional government or local authorities	5,653.9	1,275.2	5,517.7	637.4	1,315.7	21.38%
3	Public sector entities	132.3	780.4	132.3	189.9	275.4	85.46%
4	Multilateral development banks	0.2	21.9	269.4	53.1	-	0.00%
5	International organisations	-	-	-	-	-	0.00%
6	Institutions	650.6	1,660.8	703.7	362.4	714.5	67.02%
7	Corporates	24,078.2	19,813.1	21,889.2	2,655.6	23,413.6	95.39%
8	Retail	18,063.3	2,801.9	15,751.9	997.4	12,217.8	72.95%
9	Secured by mortgages on immovable property	13,447.3	15.7	12,605.4	3.4	4,409.2	34.97%
10	Exposures in default	391.0	56.5	286.7	18.9	326.9	106.97%
11	Exposures associated with particularly high risk	0.0	-	0.0	-	0.0	150.00%
12	Covered bonds	-	-	-	-	-	0.00%
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0.00%
14	Collective investment undertakings	-	-	-	-	-	0.00%
15	Equity	124.6	-	124.6	-	176.7	141.80%
16	Other items	4,611.7	-	4,705.6	1,275.5	1,789.1	29.91%
17	**TOTAL**	**107,939.8**	**26,490.7**	**107,939.8**	**6,725.9**	**47,194.3**	**41.16%**

The breakdown of exposures under the standardised approach by asset class and risk weight (corresponding to the riskiness attributed to the exposure according to the standardised approach) according to Articles 113 to 134 in Part Three, Title II, Chapter 2 of the CRR 2 is presented below.

28 Template EU CR5 – standardised approach

	in RON million	Risk weight															Total	Of which unrated
	Exposure classes	**0%**	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1250%**	**Others**		
1	Central governments or central banks	36,959.9	-	-	-	-	-	0.0	-	-	-	-	77.3	-	-	9,448.4	46,485.6	77.3
2	Regional government or local authorities	-	-	-	-	6,049.3	-	-	-	-	105.8	-	-	-	-	-	6,155.1	6,155.1
3	Public sector entities	46.9	-	-	-	-	-	-	-	-	275.4	-	-	-	-	-	322.2	322.2
4	Multilateral development banks	322.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	322.4	322.4
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	427.1	-	9.6	-	-	629.4	-	-	-	-	-	1,066.1	1,066.1
7	Corporates	-	-	-	-	-	-	-	-	-	24,544.8	-	-	-	-	-	24,544.8	24,544.8
8	Retail exposures	-	-	-	-	-	-	-	-	16,749.3	-	-	-	-	-	-	16,749.3	16,749.3
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	12,608.9	-	-	-	-	-	-	-	-	-	12,608.9	12,608.9
10	Exposures in default	-	-	-	-	-	-	-	-	-	263.0	42.6	-	-	-	-	305.6	305.6
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	0.0	0.0
12	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	89.9	-	34.7	-	-	-	124.6	124.6
16	Other items	4,164.4	-	-	-	34.3	-	-	-	-	1,782.4	-	-	-	-	-	5,981.1	5,981.1
17	**TOTAL**	**41,493.5**	**-**	**-**	**-**	**6,510.8**	**12,608.9**	**9.6**	**-**	**16,749.3**	**27,690.7**	**42.6**	**112.0**	**-**	**-**	**9,448.4**	**114,665.7**	**68,257.4**

10 Market Risk

DISCLOSURE REQUIREMENTS COVERED: ART. 435

Market risk is the risk to incur losses corresponding to on-balance and off-balance positions due to adverse market price movements (for example interest rates, foreign exchange rates, stock prices and commodity prices).

Governance

In the following paragraphs the stakeholders in the risk management process are described.

The role of the **Management Board and the Supervisory Board** and its committees is of particular importance, since key elements, like the definition of a risk tolerance which is appropriate to the business strategy, and the role of the entity in the financial system, have to be decided.
Assets and Liabilities Management Committee (ALCO) is a key executive body with the responsibility for overseeing all balance sheet management activities.

Risk Committee of the Management Board is responsible for the definition and implementation of a sound market risk analysis framework for identifying, measuring, monitoring, limiting and controlling market risk types.

Strategic Risk Management (SRM) is responsible for the group wide coordination of credit, operational, market, liquidity risk management and ICAAP management.

Strategic Risk Management Division through Market and Liquidity Risk Management Department (MLRM) is responsible for market risk management and reporting.

With regard to market risk, MLRM is performing the following main functions:

- Identification of market risks: identification of all possible risk drivers and their potential impact
- Risk limits: definition, proposal, monitoring and escalation of the risk limits
- Market risk monitoring and reporting: measurement, analysis, timely and accurate reporting of all indicators
- Model development in the area of valuation methods and calibration.

Balance Sheet Management Division (BSM) is responsible for the formulation of the Interest Rate Positioning and Investment Strategy, and for steering liquidity and interest rate positioning in the banking book.

Identification of market risks

The market risks can be identified from the proposal phase of a new product within the Product Approval Process (PAP), but also through the lifetime of the product under the periodic (annual) Risk Materiality Assessment Process.

The identification of all market risks (interest rate risk, credit spread risk, FX risk, equity risk, commodity risk, volatility risk) performed under PAP is essential for the investment operations and for new products and ensure that these are subject to adequate procedures and controls before these are implemented or undertaken.
The Risk Materiality Assessment Process in BCR identifies possible risk drivers classified by potential impact (low, moderate, high) for all types of market risks. In case a risk was considered immaterial may be reclassified as significant if there is evidence that the potential impact has changes.

Market risk management strategies and processes

BCR Group strategic goals with respect market risk are set through the BCR Group Risk Strategy and are in line with the Group's Risk Appetite Statement, and address the following:

- BCR's market risk profile defined based on the Risk Materiality Assessment Process.
- BCR's strategic objectives regarding the management of market risk, in accordance with the Group's risk tolerance and regulatory requirements.

The risk measurement process for market risk includes calculation of market risk exposures using specific measures, such as: value-at-risk (VaR), sensitivities and stress testing.

Market risk reporting, monitoring and mitigation

The market risk control process includes development of a comprehensive limit system, limit allocation and limit breach reporting, including escalation process.

BCR market risk limit system includes:

- VaR Limits: Trading Book portfolio, Banking Book portfolio.
- Position Limits represents the upper limit admitted for the size of the exposure. BCR has specific position limits for foreign exchange risk.
- Present Value of a Basis Point (PVBP) limit which is defined for bucket maturities on Trading Book Portfolio. Total PVBP is defined as the sum of all sensitivities per bucket, while the curve limit is the maximum between (i) the absolute value of all negative sensitivities and (ii) all positive sensitivities.
- Stop/Loss (S/L) limit is set to stop the loss registered in a transaction. BCR has defined S/L limits for total Trading Book Portfolio.
- MVoE limit is defined in BCR as a regulatory limit in compliance with NBR Regulation no. 5/2013 on prudential requirements for credit institutions.
- NII limit is defined for the change in net interest income over a time horizon of one year due to standard parallel interest rate shocks by currency in line with the draft Regulatory Technical Standards issued by EBA in 2022.
- EVE limit for the worst change in economic value after applying the 6 scenarios, reported to Tier 1.
- CR01 warning level is used to monitor the credit spread risk for the bonds' portfolio in the Banking Book.
- BP01 warning level is used to monitor the interest rate sensitivities on relevant currencies for the Banking Book.

MLRM monitors the bank's exposure to market risk, reporting the observance of regulatory and internal limits, to the management structures of BCR.

In the monthly meetings of the ALCO, a standard analysis of the bank's exposure to market risk and a report with the utilization of market risk limits are presented. In case of any limit breach, the ALCO has to approve action plans developed in order to come back into compliance with the respective limit.

DISCLOSURE REQUIREMENT COVERED BY: ART. 445 CRR 2

In line with CRR 2, BCR calculates the capital requirement to cover market risk generated by position risk and foreign exchange risk, according to the standardised approach.

29 Template EU MR1 - Market risk under the standardised approach

	in RON million	RWEAs
	Outright products	**577.5**
1	Interest rate risk (general and specific)	261.8
2	Equity risk (general and specific)	-
3	Foreign exchange risk	315.6
4	Commodity risk	-
	Options	-
5	Simplified approach	-
6	Delta-plus approach	-
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	**Total**	**577.5**

As of June 2024, the total Market Risk RWA stood at RON 577.5 mn in comparison with RON 412.4 mn recorded as of December 2023. The increase in total RWA was generated mainly by a higher requirement for interest rate risk for traded debt instruments. All the limits for TB portfolio are monitored daily and their utilization degree is presented in the daily Market Risk report.

11 Interest rate risk on positions not held in the trading book

DISCLOSURE REQUIREMENT COVERED BY: ART. 448 (1) (a) and (b) CRR 2

The IRRBB, EVE and NII ratio limits for the total Banking Book are monitored with a quarterly or monthly frequency.

The potential impact on economic value of equity and on net interest income as of June 2024 and December 2023 is presented in the table below:

30 Template EU IRRBB1 – Interest rate risk of non-trading book activities

	Supervisory shock scenarios	Changes of the economic value of equity		Changes of the net interest income	
		Jun-24	Dec-23	Jun-24	Dec-23
1	Parallel up	-7.20%	-4.07%	0.56%	1.92%
2	Parallel down	0.89%	-0.58%	-2.02%	-4.80%
3	Steepener	0.81%	0.96%		
4	Flattener	-2.85%	-2.37%		
5	Short rates up	-5.56%	-3.87%		
6	Short rates down	1.94%	1.09%		

A negative sign represents a negative impact on economic value of equity or net interest income, while a positive sign shows a positive impact. Both EVE and NII figures as of December 2023 were updated using audited own funds, with profit incorporated.

The interest rate shocks used in the EVE are based on the prescribed scenarios for Supervisory outlier test on EVE defined in EBA/GL/2022/10. The set includes two parallel scenarios of upward and downward shift and in addition four non-parallel scenarios are identified for each currency representing steepening, flattening and movement on the short and long end of the yield curve respectively. Flooring logic is applied as described in the aforementioned Regulatory technical standards and starts with a floor of -150 bp at the overnight bucket. The floor increases by 3 bp per year until it reaches a value of 0 bp at the 50Y bucket. The sensitivity of EVE is reported in relation to Tier 1 capital.

The worst scenario for EVE is Parallel up, 7.20% as of June 2024, similar to December 2023 when it was also Parallel up at 4.07%. The EVE sensitivities show an upward evolution between December 2023 and June 2024 mainly due to higher RON consumer loans and debt securities.

Starting with January 2023, the NII ratio is computed as NII sensitivity for 1 year / Tier 1 Capital, taking into account the immediate parallel shock up and parallel shock down scenarios with an applied shock of +/- 200 basis points for EUR & USD and +/- 350 bp for RON, with a floor at -150 bps. The worst scenario for NII as of June 2024 is parallel down, 2.02%. The main driver for the decrease in NII ratio as of June 2024 compared to December 2023 is the non-core demand deposits treated as interest sensitive – generating positive sensitivities.

12 Liquidity risk

DISCLOSURE REQUIREMENT COVERED BY: ART 435 CRR 2

Liquidity risk management strategies and processes

BCR Bank has implemented an Internal Liquidity Adequacy Assessment Process in accordance with regulatory requirements and guidelines as set out by the Basel Committee on Banking Supervision ("BCBS"), the European Commission and the European Banking Authority. This is formalized as a key component of the Supervisory Review and Evaluation Process ("SREP") which provides a description of BCR's Internal Liquidity Adequacy Assessment Process, summarizing the liquidity and funding risk management framework, methodologies and processes and providing links to more detailed information on individual components of the ILAAP.

BCR Group's strategic goals with respect to liquidity risk are set in line with the BCR Group Risk Strategy. The responsibility for defining the Liquidity Risk Strategy for BCR lies with Market and Liquidity Risk Management Department and it is included in BCR Group's Risk Strategy. It contains the following information:

- BCR's liquidity risk profile, defined based on the Risk Materiality Assessment Process
- BCR's strategic objectives regarding the management of liquidity risk, in accordance with the Group's risk tolerance and regulatory requirements.

In order to limit liquidity risk, Balance Sheet Management Division draws up for each financial exercise the BCR's Group Liquidity Strategy, which includes the main objectives of the bank related to the maintenance of adequate levels of liquidity buffers, both under normal and stressed conditions in accordance with the institution's short and medium-term liquidity needs over different time horizons.

Also, for managing liquidity in crisis situations, BCR has developed a contingency funding plan that clearly sets out the strategies for addressing liquidity shortfalls in emergencies. The contingency funding plan comprises sets of specific measures and liquidity enhancing actions required to successfully overcome a potential crisis. To permanently improve bank's capacity to promptly react in cases of crises, the contingency funding plan is updated annually and tested periodically.

Liquidity risk management structure and organization

The governance framework ensures the distinction between liquidity management (first line of control) and liquidity risk management, a 'second line of defence/control' for liquidity risk.

The governance framework also covers the responsibilities of committees involved in analyzing and endorsement / decision regarding the liquidity management (Operative Liquidity Committee - OLC, Asset and Liability Committee – ALCO) or the liquidity risk management (Risk Committee of the Management Board, Management Board), as well as responsibilities of other departments involved in the internal control framework and independent review of components of the liquidity risk management framework.

The roles and responsibilities of Supervisory Board, Management Board, Assets and Liability Management Committee are specified in their organizational and operational rules.

The organizational structure has to provide the segregation of duties between:

i) Liquidity management function – performed by Balance Sheet Management Division with support from Erste Bank Global Capital Markets Division (GCM). Thus, BSM is responsible for:

- Strategic liquidity management including coordinating the activity of BCR subsidiaries with respect to management of liquidity, funding needs, FX positions and investments
- Operational Liquidity Management
- Crisis Liquidity Management
- Pricing.

GCM overall acts as the external face to the wholesale capital markets for both sourcing and placing of liquidity across the group. GCM provides BSM, Market & Liquidity Risk Management and Senior Management with regular information through various channels (Operative Liquidity Committee - OLC, Asset and Liability Committee etc.) regarding the bank's ability to access capital and money markets and the general market dynamics.

ii) Liquidity risk management function – performed by Strategic Risk Management Division – Market and Liquidity Risk Management Department. For the purpose of liquidity risk management, MLRM performs the following activities:

- Development of methods and models
- Measurement/ Monitoring/ Reporting
- Liquidity risk limits proposal.

MLRM reports on a regular basis to SB, MB, ALCO and OLC.

Liquidity risk reporting, monitoring and mitigation

BCR has an appropriate reporting framework for liquidity and funding risk management, approved by the Management Board, which includes the scope, manner and frequency of liquidity and funding risk reporting, and which also designates the entity responsible for preparing the reports. The specific reports and documentation containing comprehensive and easily accessible information on liquidity risk are submitted regularly to the appropriate recipients (Management Board, Risk Committee of the Management Board, Executive Director of Strategic Risk Management Division, CRO, Balance Sheet Management Division, ALCO).

Based on an appropriate reporting framework and IT system, BCR has the ability to identify and measure liquidity and funding risk, in line with its size, complexity, risk tolerance and risk-taking capacity.

As part of its risk management framework, BCR has two specialized local committees for the analysis and decision-making of liquidity and funding issues, namely the Operative Liquidity Committee and Assets and Liabilities Management Committee.
The liquidity risk monitoring system of BCR includes (but is not limited to) the following indicators:

Regulatory:

- Immediate liquidity indicator
- Liquidity Coverage Ratio
- Net Stable Funding Ratio
- Additional Liquidity Monitoring Metrics.

Internal:

- Survival Period Analysis
- Structural Liquidity Ratio.

The Survival Period Analysis represents the primary stress testing instrument for liquidity risk which targets various time horizons and uses a dynamic stress testing methodology. The SPA measures the period the Bank is able to survive in case of three predefined liquidity crisis scenarios with various intensities. The SPA is part of the BCR RAS ensuring sufficient short- term liquidity to overcome a potential liquidity stress event.
The above section, 'Liquidity risk management strategies and processes', describes the principal policies for mitigating risk and the strategies and processes for monitoring the continuing effectiveness of mitigants regarding liquidity risk.

Other policies implemented by BCR in order to mitigate the liquidity risk:

- Internal Liquidity Adequacy Assessment Process (ILAAP) – this policy provides a description of BCR's Internal Liquidity Adequacy Assessment Process, summarizing the liquidity and funding risk management framework, methodologies and processes and providing links to more detailed information on individual components of the ILAAP.
- Methodology Handbook for Survival Period Analysis: - The Survival Period Analysis represents a key instrument for assessing the insolvency risk; it targets a short-time horizon – within one year – and uses the dynamic stress testing methodology. SPA measures the period an entity is able to survive in case of a predefined liquidity crisis scenario. The RAS limit and warning level for SPA are applied to the net funding gap for one month. The net funding gap indicates the surplus of liquid assets that are still available after a crises period.

- BCR Funds Transfer Pricing (FTP) Policy: - The BCR Group's FTP system covers all liquidity-relevant pricing components to ensure all liquidity risks are adequately transfer-priced to business lines across major subsidiaries and currencies.
- BCR Group Asset Encumbrance Management Policy: - The primary objective of the BCR Group Asset Encumbrance Management Policy is to provide an overarching framework on governance, responsibilities and principles for managing, monitoring and reporting asset encumbrance in BCR Group. This policy shall ensure that within the process of steering asset encumbrance in BCR Group all risks related to the encumbering of assets are adequately assessed and monitored.
- BCR Group Liquidity Management Policy: - The main objective of this policy is to describe requirements that would ensure an appropriate liquidity management by establishing a robust liquidity management framework and requirements that should be applied to all entities within its scope. The document was created in compliance with the local regulatory requirements set out in the local legislation (e.g. NBR Regulation nr. 5/2013 on prudential requirements for credit institutions, as further amended and completed) and standards/ principles defined in Group Liquidity Management Policy, which is the master policy document for establishing the liquidity management framework in Erste Group (EGB).

Also, in BCR Group Policy for Limit Management, the Bank defines a comprehensive and accurate limit management framework, which must ensure the proper implementation of BCR's limit system in the day-to-day business. Thus, BCR has established a comprehensive liquidity risk limits framework which are monitored on a regular basis (weekly, monthly or quarterly) and reported to the management structure.

Another important tool for BCR's liquidity risk management process is the contingency funding plan. The contingency funding plan includes sets of specific measures and liquidity enhancing actions required to successfully overcome a potential crisis. The plan is updated annually and tested periodically in order to permanently improve bank's capacity to promptly react in cases of crises.

DISCLOSURE REQUIREMENT COVERED BY: ART 451a and 447 (f) CRR 2

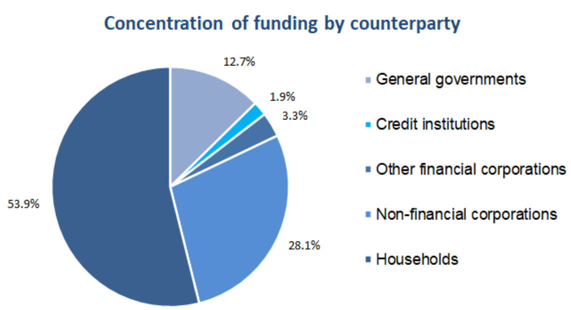
Template on qualitative information on LCR

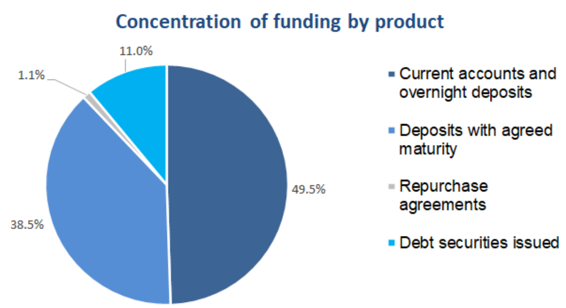
Concentration of funding:

- By counterparty and by product:

Compared with December 2023, the percentage of funding from households slightly increased in June 2024 from 52.7% to 53.9%, while the funding provided by non-financial corporations decreased from 31.4% to 28.1%. At the same time, funding from credit institutions had a decreasing evolution in June 2024 (1.9%) versus December 2023 (2.2%). Also, in the same period, the percentage of funding from deposits with agreed maturity increased from 37.3% to 38.5% while funding received from current accounts and overnight deposits decreased from 50.4% to 49.5%.

31 Concentration of funding sources (as of 30 June 2024 for BCR Bank)



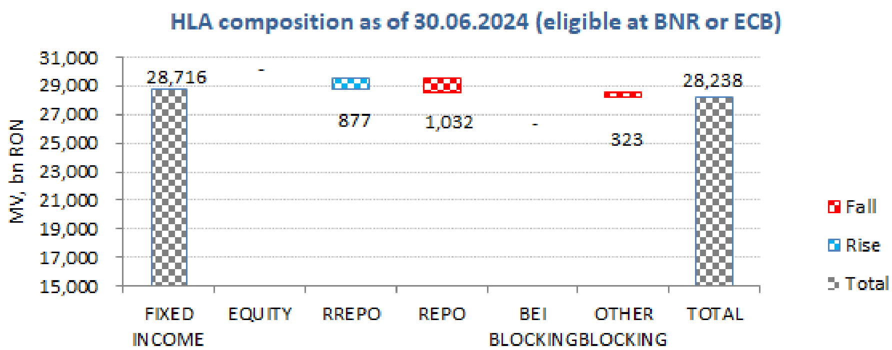


By top 10 funding providers: - the weight of first 10 funding providers in total funding is equal to 15.6%.

Concentration of liquidity sources:

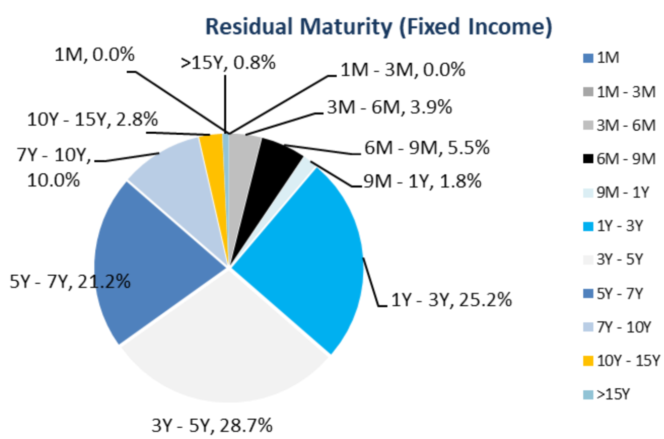
Compared with December 2023, the total eligible fixed income portfolio increased from 27,511 mn RON to 28,238 mn RON as a result of the bond acquisitions performed during the first half of 2024.

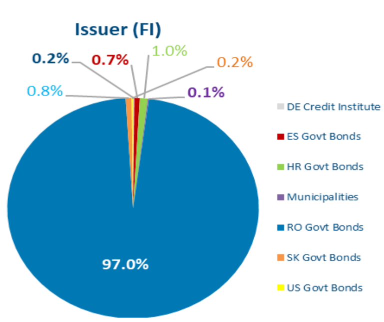
32 HLA Composition for BCR Standalone

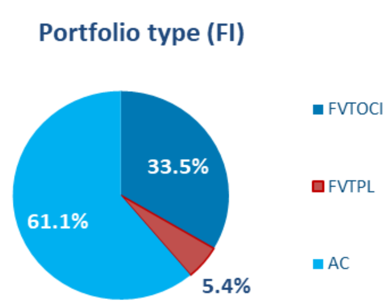


In addition to fixed income portfolio in amount of 28,238 mn RON, the liquidity buffer contains a stock of cash in amount of 2,820 mn RON and central bank assets in amount of 5,045 mn RON.

33 Portfolio split based on residual maturity, issuer and type (accounting) as of 30.06.2024 for BCR Standalone







Derivative exposures and potential collateral calls

Derivatives in Trading Book are closed back-to-back with Erste Group Bank, with the exception of FX swaps for which the bank can maintain open positions mainly for liquidity management purposes. In June 2024, there was an open position of RON 5.7 mn, mainly coming from transactions for liquidity management purposes (Banking Book positions).

34 Derivative exposures

in RON million	TB/BB	Long (Assets)		Short (Liabilities)		Net Exposure
		Notional	MtM	Notional	MtM	MtM
IRS		2,918.9	112.5	2,918.9	112.5	0.0
	TB	2,918.9	112.5	2,918.9	112.5	0.0
	BB	0.0	0.0	0.0	0.0	0.0
CIRS	BB	0.0	0.0	0.0	0.0	0.0
FX Swap	-	4,009.6	12.9	4,280.6	7.5	5.4
	TB	2,153.6	5.4	3,569.7	7.1	-1.7
	BB	1,856.0	7.5	710.9	0.4	7.1
FX Option	TB	1.2	0.0	1.2	0.0	0.0
IR Option	TB	1,009.5	11.2	514.6	11.2	0.0
Forward	TB	302.8	1.6	240.3	1.2	0.4
Total Exposure		**8,242.0**	**138.2**	**7,955.7**	**132.4**	**5.7**

In LCR, the outflows related to derivative exposures are offset by inflows related to derivative exposures.

Currency mismatch in the LCR

In BCR, the LCR is calculated in all major currencies that exceed 5% of the institution's total liabilities (EUR and RON). Thus, the liquidity buffer requirements have to be determined for different currencies.

The distribution of the liquidity buffer in foreign currency is monitored monthly in order to ensure that net cash outflows in significant currencies (RON and EUR) are fully covered by liquid assets denominated in the same currency. The composition of liquidity buffer for major currencies as of June 2024 is presented in the following table:

35 Composition of liquidity buffers by currency

weighted amounts, RON million	BCR Bank		BCR Group	
	RON	EUR	RON	EUR
Liquidity buffer	27,487.8	8,076.8	28,100.0	8,077.3
Coins and banknotes	2,110.2	265.5	2,110.2	266.1
Withdrawable central bank reserves	5,000.0	44.9	5,000.0	44.9
Central bank assets	-	-	43.2	-
Central government assets	20,339.8	7,766.4	20,908.9	7,766.4
Multilateral development bank and international organisations assets	-	-	-	-
Extremely high quality covered bonds	-	-	-	-
Regional government / local authorities or Public Sector Entity assets (Member State, RW20%)	37.8	-	37.8	-
Corporate debt securities (CQS2/3)	-	-	-	-
Shares (major stock index)	-	-	-	-
Net liquidity outflow	12,154.6	5,460.2	12,466.0	5,154.8

A description of the degree of centralization of liquidity management and interaction between the BCR Group's units

BCR ensures an appropriate liquidity management by establishing a robust liquidity management framework and requirements that should be applied to and by all entities which are part of BCR Group. Additionally, a coordination function of the liquidity management and funding strategy of BCR Group is set in BCR and has clear governance and reporting rules.

Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile

The bank considers that all the relevant information for its liquidity profile was already presented in this report.

High-level description of the composition of the institution`s liquidity buffer

The main component of Liquidity Buffer is represented by Fixed Income Portfolio. Other elements that are taken into consideration for Liquidity Buffer are: Cash, Excess/Deficit of Mandatory minimum reserves, Central Bank assets and Shares fulfilling the eligibility criteria laid down in the LCR Delegated Act.

36 EU LIQ1 - Quantitative information of LCR

in RON million		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2024	31.03.2024	31.12.2023	30.09.2023
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					40,052.3	39,484.2	36,868.4	34,787.7
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	46,201.5	44,928.6	43,825.4	43,100.9	3,601.9	3,517.0	3,430.4	3,369.1
3	Stable deposits	25,028.4	24,018.2	23,309.9	22,925.2	1,251.4	1,200.9	1,165.5	1,146.3
4	Less stable deposits	21,173.0	20,910.4	20,515.5	20,175.7	2,350.5	2,316.1	2,264.9	2,222.8
5	Unsecured wholesale funding	32,058.3	32,160.2	31,951.4	31,587.6	13,949.3	14,064.1	14,115.1	14,104.4
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7	Non-operational deposits (all counterparties)	32,007.0	32,127.0	31,920.7	31,559.1	13,897.9	14,030.9	14,084.4	14,075.9
8	Unsecured debt	51.4	33.2	30.7	28.5	51.4	33.2	30.7	28.5
9	Secured wholesale funding					-	-	-	-
10	Additional requirements	2,174.0	2,251.3	2,249.9	2,418.0	2,173.4	2,250.5	2,248.9	2,417.4
11	Outflows related to derivative exposures and other collateral requirements	2,173.3	2,250.4	2,248.8	2,417.3	2,173.3	2,250.4	2,248.8	2,417.3
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	0.7	0.9	1.1	0.7	0.1	0.1	0.1	0.0
14	Other contractual funding obligations	2,316.9	2,508.9	1,964.2	1,745.0	2,081.7	2,268.4	1,726.2	1,511.8
15	Other contingent funding obligations	25,275.2	24,534.8	23,909.1	23,342.2	919.7	904.3	908.0	899.8
16	**TOTAL CASH OUTFLOWS**					**22,725.9**	**23,004.3**	**22,428.6**	**22,302.5**
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	3,705.1	4,049.7	3,401.5	3,077.7	0.0	0.0	0.0	-
18	Inflows from fully performing exposures	2,343.1	1,962.6	1,785.3	1,834.9	1,519.2	1,306.1	1,222.4	1,235.9
19	Other cash inflows	2,487.2	2,537.8	2,420.7	2,459.5	2,487.2	2,537.8	2,420.7	2,459.5
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	**TOTAL CASH INFLOWS**	**8,535.3**	**8,550.2**	**7,607.6**	**7,372.1**	**4,006.4**	**3,843.9**	**3,643.1**	**3,695.4**
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	8,535.3	8,550.2	7,607.6	7,372.1	4,006.4	3,843.9	3,643.1	3,695.4
TOTAL ADJUSTED VALUE									
EU-21	**LIQUIDITY BUFFER**					**40,052.3**	**39,484.2**	**36,868.4**	**34,787.7**
22	**TOTAL NET CASH OUTFLOWS**					**18,719.4**	**19,160.4**	**18,785.5**	**18,607.1**
23	**LIQUIDITY COVERAGE RATIO**					**213.96%**	**206.07%**	**196.26%**	**186.96%**

LCR registered a positive trend over the past 4 quarters up until June 2024 as liquidity in the market was strong. Throughout the entire period the LCR was above the 100% regulatory threshold due to the stock of high-quality liquid assets (HQLA). The quarterly average HQLA increased compared to December 2023, driven mainly by surplus liquidity placed with the Central Bank.

DISCLOSURE REQUIREMENT COVERED BY: ART 451a (3) and 447 (g) CRR 2

The most important component from available stable funding (ASF) is represented by retail deposits (53%) while the most important component from required stable funding (RSF) is represented by loans and securities (92%).

37 EU LIQ2: Net Stable Funding Ratio (BCR Group)

Jun-24

in RON million		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	11,174.5	-	-	1,244.3	12,418.8
2	*Own funds*	11,174.5	-	-	1,244.3	12,418.8
3	*Other capital instruments*		-	-	-	-
4	Retail deposits		48,446.2	7.4	143.7	45,111.6
5	*Stable deposits*		27,188.9	4.7	124.6	25,958.5
6	*Less stable deposits*		21,257.3	2.7	19.1	19,153.1
7	Wholesale funding:		30,487.3	1,202.9	12,387.2	27,005.6
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		30,487.3	1,202.9	12,387.2	27,005.6
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	4,501.6	9.4	0.1	4.8
12	*NSFR derivative liabilities*	-				
13	*All other liabilities and capital instruments not included in the above categories*		4,501.6	9.4	0.1	4.8
14	**Total available stable funding (ASF)**					84,540.8
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					302.9
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		15,616.4	5,251.9	44,814.6	45,204.3
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		553.3	251.9	-	125.9
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		827.7	24.0	555.8	635.5
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		13,256.2	4,630.6	26,329.9	43,727.0
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		5,758.2	1,763.4	6,965.6	16,489.8
22	*Performing residential mortgages, of which:*		398.0	345.5	17,169.1	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		283.1	245.7	12,210.7	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		581.2	-	759.7	715.9
25	Interdependent assets		-	-	-	-
26	Other assets:		5,780.6	61.9	2,704.0	2,857.2
27	*Physical traded commodities*				6.4	5.5
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		-	-	-	-
29	*NSFR derivative assets*		6.9			6.9
30	*NSFR derivative liabilities before deduction of variation margin posted*		121.6			6.1
31	*All other assets not included in the above categories*		5,652.1	61.9	2,697.5	2,838.8
32	Off-balance sheet items		17,415.1	83.6	-	896.1
33	**Total RSF**					**49,260.4**
34	**Net Stable Funding Ratio (%)**					**171.62%**

Mar-24

in RON million		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	11,197.7	-	-	1,242.4	12,440.1
2	*Own funds*	11,197.7	-	-	1,242.4	12,440.1
3	*Other capital instruments*		-	-	-	-
4	Retail deposits		46,504.1	7.2	153.6	43,291.6
5	*Stable deposits*		25,551.5	5.0	128.3	24,407.0
6	*Less stable deposits*		20,952.6	2.2	25.2	18,884.5
7	Wholesale funding:		33,762.2	1,106.2	12,348.3	28,076.0
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		33,762.2	1,106.2	12,348.3	28,076.0
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	4,432.2	10.8	0.1	5.4
12	*NSFR derivative liabilities*	-				
13	*All other liabilities and capital instruments not included in the above categories*		4,432.2	10.8	0.1	5.4
14	**Total available stable funding (ASF)**					**83,813.0**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					299.6
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		17,473.4	4,891.5	42,192.6	42,153.7
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		3,442.9	249.3	-	124.7
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		582.8	224.0	564.1	734.4
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		11,271.4	4,088.3	24,253.0	40,538.1
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		5,053.3	1,618.6	7,166.4	16,395.6
22	*Performing residential mortgages, of which:*		1,177.1	329.9	16,616.0	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		855.9	239.9	12,082.4	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		999.2	-	759.5	756.5
25	Interdependent assets		-	-	-	-
26	Other assets:		4,969.6	52.6	2,652.9	2,790.4
27	*Physical traded commodities*				8.7	7.4
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		-	-	-	-
29	*NSFR derivative assets*		2.3			2.3
30	*NSFR derivative liabilities before deduction of variation margin posted*		129.6			6.5
31	*All other assets not included in the above categories*		4,837.8	52.6	2,644.2	2,774.2
32	Off-balance sheet items		17,320.0	102.1	-	892.7
33	**Total RSF**					**46,136.4**
34	**Net Stable Funding Ratio (%)**					**181.66%**

Dec-23

in RON million		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	11,148.4	-	-	1,243.7	12,392.1
2	*Own funds*	11,148.4	-	-	1,243.7	12,392.1
3	*Other capital instruments*		-	-	-	-
4	Retail deposits		46,150.2	80.6	196.9	43,033.7
5	*Stable deposits*		24,576.5	4.4	132.0	23,483.9
6	*Less stable deposits*		21,573.7	76.2	64.9	19,549.8
7	Wholesale funding:		31,339.9	834.4	11,246.7	25,962.4
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		31,339.9	834.4	11,246.7	25,962.4
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	25.7	5,205.8	10.1	0.1	5.1
12	*NSFR derivative liabilities*	25.7				
13	*All other liabilities and capital instruments not included in the above categories*		5,205.8	10.1	0.1	5.1
14	**Total available stable funding (ASF)**					**81,393.2**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					359.9
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		14,982.1	4,987.1	41,990.5	41,271.9
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		2,015.3	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		666.5	182.3	296.5	454.3
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		9,990.2	4,482.1	23,998.8	40,045.0
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		4,394.6	1,750.2	5,937.7	16,397.2
22	*Performing residential mortgages, of which:*		1,204.5	322.8	16,928.8	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		968.8	259.6	13,617.0	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		1,105.6	-	766.3	772.6
25	Interdependent assets		-	-	-	-
26	Other assets:		6,412.7	60.7	3,011.2	3,031.0
27	*Physical traded commodities*				5.2	4.5
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		-	-	-	-
29	*NSFR derivative assets*		-			-
30	*NSFR derivative liabilities before deduction of variation margin posted*		160.3			8.0
31	*All other assets not included in the above categories*		6,252.4	60.7	3,005.9	3,018.6
32	Off-balance sheet items		15,597.8	60.5	10.7	805.2
33	**Total RSF**					**45,468.0**
34	**Net Stable Funding Ratio (%)**					**179.01%**

Sep-23

in RON million		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	9,953.5	-	-	1,243.7	11,197.1
2	*Own funds*	9,953.5	-	-	1,243.7	11,197.1
3	*Other capital instruments*		-	-	-	-
4	Retail deposits		44,008.7	59.9	195.3	41,017.8
5	*Stable deposits*		23,209.8	3.4	134.1	22,186.7
6	*Less stable deposits*		20,798.9	56.5	61.2	18,831.1
7	Wholesale funding:		32,169.0	926.6	9,687.6	24,761.1
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		32,169.0	926.6	9,687.6	24,761.1
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	4,630.9	18.0	6.1	11.2
12	*NSFR derivative liabilities*	-				
13	*All other liabilities and capital instruments not included in the above categories*		4,630.9	18.0	6.1	11.2
14	**Total available stable funding (ASF)**					**76,987.1**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					256.8
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		16,526.5	4,894.3	40,744.0	39,801.0
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		4,404.3	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		527.5	56.2	422.6	503.4
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		9,364.3	4,526.3	22,759.0	38,494.9
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		4,324.3	1,906.2	6,533.5	16,455.2
22	*Performing residential mortgages, of which:*		1,206.7	311.9	16,753.1	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		941.9	243.5	13,077.7	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		1,023.7	-	809.3	802.6
25	Interdependent assets		-	-	-	-
26	Other assets:		5,781.4	45.2	3,110.2	3,084.7
27	*Physical traded commodities*				4.9	4.1
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		-	-	-	-
29	*NSFR derivative assets*		8.4			8.4
30	*NSFR derivative liabilities before deduction of variation margin posted*		160.9			8.0
31	*All other assets not included in the above categories*		5,612.1	45.2	3,105.3	3,064.2
32	Off-balance sheet items		16,219.2	59.0	-	833.4
33	**Total RSF**					**43,975.9**
34	**Net Stable Funding Ratio (%)**					**175.07%**

13 Leverage ratio

DISCLOSURE REQUIREMENT COVERED BY: ART. 451 (1) (a), (b) and (c) CRR 2

The leverage ratio represents the relationship between core capital (Tier 1) and leverage exposure according to Article 429 CRR 2. Essentially, the leverage exposure represents the sum of on- and off-balance sheet positions considering valuation and risk adjustments as defined within the CRR.

Based on Article 499 (2) CRR 2, the information presented below on a consolidated level, uses the transitional arrangements for the definition of the capital measure.

The decrease of the Leverage ratio in the first half of 2024 as compared with December 2023 is due to increase in leverage exposure measure.

38 EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

in RON million		Applicable amount
1	Total assets as per published financial statements	110,928.5
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	438.1
9	Adjustment for securities financing transactions (SFTs)	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	7,426.6
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	(73.0)
13	**Total exposure measure**	**118,720.1**

A detailed breakdown of the components of the LR denominator, as well as information on the actual LR, minimum requirements and buffers are presented in the below template.

39 EU LR2 - LRCom: Leverage ratio common disclosure

in RON million		CRR leverage ratio exposures	
		Jun-24	Dec-23
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	109,913.8	106,663.4
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(303.2)	(479.2)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	109,610.6	106,184.1
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	190.3	192.8
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	385.4	183.9
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivatives exposures	575.6	376.6
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	1,107.3	2,014.6
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	Total securities financing transaction exposures	1,107.3	2,014.6
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	26,754.6	24,655.5
20	(Adjustments for conversion to credit equivalent amounts)	(19,328.0)	(17,647.3)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures	7,426.6	7,008.2
Excluded exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Total exempted exposures)	-	-
Capital and total exposure measure			
23	Tier 1 capital	10,782.5	10,669.2
24	Total exposure measure	118,720.1	115,583.6
Leverage ratio			
25	Leverage ratio (%)	9.08%	9.23%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	9.08%	9.23%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	9.08%	9.23%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	-	0
EU-26b	of which: to be made up of CET1 capital	-	-
27	Leverage ratio buffer requirement (%)	-	-
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Transitional	Transitional

Template EU LR3 has been developed in application of Article 451(1)(b) of the CRR 2 in order to provide a breakdown of the total exposure's measures and includes granular information on the composition of BCR Group on-balance sheet exposures.

40 EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

in RON million		CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**109,913.8**
EU-2	Trading book exposures	1,678.7
EU-3	Banking book exposures, of which:	108,235.1
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	40,815.8
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	5,786.2
EU-7	Institutions	650.6
EU-8	Secured by mortgages of immovable properties	13,447.3
EU-9	Retail exposures	18,063.3
EU-10	Corporates	24,078.2
EU-11	Exposures in default	391.0
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	5,002.7

BCR Group manages the risk of excessive leverage through its Risk Appetite Statement and limit framework, which are used to provide quantitative direction for the overall risk-return steering. The leverage ratio is a core Risk Appetite metric monitored through a traffic light system to provide early warnings signals for potential management actions with a formalized escalation mechanism in case of any breaches.

Additionally, the Group proceeds to evaluate the risk of excessive leverage through the Risk Materiality Assessment (RMA). The RMA is an annual process with the purpose of systematically identifying new and assessing existing material risks for the Group. The RMA determines the materiality of risk types and consequently the risk profile across BCR Group by assigning them risk grades to individual risk drivers and identifying those risks which are significant and have to be addressed within the ICAAP framework.

Furthermore, as part of the planning process, risk relevant key indicators, including the leverage ratio, are forecasted in order to ensure the adequate reflection of risks and capital within the steering and management process of the Group.

14 Environmental, Social and Governance risks (ESG)

DISCLOSURE REQUIREMENTS Art. 435 and 449a CRR

Environmental risk

As one of the biggest banks operating in Romania it is in our responsibility to contribute to the sustainable development and to identify and assess risks and set remediation actions based on these assessments.

For BCR, the overall journey towards the fulfilment of ESG goals includes addressing climate and environmental risks, observing all regulatory framework and recommendations and to provide value to the social and economic environment. To this end, in 2023 BCR expanded its actions:

- in respect of lending and customer support, especially by the ESG dialogue framework with existing and potential clients
- on the products development side, BCR is offering products which underpin the importance of energy-efficiency solutions and buildings with lower energy consumption
- on a partnership and commitment level, BCR's efforts are also focused on the decarbonization of the portfolios, where BCR will follow the actions of its's parent company Erste Group Bank AG, that joined the Net-Zero Banking Alliance, which commits the Group to achieve net-zero no later than 2050

Business strategy and process

a) Institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning

Our **ESG strategy** is based on profound understanding of socio-environmental challenges and their impacts to the economic and political development of the region where we operate. Our ESG strategy is an essential part of the overall business strategy, contributing to the long-term financial resilience, and growth-based business model of the Group.

Erste Group was one of the first banking groups in the region to join the Net Zero Banking Alliance. This is a global alliance of more than 130 banks with total assets of approximately 70 trillion euro, which have set themselves the target of attaining net zero status for their financed portfolios by the year 2050.

The European Climate law, EU's Green Deal and 'Fit for 55' Package form the setting for future changes in EU strategy and legislation. All countries of the region will have to align with and adapt to these European goals. The investment required is massive. An essential portion of these funds will be provided by the EU or local sovereign funds. Until 2030, however, public funds will need to be supplemented by the private sector in an expected amount of approximately EUR 30 billion per year. Erste Group wants to play a leading role and contribute to financing the green transition. This transition holds opportunities as well as risks that need to be addressed through intense research and proactive management.

ESG risks (climate and environmental risks) are part of the yearly **strategic planning** of BCR Group which is approved by the Management Board. Moreover, starting with the **financial planning** exercise in 2022, group-wide planning has been extended with the budgets and KPIs related to "sustainable investments" as well as GHG emissions per industry with an outlook covering a period of 5 years rolling window. This reflects our commitment to promote the financing of climate aligned initiatives and projects by our entities across the region, as well as to boost the share of green businesses in our portfolio. The main focus lies on strategically relevant industries such as real estate and energy-intensive industries such as energy and transportation. In particularly critical sectors (e.g., coal), exclusion criteria are used to ramp up the pressure on the road to transformation. From a climate-related risk perspective, both concepts aim to increase the resilience of our portfolio, either explicitly by investing in more green business or implicitly by supporting our clients on their path towards net zero transition.

b) Objectives, targets and limits to assess and address environmental risk in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes

BCR Group strives to be a role model and a leader in the green transition by mobilising resources for climate action and adaptation to climate change. BCR Group believes in a fair transition for all and helps customers to secure their personal prosperity in the process. Thus, the green transition also opens up opportunities for growth.

Green Transition - our path to net zero:

- Achieving net zero status for the portfolio by 2050. Net zero refers to a state in which the greenhouse gases going into the atmosphere are balanced by the greenhouse gases that are removed from the atmosphere or offset by other means.
- Strengthening the leading position in sustainable finance by funding climate action and adaptation to climate change.
- Achieving net zero status of banking operations by 2030 to make a direct contribution to the green transition.

To continue to be successful in a decarbonized world and to create value for customers, investors, employees and society as a whole, it is our responsibility in the management of the bank to positively resolve conflicting goals between profitability and the environmental and social impact of our actions and to seize the enormous opportunities in these times of change and transformation.

Erste Group is committed to the goals of the Paris Climate Agreement and pursues the strategic target of getting all financed greenhouse gas emissions of the portfolio onto a path that will lead to net zero. Our methodology for emissions calculation and decarbonization target setting is based on internationally recognized market standards such as the Science Based Target initiative (SBTi) and the Paris Aligned Capital Transition Assessment (PACTA).

Also, we are continuously working on improving our decarbonisation efforts and enhancing the portfolio coverage by adding industries to the scope of target setting. Following the definition of portfolio decarbonisation targets for priority sectors, the risk appetite of the bank was enhanced through introduction of **ESG ICAAP quantitative indicators** for five sectors: residential real estate, commercial real estate, electricity production, auto manufacturing, oil & gas, which play a critical role in achieving a net zero future. The aim of the indicators is to support our commitment to climate action and enable pro-active steering of portfolio development along the defined decarbonisation path.

c) Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities

As regards to sustainable finance, the bank is committed to considering social and environmental aspects in finance, banking and client advisory services in its retail and corporate business. The **Group Sustainable Finance Framework (SFF)** has been designed as an umbrella framework that will enable the bank to issue sustainable finance instruments to finance new and/or refinance existing loans for its clients and projects with environmental and/or social benefits. The SFF defines rules for bond issuers in accordance with the ICMA Green Bond, Social Bond and **Sustainability Bond Principles**. In connection to this, the Sustainable Finance Guideline shall provide the internal operational rules of eligibility criteria and guides the due diligence process of identifying and assessing green, social and sustainable financing for the issuance of sustainable finance instruments.

As of June 2024, BCR new green investment exposures in corporate financing reached a total of RON 780 million, out of which RON 508 million in energy efficient and green buildings, RON 188 million in renewable energy, RON 20 million in sustainable transportation and RON 64 million in other sectors. In terms of sustainable retail mortgages, BCR has reached a total new financing volume of approx. RON 250 million in June 2024. In terms of stock, BCR reached 9.3% green investment ratio on corporate and 20.9% for retail exposure as of June 2024. Green investment exposures are assessed in accordance with Erste Sustainable Finance Guidelines.

d) Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks

With respect to the measures taken to mitigate the risks associated with ESG factors, the BCR Group **Responsible Financing Policy** defines harmful socio-environmental activities that are excluded from financing and banking services. The main focus of the policy is on climate protection through the alignment of BCR Group's energy financing in line with the Paris Agreement, global warming limitation, the prevention of extensive environmental degradation and measures to preserve biodiversity through restraining from financing unconventional mining practices but also with very selective participation in hydropower projects. In addition, the directive aims to limit the impact of socially harmful activities, such as the weapons and gaming industry.

Within credit risk portfolio, engagement with counterparties on the topic of environmental factors involves the Erste Group-wide ESG Assessment Questionnaire, which provides a comprehensive ESG assessment for large corporate, real estate transactions and State-Owned Enterprises – SOE (with yearly consolidated turnover higher than EUR 50mn) within the credit application and approval process. The questionnaire enables to identify clients which are prone to environmental, climate, social and governance risks, and facilitates data collection on the **Carbon footprint of clients, including CO2e emissions, water consumption and waste,** for example. It is updated at least annually and allows us to assess the impact of ESG factors on credit risk. Depending on the information provided, some questions may also require an in-depth assessment in order to understand the nature and severity of the ESG risks to which the client is exposed.

For SME clients and SOE clients (with yearly consolidated turnover less than EUR 50mn), an ESG Factor Heatmap is used as a risk assessment and management instrument to identify certain industries exposed to ESG risk factors. The ESG Factor Heatmap combines the relevance of climate, environmental, social and governance risk factors, utilising a granular segmentation of industry sectors of the portfolio, and allows for a differentiated approach as the relevance of individual risk drivers may differ, depending on the nature of the respective (sub)sectors a company operates in.

If the client is exposed to the increased ESG risks, these must be properly assessed with respect to the impact on the financial position of the client in the credit application and considered in the final lending decision and rating where relevant. In cases with potentially high ESG risk exposure, a deep-dive assessment is triggered to understand the nature and severity of the risk to which the company is exposed.

Governance

e) Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels

The BCR Group's ESG governance is driven by the fact that environmental risk is considered as a transversal risk influencing the "classical" risk types such as credit, market and operational risk.

In BCR Group the governance is ensured by Sustainability Committee, subordinated to the Management Board. The responsibilities of this committee are detailed in the Chapter dedicated to Social Risk, point e.

f) Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organisational structure both within business lines and internal control functions

Consequently, environmental risks are treated within the existing organizational risk management structure where each risk owner is responsible for influencing environmental risk. Within our **risk management framework**, the concept of ESG risks is transversal. Consistently, the management of these risks is integrated into our existing risk management organisation:

- **Strategic Risk Management** ensures the integration of ESG into the Risk Appetite Statement, Risk Strategy, Risk Materiality Assessment, Stress Testing framework and inclusion of ESG in Risk Reporting; it also coordinates interim targets setting for Net Zero transition,

- **Corporate Risk Management** ensures the integration of ESG into industry strategies and participates in interim target setting for Net Zero portfolio transition; importantly, it ensures that a proper due diligence is implemented into underwriting and collateral management processes.

- **Operational Risk Management** governs ESG integration into the existing NFR risk management process and ensures the adequate impact on the operational risk capital requirements
- **Market & Liquidity Risk Management** contribute to the ESG risk assessment in the respective area.

g) Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels

ESG risks as transversal risks in BCR Group's risk taxonomy are reflected not only in its Risk Strategy and Risk Materiality Assessment but also in its Risk Appetite Framework.

Within the Credit Committee, risk associated with environmental, social and governance factors are considered as part of the credit application, reflecting the ESG Assessment Questionnaire result. It is a requirement to attach the results of the questionnaire to the credit application, where applicable, and it forms a part of the credit application and approval process, according to the established credit approval authorities of the Group.

The bank's policies, together with the client and transaction environmental assessment (the latter applicable for certain real estate projects, as detailed later in this chapter), enable risk managers and other decision makers to make lending decisions in line with the Group's risk strategy. The ESG Assessment Questionnaire also includes a "risk meter" indicating the level of ESG data available from the counterparty, specifically if the company has formulated a plan to reduce its carbon footprint.

h) Lines of reporting and frequency of reporting relating to environmental risk

ESG risks as part of the **internal reporting framework** are currently covered by a set of reports as elaborated below:

- The **ESG Risk Materiality Assessment (RMA)** results are reported as part of the Risk Strategy package, at least once a year or whenever external circumstances require
- The **BCR Group Risk Report**, as one of the most comprehensive risk reports, includes a chapter dedicated to ESG topics in the risk area.

The **Risk Report** includes a chapter dedicated to ESG topics in the risk area. Initial focus was on quarterly developments of portfolio per **ESG Factor Heatmap** (covering Environmental, Social and Governance risks) and overview of financed emissions. Further on, the chapter has been enhanced to reflect the developments in the field, including details related to the **decarbonisation targets** set for priority sectors (housing mortgages, commercial real estate and energy production), EPC energy level distribution for Real Estate. The current frequency of the Risk Report is quarterly and is presented to the Management Board as well as the Supervisory Board.

i) Alignment of the remuneration policy with institution's environmental risk-related objectives

As regards the remuneration policy and whether environmental and social risks are included, the performance criteria and their impact on the variable remuneration of the Management Board of BCR Group are determined by the Supervisory Board at the beginning of the financial year. The individual strategic targets include ESG targets and are defined in detail in the scorecard of the respective board member, and the achievement of these is evaluated at the end of the performance period. ESG related targets are in line with the focus areas Holistic ESG performance, Green Transition – Green financing & Net Zero transition and Equal Opportunities. ESG targets are cascaded in the organization (Divisions and hierarchical level as appropriate).

Details of ESG performance criteria for Board members in 2023:

- Maintain a good ESG performance of Erste Group, assessed by external ratings (MSCI, ISS ESG, SUSTAINALYTICS) - shared by all board members
- Support of the Portfolio Net Zero Transition (Net Zero target setting) - shared by risk, finance and business board members
- Transparent investor engagement on main ESG actions, measures and progress toward objectives – assigned to Chief Executive Officer
- Achievement of gender diversity target in top management group-wide – assigned to Chief Executive Officer
- Increase of sustainable retail mortgages (target volume of new sustainable retail mortgages) - assigned to Chief Retail Officer
- Implement Taxonomy rules to the loan origination process and increase Green Investments – assigned to Chief Executive Officer
- Increasing the zero-carbon electricity sourcing – assigned to Chief Financial Officer
- Implementation of ECB ESG Action Plan – assigned to Chief Risk Officer
- Ensure Erste Digital system support for ESG Data Management and the Green Asset Screening design and implementation – assigned to Chief Operations Officer

Non-financial performance targets are also applied to local board members (representing 10% of variable compensation) and Board-1 managers, where the focus is on green transition and diversity.

At the end of 2023, the ESG performance criteria for Board members underwent a revision. The revised ESG performance criteria, which became effective in 2024, are presented in the "Governance" chapter of the Non-financial Report 2023.

Risk management

j) Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework

The group risk framework considers short-, medium- and long-term effects through several different perspectives. The severity of the impact is assessed on a yearly basis during the bank´s Risk Materiality Assessment (RMA). Time horizon is short-to medium-term (3-5Y), whereas outlook mid to long-term (2030 - 2050).

The comprehensive stress test exercise has been extended with climate -related scenarios addressing both transitional and physical risks. Our main environmental stress assumption is referring to delayed implementation of global climate policies and/or divergent policies across countries. Given the already announced commitments on reduction of GHG emissions (e.g. EU “2030 Climate Target Plan” aiming a reduction by 55% of GHG emissions from 1990 levels (“Fit for 55’ package”), we stress that the policies may be implemented with delay imposing more stringent constrains to companies. Companies from the carbon-intensive industries, required to make major investments may be downgraded, resulting in higher probabilities of default during the transition period (transitional risk). Given that physical risks are defined as a consequence of the lack of / inefficient climate policies, this type of risk was reflected in our stress tests by affecting the market value of collaterals.

k) Definitions, methodologies and international standards on which the environmental risk management framework is based

Environmental risk means the risk of losses arising from any negative financial impact on the institution stemming from the current or prospective impacts of environmental factors on the institution’s counterparties or invested assets, including factors related to the transition towards the following environmental objectives:

- climate change mitigation
- climate change adaptation
- the sustainable use and protection of water and marine resources
- the transition to a circular economy
- pollution prevention and control
- the protection and restoration of biodiversity and ecosystems.

Environmental risk includes both physical risk or damages (like impact of extreme weather events) and transition risk, i.e. creating additional costs and capital expenditure need for transition of business activities and sectors to an environmentally sustainable economy (by legislation, technology standards, or market conformity and customer preferences), or in some cases damages through liabilities (for negative impacts by products, policies or pollution events). Physical risks can demonstrate through events of acute physical risks (most prominently weather-related events) or chronic physical risks (arise from longer-term changes in the climate, such as reduced water availability, biodiversity loss and changes in land and soil productivity).

Social risk means the risk of losses arising from any negative financial impact on the institution stemming from the current or prospective impacts of social factors on its counterparties or invested assets. They mostly materialize due to poor standards of respecting elementary rights, inclusiveness, or ineffective labour relations and unfair, untransparent or malleus customer practices. Social risks materialize mostly through damages to reputation, ineffective or even disrupting operations or loss of critical labour force, and finally through financial claims and liabilities due to improper practices.

Governance risk means the risk of losses arising from any negative financial impact on the institution stemming from the current or prospective impacts of governance factors on the institution's counterparties or invested assets. They are prominently related to poor or non-transparent company governance measures, missing or weak code of conduct including lack of substantiated policies on anti-money laundering, briberies and corruption, or tax citizenship. Governance risk can arise also from governance events from poor management of critical supply chain. Materializing governance risks can significantly damage the faith and trust of customers and investors, and potentially leading to loss of revenue, higher funding costs or penalties and such affecting its ability to conduct business over the longer-term.

l) Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels

Within the credit risk area, a process for identifying and monitoring environmental risks is initiated because of a new lending request, renegotiated transactions or transactions requiring contractual changes, as well as within the annual review of a counterparty. Firstly, the Bank **ESG Factor Heatmap** takes climate, environmental, social and governance risk factors into account, to identify and assess ESG risks and opportunities. The heatmap covers all sectors to which BCR has exposure to, and assigns industries into low, medium, high, and very high ESG classifications. It is reviewed on an annual basis. It is embedded in the internal processes and used as an integral part of the of lending standards, the credit process, for active portfolio management and the setting of industry strategies according to the relevant industry specific ESG factors. Potential environmental risk factors, such as climate change, environmental degradation, and animal welfare, are considered within the regional industry risk assessment in the process of reviewing the ESG Factor Heatmap. The ESG Factor Heatmap is also used for the ESG assessment of SMEs.

Secondly, for all large corporates, an individual **ESG Assessment Questionnaire** shall be performed. Besides social and governance questions, a wide range of environmental risks are covered in the questionnaire, including animal welfare, waste and pollution, water use, impact on endangered zones and other environmental impacts, which are identified and reflected in the assessment. Depending on the information available from the counterparty and the assessed sensitivity/vulnerability to environmental risks, an **in-depth assessment** may be required in order to understand the nature and severity of the environmental risks to which the client is exposed.

m) Activities, commitments and exposures contributing to mitigate environmental risks

As our comprehensive analysis of the climate-related challenges, legislative and economic impacts of climate change in our region have shown, financing for or investing in companies exposed to physical and transitory climate risks poses a significant risk to our core business in the medium to long term. In addition, there is a risk of consequences, particularly in customer investment and advisory services, if products are advertised as "sustainable" that cannot withstand close scrutiny by the regulator ("greenwashing"). Penalties and a loss of reputation would be the consequences.

At the same time, negative impacts on the environment and society are possible if companies are financed or invested in that, for example, operate in an environmentally harmful manner and disregard fundamental human rights or the principles of good corporate governance. The establishment of sustainability criteria, on the other hand, has the effect that companies with negative sustainability impacts are avoided and that financial resources flow into companies and activities that contribute to the transformation.

To **mitigate the transition risk**, BCR Group has set itself the goal of reducing the emissions it finances along the net-zero path, on the one hand, and significantly increasing the share of short- and medium-term sustainable financing and investments, on the other side. BCR Group is therefore clearly committed to funding ambitious climate protection measures and to support customers in their transformation to transition the portfolio to net-zero greenhouse gas emissions by 2050.

n) Implementation of tools for identification, measurement and management of environmental risks

Stress testing is a critical risk management tool for BCR Group, offering a forward-looking view of the bank's risk profile.

Stress Testing provides valuable information for strategic decision making: the results of the regulatory climate stress test revealed insights into the bank's exposure to carbon-intensive industries. They were used to assess which parts of the portfolio are sensitive to climate risk and to better understand the long-term impacts of climate risk on growth potential and value generation.

Risk materiality assessment (RMA) as a senior management steering tool is an annual process with the purpose of systematic identification of new and assessment of all risks for BCR Group. Climate change risks, both transitional and physical, and other environmental risks, such as environmental degradation and animal welfare, are integrated into the Risk Materiality Assessment of BCR Group. They are identified and classified as transversal risks in our risk inventory and consequently their materiality is assessed within existing main risk types (credit, market, liquidity, operational and strategic risk) by means of qualitative and quantitative indicators. Such indicators are, for instance for the credit risk, related to greenhouse gas emissions of loan portfolios, real estate energy efficiency, exposure to increased flood and heightened heat/drought risks, or exposures in sectors with potential to environmental degradation.

Decarbonisation strategy, which will effectively mitigate BCR Group exposure to transition risks, is based on a starting point of financed emissions which are determined in the Carbon Footprint Calculation. Portfolio decarbonisation targets aim a reduction of financed emissions by the end of the decade in the portfolios retail mortgages, commercial real estate, electricity production, automotive production and oil & gas extraction. In line with the Net Zero Banking Alliance, we strive to achieve net zero by 2050.

Consequently, BCR Group also implemented **greenhouse gas calculation** (internally referred to as **Carbon Footprint Calculation** - "CFC"). Thus, it measures financed portfolio's emissions according to PCAF (Partnership for Carbon Accounting Financials) methodology.

From the methodology published by PCAF, BCR Group has implemented CFC for business module, project finance, residential and commercial real estate.

o) Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile

BCR Group is aware that it is necessary to provide the estimated impact of environmental risk on the institution's capital adequacy. The potential impact was assessed by taking into account results of comprehensive stress test. The stress test shows limited impact on our risk profile, capital adequacy and liquidity adequacy.

In this light, we find that there is no need to put capital aside immediately considering:

- ESG risk as transversal by nature is a driver of key risk types (e.g., credit, market, liquidity, operational risk), thus the risk management framework and economic capital are implemented under affected key risk types (preventing double counting of risk)
- ongoing implementation of proactive risk management framework (e.g., decarbonization strategy, improving data management) to cope with transitional risk, effectively reducing Group exposure to climate related and environmental (CE) risks

- ESG as emerging risk, expected to unfold its loss potential slowly over the next decades, where the path of development is quite well understood and therefore, risk measurement systems of Erste Group (e.g., PDs) as well as client's behaviour will step-by-step adapt to respective changes.

p) Data availability, quality and accuracy, and efforts to improve these aspects

Since 2021, the ESG relevant data have been included in the data collection processes for indicators' calculation and reporting purposes (further data will be introduced to cover additional requirements).

Regarding data quality of information collected for ESG, several business and technical data quality checks have been implemented that monitor ESG relevant fields.

q) Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits

In order to ensure strategic goals achievement defined through RAS, BCR is using a wider set of limits (operative limits) designed for this purpose. In 2023 two new operative limits specific to environmental risk were introduced:

- **limit on exposures to highly carbon-intensive companies:** share of exposures with "high" and "very high" score based on GHG emissions for business loans and project finance portfolio from total assessed portfolio.
- **limit on EPS labels for mortgage loans:** share of new Real Estate collaterals (RRE & CRE) with an energy performance label class D or worse from total new Real Estate collaterals.

r) Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework

BCR Group identifies sectors that are vulnerable to environmental risks via the Group's ESG Factor Heatmap as mentioned in previous sections.

Via the ESG Assessment Questionnaire previously detailed, the bank is able to assess how certain ESG factors may have a positive or negative impact on the financial performance of clients. In this manner, the bank is able to ensure that the potential impact of environmental risks on the loan portfolio (and thus credit risk) is considered.

ESG risks are implicitly covered in the existing Operational and Non-Financial Risk (NFR) Management framework and all methods covered therein. Also, they are explicitly addressed in the yearly Operational Risk Scenario Analysis and the Stress Testing framework. On a daily basis, the NFR decision framework can be seen as a case-by-case scenario analysis also covering ESG risks in all impact dimensions (financial, legal and reputational). Data collection and reporting requirements for ESG events follow the same standards as other Operational Risk events. Given the above, ESG risks are implicitly (via loss data) and explicitly (via scenario analysis) covered in the RWA calculation for operational risk.

The NFR decision process ensures a deep-dive scenario analysis, covering ESG risks in all dimensions (financial, legal and reputational) for single transactions (including those related to scope 3 financed emissions). In addition, the NFR decision process is intrinsic to various business decision governance frameworks, including financing, outsourcing and product development. The process is designed for risk acceptance of evaluated NFRs, including climate and environmental (C&E) risks, with exact risk escalation levels and documentation. This serves as a foundation for effective risk response and monitoring.

The NFR decision process allows for comprehensive consideration of climate and environmental risks and other non-financial risks, by measuring the probability and impact of identified risk scenarios. Impacts assessed include the financial consequences of the identified risk, projected reputational damage, as well as projected legal compliance aspects associated with the acceptance of such risk(s).

Depending on the scaling of identified risks, each NFR decision has to be accepted by the appropriate risk acceptance level, depending on the combination of risk probability and risk impact. Each acceptance must be associated with respective risk mitigation measures.

Social risk

Business strategy and process

a) Adjustment of the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning

The analysis of mid- and long-term developments, stakeholder perceptions, changes to the social and business environment and related social challenges, are **key elements to determine the ESG strategy**. ESG risks identification like potential environmental damages, severe negative social consequences or poor governance have been always an integral part of **Erste Group business and risk management framework**.

Our analysis of socio environmental topics provided the basis for BCR Group's long-term ESG strategy, objectives, and framework. Furthermore, the identified environmental and social challenges are considered in the **ESG Factor Heatmap** and **BCR Responsible Finance Policy**. In context of our financing and investment operations, BCR Group considers social, ecological, and ethical criteria as well as impact on society and the environment in addition to economic consideration. These standards are the ones used to define our compliance principles.

The **Social Banking Risk Policy** sets out the key requirements for managing credit risk related to social banking in BCR. This policy applies to social banking lending to social non-governmental organizations (NGO) and special impact projects. Therefore, the policy applies to financing activities related to these primary objectives, performed by social banking.

b) Objectives, targets and limits to assess and address social risk in short-term, medium-term and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes

The social cohesion creates a strong and reliable basis for a well-functioning socio-economic environment that will bring prosperity to many. BCR is therefore pursuing effective initiatives to promote financial inclusion, social banking, financial education and gender equality.

Social Inclusion - societal cohesion:

- Promoting financial inclusion through our social banking activities, thereby strengthening social cohesion in the civil society.
- Helping our customers gain financial health and financial literacy, with a focus on financial education projects for children and young people.
- Promoting diversity, including gender diversity, as a significant contributor to a healthy corporate culture and performance.

Governance

c) Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities

BCR Group's commitment to society has never been limited to business activities alone. We consider financial literacy, access to banking products for financially excluded groups are areas where we can generate a significant positive impact on society. Financial education may help customers to take better decisions. The result: better investment and finance decisions for customers, higher earnings and lower risk for the bank. The development and approval of new products and services is based on a structured process which is informed by strategic goals (identified customer needs and market opportunities) and guarantees comprehensive quality assurance.

BCR Group's employees are a key asset in the successful transformation of our organisation, corporate culture and competences. Sustainable human resources management encompasses effective diversity and inclusion management. Attracting, retaining, and engaging highly qualified employees is crucial to the business success of BCR Group. One of the measures is to involve its employees in management decisions via representative bodies, in particular in matters that directly affect employees. A sound work-life balance is essential for maintaining and promoting health.

d) Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to: (i) Activities towards the community and society; (ii) Employee relationships and labour standards; (iii) Customer protection and product responsibility; (iv) Human rights

BCR Group's reputation is vital to us and to our multitude of stakeholders, including customers, shareholders and employees. The bank has established an integrated approach to effectively manage reputational risks, with a robust framework of group-wide policies and procedures.

Therefore, we have identified so-called "areas of concerns" within our **Reputational Risk Management Policy**, which includes a large number of social risk factors.

Identified risk events with reputational risk impact have to be evaluated based on the Operational Risk Scaling Matrix and the Risk Appetite Statement. The Operational Risk Scaling Matrix takes into account the probability and the severity of a possible risk event. All the identified and evaluated occurrences with reputational risk impact have to be managed in order to keep the risk exposure within the approved risk appetite by choosing and deciding on one of the following strategies: (a) avoidance, (b) mitigation or (c) acceptance.

e) Integration of measures to manage social factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body

BCR's ESG governance is driven by the fact that environmental risk is considered as a transversal risk influencing the "classical" risk types such as credit, market and operational risk, thus the existing well-established committees and board structure are used to deal with environmental risks.

In 2021, a Sustainability Committee has been set up, a decision Body integrated into BCR's Governance Structure with the primary focus on Strategic and Governance Decisions related to Sustainability, monitoring the progress of ESG initiatives and targets.

The Sustainability Committee is organized and operates as an analysis, consultative and decision-making body for Sustainability related topics, according to the authority limit settled by the own internal rules and other internal regulations. It is subordinated to the MB, holding delegated decision authority from the MB within the limits of its competencies.

The main responsibilities of the Sustainability Committee are described below:

- Sustainability strategy proposals to be further incorporated in the overall BCR Strategy, together with the Sustainability Strategy related key policy and strategy implications (e.g., business, operations, incl. facility management, risk)
- Sustainability governance framework
- Sustainability targets, KPIs, key metrics and setting priorities
- Communication and engagement campaigns, which have the purpose to present the Sustainability positioning of BCR Group or contain sustainability related content
- Engagements in associations related to Sustainability
- External/ Internal Sustainability training programs
- External ESG Reporting and/ or Disclosure

f) Alignment of the remuneration policy in line with institution's social risk-related objectives

As regards the remuneration policy and whether social risk is included, please refer to the Environmental risk chapter, section i.

Risk management

g) Definitions, methodologies and international standards on which the social risk management framework is based

ESG risks arise as negative financial impact from the materialization of negative environmental, social or governance events. Social risks are mostly those which materialize due to poor standards of respecting elementary rights, inclusiveness, or ineffective labor relations and unfair-, untransparent or malleus customer practices. Social risks materialize mostly through damage to reputation, ineffective or even disrupting operations or loss of critical labor force, and finally through financial claims and liabilities due to improper practices.

Whilst carrying out the double materiality assessment process for the purpose of the Corporate Sustainability Reporting Directive the following main social risk drivers were identified and considered from a value chain perspective inclusively:

- Human Rights (rights of freedom, child labor, forced labor & human trafficking, poor conditions on healthcare, education and job safety, differentiation in labor conditions, compensation, segregation).

- Workers' rights (violation of worker's rights as collective bargaining, freedom of association, working hours; poor worker safety record, forced labor conditions, child labor).

- Customer protection and conduct risk (exposure to liability by consumer protection, consumer rights and wrong customer preference, exposure to damages caused by products, services, legal charges against the company, weak personal data security and privacy protection, claims of unfair and misleading promotion).

h) Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to social risk, covering relevant transmission channels

Within the risk assessment of loan origination and monitoring process for large corporate and commercial real estate transactions, the bank includes an ESG questionnaire-based screening through the ESG Assessment Questionnaire, detailed in the Environmental risk chapter. Also covered are social risk factors like exposure to human rights violations, child labour and forced labour, or violation of employee rights.

For segments with lower exposures, the main instrument used is the ESG Factor Heatmap, where potential social risk factors, such as human rights, workers' rights and customer protection, are taken into account within the industry risk assessment for our regions in the annual process of reviewing the heatmap.

For single decision taking, out of the identified social risks, NFR decision process has to be considered, while in case of credit/loan decisions this is incorporated in the respective process. Product Approval Process Operational Risk Assessment (PAP) and outsourcing for change the bank and NFR decision for others (e.g., financing, etc.).

i) Activities, commitments and assets contributing to mitigate social risk

We consider financial literacy and access to banking products for financially excluded groups as areas where we can generate a significant positive impact on society and mitigate social risk.

BCR's social banking initiatives focus on financially excluded or vulnerable individuals (people at risk of poverty or social exclusion), start-ups, micro-entrepreneurs and social organisations (non-profit sector, non-governmental organisations and social enterprises), offering them fair access to financial products, sound financial advice.

j) Implementation of tools for identification and management of social risk

Regarding the tools implemented and used to identify and manage social risks (e.g., ESG Factor Heatmap, ESG Assessment Questionnaire, NFR decision process, etc.), please refer to the Environmental risk chapter, sections n and l.

k) Description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching these limits

To some extent, see section b above.

l) Description of the link (transmission channels) between social risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework

The potential impact of social risks on the quality of our credit portfolio was considered in Risk Materiality Assessment (RMA) for ICAAP purposes, based on the qualitative assessment at the level of industry sub-segments (ESG Factor Heatmap) as well as for the first time on the ESG Assessment Questionnaire that enable a specific coverage of large corporate clients.

Governance risk

Governance

a) Institution's integration in their governance arrangements governance performance of the counterparty, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics

ESG governance bodies comprise the supervisory board level, the management board level as well as business and function-specific levels.

The **Management Board** is responsible for managing the organisation as required for the benefit of the company, taking into account our shareholders, employees, clients and multi-stakeholders. It specifies the company's values and goals in concrete terms and lays down the corporate strategy with due regard to sustainability aspects and the associated opportunities and risks in respect to the environment, social concerns and corporate governance. It defines the ESG strategy and is responsible for the ESG framework, goals and priorities.

BCR Sustainability Department, which reports to the CEO and is headed by the Sustainability Head, develops BCR' sustainability strategy and is responsible for embedding it across the organisation. It develops key ESG policies, secures in-house expertise on climate, environmental, social and governance objectives, defines the ESG governance framework and financing rules and selectively intervenes in single transactions. In addition, it ensures transparency on BCR Group's sustainability impact and works with investors, ESG rating agencies, NGOs and regulatory and public bodies. It facilitates coordination with Group ESG Office.

The ESG Core Team is a collaboration platform on which senior managers from various areas – business, finance, risk management, data management and other support functions – work together to develop ESG objectives and initiatives. It agrees and co-ordinates initiatives, timelines, and other matters for implementation by the relevant internal stakeholders. Meetings are held periodically. The Committee local task force on sustainable finance is responsible for local application of Group' Sustainable Finance Framework, implementation of group-wide criteria for the classification of sustainable assets, asset allocation and reporting obligations. The task force is organised by BCR Sustainability Department and convenes on regular basis demand having on agenda topics such as implementation of E&S matters, selection criteria for sustainable finance, industry sustainable finance strategies and decarbonization initiatives.

ESG Sustainability Department - area of responsibility:

• Develops, defines and supervises the sustainability strategy

• Develops and implements sustainable organizational policies to address environmental concerns

• Conducts studies and research to identify environmental and sustainability concerns, interests and issues

• Ensures support for sales functions in structuring complex transactions with sustainability component

• Elaborates and manages the sustainability concepts in the bank and provides support for education through trainings, events, workshops and any other means in the field of sustainability

• Initiates and proposes actions that have as main objective the promotion of key sustainability objectives in the financing activity

• Coordinates proposals for sustainable financing strategies of relevant industries

• Organizes and coordinates the integration of sustainability into all functional lines of the bank.

b) Institution's accounting of the counterparty's highest governance body's role in non-financial reporting

The Supervisory Board is overseeing the implementation of the strategic ESG initiatives.

c) Institution's integration in governance arrangements of the governance performance of their counterparties including:

i) Ethical considerations; (ii) Strategy and risk management; (iii) Inclusiveness; (iv) Transparency; (v) Management of conflict of interest; (vi) Internal communication on critical concerns

As further described in section d.

Risk Management

d) Institution's integration in risk management arrangements the governance performance of their counterparties considering:

(i) Ethical considerations; (ii) Strategy and risk management; (iii) Inclusiveness; (iv) Transparency; (v) Management of conflict of interest; (vi) Internal communication on critical concerns

The potential impact of governance risks on the quality of our credit portfolio was considered within **Risk Materiality Assessment (RMA)** 2023 for ICAAP purposes, based on the assessment at the level of industry sub-segments (ESG Factor Heatmap) as well as for the first time on the ESG Assessment Questionnaire that enable a specific coverage of large corporate clients.

Within the risk assessment of loan origination and monitoring process for large corporate, BCR includes an ESG questionnaire-based screening through the **ESG Assessment Questionnaire**, detailed in the Environmental risk chapter. Also covered are governance risks, covering governance failure, supply chain management issues, corporate governance and transparency, to name a few. Additional checks on minimum safeguards alignment have been added, taking into account applicable legislation and international principles such as the OECD Guidelines for Multinational Enterprises.

For segments with lower exposures, the main instrument used is the **ESG Factor Heatmap**, where potential governance risk factors, such as corporate governance, ethical standards and transparency, are taken into account within the industry risk assessment for our regions in the annual process of reviewing the heatmap.

Quantitative disclosure on environmental risk

41 Template 1 EBA/ITS/2022/01: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

	Sector/subsector	Gross carrying amount (RON million)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (RON million)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity (years)
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
1	**Exposures towards sectors that highly contribute to climate change***	20,096.3	475.6	140.6	4,809.1	557.9	(1,206.3)	(613.9)	(396.9)	2.5	1.7	0.2	15,114.7	4,435.3	540.6	5.7	0.0
2	A - Agriculture, forestry and fishing	708.5	-	-	90.1	31.0	(45.0)	(17.9)	(13.9)	0.0	-	0.2	583.9	102.3	22.2	0.1	0.0
3	B - Mining and quarrying	470.9	-	0.0	69.6	6.3	(8.4)	(6.7)	(1.3)	0.0	0.0	0.0	470.1	0.9	-	0.0	0.0
4	B.05 - Mining of coal and lignite	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	B.06 - Extraction of crude petroleum and natural gas	373.8	-	0.0	-	-	(0.2)	-	-	0.0	0.0	0.0	373.8	-	-	0.0	0.0
6	B.07 - Mining of metal ores	0.1	-	-	0.1	0.0	(0.0)	(0.0)	(0.0)	0.0	0.0	-	0.1	-	-	0.0	0.0
7	B.08 - Other mining and quarrying	86.2	-	-	69.5	0.6	(7.5)	(6.7)	(0.6)	0.0	0.0	-	85.3	0.9	-	0.0	0.0
8	B.09 - Mining support service activities	10.9	-	0.0	0.0	5.7	(0.7)	(0.0)	(0.7)	0.0	0.0	0.5	10.8	-	-	0.0	0.0
9	C - Manufacturing	4,829.9	0.0	30.4	1,423.5	99.7	(252.6)	(155.5)	(58.8)	1.9	1.5	0.2	4,081.1	748.4	-	0.3	0.0
10	C.10 - Manufacture of food products	850.4	-	-	87.7	16.2	(35.0)	(13.1)	(10.9)	0.1	0.1	0.2	804.4	45.9	-	0.1	0.0
11	C.11 - Manufacture of beverages	126.0	-	-	0.4	0.3	(3.1)	(0.0)	(0.3)	0.0	0.0	0.0	108.8	17.2	-	0.0	0.0
12	C.12 - Manufacture of tobacco products	0.0	0.0	-	0.0	0.0	(0.0)	(0.0)	(0.0)	0.0	0.0	-	-	-	-	0.0	0.0
13	C.13 - Manufacture of textiles	17.2	-	-	16.6	0.3	(1.5)	(1.2)	(0.3)	0.0	0.0	-	17.2	-	-	0.0	0.0
14	C.14 - Manufacture of wearing apparel	35.5	-	-	19.0	3.9	(5.2)	(2.6)	(2.4)	0.0	0.0	-	35.4	-	-	0.0	0.0
15	C.15 - Manufacture of leather and related products	9.4	-	-	7.1	0.1	(0.9)	(0.8)	(0.1)	0.0	0.0	-	9.4	-	-	0.0	0.0
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	437.9	-	-	385.4	6.7	(33.6)	(27.7)	(5.5)	0.1	0.1	0.6	380.2	57.7	-	0.0	0.0
17	C.17 - Manufacture of pulp, paper and paperboard	293.0	-	-	63.4	0.9	(8.9)	(5.7)	(0.8)	0.0	0.0	0.0	222.4	70.5	-	0.0	0.0
18	C.18 - Printing and service activities related to printing	44.9	-	-	37.6	1.2	(4.7)	(3.5)	(1.1)	0.0	0.0	-	43.7	1.2	-	0.0	0.0

	Sector/subsector	Gross carrying amount (RON million)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (RON million)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity (years)
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
19	C.19 - Manufacture of coke oven products	309.0	-	0.1	0.0	-	(7.1)	(0.0)	-	0.2	0.1	0.1	309.0	-	-	0.0	0.0
20	C.20 - Production of chemicals	81.2	-	-	1.3	0.9	(2.7)	(0.1)	(0.8)	0.2	0.2	0.6	80.9	0.2	-	0.0	0.0
21	C.21 - Manufacture of pharmaceutical preparations	42.0	-	-	0.0	0.0	(0.4)	(0.0)	(0.0)	0.0	0.0	-	39.4	2.6	-	0.0	0.0
22	C.22 - Manufacture of rubber products	398.2	-	0.0	120.3	8.4	(25.4)	(19.6)	(1.9)	0.1	0.1	0.1	365.5	32.7	-	0.0	0.0
23	C.23 - Manufacture of other non-metallic mineral products	456.3	-	-	330.8	3.2	(39.3)	(36.9)	(1.8)	0.1	0.0	-	249.0	207.3	-	0.0	0.0
24	C.24 - Manufacture of basic metals	153.0	-	-	16.6	0.0	(2.0)	(1.3)	(0.0)	0.0	0.0	0.0	153.0	-	-	0.0	0.0
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	334.9	-	0.2	135.8	4.4	(18.8)	(13.9)	(3.3)	0.1	0.1	0.0	319.4	15.4	-	0.0	0.0
26	C.26 - Manufacture of computer, electronic and optical products	17.0	-	-	1.9	13.8	(4.3)	(0.1)	(4.2)	0.0	0.0	-	17.0	-	-	0.0	0.0
27	C.27 - Manufacture of electrical equipment	90.2	-	0.7	40.8	2.9	(4.9)	(2.9)	(1.6)	0.0	0.0	-	75.4	14.8	-	0.0	0.0
28	C.28 - Manufacture of machinery and equipment n.e.c.	282.7	-	1.9	56.3	15.2	(25.9)	(13.4)	(12.4)	0.2	0.1	0.0	282.7	-	-	0.0	0.0
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	685.7	-	27.6	40.0	15.4	(15.2)	(4.3)	(7.9)	0.7	0.7	0.7	420.8	264.9	-	0.0	0.0
30	C.30 - Manufacture of other transport equipment	21.7	-	-	3.9	0.4	(1.5)	(0.6)	(0.4)	0.0	0.0	-	21.7	-	-	0.0	0.0
31	C.31 - Manufacture of furniture	118.9	-	-	45.4	5.2	(9.4)	(5.5)	(3.1)	0.0	0.0	-	100.7	18.2	-	0.0	0.0
32	C.32 - Other manufacturing	16.2	-	-	10.5	0.1	(2.1)	(1.9)	(0.1)	0.0	0.0	-	16.2	-	-	0.0	0.0
33	C.33 - Repair and installation of machinery and equipment	8.7	-	-	2.6	0.1	(0.6)	(0.4)	(0.1)	0.0	0.0	-	8.7	-	-	0.0	0.0
34	D - Electricity, gas, steam and air conditioning supply	1,977.9	166.0	93.3	240.9	0.0	(25.6)	(9.1)	(0.0)	0.1	-	0.7	1,769.9	207.9	-	0.0	0.0
35	D35.1 - Electric power generation, transmission and distribution	1,484.3	-	0.2	240.8	0.0	(20.0)	(9.1)	(0.0)	0.1	-	0.6	1,276.4	207.9	-	0.0	0.0
36	D35.11 - Production of electricity	394.4	166.0	0.2	64.8	0.0	(9.1)	(5.1)	(0.0)	0.0	-	0.2	186.5	207.9	-	0.0	0.0
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	490.1	-	93.1	0.1	0.0	(5.6)	(0.0)	(0.0)	0.0	-	1.0	490.1	-	-	0.0	0.0
38	D35.3 - Steam and air conditioning supply	3.5	-	-	0.0	0.0	(0.0)	(0.0)	(0.0)	0.0	-	-	3.5	-	-	0.0	0.0

	Sector/subsector	Gross carrying amount (RON million)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (RON million)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity (years)
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
39	E - Water supply; sewerage, waste management and remediation activities	333.1	-	0.6	133.4	3.2	(44.7)	(38.1)	(2.7)	0.0	-	0.3	277.1	56.0	-	0.0	0.0
40	F - Construction	1,224.8	-	0.0	246.9	77.5	(92.2)	(32.1)	(49.5)	0.1	0.1	0.1	1,014.6	210.0	0.0	0.3	0.0
41	F.41 - Construction of buildings	640.5	-	0.0	106.2	9.6	(30.6)	(15.5)	(9.2)	0.0	0.0	0.2	438.1	202.2	0.0	0.2	0.0
42	F.42 - Civil engineering	361.1	-	-	82.1	54.7	(38.1)	(5.6)	(31.6)	0.0	0.0	0.1	361.0	0.0	-	0.0	0.0
43	F.43 - Specialised construction activities	223.3	-	-	58.6	13.2	(23.6)	(11.0)	(8.8)	0.0	0.0	-	215.5	7.8	-	0.1	0.0
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	5,542.3	309.6	0.3	1,740.6	239.2	(507.6)	(261.8)	(179.5)	0.1	-	0.1	5,033.0	450.3	54.7	4.2	0.0
45	H - Transportation and storage	1,795.7	-	-	511.4	91.7	(130.4)	(36.6)	(82.0)	0.2	0.1	0.4	576.4	1,115.3	103.5	0.4	0.0
46	H.49 - Land transport and transport via pipelines	1,134.3	-	-	133.9	22.7	(51.7)	(24.3)	(18.6)	0.0	0.0	0.6	422.4	711.6	-	0.4	0.0
47	H.50 - Water transport	7.3	-	-	1.4	0.0	(0.2)	(0.2)	(0.0)	0.0	0.0	-	7.3	-	-	0.0	0.0
48	H.51 - Air transport	1.3	-	-	0.0	0.0	(0.0)	(0.0)	(0.0)	0.0	0.0	-	1.3	-	-	0.0	0.0
49	H.52 - Warehousing and support activities for transportation	576.4	-	-	371.7	0.9	(14.7)	(11.0)	(0.9)	0.1	0.1	0.0	69.1	403.8	103.5	0.0	0.0
50	H.53 - Postal and courier activities	76.3	-	-	4.4	68.0	(63.7)	(1.1)	(62.5)	0.0	0.0	0.9	76.3	-	-	0.1	0.0
51	I - Accommodation and food service activities	175.9	-	-	86.7	8.9	(21.2)	(12.0)	(8.8)	0.0	-	0.0	95.1	31.5	49.1	0.2	0.0
52	L - Real estate activities	3,037.4	-	16.0	265.9	0.3	(78.4)	(44.0)	(0.3)	0.0	-	-	1,213.5	1,512.7	311.2	0.0	0.0
53	**Exposures towards sectors other than those that highly contribute to climate change***	1,595.1	16.0	0.3	293.3	22.3	(87.1)	(41.3)	(20.9)	0.0	0.0	0.0	966.5	344.1	186.3	98.2	0.0
54	K - Financial and insurance activities	102.4	-	-	1.9	0.1	(0.1)	(0.1)	(0.1)	0.0	-	-	72.8	-	-	29.6	0.0
55	Exposures to other sectors (NACE codes J, M - U)	1,492.8	16.0	0.3	291.4	22.2	(86.9)	(41.2)	(20.9)	0.0	0.0	0.1	893.8	344.1	186.3	68.6	0.0
56	TOTAL	21,691.5	491.6	140.9	5,102.4	580.1	(1,293.4)	(655.2)	(417.8)	2.5	1.7	0.2	16,081.2	4,779.4	727.0	103.9	0.0

* In accordance with the Commission delegated regulation EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006

Template 1 provides information on those exposures book (including loans and advances, debt securities and equity instruments not held for trading and not held for sale) more exposed to the risks that institutions may face from the transition to a low-carbon and climate resilient economy. In this template institution must disclose information on their exposures towards non-financial corporates operating in carbon-related sectors, and on the quality of those exposures, including credit quality information on non-performing exposures, stage 2 exposures, and related provisions as well as maturity buckets.

The gross carrying amount of non-financial counterparties portfolio slightly decreased by 31.2 RON million from almost 21,723 RON million as of 31 December 2023 to approximately 21,691 RON million as of 30 June 2024, with significant changes registered on the following industries: Manufacturing (+ 514 RON million), Construction (+ 362 RON million), Wholesale and retail trade (+ 318 RON million), the positive impact being offset by the decrease of exposure pertaining mainly to Other industries (- 744 RON million) driven by the variation of settlement accounts from one reporting period to another. Regarding the distribution of exposure across industries, the most significant as of 30 June 2024 remained Wholesale and retail trade with a share of 26%, followed by Manufacturing (22%) and Real estate activities (14%).

Starting with June 2024, template 1 includes information on scope 1, 2 and 3 financed emissions of non-financial counterparties, as well as the gross carrying amount percentage of the portfolio derived from company-specific reporting.

BCR uses Partnership for Carbon Accounting Financials (PCAF) methodology to measure and disclose the financed emissions linked to their lending and investment portfolios. PCAF has established various methodologies designed to measure emissions across different financial products and investment categories, including but not limited to project finance, commercial real estate and business loans. These methodologies employ multiple data points, such as balance sheet exposure, client-level data, transactional data, and sector-specific information, to calculate financed emissions. Data Quality Scores (DQS) in the context of the PCAF methodology refer to the availability of the data used to calculate the financed emissions, where the scale ranges from a score of DQ 1 (= highest data quality) to DQ 5 (= lowest data quality). The data quality of our calculations reflects the high dependence on sectoral emission factors, as relevant customer information was not widely available. Reported emissions in the corporate customers segment are currently only scored as DQ 2 as we are at present unable to determine whether the reports have been verified.

Overall, the carbon footprint calculation as of June 2024 covers 99.2% of total exposures granted to non-financial corporations (loans and advances, debt securities and equity instruments not held for trading and not held for sale) with business loans being the major source of financed emissions, because of both their absolute quantity (2.4 million tCO2e) and financed emission intensity (114.4 tCO2e/RON million).

Out of total financed emissions of 2.5 million tCO2e, a significant share is attributed to Manufacturing industry, mainly to Automotive sector (C.29 - Manufacture of motor vehicles, trailers and semi-trailers). The sector accounts for 27% of total portfolio mainly due to new financing line granted in 2024 to an auto producer undertaking an extensive investment program, with an important role in the production of electric vehicles.

42 Template 2 EBA/ITS/2022/01: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral

	Counterparty sector	Total gross carrying amount amount (RON million)															
			Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
			0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
1	**Total EU area**	17,392.7	1,764.2	6,949.3	4,387.4	1,133.9	18.2	170.0	5,405.5	4,279.7	1,114.1	64.9	22.1	7.5	5.5	6,493.4	98.66%
2	Of which Loans collateralised by commercial immovable property	3,322.6	739.0	1,704.1	648.2	74.0	3.8	152.8	1,473.0	887.4	60.6	13.5	4.4	0.0	-	883.6	99.49%
3	Of which Loans collateralised by residential immovable property	13,986.8	1,025.1	5,242.4	3,738.3	1,059.9	14.1	17.3	3,931.5	3,390.4	1,052.8	51.4	17.4	7.5	5.5	5,530.4	99.57%
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	83.3	-	2.8	0.8	-	0.3	-	1.0	2.0	0.7	-	0.3	-	-	79.4	0.00%
5	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	6,406.2	406.7	1,416.2	3,354.0	1,077.0	-	152.3								-	0.00%
6	**Total non-EU area**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
7	Of which Loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
8	Of which Loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
10	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	-	-	-	-	-	-	-								-	0.00%

Template 2 outlines the gross carrying amount of loans collateralized with immovable property and repossessed real estate collaterals. Information on climate-change transition risk related to loans collateralised by commercial and residential real estate properties and on collateral repossessed, are based on the energy efficiency of the collateral, including information on the distribution of real estate loans and advances and on repossessed collateral, by energy consumption and by Energy Performance Certificates (EPC) label of the collateral.

Within the overview of loans collateralized by commercial and residential immovable property per energy efficiency (EP score), BCR has also included the exposures for which the energy consumption is estimated, in addition to separately presenting it in the dedicated row. When presenting the exposure distribution per EPC label, the estimated EPC labels are no taken into consideration.

In terms of distribution across EPC labels of loans collateralised by commercial immovable property, class A of energy performance has the highest share in total exposure, of 44.3%. In case of loans secured by residential immovable property, the distribution is balanced between class A (28%) and B (24%), with a high share of cases without EPC label. Compared to 31 December 2023, at the portfolio level, the exposure related to the collaterals which do not have an energy performance certificate decreased by 10%, from 7,242 RON million to 6,493 RON million as of 30 June 2024.

43 Template 3/EBA/ITS/2022/01: Banking book – Climate change transition risk: Alignment metrics

	Sector	NACE Sectors (a minima)	Portfolio gross carrying amount (RON million)	Alignment metric	Year of reference	Distance to IEA NZE2050 in % *	Target (year of reference + 3 years)
1	Power	D 35.11	394.5	KgCO2e per MWh	135.1	85.27%	103.3
2	Fossil fuel combustion	B 06.10, B 06.20 (upstream)	373.6	thousand tCO2e	248.2	6.24%	240.9
3	Automotive	C 29.10	264.6	gCO2e per km	186.7	82.74%	146.1
4	Aviation	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5	Maritime transport	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6	Cement, clinker and lime production	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
7	Iron and steel, coke, and metal ore production	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8	Chemicals	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

*Note: $Distance = \frac{Metric\ at\ reference\ year - (IEA\ scenario\ metric\ in\ 2030)}{(IEA\ scenario\ metric\ in\ 2030)} * 100$

Based on the calculation of financed CO2e emissions for each portfolio according to the PCAF Reporting Standards, BCR has defined carbon-intensive industries in alignment with industry classification applied for internal steering. This analysis was supported by materiality assessment that considers on-balance exposure and financed emissions (Scope 1 + Scope 2 CO2e). The final selection of sectors for definition of decarbonization targets considered the availability of science-based methodologies, technological advances, market trends and regulatory standards. The target setting was derived via the SBTi (Science Based Targets Initiative) and PACTA (Paris Agreement Capital Transition Assessment) methodologies.

Template 3 includes data on the sectors for which decarbonization pathway was defined in alignment with 1.5°C degree scenario. Additionally, the bank defined decarbonization pathways for commercial real estate and mortgage portfolios, consistent with a 1.75°C scenario, and therefore these two portfolios were not included in the template.

The decarbonization targets were set based on physical emission intensity, except for Oil & Gas (upstream) sector where the absolute emissions were deemed as most appropriate metric. For Oil & Gas upstream the baseline value shown in the column "Year of reference" has been defined factoring in bank's business with its customers at the point of targets setting. The bank is committed to avoid expansion of its exposure to oil and gas exploration financing unless it is crucial for energy independence and is indispensable for national energy security within the region. BCR will provide banking services subject to its Responsible Financing Policy.

Within the automotive sector BCR has set decarbonization targets for the clients in the Automotive production, namely manufacturing of light duty motor vehicles, that are defined via NACE 29.10.

44 Template 4 EBA/ITS/2022/01: Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms

in RON million

Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
0.0043	0.00002%	-	0.09	1.00

*For counterparties among the top 20 carbon emitting companies in the world

Template 4 shows institutions exposures towards the top 20 carbon-intensive companies in the world. It includes information on the average maturity of the exposures, providing insights on how these exposures may be impacted by longer-term climate change transition risks.

BCR portfolio comprises a single client that is part of top 20 carbon intensive-companies in the world. The related exposure consists entirely of trade and other receivables, hence the immaterial percentage from total exposure considered (0.00002%).

45 Template 5 EBA/ITS/2022/01: Banking book - Climate change physical risk: Exposures subject to physical risk

	Variable: Geographical area subject to climate change physical risk - acute and chronic events	Gross carrying amount (RON million)													
			of which exposures sensitive to impact from climate change physical events												
			Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity (years)							of which Stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry and fishing	708.5	583.9	102.3	22.2	0.1	2.6	-	11.1	697.5	90.1	31.0	(45.0)	(17.9)	(13.9)
2	B - Mining and quarrying	470.9	470.1	0.9	-	0.0	2.7	-	9.6	461.3	69.6	6.3	(8.4)	(6.7)	(1.3)
3	C - Manufacturing	4,829.9	4,081.1	748.4	-	0.3	2.2	-	353.7	4,428.7	1,423.5	99.7	(252.6)	(155.5)	(58.8)
4	D - Electricity, gas, steam and air conditioning supply	1,977.9	1,769.9	207.9	-	0.0	2.7	-	356.3	1,621.6	240.9	0.0	(25.6)	(9.1)	(0.0)
5	E - Water supply; sewerage, waste management and remediation activities	333.1	277.1	56.0	-	0.0	2.5	-	16.9	307.2	133.4	3.2	(44.7)	(38.1)	(2.7)
6	F - Construction	1,224.8	1,014.6	210.0	0.0	0.3	2.9	-	31.5	1,193.3	246.9	77.5	(92.2)	(32.1)	(49.5)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	5,542.3	5,033.0	450.3	54.7	4.2	1.6	-	174.8	5,366.7	1,740.6	239.2	(507.6)	(261.8)	(179.5)
8	H - Transportation and storage	1,795.7	576.4	1,115.3	103.5	0.4	6.0	-	16.8	1,777.9	511.4	91.7	(130.4)	(36.6)	(82.0)
9	L - Real estate activities	3,037.4	1,213.5	1,512.7	311.2	0.0	5.3	-	234.8	2,802.6	265.9	0.3	(78.4)	(44.0)	(0.3)
10	Loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Loans collateralised by commercial immovable property	9,571.8	5,854.8	3,092.8	624.1	0.0	-	-	427.9	7,704.1	2,138.0	210.3	(592.4)	(343.4)	(141.6)
12	Repossessed colalterals	83.3	-	-	-	-	-	-	-	-	-	-	(0.0)	-	-
13	Other relevant sectors (breakdown below where relevant)	1,771.0	1,061.7	375.6	235.5	98.3	5.1	-	45.8	1,662.0	324.9	31.2	(108.3)	(47.8)	(29.7)

Template 5 provides information on exposures in the banking book (including loans and advances, debt securities and equity instruments not held for trading and not held for sale) towards nonfinancial corporates, on loans collateralized with immovable property and on repossessed real estate collateral that are exposed to climate-related hazards (chronic and acute). The template includes information by sector of economic activity (NACE classification).

The identification of the existence of a physical risk in the BCR's standalone portfolio, is based on the following steps:

- **Selection of material physical hazard events:** climate-related hazards covered are heavy precipitation (rain, hail, snow/ice), floods and wildfire under the acute events and changing precipitation patterns and types (rain, hail, snow/ice) under chronic events
- **Mapping of material physical hazard events related to the bank portfolio collateral/client localization:** we have used NUTS 3 codes (Nomenclature of Territorial Units for Statistics 3 (NUTS) to determine location and to evaluate the physical risks
- **Quantification of the risk exposure at collateral and counterparty level:** determination of the physical risk scores of each asset broken-down per type of hazard is based on data provider Munich Re (external provider).

Template 10 EBA/ITS/2022/01: Other climate change mitigating actions that are not covered in the EU Taxonomy

The template refers to funding contributing to the climate change mitigation which are not covered by the European Taxonomy. BCR portfolio does not include fundings eligible for this template.

Green Asset Ratio

The Green Asset Ratio ('GAR') represents the ratio of the taxonomy aligned assets or economic activities financed by BCR Bank in relation to the total 'covered assets'. The covered assets are the total assets of the bank, except for assets with respect to central governments and supranational issuers, as well as exposures towards central banks and the trading book.

46 Template 6 EBA/ITS/2022/01: Summary of key performance indicators (KPIs) on the Taxonomy-aligned exposures

	KPI			
	Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	% coverage (over total assets)*
GAR stock	0.24%	0.00%	0.24%	33.70%
GAR flow	0.02%	0.00%	0.02%	48.72%

* % of assets covered by the KPI over banks´ total assets

This template provides summary information for the Green Asset Ratio (GAR) indicators, shown in templates 7 and 8. GAR represents the level of alignment of the Bank's assets for the climate change mitigation (CCM) and climate change adaptation (CCA) objective, according to the European taxonomy (Regulation 2020/852, in line with articles 10 and 11).

47 Template 7 EBA/ITS/2022/01: Mitigating actions - Assets for the calculation of GAR

	in RON million	Total gross carrying amount	Jun-24														
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	38,334.1	5,256.7	158.5	-	3.3	133.5	2.1	0.6	-	-	-	5,258.9	159.1	-	3.3	133.5
2	**Financial corporations**	787.4	168.4	17.6	-	1.4	11.2	0.9	0.0	-	-	-	169.3	17.6	-	1.4	11.2
3	Credit institutions	712.0	93.8	7.1	-	1.4	0.7	0.9	0.0	-	-	-	94.7	7.1	-	1.4	0.7
4	Loans and advances	278.1	58.9	2.6	-	1.4	0.7	0.1	0.0	-	-	-	59.0	2.6	-	1.4	0.7
5	Debt securities, including UoP	433.9	34.9	4.5	-	-	-	0.7	-	-	-	-	35.6	4.5	-	-	-
6	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
7	Other financial corporations	75.4	74.6	10.6	-	-	10.6	-	-	-	-	-	74.6	10.6	-	-	10.6
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
20	**Non-financial corporations (subject to NFRD disclosure obligations)**	6,669.7	1,237.9	140.9	-	1.9	122.2	1.2	0.6	-	-	-	1,239.2	141.5	-	1.9	122.2
21	Loans and advances	6,669.7	1,237.9	140.9	-	1.9	122.2	1.2	0.6	-	-	-	1,239.2	141.5	-	1.9	122.2
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
24	**Households**	30,877.0	3,850.3	-	-	-	-						3,850.3	-	-	-	-
25	of which loans collateralised by residential immovable property	18,397.6	3,586.0	-	-	-	-						3,586.0	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-						-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-						-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	28.6	28.6	-	-	-	-	-	-	-	-	-	28.6	-	-	-	-
32	**TOTAL GAR ASSETS**	38,362.6	5,285.2	158.5	-	3.3	133.5	2.1	0.6	-	-	-	5,287.4	159.1	-	3.3	133.5
	Assets excluded from the numerator for GAR calculation (covered in the denominator)																
33	**EU Non-financial corporations (not subject to NFRD disclosure obligations)**	15,033.7															
34	Loans and advances	14,987.9															
35	Debt securities	-															
36	Equity instruments	45.8															
37	**Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)**	-															
38	Loans and advances	-															
39	Debt securities	-															
40	Equity instruments	-															
41	Derivatives	-															
42	On demand interbank loans	62.6															
43	Cash and cash-related assets	2,820.5															
44	Other assets (e.g. Goodwill, commodities etc.)	8,926.3															
45	**TOTAL ASSETS IN THE DENOMINATOR (GAR)**	65,205.7															
	Other assets excluded from both the numerator and denominator for GAR calculation																
46	Sovereigns	36,346.3															
47	Central banks exposure	10,617.1															
48	Trading book	1,653.6															
49	**TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR**	48,617.0															
50	**TOTAL ASSETS**	113,822.7															

BCR GROUP DISCLOSURE REPORT H1 2024

Template 7 provides the gross book value, in terms of eligibility and alignment with the European taxonomy, for loans and advances, debt securities, and equity instruments, with details by counterparty type (financial corporates, non-financial corporates, households, and local governments).
As of 30.06.2024, RON 5,287mn, or 8.11% of covered assets are Taxonomy eligible and RON 159mn, or 0.24% of covered assets are taxonomy aligned in the turnover-based view.

48 Template 8 EBA/ITS/2022/01: GAR (%) Description and Metrics

	% (compared to total covered assets in the denominator)	Jun 24: KPIs on stock															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of total assets covered
			Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable				
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling	
1	GAR	8.11%	0.24%	0.00%	0.01%	0.20%	0.00%	0.00%	0.00%	0.00%	0.00%	8.11%	0.24%	0.00%	0.01%	0.20%	33.70%
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	13.71%	0.41%	0.00%	0.01%	0.35%	0.01%	0.00%	0.00%	0.00%	0.00%	13.72%	0.41%	0.00%	0.01%	0.35%	33.68%
3	Financial corporations	21.39%	2.24%	0.00%	0.17%	1.43%	0.11%	0.00%	0.00%	0.00%	0.00%	21.50%	2.24%	0.00%	0.17%	1.43%	0.69%
4	Credit institutions	13.17%	0.99%	0.00%	0.19%	0.10%	0.12%	0.00%	0.00%	0.00%	0.00%	13.29%	1.00%	0.00%	0.19%	0.10%	0.63%
5	Other financial corporations	99.00%	14.00%	0.00%	0.00%	14.00%	0.00%	0.00%	0.00%	0.00%	0.00%	99.00%	14.00%	0.00%	0.00%	14.00%	0.07%
6	of which investment firms	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
7	of which management companies	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
8	of which insurance undertakings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
9	Non-financial corporations subject to NFRD disclosure obligations	18.56%	2.11%	0.00%	0.03%	1.83%	0.02%	0.01%	0.00%	0.00%	0.00%	18.58%	2.12%	0.00%	0.03%	1.83%	5.86%
10	Households	12.47%	0.00%	0.00%	0.00%	0.00%						12.47%	0.00%	0.00%	0.00%	0.00%	27.13%
11	of which loans collateralised by residential immovable property	11.61%	0.00%	0.00%	0.00%	0.00%						11.61%	0.00%	0.00%	0.00%	0.00%	16.16%
12	of which building renovation loans	n/a	n/a	n/a	n/a	n/a						n/a	n/a	n/a	n/a	n/a	n/a
13	of which motor vehicle loans	n/a	n/a	n/a	n/a	n/a						n/a	n/a	n/a	n/a	n/a	n/a
14	Local government financing	n/a	n/a	n/a	n/a	n/a						n/a	n/a	n/a	n/a	n/a	n/a
15	Housing financing	n/a	n/a	n/a	n/a	n/a						n/a	n/a	n/a	n/a	n/a	n/a
16	Other local governments financing	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
17	Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	0.00%	0.00%	0.00%	0.00%						100.00%	0.00%	0.00%	0.00%	0.00%	0.03%

	% (compared to total covered assets in the denominator)	Jun 24: KPIs on flows															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of total new assets covered
			Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable				
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling	
1	GAR	0.33%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.33%	0.02%	0.00%	0.00%	0.00%	48.72%
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.55%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.55%	0.03%	0.00%	0.00%	0.00%	0.00%
3	Financial corporations	10.91%	0.14%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	10.92%	0.14%	0.00%	0.01%	0.01%	22.30%
4	Credit institutions	10.91%	0.14%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	10.92%	0.14%	0.00%	0.01%	0.01%	22.30%
5	Other financial corporations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.00%
6	of which investment firms	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.00%
7	of which management companies	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.00%
8	of which insurance undertakings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.00%
9	Non-financial corporations subject to NFRD disclosure obligations	0.67%	0.18%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.67%	0.18%	0.00%	0.00%	0.01%	0.00%
10	Households	0.48%	0.00%	0.00%	0.00%	0.00%						0.48%	0.00%	0.00%	0.00%	0.00%	0.00%
11	of which loans collateralised by residential immovable property	2.10%	0.00%	0.00%	0.00%	0.00%						2.10%	0.00%	0.00%	0.00%	0.00%	0.00%
12	of which building renovation loans	n/a	n/a	n/a	n/a	n/a						n/a	n/a	n/a	n/a	n/a	0.00%
13	of which motor vehicle loans	n/a	n/a	n/a	n/a	n/a						n/a	n/a	n/a	n/a	n/a	0.00%
14	Local government financing	n/a	n/a	n/a	n/a	n/a						n/a	n/a	n/a	n/a	n/a	11.04%
15	Housing financing	n/a	n/a	n/a	n/a	n/a						n/a	n/a	n/a	n/a	n/a	82.06%
16	Other local governments financing	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.00%
17	Collateral obtained by taking possession: residential and commercial immovable properties	1.57%	0.00%	0.00%	0.00%	0.00%						1.57%	0.00%	0.00%	0.00%	0.00%	0.00%

This template provides the eligibility and alignment levels of loans and advances, debt securities, and equity instruments, for the different portfolios, compared to total assets, with detailed information for the stock and flows in 2024.

In addition, the table also returns the percentage of assets considered for the GAR calculation out of total assets.

15 Abbreviations

AC Amortized Cost
A-IRB Advanced Internal Rating-based Approach
ALCO Assets and Liabilities Management Committee
AMA Advanced Measurement Approach
ANEVAR National Association of Romanian Authorized Valuers
ART article
ASF Available Stable Funding
AT1 Additional Tier 1 capital
BB Banking Book
BCBS Basel Committee on Banking Supervision
BCR Banca Comerciala Romana
BSM Balance Sheet Management Division
CCP Central Counterparty
CCR Counterparty Credit Risk
CCyB Countercyclical capital buffer
CET1 Common Equity Tier 1
CRD Capital Requirement Directive
CRM Credit Risk Mitigation
CRO Chief Risk Officer
CRR Capital Requirements Regulation
CVA Credit Valuation Adjustment
DCF Discount Cash Flow
DTL Deferred Tax Liability
EBA European Banking Authority
ECAI External Credit Assessment Institution
ECB European Central Bank
ECL Expected credit loss
EGB Erste Group Bank
EOY end of year
EU European Union
EVE Economic Value of Equity
FIRB Foundation Internal Rating-based Approach
FNGCIMM National credit guarantee fund for SMEs
FTP Funds Transfer Pricing
FVTOCI Fair Value Through the statement of Other Comprehensive Income
FVTPL Fair Value Through Profit or Loss
FX Foreign Exchange
GCM Global Capital Markets
GEO Government Emergency Ordinance
GL Guideline
G-SII Global Systemically Important Institutions
HLA High Liquid Assets
HQLA High Quality Liquid Assets
IAA Internal Assessment Approach
ICAAP Internal Capital Adequacy Assessment Process
IFRS International Financial Reporting Standards
ILAAP Internal Liquidity Adequacy Assessment Process
IMA Internal Model Approach
IMM Internal Model Method

IEA International Energy Agency
IRB Internal Rating-based Approach
ITS Implementing Technical Standards
LCR Liquidity Coverage Ratio
LR Leverage Ratio
MB Management Board
MLRM Market and Liquidity Risk Management Department
MREL Minimum Requirement for Own Funds and Eligible Liabilities
MtM Mark to market
MVoE Market Value of Equity
NACE statistical classification of economic activities in the European Community
NBR National Bank of Romania
NII Net interest income
NPL Non-Performing Loan
NSFR Net Stable Funding Ratio
OCI Other Comprehensive Income
OLC Operative Liquidity Committee
O-SII Other Systemically Important Institutions
PAP Product Approval Process
PIs Personal Individuals
PP&E Property, plant and equipment
PSE Public Sector Enterprises
PVBP Present Value of a Basis Point
RAS Risk Appetite Statement
RMA Risk Materiality Assessment
RREPO Reverse REPO
RSF Required Stable Funding
RW Risk Weight
RWA Risk Weighted Assets
RWEA Risk Weighted Exposure Amount
S/L Stop/Loss
SA Standardised Approach
SA-CCR Standardised approach for counterparty credit risk
SB Supervisory Board
SEC Securitization
SEC-ERBA Securitization: External-ratings-based approach
SEC-IRBA Securitization: Internal-ratings-based approach
SEC-SA Securitization: Standardised Approach
SFT Securities Financing Transactions
SICR Significant increase in credit risk since initial recognition
SMEs Small Medium Enterprises
SPA Survival Period Analysis
SREP Supervisory Review and Evaluation Process
SRM Strategic Risk Management
T1 Tier 1 capital
T2 Tier 2 capital
TB Trading Book
TC Total Capital
TEM Total Exposure Measure
TLAC Total Loss-absorbing Capacity
TREA Total Risk Exposure Amounts
VaR Value-at-Risk