

No: 1735

To: FINANCIAL SUPERVISORY AUTHORITY (FSA) –

Financial instruments and investments sector

BUCHAREST STOCK EXCHANGE

2024 Annual Report as per:	FSA Regulation no.5/2018
Report date	29.04.2025
Name of the issuer	LIBRA INTERNET BANK S.A.
Headquarters	6-6A Calea Vitan, Phoenix Tower, District 3- Bucharest
Phone / Fax No	Tel. +40 (0) 21 208.8000;
Unique Registration Code with the Trade Register	RO 8119644
Order number in the Trade Register	J1996000334403
Subscribed and paid-in share capital	512.622.000 lei
The regulated market where the instruments are traded	Bucharest Stock Exchange
LEI CODE	315700WKDD4ZSRL7HW38

Content: 2024 Annual Report of Libra Internet Bank S.A.,

Libra Internet Bank SA announced that it published the financial results for 2024.

Individual and Separate Financial Statements for the year ended at 31st of December 2024 are prepared in accordance with International Financial Reporting Standards as adopted by the European Union

2024 Annual Report of Libra Internet Bank S.A is available both on the BVB website at:

<https://www.bvb.ro/FinancialInstruments/Details/FinancialInstrumentsDetails.aspx?s=LIBRA30E>

<https://www.bvb.ro/FinancialInstruments/Details/FinancialInstrumentsDetails.aspx?s=LIBRA28E>

<https://www.bvb.ro/FinancialInstruments/Details/FinancialInstrumentsDetails.aspx?s=LIBRA32E>

and on the bank's website at: <https://www.librabank.ro/obligatiuni>.

Eugen Goga

Deputy General Manager

Meral Omer

Treasury Division Head

ANNUAL REPORT

LIBRA INTERET BANK S.A.

31 december 2024

Drawn up according the FSA Regulation no.5/2018

(Appendix 15)

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REPORT OF THE BOARD OF DIRECTORS

12/31/2024

Prepared in accordance with the NBR Order no. 27/2010, NBR Order no. 7/2016, ASF Regulation no. 5/2018, NBR Regulation no. 5/2013 and with Regulation (EU) no. 575/2013. This includes both the Individual Report of the Board of Directors, as well as the statement on corporate governance and the non-financial statement on environmental, social and personnel aspects, respect for human rights and the fight against corruption and bribery.

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Annual Report according to FSA Regulation no. 5/_2018, Annex 15 for financial year 2024 ('Report')

Date of report: 24.04.2025

Company name: Libra Internet Bank SA ('Bank')

Registered office: Calea Vitan, nr. 6-6A, tronson B, C, Et. 1, 6, 9, 13, Phoenix Tower Building, sector 3, Bucharest

Tax reference code: RO8119644

Trade Registry number: J40/334/1996

Phone/fax number: 40 21 208 80 00/ +40 21 230 65 65

Subscribed and paid-up share capital: RON 512,622,000

The regulated market on which the issued securities are traded: Bucharest Stock Exchange.

Main characteristics of securities:

1. **LIBRA30E** issuance of subordinated, registered, dematerialised, unsecured and non-convertible bonds, denominated in EUR, with an individual nominal value of EUR 500/bond and a total nominal value of EUR 4,296,500 over 10 years with an interest rate of 5%/year;
2. **LIBRA28E** issuance of MREL-eligible senior dematerialized, unsecured and non-convertible registered bonds with a nominal value of EUR 100,000/bond and a total nominal value of EUR 40,000,000 over 7 years with an interest rate of 4.25%/year;
3. **LIBRA32E** issuance of subordinated, registered, dematerialised, unsecured and non-convertible bonds, denominated in EUR, with an individual nominal value of EUR 500/bond and a total nominal value of EUR 4,262,000 over 10 years with an interest rate of 6.5%/year.

1. Purpose of the report

The purpose of this Report is to ensure compliance with publication requirements, in order to provide an adequate level of transparency to market participants, by publishing information on:

- performance of the Bank's activities and financial position
- Corporate Governance Practices, Procedures and Structure
- selection and recruitment policy for members of management structures, diversity policy, as well as remuneration policy
- the impact of the company's activity on environmental, social and personnel aspects, respect for human rights and the fight against corruption and bribery
- the main risks and uncertainties faced by the company, the objectives and policies regarding risk management, as well as the capital and risk assessment processes, in order to provide a complete picture of the risk profile. In this context, the Report provides a complex overview of the current risk profile, as well as the risk management process at the level of Libra Internet Bank.

2. Publication requirements

This Report of the Board of Directors meets the publication requirements requested by:

- Law no. 24/2017 on issuers of financial instruments and market operations, as revised

- Regulation of the Financial Supervisory Authority (FSA) no. 5/2018 on issuers of financial instruments and market operations, as revised
- Order of the National Bank of Romania (NBR) no. 27/2010 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, republished, as revised
- The provisions of the NBR Regulation no. 5/2013 on prudential requirements for credit institutions and Part 8 of Regulation no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending EU Regulation no. 648/2012, hereinafter referred to as CRR.

The information in this report is also presented in accordance with the guidelines and regulations published separately by the EBA ('European Banking Authority').

The coordination of the preparation of the report is the responsibility of the Financial-Accounting Division.

3. Analysis of the activity of LIBRA INTERNET BANK SA

3.1 Overview

LIBRA INTERNET BANK S.A. ('Bank') was established on 25 November 1996 and operates under authorization no. 000.025 Series B of 01/24/1997 issued by the National Bank of Romania.

From a legal point of view, LIBRA INTERNET BANK SA is a fully private joint-stock company, established in accordance with Law no. 31/1990 on commercial companies and is registered with the Trade Registry under no. J40/334/1996, having tax code RO 8119644, and is a member of the Romanian Association of Banks. The Bank's headquarters is located at: Phoenix Tower, Calea Vitan nr. 6-6A, Sector 3, Bucharest, Romania.

The report of the Board of Directors is prepared in accordance with NBR Order no. 27/2010, republished, as revised, for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to credit institutions - articles 12 - 17.

During 2024, the Bank carried out its activity in accordance with the Articles of Association approved by the shareholders, as well as with the relevant legislation, the basic activity being 'Other monetary intermediation activities – NACE 6419'.

During financial year 2024, all the Bank's operations, together with those of the customers and on behalf of the customers, were recorded in the Bank's books based on the supporting documents prepared in accordance with Accounting Law no. 82/1991, republished and supplemented with the amendments provided for by NBR Order no. 27/2010, republished, for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to credit institutions.

As of 31 December 2024, LIBRA INTERNET BANK SA operated through its 59 branches, of which 28 located in Bucharest and Ilfov and 31 in Romania's major cities. In 2024, 2 new branches were opened, in Iași and Popești Leordeni.

During 2024 there were no significant mergers, reorganizations and divestitures of assets.

The gross value of investments in 2024 in tangible and intangible asset projects for the current activity and to support the growth of the budgeted business was RON 4,315,333 versus RON 4,039,349 in 2023 (up 1.07% compared to the previous year). There were no major acquisitions or purchases.

3.1.1 Overall evaluation of the activity

The Bank's external auditor, Deloitte Audit SRL, performed the annual audit of the separate and standalone financial statements for the financial year ended 31 December 2024.

Starting 2020, the Bank prepares both standalone and separate financial statements, given its significant participation in the establishment of shareholder Libra Development IFN SA (during 2020).

In the standalone financial statements, the Bank presents the investment in the shareholder at an amount equal to 49% of the value of its equity, while in the separate financial statements the investment is presented at cost (with the performance of the related impairment test).

This director's report refers to the separate financial statements of the Bank.

The audit opinion expresses that the separate financial statements provide a true and fair view of the Bank's separate financial position as of 31 December 2024 as well as its separate financial performance and separate cash flows for the financial year then ended, in accordance with the International Financial Reporting Standards adopted by the European Union.

The main results of the evaluation of LIBRA INTERNET BANK SA are expressed in the following economic and financial indicators:

Economic and financial indicators	2024	2023
Net assets	12,714,653,618	11,188,487,818
Turnover	1,128,859,740	1,005,049,341
Net result	270,221,847	317,291,869
Market share in terms of assets	1.44%	1.39%
Total equity ratio	21.53%	21.45%
Liquidity coverage indicator	300.39%	234.79%
ROA (net result / total assets)	2.26%	2.83%
ROE (net income / equity)	20.09%	25.18%
Cost/revenue	46.93%	39.96%
Gross loans/Deposits	64.41%	72.06%
Immediate liquidity	46.49%	43.63%

The comparison with the main budgetary financial indicators is presented in the table below:

	Achieved 2024	Budgeted 2024	Change (%)
Net assets	12,714,653,618	12,122,210,413	4.89%
Gross Loans	7,449,216,001	7,700,000,000	-3.26%
Customer deposits	10,827,475,936	10,104,986,877	7.15%
Equity	1,430,127,616	1,411,147,373	1.35%
Net interest income	618,261,924	640,578,958	-3.48%
Net fee income	83,658,615	56,820,089	47.23%
Other net operating income	64,384,081	52,014,045	23.78%

Administrative expenses	370,320,601	336,908,905	9.92%
Expenditure on provisions for appropriations	77,773,579	65,557,541	18.63%
Net profit	270,221,847	301,241,604	-10.30%

3.1.2 Evaluation of the technical element of LIBRA INTERNET BANK SA

As of 31 December 2024, LIBRA INTERNET BANK SA operated through its own network of 59 branches, of which 28 in Bucharest and the rest in the main cities in Romania. The bank also has two IT operating centers in Craiova and Cluj Napoca.

The bank does not have its own ATMs in operation, but uses the EURONET network which operates with 564 ATMs, of which 59 are installed at the bank's premises. At the same time, the bank has 9,014 POS installed at merchants.

From the point of view of the information system, Libra Internet Bank SA uses the centralized Temenos T24 system. The bank is present on the market with innovative products and services, some of which are offered for the first time in Romania.

Description of the main products made and/or services provided

The bank mainly offers lending products segmented by business lines and business areas and deposits that are constantly improved taking into account customer needs and market conditions.

In addition, the Bank also offers customers an Internet Banking platform available 24 hours a day, 7 days a week with many functionalities, a platform that is a powerful tool, but at the same time user-friendly.

With a sustained orientation towards digitalization, two other online banking services offered by the bank are the Mobile Banking application (application for all banking operations) and the online card payment service, for eCommerce customers, Libra Pay.

The products and services offered by the Bank are addressed to both individuals and legal entities, focusing on five main areas of activity in terms of lending and attracting resources: Real Estate (real estate developer clients), Corporate (legal entity clients), Liberal Professions (doctors, hospitals, medical clinics and medical offices, notaries, lawyers, pharmacists) and Agribusiness (agricultural clients) and Individuals (private individuals).

The Bank's commercial strategy tracks the results on the following sales segments (business lines):

- Individuals
- Small-sized companies (SME clients, liberal professions and agriculture),
- Large companies (companies with a turnover of more than EUR 5 million),
- Treasury
- Others and GM (other unassigned areas and General Management).

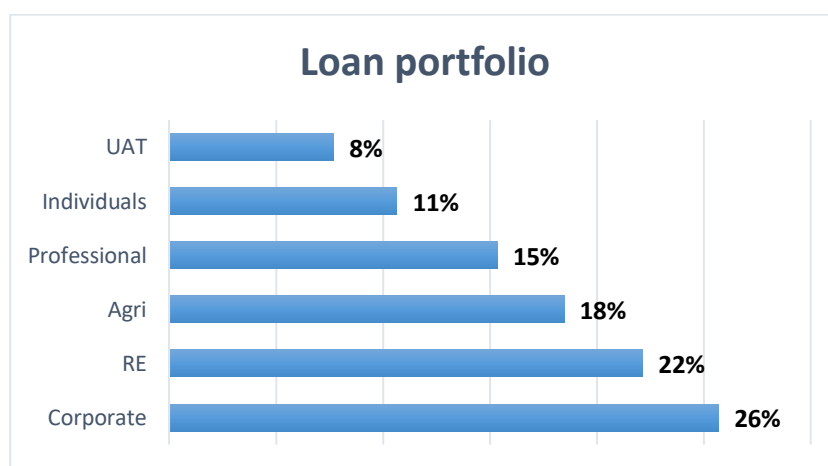
The structure of the loan portfolio by segment at the end of 2024 is summarised in the table below

Credits	2024	2023
Individuals	11%	8%
Small-sized companies	33%	34%
Large companies	56%	58%
Treasury	0%	0%
Others and GM	0%	0%
TOTAL	100%	100%

The structure of the portfolio of deposits from non-bank customers by segments is presented in the table below:

Deposits	2024	2023
Individuals	33%	33%
Small-sized companies	31%	30%
Large companies	35%	37%
Treasury	0%	0%
Others and GM	1%	0%
TOTAL	100%	100%

From the point of view of lending areas, the structure of loan sales at the end of 2024 is as follows:



The main activities carried out by the Bank in 2024 were: attracting resources, placing resources, lending, cards, Libra Pay electronic payment solutions and payment collaborations with various Fintechs in the field of collections and payments.

The bank's total revenues (defined as net interest income, plus net fee income, plus net foreign exchange transaction income plus income from financial instruments at fair value plus other income) for the last two years distributed by segments are presented in the table below:

Total revenue	2024	2023
Individuals	-50,404,866	-57,058,628
Small-sized companies	223,075,537	205,866,448
Large companies	365,900,515	348,863,347
Treasury	224,827,374	196,267,214
Others and GM	2,906,061	9,781,143
TOTAL	766,304,620	703,719,524

The above figures do not include transfer pricing between business segments.

For the upcoming time horizon, the directions of action will be:

- In the retail area, the focus will be on the digitization of the lending activity and on increasing the portfolio of mortgage loans and online consumers, taking advantage of the good financing relationship that the bank has with residential project developers.
- Development of new loan products under the various guarantee/financing programs offered by the national and international financing institution: EIF, EIB, National Guarantee Fund
- Limiting the financing of real estate projects, up to 35% of the total loan portfolio.
- Increase the portfolio of mortgage loans for individuals, agriculture and liberal professions to ensure a balanced and diversified total growth of the Bank.

New products

Starting January 2024, Libra Internet Bank customers have the opportunity to deposit money into the bank accounts they hold, using the cards issued by the bank and certain ATMs in the Euronet Network.

In April, the **Farmer's Loan** was launched, through which agricultural entrepreneurs could obtain up to RON 10 million with 1.95% interest per year.

In the second part of the year, the **InvestEU Loan** was launched, through which financing could be granted to legal entities with European guarantees between 50-70% of the loan value.

At the end of the year, Libra launched 2 new payment products: **RoPay**, through which instant payments can be made in Romania based on a scanned QR code and euro instant payments, through which payments can be made in a few seconds to beneficiaries in the European Economic Area.

Also, in November, the **Notary's Special Account** was launched, which allows notaries to more easily manage the amounts collected from the buyer and transferred to the seller.

Currency Cloud: a currency exchange platform available around the clock for customers with business subscriptions that can be accessed through the bank's internet banking application.

3.1.3 Evaluation of the technical-material supply activity

This section is not significant for the Bank.

3.1.4 Evaluation of the sales activity

Sales within the Bank are carried out only on the Romanian market through the five business segments described above: Individuals, Small-sized Companies (which includes the sales force dedicated to micro-enterprises, agricultural and liberal profession customers), Large Companies, Treasury and Others.

The sales activity is carried out in a strong competitive environment, in which banks have developed and adapted their offers according to market requirements, the impact of exogenous factors on the real economy, as well as the increasingly evident pressure of competition on the financial-banking market. Lately, the development of the banking system has resulted both in the diversification of banking products and services, as well as in increasing the settlement speed of banking instruments and the degree of technology. In this context, Libra Internet Bank SA constantly focuses its attention on product automation, operational flows and digitalization.

Description of any significant dependency on a single customer or group of customers whose loss would have a negative impact on the Bank's revenues

Not the case.

3.1.5 Assessment of employee/personnel issues

At the end of 2024, the Bank had 1,314 employees, up by more than 19% compared to 2023, continuing the strategic objective of strengthening technical teams, thus supporting development, innovation and sustainable growth.

	31 December 2024		31 December 2023		31 December 2022	
	No. of employees	Salary costs	No. of employees	Salary costs	No. of employees	Salary costs
In RON						
Operational staff	1,146	168,331,949	953	130,565,914	891	107,663,963
Management staff	168	65,009,822	147	60,511,553	146	48,156,062
	1,314	233,341,771	1,100	191,077,467	1,037	155,820,025

The personnel activity in the Bank is ensured by the Human Resources Division, which supervises the recruitment and selection processes, performance evaluation, employee loyalty and reward, as well as all professional development and training programs, to increase employee motivation and commitment.

The evaluation of professional performance applies to all Bank employees and is carried out annually by measuring the achievement of business objectives (KPIs), but also of the skills necessary to fulfill responsibilities. The performance appraisal process is transparent to all employees.

The remuneration and benefits implementation process is managed by the Human Resources Division and is based on the following principles: motivating employees and maximizing their performance, attracting and retaining talent within the Bank, supporting the Bank's organizational culture and promoting its values, aligning remuneration with profitability, risk, capital adequacy, liquidity and sustainable growth, compliance with the legal framework in force, transparency and internal fairness. Measures to avoid conflicts of interest and to take excessive risks by employees are considered.

The variable component of the total remuneration takes into account several elements, such as: sales or operational bonus, bonuses for recognition of exceptional results, bonus for involvement in projects, team motivation bonus, loyalty bonus and other types of allowances.

Variable remuneration is not guaranteed, being correlated with sound risk management and the principle of performance-based remuneration, so it includes the possibility of not paying any component of it.

For roles that have a particular impact on the Bank's risk profile ('Identified Personnel'), the Bank complies with the local and European legislation in force. The variable component does not exceed 100% of the fixed component of the total remuneration for each person in the category of Identified Personnel.

For Identified Personnel who could benefit from variable remuneration, the variable component may not exceed 100% of the fixed component of the total annual remuneration. When determining the ratio, the sum of all variable remuneration components that could be granted (including the deferred component due for the reference year and deferred for subsequent years) is considered and divided by the sum of all fixed remuneration components granted for the same reference year.

The annual variable component is calculated and granted starting with the year immediately following the reference date of the results. Of the total amount of the variable remuneration, an up-front component (or advance payment) of 60% is allocated to the person, as follows: 50% in cash (the cash component of the annual bonus) and 50% in ghost shares (the non-cash component of the annual bonus).

A substantial part, representing in all cases 40% of the variable remuneration component, is deferred for a period of 4 years and is adequately corroborated with the nature of the activity, its risks and the activities of the staff member concerned. The deferred component is recorded as a provision.

	31 December 2024	31 December 2023	31 December 2022
Expense/(income) with short-term benefits (personnel expenses)	18,635,681	12,162,654	9,922,401
Deferred long-term benefit expense/(income) (other operating expenses)	3,459,478	2,946,025	4,314,366
TOTAL	22,095,159	15,108,679	14,236,767

3.1.6 Assessment of aspects related to the impact of the bank's core business on the environment

As detailed in the Non-Financial Statement in Chapter 4.

3.1.7 Evaluation of the R&D activity

The research activity is not a significant element for the Bank.

The development activity took into account the objectives set by the activity plan and the 2024 Budget by continuing the processes of automation, streamlining and digitization of the bank's processes.

The main achievements in this field in 2024 were:

- **RoPay:** Launch of a new payment scheme. The first wave of adoption for the RoPay scheme has been successfully implemented, marking an important step in the modernization of payment solutions.
- **TIPS - SEPA Instant:** for optimizing instant transfers between bank accounts.
- Defining operational limits and managing subscriptions for better alignment with market requirements.
- **Improving security with Onfido:** Integrating Onfido solutions for device enrollment and password resetting helps increase security.
- **Know Your Customer Digital Transformation** - Dynamic alerting system based on Machine Learning, which identifies negative behavioral changes of individual customers.
- **Libra Voice:** AI-based voice assistant, an innovative feature that allows customers to interact with an AI-based assistant through voice commands.
- **AI Debt Collection** - Transcribe and interpret audio calls with individual customers who have outstanding debts, to identify the intent and when they plan to pay the debts.

3.1.8 Evaluation of the bank's risk management activity

The Bank's internal control complies with 3 fundamental functions: the risk management function, the compliance function and the internal audit function. The control functions are independent of each other, from an organizational point of view, and of the operational and support functions they monitor and control.

The risk management function is a central component of the Bank's internal control system, reporting directly to the Deputy CEO. This function is provided by the Bank through the Risk Management Division, the Bank, in the exercise of its risk management function, carries out its activity in accordance with the legal provisions and specific (European and national) banking rules with the aim of:

- Maintaining and developing a risk culture. The Risk Management Division promotes an institution-wide risk culture through a number of complementary activities, such as:
 - Continuous and periodic monitoring of risks, according to the Risk Profile and Strategy;
 - Informing employees about good practices in risk management.
- Maintaining and developing a risk management framework. The Bank has a central role in maintaining and updating

the risk management framework by:

- Implementing policies, procedures, limits and controls that ensure the identification, assessment, monitoring, mitigation and reporting of risks related to the institution's activities at the level of the credit institution's business lines and at the general level;
- Development of anticipatory and retrospective tools for identifying and measuring risks;
- Establishing and managing regular and transparent reporting mechanisms so that the management body and all relevant banking institutions have timely, accurate, concise, intelligible and meaningful reporting and can exchange relevant information by identifying, measuring or assessing and monitoring risks;

iii. Developing and implementing a policy for approving new products and changes to existing products by:

- Periodic checks carried out at the level of all entities within the Bank;
- Promoting the responsibility of the bank's employees in terms of risk management and their mitigation by managing the self-control activity;
- Employee testing targets both the level of theoretical and practical training, as well as the ability to identify and report incidents or vulnerabilities, which may expose the bank to risk.

In order to keep the risk within acceptable limits and achieve results that compensate for the risk assumed, in accordance with the bank's strategy and business model, the risk management function implements and manages an effective and comprehensive risk management framework. This framework includes elements such as the organisational structure, policies, methodologies, processes and controls, all aligned with the principles and guidelines of the risk strategy. The main goal is to ensure rigorous risk management through identification, evaluation, measurement, control and monitoring/reporting.

Establishing and monitoring the risk limits that translate the Bank's risk appetite into an operational level, regularly reporting their classification, identifying upper limits and the actions to be taken.

The Board of Directors approves and supervises the risk appetite, after defining the objectives, strategies and key risk indicators; the time horizons relevant to the objectives and the types of risks and ranges that the Bank is willing to assume to achieve the objectives. The Board's vision of risk appetite is applied regularly and is embedded in the organizational culture.

The main significant risks to which the Bank is exposed are: credit risk, operational risk, market risk, liquidity risk, strategic risk and compliance risk.

Credit risk is the main risk to which the Bank is exposed as a result of its core mission and the nature of its activities. The bank is exposed to this risk as a result of transactions with customers and other counterparties.

With regard to customer exposures, all new exposures are approved by a credit committee, sub-committee or the Board of Directors, following an in-depth analysis of potential borrowers.

Operational risk is the risk of loss resulting from the use of inadequate internal processes, persons or systems or systems that have not performed their function properly, or from external events. It includes legal risk, fraud risk, model risk, IT risk, risk associated with outsourced activities.

Market risk is the risk of losses on on-balance sheet and off-balance sheet positions due to adverse market fluctuations (relative to the Bank's portfolio, foreign exchange rate risk and interest rate risk).

Liquidity risk represents the current or future risk of negative impact on profits and capital, caused by the inability of the credit institution to meet its obligations at maturity.

Strategic risk (including business risk) is defined as the current or future risk of negative income and capital losses due to changes in the business environment or unfavorable business decisions, improper implementation of decisions or failure to respond to changes in the business environment.

Compliance risk is the current or future risk of loss of profit and capital, which may result in fines, damages and/or termination of contracts, or which may damage the bank's reputation as a result of violations or non-compliance with the legal and regulatory framework, best practices or ethical standards.

As of 31 December 2024 , the bank's internal risk profile is presented in the table below:

Credit Risk (CR)	Low Medium
Residual Risk (RR)	Low
Concentration Risk (CCR)	Low Medium
Liquidity Risk (LR)	Low Medium
Foreign currency lending risk of borrowers not hedged against currency risk (FXL)	Low Medium
Market Risk (MR)	Low
Interest rate risk outside the trading book (IRR)	Medium
Operational Risk (OR)	Low
Outsourcing Risk (EX)	Low
IT&C Risk (IT)	Low
Compliance Risk (COM)	Low
Reputational Risk (REP)	Low Medium
Strategic Risk (including Business Risk) (STR)	Low Medium
TOTAL Profile Score	Within Risk Appetite

Compliance function

The compliance function reports directly to the Deputy Chief Executive Officer and, as part of the bank's internal control system, is responsible for identifying, assessing, monitoring and reporting on the bank's management aspects related to the compliance risk associated with its activities. It also contributes to the promotion of a strong organisational compliance culture by ensuring compliance with internal rules and standards, as well as codes of conduct established at industry or market level. At the same time, the compliance function provides relevant information on developments in this area.

The compliance plans establish the activities to be carried out on the basis of an annual program, submitted for approval to the Management Body. This program includes, at a minimum, the following: implementation and review of specific policies and procedures; assessment of compliance risks; testing and training staff on compliance issues.

Anti-Fraud Function

The anti-fraud function is directly subordinated to the Deputy Chief Executive Officer. The anti-fraud activity aims to create a stable and secure environment for Libra Internet Bank SA and its customers through an effective anti-fraud approach, as well as to facilitate the creation of an organizational culture that protects the Bank's reputation and values. The anti-fraud activity is carried out in order to:

- Implement effective controls to ensure the prevention and detection of fraud and other illegal activities carried out to the detriment of the Bank;
- To clearly present to the Bank's commitments/partners/collaborators that any illegal activity or obtaining an illegal or immoral personal benefit is prohibited;
- Provide an appropriate environment for employees and customers to report/communicate suspicions of fraud or fraudulent, corrupt, criminal behavior;
- Give assurances that all suspicious fraudulent activities will be fully investigated.

The purpose is to define the principles of fraud risk management, the notions and requirements in the field, the way to evaluate actions/inactions or omissions as representing fraud, as well as to draw a general direction for fraud management at Libra Internet Bank SA, in accordance with the legal regulations.

Internal audit function

The internal audit function reports to the Board of Directors and, from an administrative point of view, is subordinate to the Chief Executive Officer. The internal audit activity is strictly monitored by the Audit Committee, which analyzes and debates all reports prepared by the Internal Audit Division, and in turn makes proposals to the Board of Directors.

3.1.9 The Bank's future activity

Given the high degree of uncertainty regarding a possible impact of the fiscal consolidation on economic growth, in a context in which domestic and international developments could force the government to implement a set of fiscal measures in order to bring the budget deficit closer to the target of 7% of GDP in 2025, the Bank has proposed a set of measures for 2025 and the years immediately following:

Profitable growth: Strengthening the market position by leveraging solid expertise and sustainably expanding operations.

- Focus on niche segments: Paying increased attention to traditional segments, such as liberal professions, agriculture, real estate, SMEs, where the bank has a solid experience and a high degree of specialization in these areas.
- Strengthening the position through organic growth and partnerships: Strengthening the bank's position through organic growth and evaluating opportunities for new partnerships to complement the offer of products and services.

Accelerated digitalization: We invest in advanced technologies to improve operational efficiency and customer experience.

- Lending process optimization: Implementing digital solutions to improve operational efficiency and customer experience, ensuring a faster and more efficient lending process.
- Digitalization and technological innovation: Continuing advanced technologies, such as artificial intelligence, to improve customer experience, operational efficiency, and reduce operational costs.

Human capital development: Attracting and retaining talent in the technical and support areas to provide fast, diverse and personalized services to customers.

- Team strengthening: Continuing efforts to attract talent in technical areas, aiming to strengthen IT and Quality Management teams, as well as compliance, risk and support teams. The professional and personal development of employees is essential to maintain a high level of performance.
- Organizational culture: Promoting a culture of innovation and continuous learning. Encouraging employees to be proactive in identifying new opportunities and solutions, providing them with the resources and support they need to develop their skills and knowledge.

3.2 Tangible assets

The Bank's tangible and intangible assets stand at a very low level of less than 1% (0.4%) of total assets, the Bank's policy being to invest exclusively in projects essential for the optimization of operations.

The status of assets as of 31 December 2024, compared to 2023, is presented below:

RON	2024	2023	2022
Tangible assets	51,341,936	53,423,017	49,694,479
Intangible assets	2,611,783	3,285,911	3,059,725
Total	53,953,719	56,708,928	52,754,204

The statement of tangible assets according to the main accounting and depreciation groups is presented below:

	2024		2023	
Buildings	1,852,870	3.61%	1,958,776	3.67%
IT equipment and others	4,251,127	8.28%	3,919,431	7.34%
Motor vehicles	77,262	0.15%	36,391	0.07%
Assets in progress	1,368,124	2.66%	721,586	1.35%
Right of use from lease operations	43,792,553	85.30%	46,786,956	87.58%
Total	51,341,936	100%	53,423,140	100%

The Bank's tangible assets mainly include the right to use the lease contracts and the assets of the Bank's branches and headquarters, all of which operate in leased premises.

Tangible assets are kept in good condition, and their annual scrapping rate is low, standing below 1.60% of total fixed assets.

3.3 The market for securities issued by the bank

In 2023 and 2024, Libra Internet Bank SA did not issue bonds.

In 2022, the Bank successfully placed the third issue of LIBRA32E registered, dematerialized, unsecured and non-convertible bonds, denominated in EUR, with an individual nominal value of EUR 500/bond and a total nominal value of EUR 4,262,000 over 10 years with an interest rate of 6.5%/year.

In 2021, the Bank successfully placed the second issuance of MREL (minimum requirement for own funds and eligible liabilities) LIBRA28E registered, dematerialized, unsecured and non-convertible senior bonds in amount of EUR 40,000,000 over 7 years with an interest rate of 4.25%/year.

The first LIBRA30E bond issue (from 2020) in amount of EUR 4,296,500 over 10 years, with an interest rate of 5% is traded on the Multilateral Trading System (MTS) of the Bucharest Stock Exchange, and the LIBRA28E and LIBRA32E bond issues are traded on the main segment of the Bucharest Stock Exchange, Corporate Bonds category.

The bank pays the interest coupons and the principal related to these issues according to the Prospectuses (LIBRA28E, LIBRA32E) and Memorandum (LIBRA30E). As of 31 December 2024, there were no outstanding payment obligations resulting from these issues.

In the last three years, the Bank granted dividends both from the current year's profit and from Other profit reserves, the total value of which is presented in the table below:

	2024	2023	2022
Net profit realized	270,221,847	317,291,869	238,176,778
Total dividends distributed	100,000,000	100,000,000	100,000,000

In January 2024, the Bank increased the share capital by RON 50,006 million, by incorporating the reserves from the profits of 2018 and 2019, the issuance of additional shares being allocated proportionally to shareholders according to the holdings at the reference date, i.e. 15 December 2023. In July 2024, the shareholders approved the distribution of dividends of RON 100 million in cash.

3.4 Corporate Governance and Bank Management

Corporate Governance is the set of principles underlying the management and control framework of the Bank's activity.

Considering the trading of the three bond issues on the markets regulated by the Bucharest Stock Exchange, the Bank's Corporate Governance complies with both the principles of the governance code of the Bucharest Stock Exchange and

the principles of the corporate governance code that apply to bond issuers on the SMT market.

Libra Internet Bank SA is managed in a split unitary system (the Chief Executive Officer and the Chairman of the Board of Directors being distinct persons) respecting the objectives of corporate governance, the transparency of relevant corporate information, the protection of the interests of various categories of participants and the principles of efficient functioning on the banking market.

LIBRA INTERNET BANK SA is a Romanian legal entity organized as a joint-stock company, governed by the legislation in force in Romania. The banking operations carried out by the Bank are provided for in its articles of incorporation, are authorized by the National Bank of Romania and are stipulated in Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy.

The General Meeting of Shareholders (GMS) is the supreme governing body of the Bank, having the powers provided by law and the bank's articles of incorporation. The duties of the General Meeting of Shareholders, the manner of convening, meeting and decision-making are provided in the bank's articles of incorporation.

The Bank's management body (the Board of Directors and the Management Committee) has the powers and responsibilities provided for in the legal regulations in force and in the Bank's articles of incorporation.

According to the articles of incorporation, the management and administration of the Bank is entrusted to the Board of Directors consisting of seven directors, of which one chairman and two vice-chairmen. The majority of the members of the Board of Directors are non-executive directors.

The directors are appointed by the General Meeting of Shareholders and have the duties provided for in the legal regulations in force and in the Bank's articles of incorporation.

The Board of Directors delegates the management of the Bank to four Directors, appointing one of them as Chief Executive Officer. The other three Directors hold the position of Deputy Chief Executive Officers. The Chairman of the Board of Directors cannot be the Chief Executive Officer of the Bank.

Directors may be appointed from among the directors or from outside the Board of Directors.

The four directors (the Chief Executive Officer and the three Deputy Chief Executive Officers) together form the Management Committee.

The Chief Executive Officer and three Deputy Chief Executive Officers are directors of the Bank within the meaning given to this notion by the company legislation (persons to whom the Board of Directors has delegated management powers of the company).

The Board of Directors (the management body in its supervisory function) of the Bank has the powers established by the Articles of Incorporation, updated on 22 December 2023, in Chapter 17 (attached).

The Board of Directors may delegate part of its powers in the lending business to the Credit Committee and/or the Credit Subcommittee, but without in any way exempting its supervisory function from collectively exercising its duties and responsibilities.

The decisions of the Board of Directors and the Management Committee are recorded in minutes in which responsibilities and deadlines for carrying out those decisions are established, if applicable.

The Risk Management Division gives a negative or positive opinion to the decisions of the Management Committee and the Board of Directors, taken under the conditions provided for in the articles of incorporation. The opinion of the Risk Management Division is brought to the attention of the decision-making management body and does not hinder the decision-making process.

The directors are responsible for taking all measures related to the management of the company, within the limits of the company's object of activity and in compliance with the exclusive powers reserved by law or by the articles of incorporation of the Board of Directors and the General Meeting of Shareholders.

Minimum expected time

The members of the Board of Directors and of the Management Committee complete at the beginning of the mandate, as well as annually, a declaration-commitment regarding the minimum expected time of effective participation for the adequate exercise of their prerogatives. The declarations are sent to the Human Resources Division for retention.

Organizational structure of the Bank

The divisions represent the first organizational level of this organizational structure and are directly subordinated to the Chief Executive Officer /Deputy Chief Executive Officers (members of the Management Committee) according to the organizational charts annexed to the Internal Organization Regulation. Divisions may include one or more departments/units in their structure.

Also, the Bank's structure includes the Information Security Officer, reporting to the Director of the Risk Management Division and the Data Protection Officer, reporting directly to the Chief Executive Officer. At the same time, the specific responsibilities for exercising the role of Compliance Officer are the responsibility of a member of the Management Committee, nominated by decision of the Board of Directors.

The persons who lead the Divisions have the position of Division Manager, and those who lead the departments/units have the position of Head of Department/ Unit Senior / Bank staff.

Division Managers/Heads of Departments/Units Seniors lead and are responsible for the entire activity of the divisions/departments/units they coordinate, as well as for the proper performance of any other tasks received and related to their area of responsibility. The prerogatives of the division managers/heads of departments/units, as well as of the executive staff are stipulated in their job descriptions; the standard model of the job description is the annex to the Internal Organization Regulation.

The main duties of divisions/departments/units/branches are described in Chapter III of the Internal Organization Regulation. Also, the divisions/departments/units of the Bank are assigned responsibilities through the Bank's internal rules and procedures and/or through the delegations of competence/tasks drawn up by the competent statutory bodies of the Bank.

The Chief Executive Officer, the Deputy Chief Executive Officers, the Division Managers and the Heads of Departments, as well as the Branch Managers are obliged to request the opinion of the Legal Division for any new contract and/or project involving the Bank's activity or business within the limits provided by its internal procedures. Also, all divisions and territorial units of the Bank are involved in the identification of operational risk events.

In 2024, nine (9) committees, one (1) subcommittee and one (1) commission operated in the Bank:

- a) Management Committee (CD);
- b) The Cred Committee (CC), to which the Credit Subcommittee is subordinated;
- c) Risk Management Committee (RAC);
- d) Assets and Liabilities Management and Liquidity Management Committee (ALCO);
- e) Audit Committee;
- f) IT Committee;
- g) Security Committee;
- h) Occupational Health and Safety Committee;
- i) IT Changes Committee;
- j) Selection Commission;

The prerogatives and responsibilities of these committees are presented in the Internal Organization Regulation and in the Annex – Rules of governance of the committees. The Management Committee coordinates all the above-mentioned committees, with the exception of the Audit Committee and the Risk Management Committee (which operate under the Board of Directors).

In order to ensure the best conditions for taking over and implementing legislative changes with significant impact at the Bank's level, the Compliance Division has the authority to request the establishment of working committees. These commissions will be made up of representatives of the divisions/departments affected by the respective changes, as well as those who have the necessary competence in their implementation.

The responsibilities of committee/subcommittee secretaries are as follows:

- a) collecting the proposals submitted by the organizational structures to be submitted to the attention of the Committees;
- b) sending the proposals submitted to the decision committees to the Risk Management Division;
- c) drafting the minutes and monitoring their signing, according to the competences;
- d) obtaining the opinion of the Manager of the Risk Management Division/his/her substitute on the decisions of the Committees, in accordance with the provisions of Annex Governance Rules applicable to Committees;
- e) distributing the decisions of the people involved in their implementation/informing the people involved;
- f) monitoring the implementation of the Committees' decisions by the people responsible;
- g) informing the committees on the state of implementation of the decisions taken;
- h) preservation and archiving of decisions and related documentation;
- i) signing the extracts of the minutes, in order to release the proof of adoption of a decision by the Committee of which they are member.

In the case of the Credit Committee and the Credit Subcommittee, the opinion of the Manager of the Risk Management Division/his/her substitute is required for amounts greater than or equal to the limit of the amount considered material risk in force and for requests in which the Board of Directors is competent.

In the case of the Credit Committee and the Credit Subcommittee, the responsibilities from a), c), d), e) and i) are the responsibility of each analyst for the analyzed requests, the respective secretaries being responsible only in the case of general decisions and for keeping in original all decisions and related documentation submitted by the analysts.

In the case of the Credit Committee and the Credit Subcommittee, points f), g) apply only to general decisions, and the information occurs at the deadline set by the Credit Committee and only for cases where the decisions taken have not been fulfilled.

Points b), d) and h) do not apply to the secretary of the Audit Committee. Point h) does not apply to the secretary of the Credit Committee and Credit Subcommittee.

The categories of personnel whose professional activities have a significant impact on the Bank's risk profile (**'Identified Staff'**) are determined by the decision of the Bank's Management Committee, based on the opinion of the senior of the risk management function, including the members of the Bank's management body, i.e.: the Bank's directors - non-executive members of the Board of Directors (or BoD) and the Bank's executives - members of the Management Committee (or CD) of the Bank ('senior management'), employees with a management contract.

Key Officials – staff members who have a significant influence on the direction of the credit institution, who are not members of the management body. This category of persons includes the seniors of the internal control functions, if they are not members of the senior management, the persons designated to ensure the management of the structures regarding the risk management, internal audit and compliance activities, if the seniors of the internal control functions are members of the senior management, as well as the persons designated to ensure the management of the structures regarding the legal activities, Treasury, lending and any other activities that may expose the credit institution to significant risks. This category, without limitation, includes executives whose line of business holds a minimum of 20% of the portfolio structure (main loans) at the date of the policy review.

The process for appointing persons belonging to the category of 'Identified Personnel'/'Key Holders' within Libra Internet Bank is detailed in **the Policy on diversity, recruitment and selection, performance management (including assessment of individual and collective suitability), and training for identified personnel and key functions.**

As of 31 December 2024 – the **Board of Directors** had the following structure:

First name Surname	Position held on the Board of Directors	Date of approval in office	Term of office
Radu Grațian Ghețea	Chairman	12.09.2019	4 years (with extension)
Cristina Carmen Mahika Voiconi	Vice-chairwoman	09.01.1996	4 years (with extension)
Eugen Goga	Vice-chairman	26.04.2007	4 years (with extension)
Ovidiu Petre Melinte	Member	30.08.2004	4 years (with extension)
Siminel Cristian Andrei	Member	30.08.2004	4 years (with extension)
Mihaela Sîrbu	Member	17.12.2012	4 years (with extension)
Lucian Claudiu Anghel	Member	09.09.2024	4 years

Except for the member of the Board of Directors, Mr. Siminel Cristian Andrei, who holds 5.73% of the bank's capital, the other members of the Board of Directors do not hold shares in the bank's capital.

By the Decision of the General Meeting of Shareholders of 05.11.2024, Mr. Andrei-Liviu Stamatian was elected, for a period of 4 years, being approved as an independent non-executive director of the Bank, as a member of the Board of Directors. Mr. Andrei-Liviu Stamatian's mandate as administrator begins after the Trade Register registers the request for his appointment, after the approval of the National Bank of Romania for this appointment has been obtained beforehand. On the same date, the mandate of Mr. Siminel Cristian Andrei as administrator would end.

The professional training of administrators is as follows:

Radu Grațian Ghețea

INSEAD Business School - Modern Governance Program in the Banking Field (2018-2019), Academy of Economic Studies, PhD in Economic-Accounting, Faculty of Mathematics - University of Bucharest;

Ovidiu Petre Melinte

Romanian-Canadian MBA Program - Master's Degree in Business Administration, Polytechnic Institute of Bucharest;

Cristina Carmen Mahika Voiconi

ASEBUSS - Master's Degree in Business Administration, Bucharest Academy of Economic Studies;

Eugen Goga

ASEBUSS - Master's Degree in Business Administration, Bucharest Academy of Economic Studies;

Siminel Cristian Andrei

Joseph M. Katz University of Pittsburgh, Master of Business Administration, Polytechnic Institute of Bucharest;

Mihaela Sîrbu

Case Western Reserve University, Weatherhead School of Management - Master of Business Administration, Bucharest Academy of Economic Studies;

Lucian Claudiu Anghel

Georgetown University Washington DC- Bank Risk Management, Henley Business School UK- Corporate Governance ASE - Faculty of Cybernetics, Statistics and Economic Informatics, Bucharest - PhD in Cybernetics and Economic Statistics

The executive management of the Bank is carried out in accordance with the banking legislation in force, by the **Management Committee** - consisting of the following persons at the end of 2024:

First name Surname	Position held within the Management Committee	Date of approval in office	Term of office
Cristina Carmen Mahika Voiconi	Chief Executive Officer	13.02.2004	4 years (with extension)
Eugen Goga	Deputy Chief Executive Officer	18.07.2007	4 years (with extension)
Ionel Umbreş	Deputy Chief Executive Officer	02.05.2018	4 years (with extension)
Lucian Claudiu Anghel	Deputy Chief Executive Officer	25.03.2024	4 years (with extension for the term of office on the Board of Directors)

There are no pending disputes or administrative proceedings in the last 5 years or in the past with any member of the Bank's Board of Directors or the Management Committee.

The persons affiliated to the Bank are presented in Annex 1 to this Report.

All related party transactions were entered into on similar terms to unrelated party transactions, taking into account the related interest rates and collateral. The transactions carried out with related parties are presented in a separate note to the Separate and Standalone Financial Statements both for the year ended 31 December 2024 and for the comparative period.

Thus, in 2024, no situations were identified that would be contrary to the interests of the Bank in terms of senior persons, persons exercising management responsibilities, as well as closely-related persons, and no transactions were carried out on their behalf in 2024 in relation to the Bank's shares or debt securities or derivatives or other related financial instruments associated with the Bank.

Conflict of interest

In order to prevent conflict of interest, employees must avoid and refrain from any activity that is contrary to the interests of Libra Internet Bank SA and/or its customers, having the obligation to report any situation that is a conflict of interest and to collaborate with the responsible organizational structures, in order to solve and effectively manage any such situations.

During 2024, no situations of a conflict of interest between the members of the Management Body and the interests of the Bank were identified, which would require the National Bank of Romania to be informed.

3.5 Financial and accounting situation

3.5.1 Overview of the Romanian banking system in 2024

In 2024, the Romanian banking system operated through 32 credit institutions and continued the upward trend of total net assets, with an increase of approximately 10% per year, reaching RON 881.7 billion.

According to NBR data, the balance of total non-government credit increased in December 2024 by 8.9% compared to the same period in 2023, reaching a total balance of RON 421.4 billion. The balance of non-governmental credit in RON reached RON 295.2 billion, up by 11.5%, and that in foreign currency reached RON 126.2 billion, up by 3.3%.

The solvency ratio of the Romanian banking system in December 2024 was 23.66%, down from the previous year. The non-performing loans (NPL) ratio was 2.46%, slightly up from 2023, when it was 2.37%.

The ROA and ROE indicators recorded a decrease, with ROA reaching 1.68% in 2024, compared to 1.80% in 2023, and ROE decreasing to 18.4% in 2024 from 20.1% in 2023.

In conclusion, the Romanian banking system performed well in 2024, providing solid support for businesses and individuals, but saw some adjustments in terms of profitability and asset quality.

	Dec-24	Dec-23	Variation
Number of credit institutions	32	32	0%
Total net assets (RON billion)	881.7	803.3	10%
Assets of private equity institutions ¹ (% of total assets)	85.7	86.3	-1%
Assets of institutions with foreign capital ² (% of total assets)	62.5	65.6	-5%
Solvency ratio (≥8%) (%)*	23.66	23.60	-0,25%
Leverage ³ (%)*	8.09	8.15	-1%
Impaired receivables ⁴ (% of total loans)	0.91	0.92	-1%
ROA ⁷ (%)	1.68	1.80	-7%
ROE ⁸ (%)	18.38	20.13	-9%
Rate of return on core business ⁹ (%)	197.60	209.89	-6%
Loans granted / Deposits attracted ¹⁰ (%)	67.56	67.82	-0,38%
Non-performing loan ratio as defined by EBA ¹¹ (%)*	2.46	2.37	4%

Source: NBR

3.5.2 Presentation of the bank's financial position in 2024

Throughout 2024, Libra Internet Bank SA focused on fulfilling its mission and achieving the strategic objectives set for this year. The bank continued to financially support its clients, including companies, professionals, real estate projects, agriculture, and individuals, while pursuing operational efficiency improvement and productivity growth at all levels. This approach is aligned with the bank's strategy for the period 2024-2026, which includes expanding lending activity, digitizing processes and strengthening its market position through innovation and strategic partnerships.

The Bank's standalone and separate financial statements as of 31 December 2024 were prepared on the basis of the Bank's summarized trial balance.

3.5.2.1. Separate balance sheet

	(In RON)	2024	2023	2022
Active	Petty cash	89,282,554	101,127,160	88,515,060
	Financial assets at fair value through profit or loss	20,453,208	17,413,749	14,481,425
	Loans and advances at the National Bank of Romania	2,282,980,518	1,970,710,014	841,426,839
	Loans and advances to banks	959,943,957	602,745,556	1,489,663,483
	Loans and advances to customers	7,196,501,880	6,602,344,809	6,011,931,939
	Investment securities at amortized cost	1,967,390,959	1,696,152,460	1,087,566,679
	Investment in associates	9,800,000	9,800,000	7,840,000
	Assets held for sale	613,302	699,637	232,302
	Tangible assets	51,341,936	53,423,017	49,694,479
	Intangible assets	2,611,783	3,285,911	3,059,725
	Deferred tax assets	7,995,231	6,537,079	5,039,137
	Current tax assets	5,055,830	-	-
	Other assets	120,682,460	124,248,426	117,657,079
	Total assets	12,714,653,618	11,188,487,818	9,717,108,147
Debt	Customer deposits	10,827,475,936	9,460,439,836	8,250,677,803
	Deposits from other banks	853,213	49,016,014	18,117,158
	Loans from financial institutions	6,260,852	9,413,200	12,408,661
	Bonds issued	242,558,835	242,122,561	243,326,012
	Subordinated loan	74,259,371	39,618,772	39,329,678
	Provisions	45,662,759	39,861,820	30,509,136

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Phoenix Tower, Calea Vitan 6-6A, Sector 3, Bucharest, 031296, Romania; Tel.: +40 (0) 21 208.8000; Fax: +40 (0)21 230.6565; Email: info@librabank.ro; Swift: BREL RO BU;

Serial number in the Trade Register J40/334/1996; Unique Registration Code 8119644, fiscal attribute RO;

Aut. NBR series B no. 000025/24.01.1997; Registration No. RB-PJR-40-037/18.02.1999; Registration number as a personal data controller: 25819;

Subscribed and paid-up share capital: RON 512,622,000. For any dissatisfaction, we encourage you to write to us at reclamatii@librabank.ro

	Current tax liabilities	-	6,824,786	10,018,600
	Other liabilities	87,455,036	81,285,059	70,107,198
	Total liabilities	11,284,526,002	9,928,582,048	8,674,494,247
Equity	Share capital	556,171,200	506,165,200	506,165,200
	Reserves	319,313,597	353,409,075	310,610,024
	Retained earnings	554,642,819	400,331,495	225,838,676
	Total equity	1,430,127,616	1,259,905,770	1,042,613,900
	Total liabilities and equity	12,714,653,618	11,188,487,818	9,717,108,147

3.5.2.2. Separate profit or loss

(In RON)	2024	2023	2022
Interest income calculated using the effective interest method	914,795,542	843,315,442	565,900,390
Interest expense	-296,533,618	-269,452,225	-122,137,030
Net interest income	618,261,924	573,863,217	443,763,360
Fee and commission income	149,679,843	103,819,890	86,083,128
Fee and commission expense	-66,021,228	-31,832,302	-31,619,434
Net fee and commission income	83,658,615	71,987,588	54,463,694
Net income from financial instruments at FVTPL	3,278,965	3,146,251	605,908
Net gain from foreign exchange transactions and revaluation	54,065,995	47,237,676	46,853,380
Other operating income	7,039,121	7,484,792	8,318,723
Total operating income	766,304,620	703,719,524	574,916,664
Personnel expenses	-233,341,771	-191,077,467	-155,820,025
Amortization and depreciation	-19,059,171	-18,008,907	-15,504,697
Other operating expenses	-117,919,659	-85,963,912	-86,973,254
Total operating expenses	-370,320,601	-295,050,286	-279,209,574
Profit before impairments and tax	395,984,019	408,669,238	295,707,089
Net income (expenses) with Impairment losses on financial instruments	-77,773,579	-41,457,788	-20,941,085
Profit before tax	318,210,440	367,211,450	274,766,005
Corporate income tax expenses	-47,988,593	-49,919,581	-36,589,226
Net profit for the financial year	270,221,847	317,291,869	238,176,778
Other comprehensive income	-	-	-
Total comprehensive income for the financial year	270,221,847	317,291,869	238,176,779

During 2024, the Bank granted dividends to shareholders in amount of RON 100 million, representing the retained

earnings for the 2023 financial year. The Bank's shareholders' equity increased in 2024 by 14%, from RON 1,259.9 million to RON 1,430.1 million.

3.5.2.3. Separate statement of cash flows

In RON	2024	2023
Cash flows from operating activities:		
Net profit	270,221,847	317,291,869
Adjustments for non-cash items:		
Depreciation and amortization	19,059,171	18,008,907
Loss from disposal of intangible assets and fixed assets	2,780	1,549
Net (income)/ expenses with provisions	5,889,413	9,487,030
Net loss from measuring financial instruments at fair value through profit or loss	-3,278,965	-3,146,251
Net (income)/expenses on impairment of financial instruments	112,285,799	46,741,208
Dividends	-1,456,207	-1,146,063
Interest expense	296,533,618	269,452,225
Interest income calculated using the effective interest method	-914,795,542	-843,315,442
Share of (gain)/loss from associates	-	-
Corporate income tax expense	47,988,593	49,919,581
Other adjustments	273,709	-521,133
Total adjustments	-437,964,966	-454,518,389
Changes in:		
Changes in:		
(Increase)/ Decrease of other assets	-7,314,269	-27,812,029
Increase/ (Decrease) of other liabilities	9,459,562	4,895,106
Increase/ (Decrease) of deposits from clients	1,368,306,478	1,163,616,997
Increase/ (Decrease) of deposits from other banks	-48,162,801	30,345,773
(Increase)/ Decrease of loans and advances to clients	-708,822,190	-628,998,260
Total changes	613,466,779	542,047,587
Tax paid	-61,327,362	-54,611,337
Contract assignment	5,336,294	-
Interest paid	-280,004,144	-205,549,852
Interest received	790,769,274	744,408,603
Net cash used in operating activities	900,497,721	889,068,481
Net cash from investment activity:		
Purchases of intangible assets	-1,018,874	-1,511,241
Purchases of property, plant and equipment	-3,296,459	-2,652,855
Sales of property, plant and equipment	218,162	857,118
Purchases of financial assets at fair value through profit	-	-1,960,000
Purchases of securities	-525,098,422	-1,388,691,991
Sales of securities	272,857,755	766,182,435
Dividends received	1,456,207	1,146,063
Assets held for sale	467,335	-
Interest received on securities	101,851,729	104,918,859
Net cash used in investment activities	-152,562,566	-521,711,608
Cash flows from financing activities:		
Proceeds from subordinated loan	34,818,700	-

Payment of subordinated loan	-4,005,662	-3,082,019
Proceeds from bonds issued	-	-
Payments with bonds issued	-11,050,515	-11,021,062
Repayments from loans from financial institutions	-3,610,006	-3,613,244
Lease payments	-17,643,475	-16,050,072
Proceeds from assignment of loans to NBFIs	-	-
Dividends paid	-100,026,250	-100,000,000
Net cash from financing activities	-101,517,208	-133,766,397
Net increase/(decrease) in cash and cash equivalents	646,417,948	233,590,476
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
Cash and cash equivalents at 1 January	2,710,837,612	2,477,247,136
Cash and cash equivalents at 31 December	3,357,255,561	2,710,837,612

In 2024, Libra Internet Bank recorded the second highest profit in the bank's history, amounting to RON 270.2 million. The bank's net assets increased by 14% compared to the previous year, outpacing the growth rate of the banking system. The bank's operational efficiency remained at a comfortable level, thanks to proper cost management and streamlining processes through digitalization.

The bank's gross loan portfolio increased by more than 9% compared to the end of 2023.

The balance of deposits attracted from customers increased by 14.5%, reaching RON 10.8 billion, exceeding the evolution of the banking system.

The NPL ratio, according to the EBA, was 2.06% in December 2024, up from 1.52% in 2023, but below the banking average of 2.46%.

In addition to the good financial performance, the bank also provided coverage of impaired loans with provisions at a level of 68.37%, down from 69.13% recorded as of December 31, 2023.

In 2024, Libra Internet Bank continued to develop new technological solutions and provide customer support, strengthening its position in the market through innovation and digitalization.

3.5.3. Operating cost analysis

Operating expenses, including depreciation, increased by more than 25% in 2024 compared to 2023, while in 2023 they increased by 14.2% compared to 2022. This development was mainly driven by the increase in other operating expenses, influenced in particular by the introduction of the new tax on turnover. Also, personnel expenses increased at a similar pace to the previous year, as a result of the increase of the employee base by more than 19% and the associated benefits.

	2024	2023	2022	Variation 2024/2023
Personnel expenses	-233,341,771	-191,077,467	-155,820,025	22.12%
Depreciation and amortization	-19,059,171	-18,008,907	-15,504,697	5.83%
Other operating expenses	-117,919,659	-85,963,912	-86,973,253	37.17%
Total operating expenses	-370,320,601	-295,050,286	-258,297,975	25.51%

3.5.4. Asset and liability management

Libra Internet Bank SA's strategy in liquidity management is part of the Bank's general development strategy, whose main strategic objectives are to strengthen its position in the SME and liberal professions sectors, to expand into the agricultural segment, to finance real estate projects, to manage the quality of the loan portfolio and to control costs.

The main objective of Libra Internet Bank SA in liquidity management is to adopt and maintain an optimal structure of the bank's assets and liabilities, which allows:

- maximization of net interest income, recorded by the Bank, at a set level of assets;
- correlating interest rates with market developments and adjusting them according to the Bank's liquidity needs;
- carrying out the Bank's activity in optimal conditions, according to the established strategy, avoiding, as far as possible, the dysfunctions that may arise as a result of assuming high risks in the field of liquidity;
- mitigating any negative effects that may occur during crises, in terms of the Bank's liquidity.

More specifically, the following aspects were taken into account in the Bank's 2024 development plan for asset and liability management and liquidity management:

The quantitative and qualitative correlation of the financial resources used by the bank (especially among the resources attracted from individuals and legal entities - depositors) with the volume of investments; in this regard, the following were considered:

- a) spread of sources attracted from as many depositors as possible, by currencies (in correlation with the structuring of investments by currencies) and on appropriate time horizons (short, medium, long);
- b) maintaining permanent communication with the Bank's stable clients, resource providers, from the category of large depositors, both at the level of the territorial units and at the centralized level, in order to be able to anticipate their intentions and availability in terms of the investments made by the Bank;
- c) along with the evolution of the resources attracted, the appropriate supply of provisions for own funds in order to maintain the Bank's financial stability and creditworthiness was also analyzed; the requirement of equity adequacy to the risks to which the bank is exposed has been met.

Improving the policy of attracting resources in close correlation with the lending policy, by strengthening the link between the strategy of attracting resources and the lending strategy.

- a) managing the margins between the interest on assets and on liabilities;
- b) satisfactory management of liquid assets in correlation with the evolution of the attracted sources (in terms of type of customers, currencies and terms);
- c) improving cross-selling

It also aims to:

- maintaining a low level of the volume of tangible assets and of the costs generated by: outsourcing (request for services provided by specialized companies for a series of activities), reduction of the areas within the branch perimeter, renegotiation of lease agreements or relocation of the units in which the Bank operates;
- expanding the online sales channel;
- establishing minimum levels of liquidity (expressed by liquidity indicators) and monitoring them in appropriate time intervals (intra-day or very short, medium and long terms);
- ensuring the segregation of duties and the independence of the operational functions and those related to monitoring the Bank's liquidity situation;
- establishing and maintaining at least a minimum level of eligible financial assets that can be used in liquidity purchase transactions (by converting them into liquidity or using them in collateralized transactions), under normal and liquidity crisis conditions, to the extent that the eligible financial assets are considered to be government bonds and certificates of deposit issued by the Ministry of Finance or the National Bank of Romania;
- performing activities exclusively in convertible currency;
- growth of the card portfolio and card payment services
- establishing and maintaining lines of work with other banks that are the most active on the domestic market regarding interbank activities on the money market, foreign exchange market, government securities and bonds, especially on the Romanian market or on the European market;
- establishing and maintaining the steps to access financing lines, guaranteed by European bodies. Assessment of the implications that settlement activities may have on the Bank's liquidity position and other potential risks. To this extent, the Bank requires the provision of deposit and custody services only from institutions set up for the provision of services that are adequately regulated and supervised by the financial and banking supervisory authorities of the EU Member States and the EEA.

- positioning the Bank at a high level in terms of new technologies in order to streamline processes in order to obtain low operating costs and to sign advantageous partnerships with Big Data analysis companies and FinTech companies.

The total net profit resulting from fundraising and fundraising and placement activity recorded in 2024, based on the structure of assets and liabilities, was set at RON 619 million, compared to RON 573.86 million in 2023.

The effective monitoring of the Bank's liquidity was carried out on the basis of the liquidity management strategy, through the permanent supervision of liquidity and forecast fluctuations, in correlation with the bank's annually approved budget and through the indicators, models and scenarios whose sufficiency and complexity are regularly reviewed. According to the strategy, the Bank had to maintain an adequate level of liquid assets at all times, depending on the volume and structure of the resources attracted. The limits set by the Bank's strategy and the risk profile (immediate liquidity indicators, gross loans from total sources attracted and gross loans from total gross assets, liquidity indicator on maturity intervals, internal liquidity indicator, level of concentration of resources on depositors) were observed.

3.5.5. Funds attracted

The main resources attracted by the bank in 2024 consisted of deposits and current accounts from individuals and legal entities.

The structure of these resources is presented below:

Resources attracted from customers (in RON)	2024	2023	Variation 2024/2023
Current accounts	4,279,744,127	3,797,326,907	12.70%
Individuals	736,048,803	645,939,321	13.95%
Legal entities	3,543,695,324	3,151,387,586	12.45%
Total deposits	6,547,731,809	5,663,112,931	15.62%
Term deposits	6,260,012,068	5,454,877,224	14.76%
Collateral deposits	287,719,741	208,235,707	38.17%
TOTAL CUSTOMER RESOURCES	10,827,475,936	9,460,439,836	14.45%

The volume of sources attracted from customers increased by 14.5%, while lending increased by more than 9%. The utilization rate of gross loans/deposits is at 64.41%.

In addition to the resources attracted from customers in the form of deposits and current accounts, the Bank has resources attracted from foreign financial institutions: FEI and EFSE, Romanian banks. These additional resources represent only 2.87% of the Bank's total resources compared to 3.43% in 2023.

The total structure of the Bank's resources is presented below:

(in RON)	2024		2023	
Resource type	Volume	%	Volume	%
Treasury resources	323,932,271	2.90%	340,170,548	3.47%
Loans from financial institutions	6,260,852	0.06%	9,413,200	0.10%
Subordinated loan	74,259,371	0.67%	39,618,772	0.40%
Bond issues	242,558,835	2.18%	242,122,561	2.47%
Loans from banks	853,213	0.01%	49,016,014	0.5%

Customer resources	10,827,475,936	97.10%	9,460,439,837	96.53%
Current accounts	4,279,744,127	38.38%	3,797,326,907	38.75%
Customer deposits	6,547,731,809	57.72%	5,663,112,931	57.78%
TOTAL BORROWED FUNDS	11,151,408,207	100%	9,800,610,385	100%

As of 31 December 2024, the ratio between the balance of gross loans and the balance of sources attracted from customers, as well as that of gross loans and net total assets met the budget limit and were as follows:

	2024	2023
Gross loans / Total sources attracted from customers	68.80%	72.06%
Gross loans/ Total net assets	58.58%	60.93%

3.5.6. Investments and lending activity

During 2024, the lending activity was carried out with the same business lines as in 2023. The Bank's business segments are: individuals, small companies (SMEs, liberal professions and agriculture), large companies (companies with a turnover over EUR 4 million), treasury, others and General Management.

The structure of the loans granted by these commercial lending segments is presented below:

	2024	2023
Individuals	11%	8%
Small-sized companies	33%	34%
Large companies	56%	58%
Treasury	-	-
Others & GM	-	-
Total	100%	100%

The gross loan portfolio as of 31 December 2024 amounted to RON 7,449,216,001, an increase of 9.3% compared to 31 December 2023, when its value was RON 6,817,111,736.

Presentation of the loan portfolio	31 December 2024	31 December 2023
Performing portfolio	7,227,177,744	6,673,121,915
Non-performing portfolio	222,038,256	143,989,821
Total gross loans	7,449,216,001	6,817,111,736
Minus: provisions for credit risk	-252,714,120	- 214,766,926
Total net loans	7,196,501,880	6,602,344,809

In 2024, the net loan portfolio increased by 9%, while the balance of provisions for credit risk increased by 17.7% due to a prudent credit risk management policy.

The bank holds financial assets at amortized cost ('AC') in the form of loans and advances to customers, loans and advances to banks, and debt securities. For financial assets measured at AC, the expected impairment loss reduces the gross carrying amount and is recognised to profit or loss.

As of 1 January 2018, all banks, including LIBRA INTERNET BANK SA, started to apply IFRS 9 – Financial Instruments, which introduces a new model for recognising impairment losses, also called the expected credit loss (ECL) model, where there is a 'three-stage' approach that is based on changing the credit quality of financial assets from the initial recognition.

The following table provides information on the credit quality of financial assets measured at amortised cost (including loans). Unless expressly stated, for financial assets, the values in the table represent gross book values. Customers are classified into 4 risk categories representing the following:

- **Standard** – all financial assets measured at amortized cost that are outstanding or late for payment less than 30 days and that are not on the Watchlist;
- **>30 days** – all financial assets valued at amortized cost, default on payment for more than 30 days and not impaired;
- **Watchlist** – Financial assets valued at amortised cost that are identified as having high credit risk based on the internal procedure and are classified as either Stage 2 or Stage 3 – only if payment improbability conditions are identified;
- **Loss** – Financial assets measured at amortized cost included in Stage 3.

The structure of financial instruments by stages of credit risk in 2024 is presented as follows:

2024				
RON	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers at amortized cost				
Current	6,503,214,321	365,473,280	123,227,957	6,991,915,558
<=30 days	210,099,510	95,106,673	15,703,520	320,909,703
<=90 days	-	53,279,051	40,334,833	93,613,884
<= 180 days	-	4,910	20,828,699	20,833,609
> 180 days	-	-	21,943,248	21,943,247
Total	6,713,313,831	513,863,913	222,038,256	7,449,216,001
Loss allowance	-59,798,915	- 41,104,667	-151,810,539	-252,714,120
Book value	6,653,514,916	472,759,246	70,227,718	7,196,501,880

2024				
RON	Stage 1	Stage 2	Stage 3	Total
Loans and advances granted to customers				
Standard	6,713,313,831	-	-	6,713,313,831
>30 days	-	196,290	-	196,290
Watchlist	-	513,667,623	-	513,667,623
Loss	-	-	222,038,256	222,038,256
Loss allowance	-59,798,915	-41,104,667	-151,810,539	-252,714,120
Book value	6,653,514,916	472,759,246	70,227,718	7,196,501,880

2024				
RON	Stage 1	Stage 2	Stage 3	Total
Credit undertakings and financial guarantee agreements				
Standard	2,714,058,931	-	-	2,714,058,931
>30 days	-	-	-	-
Watchlist	-	77,634,576	-	77,634,576
Loss	-	-	45,319,514	45,319,514
Loss allowance	-3,596,946	-786,449	-1,018,413	-5,401,809
Book value	2,710,461,985	76,848,127	44,301,101	2,831,611,212

As of 31 December 2024, the Bank held loans and advances with banks amounting to RON 3,243,089,957 (31 December 2023: RON 2,573,781,682). Of these, loans and advances at the National Bank amounted to RON 2,282,980,518 (31 December 2023: RON 1,970,710,014) BBB rated - based on Fitch ratings.

The securities from investments at amortized cost as of 31 December 2024 included government securities issued by the Romanian Government accounting for 92% and municipal bonds accounting for 8%. At 31 December 2023, 89% of securities from amortized cost investments were government securities, 1.2% in CEC Bank bonds and 10% in municipal bonds.

As of 31 December 2024, the gross portfolio of amortized cost investment securities bonds held by Libra Internet Bank SA comprised 29% securities with a maturity of up to one year and 71%, with a maturity between 1 and 5 years.

The portfolio of shares held by the Bank with other companies at the end of 2024 included 172 shares (2.56%) in Societatea de Transfer de Fonduri și Decontări TRANSFOND SA, 34 shares in Society for WorldWide Interbank Financial Telecommunication - S.W.I.F.T., 74,985 shares (0.18%) in Biroul de Credit SA, 499,836 shares (1.88%) in Elvila SA, 999 shares (9.99%) in SOPAS - Financial Services & Leasing SA, 725 shares in Visa Inc and 980,000 shares (49%) in shareholder LIBRA DEVELOPMENT IFN.

In 2024, dividend income amounted to RON 1,456,207, while in 2023 it was RON 1,146,063.

3.5.7. Investment

Libra Internet Bank SA recorded investments in tangible and intangible asset projects for the current activity and to support the growth of the budgeted business.

In 2024, two new branches were opened: one in Iasi and one in Popesti-Leordeni.

The total investments made by Libra Internet Bank SA in 2024 in tangible and intangible asset projects amounted to RON 4,315,333 compared to RON 4,039,349 in 2023, with the largest share being IT equipment (61%) and software (24%).

The important aspects to note with regard to the assessment of solvency, liquidity and asset structure are presented below:

- **The total capital ratio**, also called the solvency ratio, is calculated as the ratio of own funds to risk-weighted assets;
- **The cost-to-income ratio** is an efficiency ratio calculated as the ratio of operating expenses to total income;
- **Return on assets – ROA** is calculated as annual net profit divided by the average net assets of the year;
- **Return on Equity-ROE** is calculated as net profit for the financial year, divided by the average capital for the year;
- **The liquidity coverage ratio**, calculated as the ratio between the actual liquidity and the liquidity required according to the legal norms in force of the National Bank of Romania (LCR ratio)

	Banking System September 2024	2024	2023	2022
Solvency ratio	24.95%	21.53%	18.22%	18.87%
Return on equity (ROE)	18.65%	20.09%	26.52%	22.84%
Return on assets (ROA)	1.80%	2.26%	3.04%	2.45%
Leverage (%)	8.39%	10.04%	9.35%	10.39%
EBA defined NPE ratio (AQT 3.2)	2.54%	2.06%	1.52%	1.16%
Annual growth rate of total assets	12.44%	13.64%	15.1%	1.3%
Loan-to-deposit ratio	64.69%	64.41%	69.62%	75.82%
Liquidity coverage ratio (LCR)	248.83%	300.39%	234.94%	321.23%
Immediate liquidity indicator	48.18%	46.49%	43.63%	40.05%

3.5.8. Shareholding and share capital structure

The share capital of the Bank, fully subscribed and paid up, is RON 512,622,000 and is divided into 23,301 registered shares with a nominal value of RON 22,000 each.

The Bank's balance sheet capital of RON 556,171,200 also includes the adjustment for inflation as a result of the application of the international accounting standard IAS 29 for hyperinflationary economies in the period 1997-2003 in amount of RON 43,549,200.

Following the capital increase approved by Resolution no. 1 of 22.12.2023 of the General Meeting of Shareholders, registered in the Trade Registry on 29 January 2024, as of 31 December 2024 the shareholding structure is as follows:

Broadhurst Investments Limited	66.67525%
Romarta SA	27.5653405%
Andrei Siminel Cristian	5.7293678%
Other shareholders (<1%)	0.0300416%
Total	100.00%

3.5.9. Banking

In 2024, the total number of operations performed by the Bank increased by 64.34%, while productivity increased by 66.08% as a result of the increase in the level of automation of operations and the increase in the number of internet banking operations.

The variation compared to 2023 is presented below:

	2024	2023	Variation
Number of operations	42,179,901	27,140,638	55.41%
Productivity (number of operations per employee)	26,922.69	17,789.49	51.34%
Banking operations using Internet Banking	10,859,185	9,343,285	16.22%
Banking operations using Internet Banking out of total operations	62.77%	61.79%	1.59%

3.5.10. Card activity

Card issuance activity

At the end of 2024, Libra Internet Bank SA had 103,599 valid cards issued for both individuals and companies. There are 5 types of debit cards for individuals, 4 types of debit cards for businesses, 2 types of credit cards for individuals, and 1 type of credit card for businesses.

	Debit cards	Credit cards
Individuals	69,980	1,256
Legal entities	32,120	193
TOTAL	102,100	1,449

The evolution of card issuance operations in 2024 is presented in the table below:

	Issuance transactions 2024		Issuance transactions 2023		2024 vs 2023	
	Number	Value	Number	Value		
Card transactions						
Cash transactions	835,880	1,349,581,293	888,068	1,445,530,965	-6%	-7%
Transactions at retailers	8,261,281	2,165,785,556	7,211,498	1,770,392,794	15%	22%
Query transactions	146,746	n/a	119,016	n/a	23.3%	n/a
Miscellaneous transactions	242,526	212,296,037	200,877	168,489,401	21%	26%
Grand total	9,486,433	3,727,662,886	8,419,459	3,384,413,162	13%	10%

Card acceptance activity

The value of transactions recorded in the acceptance activity during 2024 increased by 7%, and their evolution by type of transaction is presented in the table below:

Transactions with Libra Internet Bank ATM / POS cards	ATM&POS Acceptance		ATM&POS Acceptance		2024 vs 2023	
	2024		2023			
	Number	Value	Number	Value	Number	Value
ATM transactions	563,245	663,681,650	973,171	1,202,089,190	-42%	-45%
POS transactions	18,863,982	2,922,812,239	15,770,276	2,135,068,701	20%	37%
Grand total	19,427,227	3,586,493,889	16,743,447	3,337,157,891	16%	7%

The value of transactions recorded in 2024 at e-commerce purchase terminals increased by 50%, as a result of the increase in volumes for Iban2Card transactions and their evolution compared to 2023 is presented below:

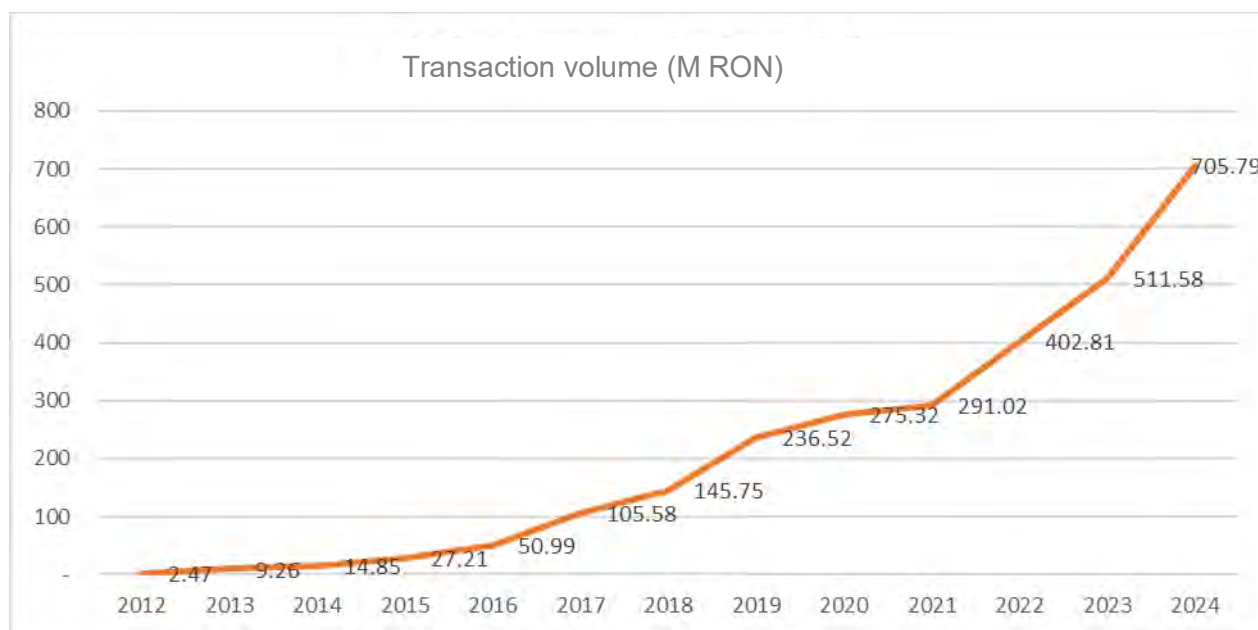
Total LibraPay Transactions at retailers (no portability)	E-commerce acceptance		E-commerce acceptance		2024 vs 2023	
	2024		2023			
	Number	Value	Number	Value	Number	Value
Librapay commercial transactions	2.259.330	705.786.447	1.805.587	471.683.780	25%	50%

3.5.11. eBusiness

The eBusiness Division coordinates and manages Mobile and Internet Banking services, the Libra Pay electronic payment system and the API Banking system, based on which collaboration services with Fintech companies in the field of payments and collections are also offered.

Mobile & Internet Banking services are constantly improved both by adding new functionalities and products as well as by performance optimizations that have the role of ensuring the accommodation in the best possible conditions of the growing transactional volumes, carried out through these services. 2024 represents a 15% increase compared to 2023 in monthly active users.

LibraPay is a modern electronic payment system launched in 2012, with the advantage of a fast settlement between buyer and seller, on the same day of the transaction, being defined by a triple principle for online payments: Security, Support, Simplicity. The evolution of this product is summarized in the graph below.



API (Application Programming Interface) Banking & Fintech partnerships is a line of business for the bank that has emerged as an opportunity given technological advance, on the one hand, but also the potential to develop new business models based on API integrations, on the other hand.

Technological advances also greatly influence consumer behavior, so banking services are increasingly becoming 'embedded' in third-party environments (apps or other digital channels). The bank identified this change as a business opportunity by providing API-based banking services to such third-party providers.

Consequently, Libra Internet Bank SA has managed to implement several partnerships with Fintech companies, such as: Revolut, Wise, Monese, TransferGo, Paysera, Paysafe and in 2024 several new partnerships were successfully implemented.

At the end of 2024, the partnership with Revolut was terminated following the opening of the Revolut branch in Romania.

Information on the likely evolution of the bank according to the 2024 budget

Business goals for 2024

In 2024, Libra Internet Bank SA estimated an increase by 9% in net assets and by 14% in the loan portfolio, focusing on traditional business lines while maintaining a constant outlook towards new technologies. Expansion of the activity carried out while maintaining a capital adequacy ratio of at least 20.7%, with a performance-based incentive system to optimize sales efficiency.

Although uncertainty regarding customer behavior remains high, amid challenges, the bank estimates that it will continue to generate profit every year over a five-year period. This evolution will be based on the growth of net assets and the loan portfolio, supported by the expansion of the customer base and the diversification of the services and products offered.

The budget deficit remains high, and inflation is forecast to decline gradually but remain above desired levels. In this complex economic environment, Libra Internet Bank's strategy focuses on strengthening its market position through innovation and strategic expansion.

4. Non-financial statement

Description of the activity

Libra Internet Bank SA was established in 1996 and became operational a year later. Since May 2003, the Bank has been part of the American investment group New Century Holdings (NCH), one of the most important foreign investors in Romania. We are committed to generating sustainable value for our customers. As a bank with American shareholding, we are one step ahead, we think about the future, and we constantly aim to surpass ourselves. Our goal is business excellence and that is why we constantly strive to offer our clients access to impeccable services.

In 2024, Libra Internet Bank SA received the 'Award for Leadership in the Age of AI' at the CEO's Gala organized by Wall-street.ro, for the Libra Voice artificial intelligence service within the mobile banking application and the 'Award for the banking product of the year in the savings category' at the Awards Gala of the *Piața Financiară* Magazine.

The Bank's organizational culture is focused on seven defining values: the customer, the commitment toward its own activity, success as incentive, the spirit of competition, inventiveness and innovation, work-life balance, as well as cooperation on ethical principles within the banking community.

At the end of 2024, Libra Internet Bank SA operated a network of 59 branches in Romania's main development areas, combining innovative digital solutions with direct proximity to customers. The bank has a niche strategy, specializing in areas such as liberal professions, real estate and agribusiness. Also, Libra Internet Bank SA pays special attention to modern technology and partnerships with fintech companies, establishing itself in recent years as the most active Romanian bank in the fintech field and one of the most dynamic banks in Romania.

The main target markets for Libra Internet Bank SA are:

- i. Entities in the field of liberal professions, especially in the medical field, regardless of their form of legal organization (natural persons, self-employed persons or legal entities);
- ii. Small and medium-sized enterprises, commercial companies and other types of economic entities with above-average volume of activity and financial performance (e.g. turnover > 5 MRON);
- iii. Small and medium-sized enterprises, commercial companies and other types of economic entities with a small volume of activity (e.g. turnover < 5 MRON);
- iv. Entities in the field of real estate developments;
- v. Companies with high turnover (e.g. turnover > 40 MRON);
- vi. Entities in the field of agriculture;
- vii. Economic entities operating in the field of e-commerce;
- viii. Access to foreign markets to attract resources through online channels.

Therefore, the Bank allocates resources, through independent business lines, in order to serve the target markets with dedicated products and services, as follows:

a. Corporate – for small and medium-sized enterprises, commercial companies and other types of economic entities with above-average volume of activity and financial performance with the following subdivisions:

- Large corporate – for companies with a high turnover;
- Corporate – for companies with medium and low turnover;
- SMEs (microfinance) – for companies with a low turnover (<5 MRON);
- Agribusiness – for entities in the field of agriculture.

b. Real estate – for real estate developers who want to initiate or complete residential projects;

c. Professionals – for entities in the field of liberal professions;

d. Retail – for individuals;

e. eBusiness – for economic entities operating in the field of e-commerce;

f. Digital – for online customers who open online accounts and who operate exclusively online, including attracting deposits from abroad.

The main banking products and services made available to customers are:

- Loans and other financing commitments;

- Front counter operations on behalf of customers (transfers, deposits, currency exchange);
- Operations on behalf of customers through internet banking (transfers, deposits, currency exchange);
- Electronic payment operation services;
- Issuance and acceptance of bank cards (debit and credit) and related operations (acceptance at physical and electronic retailers, acceptance at own ATMs and other credit institutions);
- Online card payment processing services;
- Bancassurance services.

Thus, Libra Internet Bank SA serves almost 135,000 customers, both companies and individuals:

Total customers*							
2021		2022		2023		2024	
Natural persons	Legal entities/self-employed	Natural persons	Legal entities/self-employed	Natural persons	Legal entities/self-employed	Natural persons	Legal entities/self-employed
65,055	35,096	57,744	36,050	79,468	43,338	87,442	46,891

*customers with active accounts at the end of each mentioned year

Libra Internet Bank SA plays an essential role in financing the Romanian economy, focusing on the niches in which it specializes. The development of residential projects is among the areas supported, where the bank has significantly contributed to the construction of thousands of homes annually. In the last five years, the financing granted by Libra Internet Bank supported the construction of over 26,000 apartments, the equivalent of a city able of accommodating over 50,000 inhabitants.

Indicator	2020	2021	2022	2023	2024
Number of apartments built with financing from Libra Internet Bank SA	6,068	8,740	5,716	2,374	3,202

Customer satisfaction

The customer is the defining value for the organizational culture of Libra Internet Bank SA, which is why the Bank pays the utmost attention to measuring customer satisfaction and feedback received from them, imposing a very short deadline for resolving complaints.

In order to measure customer satisfaction, the Bank conducts annual Net Promoter Score surveys in which several thousand respondents from the Bank's customers participate.

Net Promoter Score is an indicator calculated based on the answers to a single question: "On a scale of 1 to 10, how likely are you to recommend Libra Internet Bank services to a friend?"

A score approaching 100 (maximum score) reflects a share of very satisfied customers who are most likely to frequently mention the Bank's services (promoters).

The evolution of the NPS score continued to be at a very good level and reflects the high degree of attention that the Bank pays to customers, as well as the adequacy of the Bank's services and products to their needs.

Indicator	2018	2019	2020	2021	2022	2023	2024
Score	70	74	75	-	75	77	78

The 2024 study was conducted between 30 May and 5 June, online, through the mobile banking application. Following the study, 13,376 responses were collected from customers, with the overall NPS score of Libra Internet Bank SA remaining at a very good level.

The bank treats customer complaints with the utmost attention, quickly investigating the reported situations and taking measures to remedy the respective aspects and prevent negative developments. As far as possible, customers receive a response on the next working day after receiving the notification.

Indicator	2020	2021	2022	2023	2024
Number of complaints	375	463	455	620	1.373

In 2024, the expansion of lending to individuals through the Family Start and Student Invest programs facilitated access to financing for a larger number of beneficiaries, which led to an increase in customer interactions, including requests for clarification. Although the total number of complaints has increased, their share in the total requests has decreased, reflecting a more efficient management of the customer relationship.

Indicator	2020	2021	2022	2023	2024
Share of complaints from total number of customers	0,49%	0,46%	0,48%	0,50%	1,02%

New technologies and innovation

Since 2011, with the rebranding from 'Libra Bank' to 'Libra Internet Bank', the Bank has consolidated its position as a leader and innovator in digital banking, focusing on a complete customer experience, around online applications, on automation and speed in processing customer requests and operations and on the design of revolutionary products, recognized by numerous awards.

With a strong focus on technology, Libra Internet Bank SA was the first bank in Romania to launch online accounts in 2014 through which Romanians could open a bank account remotely, without paperwork and without trips to the bank. It was also the first bank in Romania to launch online credit for new customers in 2016.

After Libra Internet Bank SA became the first Romanian bank to export banking technology in 2019 as part of an international instant payment project (in partnership with Mastercard, Wirecard, NeoPay and Rakuten Viber), in 2020, Libra Internet Bank SA established itself as the first bank in Romania to launch API Banking projects with international fintechs such as Revolut, Monese or Paysera, for the provision of their services on the territory of Romania. In 2021, the partnership with TransferGo followed, through which TransferGo users can make instant transfers to bank account holders in RON at banks enrolled in the Instant Payments infrastructure in Romania, but also with other international financial institutions such as Wise, Paysafe or the recent partnership made in 2024 with Addiko Bank. The suite of services in the API Banking area has also been expanded during 2024 with the API FX service, which allows currency exchanges to be carried out in a fully automatic manner and available 24/7.

The Bank's internet banking and mobile banking applications continued to be constantly improved, and customer usage increased. Through these services, the Bank's customers can perform a very wide range of operations, from various transactions to data updates without coming to the bank or instant transfers between cards issued by any bank in Romania.

In May 2024, the Bank introduced, for the first time in Romania, voice-based generative intelligence in the mobile banking application. Thus, the '**Libra Voice**' service allows customers to interact by voice to obtain information in audio and text format regarding the customer's accounts and transactions, deposits and credits, as well as other analysis and information about the products and services offered by the bank.

In October 2024, Libra Internet Bank was one of the first banks in Romania to successfully implement the **RoPay service**, developed by TRANSFOND. This instant payment system allows customers to make fast and secure transfers by scanning a QR code, without the need to enter bank details. RoPay is available free of charge to our customers and offers substantial benefits such as transaction processing in less than 10 seconds, 24/7 availability, including weekends and holidays, as well as low costs for payment processing

Also, starting November 2024, the Bank offers business customers the opportunity to carry out multi-currency exchanges in real time, through the Live FX platform, implemented through a partnership with Visa, one of the global leaders in digital payments. The Bank's internet banking and mobile banking applications remain the main channel for banking operations by the bank's customers, as can be seen from the evolution of the indicator below.

Indicator	2020	2021	2022	2023	2024
Share of operations carried out from internet banking / mobile banking out of total operations	56.2%	57.9%	60.3%	61.79%	62.77%

Process automation has remained an important concern for the Bank, with the aim of streamlining the activity and increasing the speed of operation for the benefit of customers. The focus was on ensuring stability and improving existing processes by integrating RPA, Machine Learning and Artificial Intelligence technologies.

In 2024, it focused on optimizing existing processes, integrating them with IT systems through API protocols or direct download links. Of the 174 projects completed, 44 were internal RPA initiatives.

The bank continues to explore new technologies for rapid interventions and continuous adjustments of operational flows, with the aim of offering a premium experience to its customers and partners. Libra Internet Bank SA considers this technological context as an opportunity to identify and capitalize on multiple advantages.

Information security

In order to ensure the security of information within the Bank, Libra Internet Bank SA has implemented the ISO 27001 certification standards. Basically, in an era where information is the engine of every society, such a regulation is appreciated by most companies that want security for the information they have. This certification offers a high-performance management system that involves a very good security of information. Companies that benefit from ISO 27001 can be independently audited, provide security in front of customers and partners, and have the guarantee that all information is transmitted securely.

In addition, policies and rules related to information security aligned with DORA (EU Regulation 2022/2554 on Digital Operational Resilience) and CIA principles (Confidentiality, Integrity, Availability, Authenticity) have been implemented within the Bank to ensure protection, continuity and operational resilience. Cyber threats are constantly monitored by the divisions involved. The Bank's employees are regularly informed and tested with materials and tests related to the Cyber Security area. Also, periodic briefings are made through the Bank's website, internet/mobile banking platforms, as well as social media platforms, regarding the threats to which customers are subjected, with a focus on phishing attacks targeting customers.

Personal data protection

The processing and protection of personal data is a constant concern for Libra Internet Bank SA, in relation to Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation). The Bank emphasizes the implementation of the necessary information protection measures through appropriate technical and organizational means, constantly adapted, including on the basis of controls meant to ensure compliance with the incident legal framework and taking into account the best practices in the field. These efforts are aimed at continuous improvement in the areas of data security and customer service. At the corporate level, there are internal policies and procedures governing the lawful processing of personal data, with a focus on how the confidentiality and security of all personal data is maintained.

In order to ensure compliance with the applicable legislation, the Bank takes a number of actions:

- ensures compliance with the principle of transparency, by publishing and constantly updating a clear and detailed Personal Data Processing and Protection Policy, accessible on the Bank's website to all data subjects, explaining how personal data are collected, used and protected;

- ensures the training of the staff, by organizing periodic training sessions for employees, with the role of making them aware of the importance of data protection and the correct procedures for managing them;
- ensures compliance with requests regarding the exercise of the rights of natural persons with regard to the processing and protection of personal data.

Risk management

The internal control system in Libra Internet Bank SA was organized in compliance with the provisions of the Regulation of the National Bank of Romania no. 5 of 20 December 2013 on prudential requirements for credit institutions.

The internal control includes all the measures adopted within the Bank for:

- keeping the Bank's assets safe and managing the risks related to the banking activity;
- verifying the correctness and credibility of accounting and management information;
- promoting operational efficiency and encouraging adherence to management policies.

In order to implement an effective and comprehensive control system for all areas of the Bank's activity, the three fundamental functions of the internal control system are organized:

- the risk management function, performed by the Risk Management Division. This function also includes the risk control function as part of the risk management function;
- the compliance function, performed by the Compliance Division;
- the internal audit function, performed by the Internal Audit Division.

Internal control is the mechanism permanently used to verify the Bank's activity, both at the central level and at the level of departments/divisions/branches, based on working and control procedures applied at the level of each structure.

The functions of the internal control system are independent of each other, from an organizational point of view and of the operational and support functions that they monitor and control.

The Bank's internal control system includes:

- the role and responsibilities of the management body in the line of internal control;
- identification and assessment of significant risks;
- control activities and separation of responsibilities;
- information and communication;
- monitoring and correction of deficiencies.

The internal control system is governed by internal control policies, rules and procedures, which are general and related to each internal control function. The control activities are defined for each organizational level of the Bank and involve:

- a) establishment of control policies and procedures;
- b) verifying compliance with established policies and procedures.

Material risks, in the sense considered by Libra Internet Bank, are risks with a material impact on the financial and/or reputational situation of the credit institution. The risk assessment is an integral part of the Internal Risk Adequacy Assessment Process. Through this process, all the risks to which the bank is exposed and their management activities are identified. The purpose of the risk assessment is to identify the level of significance and effects of the risks assumed by the Bank.

For the risks considered material, key risk indicators have been defined and strategies and measures adapted to each risk have been drawn. Annually or at the time of significant changes in the business or regulatory environment, the Bank may resume the risk assessment process.

In its activity, the Bank carries out management processes for the following material risks:

- Credit risk, with the risks associated with it: concentration risk, residual risk (from the use of credit risk mitigation techniques), risks generated by the foreign currency lending activity of borrowers exposed to currency risk, underestimation of credit risk in the context of using the standard approach;
- Operational risk, with the risks associated with it: legal risk, IT&C risk, model risk and outsourcing risk;
- Market risk, having the components: currency risk, interest rate risk outside the trading book (IRRBB);
- Liquidity risk (general liquidity risk, withdrawal, financing);
- Compliance risk;
- Risk of fraud;
- The risk associated with the excessive use of leverage;
- Reputational risk;
- Conduct risk;
- Strategic risk (including business performance risk).

Credit risk and associated risks represent the current or future risk of negative impact on profits and capital, as a result of the debtor's failure to fulfill contractual obligations or its failure to fulfill those established by the nature and complexity of Libra Internet Bank S.A.'s activity, credit risk represents the risk with the most significant impact on the Bank's financial situation.

In order to determine and assess the exposures that may generate credit risk, the responsible departments compile a detailed analysis of the counterparty, which takes into account:

- type of credit facility requested;
- the creditworthiness of the company requesting the loan (qualitative and quantitative factors that point out the financial solidity of the counterparty);
- the company's repayment ability, including how it exposes itself to currency risk by taking out foreign currency loans;
- the company's history (the way in which the client has honoured its banking obligations, commercial obligations and debts to the state so far);
- the geographical area, industry and market quality in which the company operates;
- experience and reputation of the company and management;
- the degree of collateralization, their type and liquidity, as well as the Bank's history regarding the recovery of each type of guarantee.

Following this analysis, the competent structures for the approval of loans decide whether to approve or reject the facility depending on the factors listed above.

Periodically, through specific reports, the Risk Management Division identifies the sources of materialization of credit risk and associated risks at the level of the Bank's portfolio, based on various credit risk indicators and a system of warning thresholds that allows the identification - monitoring of credit risk concentrations on geographical areas, by product types, by types of customers, sales lines, types of guarantees, type of analysis, on various currencies and so on.

Also, the Bank carries out periodic analyses of the loans in progress by applying qualitative and quantitative indicators, in order to identify and manage the portfolio with credit risk, in order to concretely define the situations that lead to the consideration of debtors as unlikely to pay and to make adjustments for appropriate losses.

Operational risk is the risk of loss resulting either from the use of inadequate internal processes, persons or systems, or that have not adequately performed their role, or from external events. The risk of fraud is dealt with under the procedure for the prevention, detection, investigation and deterrence of cases of fraud (Anti-Fraud Procedure). Following the establishment of the database with events generated by operational risk, an analysis of the losses due to this type of risk is carried out, classified into the following categories:

- internal fraud & external fraud;
- employment and workplace safety practices;
- customers, products and business practices;
- damage to tangible assets;

- business interruption and inadequate operation of systems;
- execution, delivery and management of processes.

The components of operational risk are:

- risk management associated with outsourced activities;
- IT technology risk – IT and information security risks are potential situations that can alter the properties of an asset in terms of confidentiality, integrity and availability;
- legal (legal) risk – risk of loss as a result of both fines, penalties and sanctions to which the credit institution is liable in the event of non-application or misapplication of legal or contractual provisions, and the fact that the contractual rights and obligations of the credit institution and/or its counterparty are not duly established;
- model risk – the possible loss that a credit institution may incur as a result of decisions that may be based primarily on the results of internal models, due to errors in the development, implementation or use of these models. Model risk can generate financial losses, an inadequate process of adopting business/strategic decisions or can affect reputational risk.

Operational risk is actively managed by all entities in the Bank, based on the management framework developed by the Risk Management Division. The operational risk management committees that receive reports on operational risk are the Security Committee (quarterly), the Management Committee (monthly) and the Risk Management Committee/Board of Directors (quarterly).

Market risk is the risk of losses on on- and off-balance sheet positions due to adverse market price fluctuations (e.g. share prices, interest rates, exchange rates, etc.).

From the perspective of market risk in relation to the Bank's portfolio, the following risks are manifested:

- currency risk;
- interest rate risk outside the trading book.

Currency risk - The Bank's main objective in the field of market risk management is to minimize potential losses that could be generated by adverse developments in exchange rates or interest rates, while offering a certain range of basic products and services to customers:

- spot foreign exchange transactions, forward exchange rate transactions and foreign exchange SWAP transactions;
- transactions in government securities and other debt securities that can be traded OTC and have a liquid market.

Obtaining income from trading activities in its own name directly on the interbank market or on other organized markets is not a strategic direction for the development of the Bank's activity. Such activities are incidental and circumstantial in nature or may be carried out to the extent that the trading activities arise from the need to ensure the provision of banking products and services to their customers. In the area of market risk, the Bank assumes exchange rate risk. The Bank does not carry out transactions with financial instruments that involve a price risk included in the trading book, therefore, in this regard, the Bank does not assume a price risk.

Interest rate risk from activities outside the trading book represents the current or future risk of adverse effects on profits and capital as a result of adverse changes in interest rates. The Bank does not strategically seek to obtain income from the trading of instruments sensitive to interest rate developments (e.g. trading securities) and, in this respect, the presence of such instruments in the Bank's portfolio will be incidental. The Bank does not use complex financial instruments, which is why the exposure to interest rate risk comes mainly from the differences in maturities/repricing periods of its assets and liabilities.

Attracting and placing resources from/to non-banking customers is the predominant activity within the operations carried out by Libra Internet Bank S.A.

The bank determines the change in its economic value to the variation of interest rates, using the standard methodology presented in the annex to NBR Regulation no. 5/2013 on prudential requirements for credit institutions. Thus, the interest differences received as a result of the application of the interest rate differential on assets and

liabilities sensitive to interest rate changes, framed by maturity bands, are reassessed.

Liquidity risk is the current or future risk of negative impact on profits and capital, caused by the inability of the credit institution to meet its obligations at maturity. Liquidity risk is actively managed by the Treasury Division and the Risk Management Division. The liquidity risk management committees are ALCO (at least monthly), the Management Committee (at least monthly) and the Audit and Risk Committee (at least quarterly).

The bank has established "stress testing" scenarios, in order to monitor its ability to cope with various unforeseen situations. These scenarios, limits and reporting lines are set out in the Contingency Management Procedures and the Liquidity Management Strategy.

The main objective of Libra Internet Bank SA in the field of liquidity management is to adopt and maintain an optimal structure of the Bank's assets and liabilities, a structure that allows:

- maximizing the net interest income recorded by the Bank at a set level of assets;
- correlation of interest rates with market developments and their adjustment according to the Bank's liquidity needs;
- carrying out the Bank's activity in optimal conditions, avoiding as much as possible the malfunctions that could arise due to assuming too high risks in the field of liquidity;
- minimizing the negative effects that could occur in the event of a crisis situation from the perspective of the Bank's liquidity.

Compliance risk is the current or future risk of impairment of profits and capital, which may lead to fines, damages and/or termination of contracts, or which may damage the Bank's reputation, as a result of violations or non-compliance with the legal and regulatory framework, agreements, best practices or ethical standards.

The compliance risk is identified, assessed and monitored in accordance with the rules and procedures of the Compliance Division (Compliance Policy, Compliance Risk Assessment Methodology, Internal Control Activity Procedure, as well as Control Activity Rules and Procedures) and within the risk assessment process.

The risk associated with the excessive use of leverage represents the risk resulting from the organization's vulnerability to leverage or contingent leverage that may require unplanned corrective measures to the business plan or business, including the sale of assets on an emergency basis, which could result in losses or revaluations of remaining assets. Leverage is the relative size of an institution's assets, off-balance sheet obligations and contingent obligations to pay, provide a service or provide collateral, including obligations arising from funding received, commitments made, derivatives or repo agreements, with the exception of obligations that can only be executed during the liquidation of an institution, own funds of that institution.

The business model of Libra Internet Bank SA does not require the use of excessive leverage, as the financial instruments traded by the bank do not involve credit risk mitigation techniques other than collateral deposits and bank guarantee letters.

In order to monitor the risk associated with the excessive use of leverage, the risk profile is followed. The different dimensions and targets that the Bank uses to define risk appetite, as part of the risk strategy for the risk associated with excessive use of leverage, are detailed in the Risk Management Strategy.

Reputational risk represents the current or future risk of negative impact on profits and capital caused by the unfavorable perception of the image of a credit institution by customers, the media, counterparties, shareholders, investors or supervisory authorities. When assessing reputational risk, the Bank takes into account:

- negative publicity, whether or not in accordance with reality, made to business practices and/or persons related to them;
- customers encountering problems in using certain products, without having sufficient information about them and without knowing the procedures to remedy those problems (example: not knowing the rights and obligations of the parties to an electronic banking transaction).

Reputational risk management is a permanent process, integrated into the sustainable development of the Bank's business. All Bank employees must be aware of the importance of this risk. In collecting data and information regarding

reputational risk, an important role is played by the Marketing Division.

Strategic risk (including business risk) represents the current or future risk of negative impact on profits and capital, driven by changes in the business environment or unfavorable business decisions, inadequate implementation of decisions or failure to respond to changes in the business environment. The identification, assessment and monitoring of strategic risk is carried out by the Risk Management Division, from the perspective of compliance with the risk limits established within the Risk Management Strategy and through the way in which the Bank's strategic objectives are met in terms of risk taking.

Continuous training of employees

The bank continued to play a key role in the professional development of its employees, encouraging and supporting employees to enroll in at least one professional training course during the year. At the same time, professional objectives are discussed and evaluated annually, based on clear and measurable performance indicators (KPIs).

Throughout 2024, various training programs were carried out for employees, both internally, with the help of trainers from the organization, and external, with training providers. Depending on the specifics of the activity/theme, the courses were delivered both online and physically.

Under the umbrella #InvestesteInTine, the Bank organized 17 online masterclass sessions, with an average participation of approximately 100 employees/session, on various topics, all addressing the development of skills, both at the execution level and at the managerial level. The most appreciated sessions addressed topics such as 'Storytelling', 'Working with millennials & Gen z', 'The Pygmalion effect and maintaining empowering beliefs'

To support the development of managerial skills, the **Next Level Academy** program was designed and implemented. It is aimed at Division Managers and Branch Managers, totaling over 80 participants. The program has a multi-modular approach and is carried out in collaboration with an external partner over a period of three years (2024-2026).

Internal trainings were organized for colleagues in the sales area, with the grouping of participants according to the level of seniority, the recommendations of direct superiors and the specifics of the business division. The sessions aimed to develop B2B sales, influencing and negotiation skills, bringing together about 60 sales colleagues, in distinct series.

Also, specialized sessions were held on the topic of Cold Calling, which were attended by over 50 colleagues from branches involved in the sales activity. In addition to the initiatives dedicated to sales, sessions focused on Complaint Management and Customer Care were organized, with a total of 70 participants from the front office area, directly involved in the interaction with customers.

The synchronous learning sessions organized by the Bank included both delivery with internal resources and with the contribution of external suppliers. In specific situations, the training of colleagues was also ensured by participating in courses organized by various external providers (e.g. the Romanian Banking Institute), apart from those initially planned by the Bank. All these initiatives were completed with the launch of asynchronous materials posted in the internal online course platform, Libra Internet Bank LMS. In 2024, employees were able to go through training materials that are subject to mandatory courses in areas such as Compliance, Operational Risk, Cyber Security, KYC/AML/CFT, Operations, Business Continuity Plan, Anti-Fraud. In addition, compared to the previous year, the LMS platform was populated with a series of tutorials and training materials specially dedicated to SCRUM teams. In addition, the pillar dedicated to colleagues in the operational area was developed, as well as the portfolio of courses dedicated to branches and those dedicated to the development of soft skills. In addition to the induction module, an onboarding module was designed and launched to facilitate the integration of new employees into the organization. The courses are interactive, combining video content with written information and various tests. The platform is constantly being developed, and new development materials will be added.

Indicators	2021	2022	2023	2024
Total hours of professional training	19,189	22,547	21,438	23,210
Employees included in the annual evaluation	709	743	804	963

Responsible and transparent employer

Starting 2022, Libra Internet Bank SA has set a new standard of salary transparency, becoming the first employer in the domestic banking sector to publish gross salary ranges in recruitment announcements.

Libra Internet Bank SA pays special attention to creating a working environment conducive to professional and personal development, in a comfortable climate, which favors collaboration and encourages creativity and the implementation of new ideas. At the same time, Libra Internet Bank SA emphasizes the professional evolution of employees, more than 60% of the managerial positions in the Bank being occupied by internally promoted people.

Communication with employees

In addition to the attention paid to customer satisfaction every time, the bank also emphasizes the satisfaction of its employees, through periodic concrete communication actions and feedback collection.

In 2024, the internal Libra People communication and engagement platform was implemented, a strategic tool for strengthening the relationship with employees. The platform creates a virtual space dedicated to internal communication, promoting transparency and active employee engagement through interactions that contribute to the development of an open and dynamic organizational culture. In addition, through the platform, quick surveys are carried out periodically that allow real-time monitoring of employees' perceptions and concerns.

Also, with the implementation of the onboarding program for new employees, the process of activation and feedback collection has been optimized, thus ensuring careful monitoring of its evolution from the beginning of the professional career. These complementary initiatives facilitate the rapid identification of employees' real needs and contribute to continuous and effective organizational adaptation.

Employee programs

Traditionally, the bank organizes programs for employees to encourage team spirit and promote a healthy lifestyle. In 2024, the main programs for employees were:

- **'Libra Energize'** - traditional internal competition, in which bank employees, grouped in teams, compete in various sports events such as running on asphalt or mountain, cycling, swimming, climbing, kayaking, crossfit, archery or shooting, rally, etc. In 2024, the twelfth edition of the program took place, in which 91 Bank employees participated, grouped into 17 teams.
- **'Libra Cultural'** – addressed to employees passionate about art, in all its forms. The 2024 edition was the culinary event. There were 4 workshops dedicated specifically to the cuisine of 4 distinct culinary cultures (e.g. Italian, Spanish, French, Asian cuisine). These workshops were attended by approximately 80 Bank employees. The sessions combined the useful with the pleasant, at the end of each session, following teamwork and the exploration of specific cooking techniques, all 80 participants enjoyed the dishes cooked by them.
- **'Libra Blitz Talk'** – internal monthly video podcast, started in 2021, aimed at strengthening organizational culture through communication. Employees have the opportunity to see their colleagues in different roles in a completely new position, that of a guest in a podcast where they discuss serious topics in a relaxed way, with Libra people for Libra people. Under the slogan 'It's not small talk, it's Blitz Talk!', the video podcast is available on the Bank's internal communication platform, being posted monthly and announced throughout the organization.
- **'Libra Mentoring'** – mentoring program dedicated to developing leadership skills. The program was designed to run between July 2023 and March 2024 and was developed following the criteria developed by the EMCC

(European Mentoring & Coaching Council). 30 mentees were selected in the program, based on clearly defined criteria. The program included 15 mentors who signed up voluntarily, all of them having a managerial role and considerable experience. The program included training sessions with both mentors and mentees, periodic supervision sessions with an EMCC member, internally built development missions aimed at developing leadership skills, respectively monthly mentor & mentee meetings. After the completion of the edition, the program went through a certification process and obtained the ISCMP Silver accreditation from the European Mentoring and Coaching Council Global, being the first program of its kind accredited in Romania based on the EMCC standards.

- **'Share your Hobby'** - an internal program launched in 2023 that continued in 2024 and in which the bank's employees were able to share their hobbies during practical sessions, held physically at the bank's headquarters, being one of the Bank's initiatives that focus on the well-being of employees. They were organized, over 4 weeks, 15 workshops attended by about 200 colleagues. During such workshops, they had the opportunity to discover various passions such as: origami art, 3D printing, crafting, travel or artistic activities such as dance, music or painting.
- **'Libra Harmony'** – a new concept launched in 2024, focusing on the well-being of Libra colleagues. Under the slogan 'Balancing your health & happiness', the program involved both on-site and online actions, with the aim of popularizing well-being concepts. In 2024, 9 masterclasses were organized with various topics that address essential aspects of well-being, such as Physical Wellbeing - Nutrition Wellness, Behavioral Wellbeing - Habits, Mental Health or Emotional & Social Wellbeing, sessions that were a real success, involving approximately 1300 participants;
- **'Libra Champions League'**: internal initiative launched in 2024 (2 editions: May & October), created from employees' passion for sports and the organization's desire to promote an active and healthy lifestyle. The competition is open to all employees (regardless of the level of physical training) and allows an unlimited number of teams, comprising three distinct sports championships : football, 3x3 basketball and table tennis (singles and doubles).

Ethics, professional conduct and the fight against corruption

Libra Internet Bank SA aims to carry out its activities in an environment governed by solid principles. The fundamental principles of banking ethics applicable to all Bank employees are: moral integrity, impartiality and non-discrimination, professionalism and transparency, compliance with the provisions of the legislation in force, confidentiality, prevention and combating of acts of corruption, exercise of prudent activity by Bank employees, social responsibility, avoidance of denigration, loyalty and honesty.

The principles promoted by the Bank are regulated in the Code of Ethics, an internal regulation that is subject to annual review and communicated to all employees. The Code of Ethics establishes the responsibilities that the Bank and employees have towards each other, towards business partners and towards society. It helps to understand common responsibilities and draws attention to legal and ethical issues that may arise. At the same time, it includes a section dedicated to anti-bribery and anti-corruption, towards which the Bank applies zero tolerance and aims to proactively combat any acts or attempts of bribery and corruption, the violation of these principles constituting a disciplinary offense punishable according to the internal regulations and the legislation in force. In addition, an independent channel has been set up at the bank's level dedicated to reporting any violations of the legislation that the bank's employees and suppliers notice, the notifications being able to be registered anonymously. The person in charge is obliged to take all steps to examine the information received, in order to establish a way of solving, and the whistleblower has all the rights and prerogatives established by law.

Also, each employee of the bank must pass an annual test, after completing the internal courses on ethics and professional conduct.

Conflict of interest

Libra Internet Bank SA has implemented policies aimed at establishing appropriate mechanisms to identify, assess, manage, reduce and prevent actual or potential conflicts of interest for employees and the management body.

A conflict of interest may arise when the direct or indirect personal interest of the Bank's staff or of the management bodies is contrary to the interest of the Bank, so that it affects or could affect their independence and impartiality in decision-making or the timely and objective performance of their duties in the exercise of their job duties, being able to intervene in a multitude of circumstances (e.g. market abuse, business relations with the Bank's customers, transactions). Thus, employees have the obligation to report any situation that could be circumscribed to a conflict of interest within the meaning of internal policies.

At the same time, the Bank constantly monitors all situations reported or identified by the responsible function, applying measures in case violations of internal policies are found, likely to be the subject of conflicts of interest.

Know Your Client, Prevention of Money Laundering and Terrorist Financing and Compliance with Sanctioning Regimes

Libra Internet Bank SA attaches great importance to identifying and knowing its customers, the activity being considered critical in terms of the Bank's ability to comply with the specific legislative framework, including in the subsequent monitoring of customer activity. Thus, work procedures and operational flows have been developed to allow both (i) the collection of relevant information when opening an account and (ii) a monitoring adapted to the operational profile of customers.

The process of obtaining and storing know-your-client data complies with the principles of security and data minimization. In order to effectively conduct KYC activities and the prevention of money laundering and terrorist financing crimes, the Bank shall adopt a risk-based approach. Thus, the know-your-customer mechanism, monitoring and reporting of client activity on the account is based on a continuous assessment of the KYC/AML/CFT risks to which the Bank is subject, and the appropriate allocation of resources in order to mitigate these risks.

Libra Internet Bank SA provides both the initial training for employment and subsequently, on an ongoing basis, of staff with know-your-client responsibilities for the purpose of preventing money laundering and terrorist financing. The training material is constantly updated, so as to ensure an appropriate level of theoretical and practical knowledge, including in terms of the challenges generated by legislative and technological developments or geopolitical realities.

Libra Internet Bank SA does not initiate, continue a business relationship or carry out an occasional transaction if it cannot apply know-your-client measures, including in cases where it cannot establish the legitimacy of the purpose and nature of the business relationship or cannot adequately manage the risk of money laundering and terrorist financing.

The application of international sanctions is a fundamental element in Libra Internet Bank SA's program to prevent money laundering and terrorist financing. Libra Internet Bank SA applies the sanctioning regimes promulgated by the European Union ('EU'), the United Nations, according to GEO no. 202/2002 and, in particular, the sanctioning regimes of the United States ('US') Department of the Treasury Office of Foreign Assets Control ('OFAC') addressed to Iran, North Korea and Cuba.

Human rights

Through the internal regulations existing at the level of Libra Internet Bank S.A., all measures are taken to respect human rights, and any direct or indirect discrimination against colleagues at work, customers or potential employees of the Bank, based on sex, sexual orientation, genetic characteristics, age, national affiliation, race, color, ethnicity, religion, political option, social origin, pregnancy, disability, trade union membership or activity or any other reason for illegal discrimination is prohibited. The bank applies equal, undifferentiated and impartial treatment to all persons with whom its employees interact. In the employment processes carried out at the level of the Bank, all candidates benefit from equal employment opportunities and employees are provided with a climate for carrying out their activity in adequate working conditions, social protection, occupational safety and health, as well as respect for dignity without any discrimination.

The Bank prohibits any kind of behavior - verbal, physical or visual - that can be interpreted as harassment, sexual harassment, psychological harassment, moral harassment at work or that is demeaning or offensive to another employee or person, including customers of the Bank on the basis of race, nationality, ethnicity, language, religion, social category, beliefs, gender, sexual orientation, belonging to a disadvantaged category, age, disability, refugee or asylum status or any other criterion that leads to the creation of an intimidating, hostile, degrading or offensive environment.

In the annual professional training process, the Bank's employees go through mandatory training materials that deal with topics related to the observance of human rights. Thus, during 2024, the attendance at the specific training programs, as well as pass rate at the related tests was 100%.

Social inclusion

Libra Internet Bank SA offers a safe environment for all its employees and through the procedures of recruitment and selection of personnel, respectively of performance reward and promotion, affirms and applies a policy of non-discrimination. Thus, the Bank encourages all candidates or employees, regardless of gender, race, sexual orientation, national affiliation, ethnicity, religion, political options, social origin, etc., to be part of the organization, ensuring them equally the same chances to be selected, to prepare for professional development and to advance in their careers within the Bank.

The share of women among the bank's employees continues to stand out (67%), similar to in 2023, given that the number of bank employees at the end of 2024 was approximately 15% higher than in the previous year.

Also, Libra Internet Bank SA pays increased attention to identifying and attracting talent from the years of study or immediately after graduation, offering internship places and the possibility of enrolling in the Banking Academy - a program aimed at young people who want to learn the banking profession, with 2 sessions organized in 2024. The program is organized together with the internal trainers of Libra Internet Bank SA, being addressed to young graduates of higher education who, after completing all the necessary stages, have the opportunity to remain in the organization in various areas of activity. The 2024 sessions were aimed at training the future Relationship Managers in the organization. For the implementation of the Banking Academy, a specific curriculum was built for 1 month in which the participants went through both theoretical and practical modules.

Indicator	2020	2021	2022	2023	2024
Fluctuation rate	21.7%	19.1%	25.4%	17.41%	14.04%
Number of employees	935	981	1035	1110	1307
Of which women	638	669	710	749	876
Percentage of women in managerial positions	41.2%	54.4%	46.9%	47.68%	51.55%
Number of interns (internship) & Golden League Program (from 2023)	21	4	3	3	0
Number of participants in the Banking Academy	18	41	25	48	22

Community impact & social responsibility

Libra Internet Bank SA is an organization that always acts responsibly towards the community, with a positive impact on the development of the society as a whole. In this context, Libra is an important buyer of goods and services, with purchases made almost entirely from local suppliers, which contributes to supporting the development of the Romanian economy.

Indicator	2019	2020	2021	2022	2023	2024
Percentage of purchases from local suppliers out of total	98%	96%	96%	95%	94%	94%

Social responsibility

Libra Internet Bank SA supports the adoption of an active lifestyle among communities, not just employees. Thus, Libra Internet Bank SA was an official partner of the Braşov Half Marathon, a mountain running competition organized in June in which around 1200 runners participated. Stage 1 of the Libra Energize program (10th edition) was also integrated into the competition, approximately 100 employees of the Bank participating in the 2 types of races within the event held in Braşov. In addition to this official competition in which the bank was a sponsor, Libra employees participated in other sports competitions in 2024, such as: mountain running, asphalt running, swimming, mountain biking and others.

Blood donation caravan in October, attended by 70 employees of the bank in Bucharest

Charity photography contest with the theme of the winter holidays, in which the Libra teams participated. The winners of the contest chose the beneficiary of the prize of 2500 lei, the amount being donated to the 'Casa Buona Association', a non-governmental organization whose mission is to deal with the education, health and ensuring a better life of children and families from disadvantaged backgrounds. The communities in which the association operates are Ferentari (Bucharest), Lereşti communes and Nucşoara commune (Argeş county) and Sânpetru commune (Braşov county).

Awards

Over time, professional communities and media outlets have consistently recognized the efforts and results of Libra Internet Bank, which have stood out for innovation, perseverance, courage and a strong focus on customer needs, thus consolidating an important place in the Romanian banking system.

In 2024, Libra Internet Bank's activity was widely appreciated, and its performances and initiatives were validated by significant awards, such as:

- Bank of the Year – Savings category (Financial Market Awards Gala, 2024);
- Successive awards for 'Libra Voice', the first generative AI service included in the mobile banking application in Romania (ThinkBiz Gala, 2024; CEO's Gala, 2024);
- The recognition received from Undelucram.ro where Libra was ranked the 2nd best banking employer and the 10th in the general top of the best employers in Romania. These awards are proof of a united team and an organizational culture that emphasizes development and innovation;
- Awards for Internet and Mobile Banking services (Online Banking Gala, 2024).

5. Subsequent events

In March 2025, the National Bank of Romania approved the appointment of Mr. Andrei Liviu Stamatian as a member of the Board of Directors of Libra Internet Bank.

6. Strategic directions of LIBRA INTERNET BANK during 2025-2027

In the period 2025-2027, the Bank will continue the previously established strategic directions, pursuing a balanced development in all business areas.

- **Lending process optimization:** Implementing digital solutions to improve operational efficiency and customer experience, ensuring a faster and more efficient lending process.
- **Digitalization and technological innovation:** Continuing advanced technologies, such as artificial intelligence, to improve customer experience, operational efficiency and reduce operational costs;
- **Focus on traditional segments:** Paying increased attention to traditional segments, such as liberal professions, agriculture, real estate and retail, where the bank has a solid track record and is less exposed to technological risks.
- **Strengthening the position through organic growth and partnerships:** Strengthening the bank's position through organic growth and evaluating opportunities for new partnerships to complement the offer of

products and services.

- **Team strengthening:** Continuing efforts to attract talent in technical areas, aiming to strengthen IT and Quality Management teams, as well as support teams. The professional and personal development of employees is essential to maintain a high level of performance.
- **Maintaining liquidity and capitalization:** Ensuring an adequate level of liquidity and capitalization to cover significant risks, including MREL requirements, and maintaining solvency and MREL above the requirements imposed by the NBR.
- **Organizational culture:** Maintaining an organizational culture based on collaboration, diversification and continuous adaptation, through professional and personal development programs for employees.

7. Evolution of the economy

7.1 International context

Recent economic developments point to a continued contrast between the US economy, which continues to show solid growth, and the European one, especially the Eurozone, where GDP is growing very slowly under the impact of weakness in manufacturing and exports – the German economy has shrunk for the second year in a row in 2024, affected by the less favorable conditions in which the industry finds itself globally.

In other countries, such as China and India, economic growth was below expectations in the third quarter of 2024, in the first case due to consumption slowing faster than expected, and in the second case due to weakening industrial production. Global consumer prices have generally maintained their trend of slowing growth, while wage growth is moderating and labour market conditions appear to be returning to normal.

The European economy could receive some positive impulses generated, on the one hand, by the increase in real household incomes amid the calming of inflation that could support consumption, and on the other hand by the continuation of the cycle of interest rate cuts at global level that could give a new breath to investments and, implicitly, to industrial production.

At the same time, high energy costs continue to affect productivity at European level and presence in international markets. China, which is already a heavy competitor at global level, is gradually reducing its market profile for European goods, with unfavorable consequences on the economic growth potential of the old continent. The increase in China's competitiveness has occurred through the strong refocus in recent years of investments towards expanding its production capacities in highly imported industries such as electronics, automotive, chemicals.

7.2 Internal context

Modest GDP growth

Economic growth has lost significant speed in 2024, with annual growth of only 0.9%. On the resource side, trade & services and improved net product tax collection supported GDP formation while industry and agriculture provided negative contributions. The industry continued to be marked by unfavorable developments at European level, and to face difficulties in better responding to domestic demand, and agricultural production was quite severely affected by the extended drought in the third quarter, despite some rather promising signals in the first half of the year. The construction sector ended the year in decline as the progress of infrastructure works was not enough to compensate for the decline in the residential and non-residential segments. The average increase in income from salaries and pensions by almost 16% in nominal terms, well above the level of inflation and the visible orientation towards the consumption of non-food goods, especially in the area of clothing, footwear, IT&C, household goods, supported household consumption, which is the main vector driving economic growth in 2024. At the same time, the increase in consumption that occurred against the background of the visible weakness of the local industry of such goods amplified the negative contribution of net exports, which slowed down the economic advance. The dynamics of gross fixed capital formation decreased considerably in 2024, given the weakening of financing channels at the company level, the decrease in foreign direct investments by almost 11% and the weak absorption of European funds.

Growing trade deficit

In addition to the moderation of external demand, the loss of competitiveness materialized by the sharp increase in the hourly cost of labor at the same time as the decrease in productivity had a negative influence on the trade deficit, which could exceed the threshold of 9% of GDP in 2024. The branches of the manufacturing industry most affected by the deterioration of competitiveness were especially those that are intensive in labor, such as light industry, electronics, machinery and equipment. The trade balance was further affected by the deepening of the deficit of services with an estimated figure of almost 2 billion euros, mainly transport services and tourism being responsible for it.

Falling inflation and interest rates

The annual inflation rate was on a decelerating trend in the first half of 2024, followed by a mixed evolution, with an upward trend at the end of the year. Thus, annual inflation ended at 5.1% in 2024, well above the upper edge of the target range of 3.5% set by the National Bank of Romania. Upward pressures were observed in the last part of the year for food products, including as an effect of the weak agricultural year, but also for non-food products, especially tobacco, energy and fuels.

Monetary policy was cautious, as a result of the high level of inflation, with the central bank cutting the key interest rate only twice to 6.50% in August and September and even raising the inflation forecast at the end of the year. In addition to the two interest rate cuts in the summer, the ample liquidity that existed for most of the year in the banking market helped interest rates fall, with the 3-month ROBOR interest rate reaching 5.6% in October. The transmission effect of monetary policy led to a decline in interest rates on the banking market, with interest rates on loans denominated in lei being lower by 1 percentage point in November to 7.8% compared to December 2023, the decrease being slightly more visible at the level of loans granted to individuals, especially in the case of consumer loans.

2025

The international economic environment remains quite turbulent, dominated by uncertainties and potential risks that may affect supply and distribution channels, investments and inflation as a result of protectionist trade policies in the US, China, the European Union, and the appreciation of the US dollar as a result of the change in trade tariffs may lead to a restriction of capital flows from emerging markets. At the same time, the increase in military spending and the widespread phenomenon of migration in Europe could drain a large volume of financial resources that could otherwise be directed towards productive economic sectors. The persistence of geopolitical tensions in Ukraine and the Middle East may negatively influence the price of goods, especially food and energy, and the appreciation of the dollar could amplify the negative effect especially in countries with a large volume of imports of such goods.

The Romanian economy will undergo fiscal consolidation and liberalization of energy prices. The budget deficit reduction plan estimated at over 8% of GDP for the whole of 2024, and especially the measures that will be taken to correct it, may have a significant impact on the pace of economic growth in 2025. The decrease in the fiscal incentive comes at a time when the economy is losing traction, one of the main engines – the manufacturing industry is still gripped, and managers in industry and construction are quite wary about the evolution of demand in the first part of this year. In this context, economic growth for 2025 could be up to 2%, below the average of 3.7% recorded in the period 2014-2023. Increasing the absorption of European funds and, especially, their use in production processes and less direct purchases can contribute to strengthening the potential for GDP growth, while reducing the trade deficit more sustainably.

The liberalization of energy prices starting 1 April 2025 could put additional direct pressure on household budgets and inflation, limiting consumption, while further deteriorating the competitiveness of Romanian industrial products, with a negative influence on the trade and current account deficits. The persistence of inflation above the NBR's target range in 2025 will most likely require a cautious monetary policy in which interest rates and financing costs could fluctuate slightly. If the measures included in the fiscal consolidation plan work without creating additional inflationary pressures and inflation manages to return to a certain downward trend, the possibility of a reduction in the key interest rate in the second half of the year cannot be excluded, provided that there are no pressures towards the depreciation of the national currency.

Also, the level of financing costs could be influenced by the decisions of international rating agencies and by the perception of risks by investors who will closely follow the achievement of the deficit target of 7% of GDP assumed for this year. The turmoil of the parliamentary and presidential elections at the end of last year has reversed for the moment the trend of gradually decreasing interest rates on the money market, and the 3-month ROBOR remained high in January 2025 at around 5.9%, as the average yield on financing public debt on the primary market reached 7.4% in January 2025, from 6.8% in December 2024.

8. Proposals of the Board of Directors to the Shareholders' Meeting

1. The Board of Directors proposes to the General Meeting of Shareholders of 24/25April 2025 to distribute the profit for 2024 as follows:
 - i. 5% of the gross profit amount of **RON 15,910,522** to be distributed to legal reserve;
 - ii. the amount of **RON 254,311,324** to remain in the retained earnings as unappropriated profit.
2. According to Order of the National Bank of Romania no. 27/Dec 2010 (republished) for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, as revised, the Board of Directors proposes to the General Meeting of Shareholders the approval of the following documents:
 - i. Financial statements for year 2024 prepared in accordance with Order of the National Bank of Romania no. 27/Dec 2010 (republished) for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, including the audit report for year 2024;
 - ii. Current report of the Board of Directors;
 - iii. Discharge of the members of the Board of Directors who acted in this position during 2024;
 - iv. Publication of financial results for 2024 in accordance with legal requirements.

Chairman of the Board of Directors
Radu Grațian Ghețea



Vice-Chairman of the Board of Directors
Eugen Goga

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STATEMENT ON THE APPLICATION OF CORPORATE GOVERNANCE PRINCIPLES AT LIBRA INTERNET BANK SA

	Rules for the application of the principles of corporate governance	Compliance		Reason for non-compliance
		Yes	NO	
1.	The company must have an internal regulation of the Board that includes the terms of reference/responsibilities of the Board and the key management functions of the company.	Yes		
2.	The Board Regulation must include provisions for the management of conflicts of interest.	Yes, the Internal Organisation Regulation includes the responsibilities of the Board in relation to the management of conflicts of interest and additionally, the provisions on the management of conflicts of interest are included in separate policies on the management of conflicts of interest, both at the level of the management bodies and for the entire staff of the bank		
3.	The Board of Directors consists of at least five members.	Yes		
4.	The majority of the members of the Board of Directors must not hold an executive position.	Yes		
5.	Each independent member of the Board of Directors must submit a declaration at the time of their nomination for election or re-election, as well as when any change in their status occurs, indicating the elements on the basis of which they are considered independent in terms of character and judgment.	YES		
6.	Other relatively permanent professional commitments and obligations of a board member, including executive and non-executive positions on the board of non-profit companies and institutions, must be disclosed to potential shareholders and investors prior to nomination and during their term of office.	Yes		
7.	Any member of the Board shall submit to the Board information on any relationship with a shareholder who directly or indirectly owns more than 5% of all voting rights. This obligation relates to any kind of report which may affect the member's position on matters decided by the Board.	Yes		
8.	The Company has appointed a Secretary of the Board responsible for supporting the work of the	Yes		

	Board.			
9.	The Corporate Governance Statement informs whether an evaluation of the Board has taken place under the leadership of the Chairman or the nominating committee. If so, it will summarise the key measures and the resulting changes.	Yes		
10.	The company must have a Board evaluation policy/guide setting out the purpose, criteria and frequency of the evaluation process.	Yes		
11.	The Company has established a nominating committee that will lead the nomination process for new members to the Board and make recommendations to the Board.		Not	In June 2021, the Remuneration and Nomination Committee was abolished, and its duties were taken over by the Board of Directors
12.	The company has an audit committee set up by the Board, in which at least one member must be an independent non-executive director. The majority of the members, including the Chairperson, must have demonstrated that they have appropriate qualifications relevant to the functions and responsibilities of the Committee. At least one member of the audit committee must have proven and appropriate audit or accounting experience.	Yes		
13.	The Chairperson of the Audit Committee shall be an independent executive member.	Yes		
14.	As part of its responsibilities, the Audit Committee carries out an annual assessment of the internal control system.	Yes		
15.	The assessment carried out by the audit committee must take into account the effectiveness and comprehensiveness of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Board's audit committee, the timeliness and effectiveness with which the executive management addresses the deficiencies or weaknesses identified as a result of the internal control, and the submission of relevant reports to the Board.	Yes		
16.	The audit committee assesses conflicts of interest in relation to the transactions of the company and its subsidiaries with related parties.		No	Transactions with related parties are evaluated by the Board of Directors.
17.	The audit committee assesses the effectiveness of the internal control system and the risk management system.	Yes		
18.	The audit committee monitors the application of legal standards and generally accepted internal auditing standards. The audit committee receives and evaluates the reports of the internal audit team.	Yes		
19.	Reports or analyses initiated by the Audit Committee are followed by periodic (at least annually) or ad hoc reports, which are submitted to the Board.	Yes		
20.	No shareholder may be accorded preferential treatment over other shareholders in relation to	Yes		

	transactions and agreements entered into by the company with shareholders and their affiliates.			
21.	The Board adopts a policy to ensure that any transaction of the Company with any of its closely related subsidiaries/companies whose value is equal to or greater than 5% of the Company's net assets (according to the latest financial report) is approved by the Board following a binding opinion of the Board's Audit Committee and correctly disclosed to shareholders and potential investors, to the extent that these transactions fall into the category of events subject to reporting requirements.		No	According to the competences in the lending activity, any transaction of high value is subject to the approval of the Board of Directors, in addition any transaction with related parties requires the approval of the Board.
22.	Internal audits are carried out by a structurally separate division (internal audit department) within the company or by employing an independent third party.	Yes		
23.	In order to ensure the performance of the core functions of the internal audit department, it must report functionally to the Board through the Audit Committee. For administrative purposes and as part of management's obligations to monitor and reduce risks, it must report directly to the Chief Executive Officer.	Yes		
24.	The company publishes on its website the remuneration policy and includes in its annual report a statement on the implementation of the remuneration policy during the annual period under review.		No	Mentions regarding the remuneration of the identified personnel are mentioned in the Annual Transparency Report published on the website.
25.	The Company publishes in its annual report a section that includes the total income of the members of the Board and the Chief Executive Officer for the respective financial year and the total amount of all bonuses or any variable compensation, and also the key assumptions and principles for calculating the income mentioned above.	Yes, the annual report includes a description of the remuneration modality and the total expenditure on the salaries and bonuses of the Management (executive and non-executive)		
26.	The company must organize an Investor Relations service – indicating to the general public the responsible person/persons or the organizational unit. In addition to the information required by the legal provisions, the company must include on its website a section dedicated to Investor Relations, in Romanian and English, with all relevant information of interest to investors.		No	Not applicable because the bond issuance is carried out through an intermediary. At the same time, on the Bank's website there is a section dedicated to the issuance of bonds where all the information related to the issuance of Libra Internet Bank bonds is available.
27.	The company has a policy on the annual distribution of dividends or other benefits to shareholders, proposed by the Chief Executive Officer or the Management Board and adopted by the Board of Directors, in the form of a set of guidelines that the company intends to follow regarding the distribution of net profit. The principles of the annual distribution policy to shareholders will be published on the company's website.	Yes		Dividends are granted in accordance with the provisions of the Dividend Policy.

28.	The Company adopts a policy in relation to forecasts, whether they are made public or not. Forecasts refer to quantified conclusions of studies aimed at establishing the overall impact of a number of factors regarding a future period (so-called assumptions): by its nature, this projection has a high level of uncertainty, the actual results may differ significantly from the forecasts initially presented. The forecast policy will set out the frequency, the period envisaged and the content of the forecasts. If published, forecasts can only be included in annual, half-yearly or quarterly reports. The forecast policy will be published on the company's website.		No	The bank uses forecasts of macroeconomic indicators in the calculation of provisions. Information on the economic forecasts and scenarios used is included in the annual transparency report.
29.	The rules of the general meetings of shareholders do not limit the participation of shareholders in general meetings and the exercise of their rights. The changes to the rules come into force at the earliest, starting with the next shareholders' meeting.	Yes		
30.	The external auditors are present at the general meeting of shareholders when their reports are presented at these meetings.		No	The Director's Report is endorsed by the auditors and includes a separate chapter in which all the proposals that are made regarding the distribution of profit and the granting of dividends are specified.
31.	The Board shall submit to the annual general meeting of shareholders a brief assessment of the internal control and material risk management systems, as well as opinions on matters subject to the decision of the general meeting.		NO	The Bank's Articles of Incorporation do not provide such powers for the Board.
32.	The company must set the date and place of a general meeting so as to allow the participation of as many shareholders as possible.	Yes		
33.	The quarterly and half-yearly financial reports include information in both Romanian and English on the key factors influencing changes in sales, operating profit, net profit and other relevant financial indicators, both quarter-on-quarter and year-on-year.		NO	The half-yearly report prepared and reported to the Stock Exchange and the FSA is made only in Romanian. The annual reports are made in both Romanian and English. The bank is not obliged to prepare quarterly reports for investors.

Chairman of the Board of Directors
Radu Grațian Ghețea



Vice-Chairman of the Board of Directors
Eugen Goga



ANNEX 1 - LIST OF AFFILIATES

3 LASER BEAUTY SRL
4R CAPITAL LLC
ACTIV TOP MANAGEMENT SRL
ACTIVE SOFT SRL
AGRI TERENURI SA
ANDREI MARIA DOINA
ANDREI MIRIAM - ELENA
ANDREI SIMINEL CRISTIAN
ANDREI SIMINEL VLAD
ANDREI VICTOR ALEXANDRU
AVGOUSTI ANGELA
ANGHEL DANIELA CRISTINA
ANGHEL LUCIAN-CLAUDIU
ANGHEL M DANIELA CRISTINA MEDIC SPECIALIST NEUROLOGIE PFA
ANGHEL MATEI CIPRIAN
ANGHEL NONNA
ANGHEL SABINA ANDRA
ANGHELUTA MARIA ELENA
APART POIANA ESTATE SRL
ARHIVARE DOCUMENTE SRL
ARTEMIS ORFANIDOU KLEANTHOUS
ASOCIAȚIA BEST MUSIC
ASOCIAȚIA EXPERȚILOR IN RISK MANAGENT
ATS AGRIBUSINESS INVESTMENTS LIMITED
AXENTE TINITA
BAFIN CONSULTANȚA SRL
BALTA FLAVIA
BARAGAN AGRO LAND SRL
BARBULETE ELENA
BARBULETE GHEORGHE
BEJU VIRGINIA
BELLOIU RADU- FLORIAN
BEMELE SRL
BESLIU AUREL
BESLIU MARIEA
BESTMUSIC CONCERTS SRL
BIL GIULEȘTI PROPRIETATI SA
BIL INVESTIȚII SA
BIL MALIUC PROPRIETĂȚI SRL
BIL TERENURI SA
BIMBIREL ELENA

BIROUL DE CREDIT
BITFACTOR SRL
BITTNET SYSTEMS SA
BOB IOT ENTERPRISE S.R.L.
BOBNET RO SRL
BOJIN CONSTANTA
BUHOCIU ELENA ADNANA
BUICA NICUSOR-MARIAN
BUSINESS MICROCREDIT IFN S.A.
BUZGAN ANDREI
CAPRIS SOLUTIONS S.R.L.
CARPA ENTERPRISES LIMITED SEDIU PERMANENT ROMANIA
CAVA PROPERTIES S.R.L.
CENTREVILLE OFFICES SA
CERBU ALEXANDRU
CERBU CORNEL
CERBU SORIN-CĂTĂLIN
CERNESCU ADRIAN - GABRIEL
CIOBANU CĂTĂLINA
COCOR S.A.
COMAN PAVEL
COSMA ADRIAN DUMITRU
COSMA ANDREI AUREL
COSMA MĂDĂLINA
COSMA MARIA EUGENIA
CREDIMATIC NETWORK SRL
CREDIUS IFN
CRISMARIU LACRĂMIOARA
DABU MIHAELA
DEPARTAMENTUL DE ACHIZITII SRL
DEPO MET SA
DIETETICA MED SRL
DIVIDENDE SI DEȚINERI SRL
DOCTORDERMATOLOG A-Z SRL
DOGA EVGHENII
DOLINSKAIA OXANA
DRĂGAN ADELA
DRĂGAN AURORA
DRĂGAN CRISTIAN-DRAGOȘ
DRĂGAN PETRICĂ
DRĂGAN SEBASTIAN
DRĂGAN VLAD

DRAGOMIR DANIEL
DRAGOMIR FLORINELA
DUMITRESCU CĂTĂLIN
DUMITRU ALEXANDRU
DUMITRU IOANA-GRATIELA
DUMITRU VERONICA MARIANA
EFTYCHIA SPYROU
ELECTROAPARATAJ SA
ELJ AUTOMOTIVE SA
ELJ CONSTRUCT PLAST SRL
ELJ PROPRIETATI SRL
ELJ REAL ESTATE SA
ENACHE COSMIN MIHAI
ENERGO INDUSTRIAL IMOBILI SA
EUROPA CAPITAL PROPRIETATI SRL
EUROPA CAPITAL SA
EVAN SHOP CONCEPT SRL
FINOPRO IFN S.A.
FIRANESCU NICOLETA
FIT 9 BY ALMA SRL
FIT STRATEGY SRL
FOOD VISION SRL
FORT S.A.
FRANCU GHEORGHE
FUNDATIA GROWUP
GANGAN SERGHEI
GAVRILIȚĂ ANA
GAVRILIȚĂ ANDREI
GAVRILIȚĂ CRISTINA
GAVRILIȚĂ MARIA
GAVRILIȚĂ VLAD
GBN IMOBILI SRL
GEOAGRI CADASTRU SRL
GEORGESCU CORNELIA
GHEORGHE CHITU
GHEORGHISOR FLORICA
GHEORGHISOR FLORIN-VALENTIN
GHEORGHISOR MARIA VALENTINA
GHEORGHISOR MIHAI-ALEXANDRU
GHEORGHISOR TITU
GHEORGHIU ADRIAN
GHEORGHIU MARILENA

GHEȚEA CATRINEL
GHEȚEA RADU GRAȚIAN
GHEȚEA RAZVAN CIPRIAN MARIUS
GHIDANAC DANIELA-NICOLETA
GHINEA ANICA
GIRNET MIHAIL
GOGA CĂLIN TUDOR
GOGA CAMELIA-MARIA
GOGA EUGEN
GOGA MARA-SOFIA
GOLOMOZ ADRIAN
GRANTED SYSTEM SOLUTIONS SRL
HAGIU IFTODE OANA
HAGIU SEVASTITA
HAGIU SILVIU TEODOR
HAIDU ALBERT-LUCIAN
HAIDU CARMEN MARIA
HAIDU DANIELA-NICOLETA
HAIDU DANIELA-NICOLETA PERSOANA FIZICA AUTORIZATA
HAIDU RARES ALEXANDRU
HAIDU TUDOR NICHOLAS
HESKETH ENTERPRISES LIMITED
IA BILET SRL
IANCIUC VIOREL
IFTODE CHITA
IFTODE VALERICA
ILIESCU ALINA IONELA
IMEDIA PLUS GRUP SA
IMOBILI NETWORK DEVELOPMENT SRL
IMS PARK DEVELOPMENT SA
IMS PROPRIETATI SA
INFOTURISM MEDIA SRL
INTEGRAL COLLECTION
INTERNET SUPPORT SERVICES SRL
IONESCU EMIL
IORGA DANUȚ
IOSIF NINA
IPROMET IMOBILI SA
LACHE TATIANA
LASZLO VASILE-ALEXANDRU
LIBRA DEVELOPMENT IFN SA
MACHTEAM SOFT SRL

MADESCU ADRIAN
MAHIKA VOICONI ANA
MAHIKA VOICONI CRISTINA CARMEN
MAHIKA VOICONI SORIN CONSTANTIN
MAHIKA VOICONI TUDOR
MANTA RAZVAN
MAZILU ANDRA
MAZILU DANUȚ
MAZILU DANUȚ INTREPRINDERE FAMILIALA
MAZILU GABRIELA
MAZILU MARA
MAZILU VASILE
METEX BETA SA
METEX BIG SA
METEX GAMMA SRL
MHK FIVE STAR CONSULTING SRL
MILOAIE ALIN
MOARA DE FOC IMOBILI SA
MOISE CĂTĂLIN TEODOR
MOZA DOREL ANTON
MULTIBROKER S.R.L.
MULTINODE NETWORK S.R.L.
NABLA MANAGEMENT SRL
NCH BALKAN ASSOCIATES LLC
NCH CAPITAL INC.WILMINGTON - SUCURS
NEOMAGASSIN SRL
NET CONS MANAGEMENT SRL
NICOLAE ANA-EMILIA
NICOLAE FLORICA
NICOLAE MIRCEA
NOW IT WORKS SRL
O.C.N CREDIT RAPID SRL
OCHIAN GELU
OCHIAR MARIA
OLOGU-HANCER MIHAI-IONUT
OMER MERAL
OMNITEST LABORATOR SA
ORFANIDOU STEFANI
ORGANIZING SOLUTIONS SRL
OXFORD NATION SRL
PALACE S.A SINAIA
PALTIM SA

PANA ANA
PANA MARIA ELENA
PETCU LORENA
PETRE MELINTE ANDREI
PETRE MELINTE OVIDIU
PETRE-MELINTE CRISTINA
PETRE-MELINTE ION
PETRE-MELINTE ROXANDRA
PIESEAUTO.RO MARKETPLACE SRL
PINCU FLORIAN MARCEL
POPA MARIA EVELINA
POPA MELANIA
POPA MIHAI-GIUSEPPE
POPA STEFAN ALEXANDRU
POPESCU EUGEN
POPUSOI VICTOR
PORTOMET ADVISORY SRL
POSTOLACHE CASIAN
POSTOLACHE PETRONEL MANUEL
POSTOLACHE PHILIP
PRECUP ANDREI ANTON
PREDA ADRIAN
PREDA MUGUR
PRICOPE LUCIA
PRICOPE NASTASE
PRICOPIE CRISTIAN - CLAUDIU
PROPRIETATI FINCONTA SRL
PUSCAS ALEXANDRA
PUSCAS IURIE
RADU NICOLAE
RATA OLGA
RENALO INVESTMENTS LIMITED SEDIU PERMANENT ROMANIA
RING AFACERI SA
RISC ADMIN SRL
RISCO SERVICII FINANCIARE SRL
RMRT MAG SA
ROGOJANU MIOARA-ROXANA
ROHR GEORGE
ROMARTA 2001 COM SRL
ROMARTA ADMINISTRATIV SRL
ROMARTA INDUSTRIAL SA
ROMARTA SA

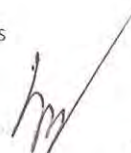
ROMLUX LIGHTING COMPANY SA
ROSCA SERGIU
RURAL AGRI DOLJ SRL
RUS ADRIAN IOAN
SABAU CASIAN-TRAIAN
SANTIS ANDREAS
SAPTE SPICE SA
SCALA SA
SCANTEIANU CRISTINA
SCHADEN INSPEKTION ROMANIA SRL
SERBAN SILVIANA
SIRBU GEORGE
SIRBU LARA ANDREEA
SIRBU LIVIA
SIRBU LUMINITA STELA
SIRBU MARIA CRISTINA
SIRBU MIHAELA
SIRBU MIHAELA CONSULTANT FISCAL
SIRBU VALERIU
SITA DIANA-MARIA
SITA IONEL
SITA IRINA-GABRIELA
SITA LUCA-ANDREI
SITA TUDOREL
SITA VASILICA
SITARU RADU - MIHAIL
SOARE ANDREEA MARIA
SOARE ELENA MADALINA
SOARE LIVIU MANUEL
SPV INVESTIS IMOB SA
SQUAREMEDICAL SA
STECHERT ENTERPRISES LIMITED
STOENESCU OANA-MARIA
TABACINIC MORIS
TARGUL DIN VALE IMOBILI SA
TECHSPOT SOLUTIONS SRL
TELERENTA SRL
TERAPLAST S.A
TESEDEANU COSTIN-GABRIEL
TESEDEANU LUCA GABRIEL
TESEDEANU MIHAI DANIEL
TIMOFAN IONELA

TIMPASCU LIVIA GABRIELA
TODERASCU DANIEL
TOMA CORNELIU
TOMA ERIC-ANDREI
TOMA FILIP-IOAN
TOMA GEORGIANA ROXANA
TOMA IOAN-PAVEL
TOMITA TIBERIU-FLORIN
TOP MARKET SRL
TRADEVILLE
TRANSFOND
TREI BRUTARI SRL
TRITTICO HOLDINGS LIMITED
TUDORIU CONSTANTIN-SORIN
TURCU ELVIRA
ULICI LAURENTIU FLAVIUS
ULINIUC MIHAELA-GEORGIANA
UMBRES ALEXANDRU
UMBRES GEORGIANA ALINA
UMBRES IONEL
UMBRES MARIA
UMBRES MARIA DIANA
UNGUREANU ELISABETA
UNGUREANU VALENTIN
VALM TERENURI SA
VILCU ANA MARIA
VILCU DRAGOS-CRISTIAN
VILCU IONEL
VILCU MIHAELA
VILCU MIRUNA
VILSANIOIU SIMONA GABRIELA
VIZITIU PETRU
VOINEA GEORGETA
VOINEA ION
VP IMMOBILI SA
VP MAGASSIN SA
VP REALTY SA
VP TERENURI SRL
WINI IMOBILI S.A
ZBANCA SERGHEI

Chairman of the Board of Directors
Radu Grațian Ghețea



Vice-Chairman of the Board of Directors
Eugen Goga

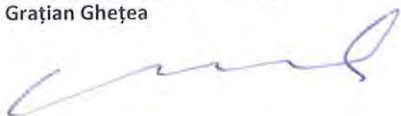


Annex 2 - LIST OF BRANCHES

1. BUCHAREST Branch - registered with the Trade Register under no. J40 / 396/1998, operating from 1 February 1998;
2. BĂNEASA Branch - registered with the Trade Register under no. J40 / 5917/1998, operating from 1 May 1999;
3. ORADEA Branch - registered with the Trade Register under no. J05 / 770/2000, operating from 12 February 2001;
4. CONSTANTA Branch - registered with the Trade Register under no. J13 / 1769 / 13.10.2000, operating from 6 March 2001;
5. STEFAN CEL MARE Branch - established on 22 December 2005 through the transformation of the AVIATORS Agency (Agency operating since 21.05.2001);
6. IULIU MANIU Branch - established on 16 February 2005, registered with the Trade Register under no. J40 / 2915/2005;
7. PANTELIMON Branch - established on 2 February 2005, registered with the Trade Register under no. J40 / 1826/2005;
8. BUZAU Branch - established on 20 April 2005, registered with the Trade Register under no. J40 / 536/2005;
9. PITESTI Branch - established on 16 June 2005, registered with the Trade Register under no. J03/1178/2005;
10. Branch PLOIESTI2 - established on 27 March 2006, registered with the Trade Register under no. J29/674/2006;
11. MOSILOR Branch - established on 8 November 2005, registered with the Trade Register under no. J40/18810/2005;
12. BISTRITA Branch - established on 9 December 2005, registered with the Trade Register under no. J06 / 1015/2005;
13. SIBIU Branch - established on 6 December 2005, registered with the Trade Register under no. J32 / 1776/2005;
14. PIATRA NEAMT Branch - established on 20 February 2006, registered with the Trade Register under no. J27 / 230/2006;
15. IASI Branch - established on 29 March 2006, registered with the Trade Register under no. J22/786/2006;
16. BERCENI Branch - established on 11 April 2006, registered with the Trade Register under no. J40 / 6091/2006;
17. RAHOVA Branch - established on 12 May 2006, registered with the Trade Register under no. J40/7744/2006;
18. VOLUNTARI Branch - established on 12 June 2008, registered with the Trade Register under no. J23 / 1715/2008;
19. NERVA TRAIAN Branch - established on 29 May 2008, registered with the Trade Register under no. J40/9450/2008;
20. CRAIOVA Branch - established on 8 July 2008, registered with the Trade Register under no. J16/1345/2008;
21. BRASOV Branch - established on 11 July 2008, registered with the Trade Register under no. J08 / 1906/2008;
22. DECEBAL Branch - established on 3 November 2010, based in Bucharest, 7 Decebal Blvd., clădirea S 12, parter, District 3;
23. ION MIHALACHE Branch. J40 / 4759/2011, Municipality of Bucharest, 35-37 Ion Mihalache Blvd., Sector 1
24. Cluj-NAPOCA Scursala, J12/1423/26.05.2011, Cluj-Napoca Municipality, Bd. Eroilor nr. 10, Cluj County;
25. AFUMATI Branch, J23/1866/14.07.2011, Afumati commune, Str. Fabricii nr. 1, T111, P425, room H9-M1, Ilfov County
26. TIMISOARA Branch, J35 / 1847 / 10.08.2011, Timisoara, Int. Strada Doinei nr. 19, Timis County
27. Camil Ressu Branch - J40 / 6787 / 13.06.2012, Bucharest, sector 3, Bd. Camil Ressu nr. 68, building 1B, plot 5
28. Bacau Branch, J4 / 782 / 13.08.2012, Bacau, Calea Marasesti nr. 4, sc. D, parter, Bacau County
29. Targu Mures Branch, J26 / 259 / 16.03.2012, Targu Mures, Piata Trandafirilor nr. 6-8, Mures County
30. Braila Branch, J9 / 722 / 27.11.2013, Calea Calarasilor nr. 51, parcela 1, bloc 104, parter, Braila Municipality, Braila County
31. Drumul Taberei Branch, J40 / 13978 / 12.11.2013, Str. Drumul Taberei nr. 90, clădirea C8, parter, Sector 6, Bucharest
32. Fundeni Branch, J23 / 2955 / 27.09.2013, Dobroiesti, Str. Dragonul Roșu nr. 1-10, Dragonul Roșu Megashop, etaj 1, local R1, Ilfov County;
33. Galati Branch, J17 / 950 / 01.08.2013, Galati Municipality, str. Domneasca nr. 17, Building B, parter, Galati County;
34. Queen Elisabeth Branch, J40 / 9559 / 30.07.2013, Bucharest, Bd. Regina Elisabeta 63, parter, sector 5;
35. Colentina Branch, J40 / 12992 / 21.10.2013, Calea Colentina nr. 274, parter, camerele 3 și 9, Sector 2, Bucharest
36. Branch 13 September, J40 / 11788/2014, Calea 13 Septembrie nr. 114, BL 56, SC 1, Bucharest
37. Suceava Branch, J33 / 863/2014, Str. Stefan cel Mare nr. 17, parter + subsol, încăperile 14, 15, 16 - 17, sc. A-B, Suceava
38. Chitila Branch, J40 / 12134/2014, Sos. Chitilei nr. 101, Bucharest
39. Podu Roș Iași Branch, J22 / 1824/2015, Iasi Municipality, Strada Sfântul Lazăr (former 7 Noiembrie) nr. 49, bl. A1-3, parter, Iași, Iasi County
40. PANTELIMON EST Branch, J40 / 13982/2015, Sos. Pantelimon nr. 286, bl. 41, parter, Sector 2, Bucharest;
41. MAGHERU branch, J40 / 626 / 21.01.2015, Bd. Gen. Gh. Magheru nr. 1-3, spațiu comercial "I", Sector 1, Bucharest;
42. MARASTI CLUJ-NAPOCA Branch, J12 / 798/2015, Bulevardul 21 Decembrie 1989 nr. 148, parter, bloc B1, ap. 114, Cluj, Cluj County;
43. ARAD Branch, J2 / 636/2016, Bd. Revolutiei nr. 89, corp A, parter, ap. 1- B, Arad county;
44. BARNUTIU TIMISOARA Branch, J35 / 1358/2016, Str. Simion Barnutiu nr. 73-77, Bloc 75, Timis county;
45. DOROBANTI Branch, J40 / 15998/2016, Calea Dorobanti nr. 111-113, bl. 9B, Bucharest Municipality, Sector 1;
46. CAPITOL CONSTANTA Branch, J13 / 205/2016, Bd. Tomis nr. 132, bl. LE1- LE2, Constanta, Constanta County
47. HEROES of the REVOLUTION Branch, J40 / 3024/2017, unique registration number 37176864, Sos. Giurgiului nr. 23, Sector 4, Bucharest;
48. CRANGASI Branch, J40 / 1473/2017, unique registration number 37032885, Calea Crangasi nr. 21, bl. 12, parter, Commercial spaces no. 3 and 4, Sector 6, Bucharest;
49. APUSULUI Branch, J40 / 13596 / 28.07.2017, unique registration number 38040444, Bd. Iuliu Maniu nr. 73, parter,

- spațiul comercial nr. 4, bl. C3, Sector 6, Bucharest,
50. CLUJ MĂNĂȘTUR Branch, registered with the Trade Register under no. J12 / 1508 / 04.04.2019, unique register number 40919144, Calea Mănăștur nr. 64-66, spațiul nr. 1 Cluj-Napoca, Cluj,
 51. FOCȘANI Branch, registered with the Trade Register under no. J39 / 387 / 20.02.2019, unique register number 40668697, Str. Cuza Vodă nr. 9A, spațiu comercial nr. 1, Focșani, Vrancea, operating from 20.02.2019,
 52. BASARABIA Branch, registered with the Trade Register under no. J40 / 9615 / 23.07.2019, unique registration number 41428145, Intrarea sectorului nr. 1, spațiu comercial nr. 13, parter, sector 3, Bucharest, operating from 23.07.2019,
 53. SLOBOZIA Branch, registered with the Trade Register under no. J21 / 721 / 11.11.2019, unique register number 41884370, Bd. Matei Basarab nr. 17, Slobozia, Slobozia, operating from 11.11.2019,
 54. ALEXANDRIA Branch, registered with the Trade Register under no. J34 / 113/2020, unique register number 42311287, str. București, Bl. T1, parter, Alexandria, Teleorman, operates from 24.02.2020
 55. Pipera Branch, registered with the Trade Register under no. J40/185/06.01.2023, unique register number 47410422, Bucharest Sector 2, Șoseaua Fabrica de Glucoză nr. 6-8, parter, tronson G7, operates starting 06.01.2023
 56. Brasov Astra Branch, registered with the Trade Register under no. J8/2541/11.09.2023, unique register number 48761596, Brasov Municipality, Calea București nr. 102, Brasov County, operates starting with 11.09.2023
 57. Constanta Ferdinand Branch, registered with the Trade Register under no. J13/3523/24.10.2023, unique register number 49000470, Constanta Municipality, Bulevardul Ferdinand nr. 19, Constanta County, operates from 25.10.2023
 58. Iasi Păcurari Branch, registered with the Trade Register under no. J22/1166/2024, unique register number 49842680, Șos. Păcurari nr. 61, Iași, Iași County, operates from 03.04.2024
 59. Popești - Leordeni Branch, registered with the Trade Register under no. J23/1866/2011, unique register number 28863559, Sos. Oltenitei nr. 13 Bis, Bl. G1-2, spațiu comercial nr. 2, Popești-Leordeni, Ilfov County, operates from 20.05.2024

Chairman of the Board of Directors
Radu Grațian Ghețea



Vice-Chairman of the Board of Directors
Eugen Goga



2024 SUSTAINABILITY STATEMENT

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1. GENERAL INFORMATION ON THE SUSTAINABILITY STATEMENT

The implementation of the new European Corporate Sustainability Reporting Directive (CSRD) represents a significant milestone for Libra Bank. This development marks a crucial opportunity for Libra Bank to reinforce our commitment to transparency, responsibility, and sustainable development. By aligning our sustainability reporting practices with the new European Sustainability Reporting Standards (ESRS), Libra Bank takes an essential step toward enhancing the clarity and quality of environmental, social, and governance (ESG) disclosures for all stakeholders.

The CSRD establishes mandatory reporting standards (ESRS), which define specific disclosure requirements and ensure the structured presentation of ESG information. In its Sustainability Statement, Libra Bank provides comprehensive insights into various aspects of our operations. This includes our strategy, business model, governance, value chain, and stakeholder engagement practices, fulfilling the transparency and reporting criteria established by ESRS 2. Furthermore, this statement addresses the sustainability topics identified as material for Libra Bank, reflecting commitment to continuous improvement and stakeholder accountability.

The Sustainability Statement of Libra Internet Bank for the year ended December 31, 2024, was prepared in accordance with the provisions of Order no. 1/2024 of the National Bank of Romania, which amends Order no. 27/2010 approving the accounting regulations in line with the International Financial Reporting Standards, for the implementation of Article 29a of Directive 2013/34/EU, as amended by Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, and amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU.

In accordance with the requirements of ESRS 1, the Bank has also included the information required under Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (the EU Taxonomy Regulation and accompanying delegated acts), presented in separately identifiable sections within this Sustainability Statement.

1.1. Basis of Preparation

1.1.1. General Basis for the Preparation of the Sustainability Statement

The Sustainability Statement for the year 2024 has been prepared on an individual basis, as there are no consolidated entities within Libra Bank's scope (*ESRS 2-BP-1.5a*). Therefore, disclosures related to the alignment of the consolidation scope with the financial statements (*ESRS 2-BP-1.5b. i*) and indication of subsidiary undertakings exempted from individual or consolidated sustainability reporting (*ESRS 2-BP-1.5b. ii*) are not applicable.

To ensure comprehensive sustainability reporting, Libra Bank has considered its upstream and downstream value chains in identifying impacts, risks, and opportunities (*ESRS 2-BP-1.5c*). Upstream activities encompass relationships with suppliers of goods and services, including financial and capital providers. Downstream activities primarily relate to the provision of financial products and services to clients, including loans, investments, and asset management. Libra Bank has not exercised the option to omit any specific information related to intellectual property, know-how, or innovation outcomes (*ESRS 2-BP-1.5d*). Furthermore, Libra Bank has not utilized the exemption provided by articles 19a (3) and 29a (3) of Directive 2013/34/EU regarding disclosures of impending developments or matters under negotiation (*ESRS 2-BP-1.5e*).

This Sustainability Statement covers information pertaining to the reporting period from January 1, 2024, through December 31, 2024.

1.1.2. Disclosures Related to Specific Circumstances

For the preparation of the 2024 Sustainability Statement, the Bank has adopted the following definitions of time horizons as specified in ESRS 1, section 6.4 (*ESRS 2-BP-2.9a*):

- ⇒ Short-term time horizon: Defined as the reporting period of the financial statements.
- ⇒ Medium-term time horizon: The period from the end of the short-term reporting period up to five years.
- ⇒ Long-term time horizon: More than five years.

These time horizons have also been applied to the assessment of material impacts, risks, and opportunities included in the Sustainability Statement.

The rationale behind the application of these definitions is as follows (*ESRS 2-BP-2.9b*):

- ⇒ The short-term time horizon aligns with annual financial reporting, ensuring consistency with the Bank's short-term operational and financial decision-making processes.
- ⇒ The medium-term time horizon aligns with Libra Bank's General Business Strategy, which outlines a three-year strategic plan. This timeframe allows for prudent risk management and ensures that the maximum extended period for which substantial data is available or reasonably foreseeable is considered.
- ⇒ The long-term time horizon accounts for broader strategic, sustainability, and investment decisions, supporting the Bank's long-term vision and sustainable growth objectives.

Considering this is the first statement prepared in accordance with the ESRS standards, the Sustainability Statement presents comparative information from the previous reporting period where such information is available, as indicated in the various chapters of the sustainability statement. The statement does not include disclosures required by other sustainability reporting standards.

In the Bank's sustainability reporting, material metrics are assessed and disclosed, including cases where direct data collection is not feasible, requiring the use of estimates derived from indirect sources (*ESRS 2-BP-2.10*). One such metric is Scope 3 GHG emissions, encompassing both upstream and downstream emissions (*ESRS 2-BP-2.10a*). Due to the limited availability of precise data from certain value chain partners, the Bank relies on sector-specific methodologies to estimate these emissions.

- ⇒ Upstream emissions: Estimated using sector-average emission factors provided by the Greenhouse Gas Protocol for the oil and gas industry, multiplied by the volume of raw materials procured and processed (*ESRS 2-BP-2.10b*).
- ⇒ Downstream emissions: Calculated based on average emissions data from the International Energy Agency (IEA) for end-use combustion of petroleum products, adjusted for the total volume of products sold and their typical usage patterns (*ESRS 2-BP-2.10b*).

Given the nature of these estimations, the accuracy of the reported values varies (*ESRS 2-BP-2.10c*).

- ⇒ Upstream Emissions: The estimated accuracy is moderate, with a potential deviation of $\pm XX\%$. This is attributed to variability in supplier operations and efficiency, which may not be fully captured by sector averages.
- ⇒ Downstream Emissions: The estimated accuracy is moderate, with a potential deviation of $\pm XX\%$. The reliance on average combustion emissions data means that specific usage conditions of our products by different customers may not be fully represented.

To improve the accuracy of Scope 3 GHG emissions reporting in future disclosures (*ESRS 2-BP-2.10d*), the Libra Bank plans to:

- ⇒ Expand data collection for energy efficiency certificates to enhance the calculation of downstream emissions.

- ⇒ Utilize publicly available sustainability reports from clients as more entities undertake reporting responsibilities, leading to more accurate and data-driven estimations.
- ⇒ By continuously refining the estimation process and leveraging more precise data sources, the Bank aims to enhance transparency and reliability in its sustainability reporting.

Libra Bank acknowledges the challenges associated with measuring climate-related metrics, especially Scope 3 greenhouse gas (GHG) emissions. These uncertainties arise from factors such as data availability, differences in calculation methods, and the need for estimation assumptions. (*ESRS 2-BP-2.11a*).

Similar to the approach used for eligibility and alignment reporting under the EU Taxonomy, the Bank's evaluation is based on eligibility and alignment information provided by clients in their own sustainability reporting in accordance with applicable EU Taxonomy requirements. Under the current regulatory framework, loans granted to small and medium-sized enterprises (SMEs) that are not required to report under CSRD will be included only in the denominator of the Green Asset Ratio (GAR), without being counted in the numerator as sustainable activities.

Forward-looking information presented in this report may be subject to inherent uncertainty due to external factors, market conditions, and regulatory developments (*ESRS 2-BP-2.12*).

This sustainability statement does not include additional sustainability reporting standards or frameworks beyond those prescribed (*ESRS 2-BP-2.15*).

1.2 Governance

1.2.1. The role of the administrative, management and supervisory bodies

Libra Bank operates under a unitary governance system, managed by a Board of Administration composed of 7 non-executive members. The executive management of the Bank is ensured by the Steering Committee, which consists of 4 members (*ESRS 2-GOV-1.21a*). The full list of administrators, including executive and non-executive members, is found in the Administrator's Report, section 3.4.

The Board of Administration is responsible for overseeing the Bank's strategic direction, ensuring compliance with regulatory requirements, and managing risk. The Steering Committee handles the day-to-day operations and implementation of strategic decisions.

Libra Bank employees are represented through a sector-wide collective bargaining contract, ensuring that their rights and interests are safeguarded. No members of the Board of Administration directly represent employees or other workers (*ESRS 2-GOV-1.21b*).

All members of the Board of Administration and Steering Committee have experience relevant to the Bank's operations, covering all products, business lines, and geographic locations in which Libra Bank operates.

To ensure informed decision-making, the Bank also consults Division and Department Heads with specialized expertise in various Impact, Risk, and Opportunity (IRO) areas, including:

- ⇒ Sales
- ⇒ Human Resources
- ⇒ Administrative (Health, Hygiene, and Safety)
- ⇒ Risk
- ⇒ Compliance
- ⇒ Marketing
- ⇒ Legal (*ESRS 2-GOV-1.21c*)

The composition of the Board of Administration in terms of gender representation is as follows:

- ⇒ 28.57% female
- ⇒ 71.42% male

No additional diversity criteria have been applied in the composition of the Board (*ESRS 2-GOV-1.21d*).

The percentage of independent board members within the Board of Administration is 28.57% (*ESRS 2-GOV-1.21e*).

Members consulted in the Double Materiality Assessment (DMA) process include:

- ⇒ Sales Representatives (Portfolio IROs):
 - Head of European Funds Division
 - Head of Large Corporate Division
 - Area Manager, Corporate Division
- ⇒ Risk and Underwriting (Portfolio IROs):
 - Team Coordinator within the Risk Management Division
 - Head of Division for Liberal Professions, Agriculture, and SMEs Analysis
 - Head of Corporate Credit Analysis Department
 - Head of Risk Management Division
- ⇒ Various Divisions (Own Operations Aspects):
 - Head of Accounting and Financial Division
 - Head of Administrative and Investment Division
 - Head of Procurement Department
 - Head of Payroll Department

Multiple Divisions (Consumers, Privacy, and Affected Communities):

- Head of Compliance Department (Methodology and Control)
- Head of Compliance Department (KYC/AML)
- Data Protection Officer
- Public Relations Specialist, Marketing Division

The Bank's Chief Risk Officer (CRO), oversaw the DMA process. The final DMA results were presented to the Steering Committee for approval. The Sustainability Report was also presented to the Steering Committee before final approval from the Board of Administration (*ESRS 2-GOV-1.22a*).

Since the first DMA exercise for the Bank took place in 2024, there are no specific responsibilities assigned to particular IROs, primarily because the Bank is focused on establishing a comprehensive understanding of the roles and expertise required. However, the general expertise, roles, and responsibilities established by the Bank's governance framework provided guidance in identifying and analyzing material IROs (*ESRS 2-GOV-1.22b*).

Management's Role in Governance (*ESRS 2-GOV-1.22c*)

iii. Delegation of oversight responsibilities:

As 2024 marked the first identification and assessment process of material IROs, there are no explicit management controls established for these. However, during the double materiality assessment process, the final DMA report is submitted for approval to the Steering Committee, while the final Sustainability Statement is approved by both the Steering Committee and the Board of Administration (*ESRS 2-GOV-1. 22c.i*).

ii. Reporting lines to governance bodies:

Standard reporting lines are clearly described in each procedure relevant to the double materiality assessment process, outlining the specific roles and responsibilities to ensure accountability and streamline the assessment process, facilitating effective decision-making and accurate reporting (*ESRS 2-GOV-1. 22c.ii*).

iii. Dedicated controls and procedures for IRO management:

For lending operations, a dedicated control for traditional risks exists within the Bank's Environmental & Social (E&S) Policy and Procedure. This ensures that all loan applications undergo proper due diligence as part of the approval process and are assigned an E&S risk rating. This rating is incorporated into the overall risk assessment and influences the loan approval decision by the relevant committee.

Other impacts, risks and opportunities stemming from the DMA currently do not have explicit dedicated controls. However, the Bank's existing risk monitoring systems, which cover traditional risk categories, provide partial coverage of IRO controls (*ESRS 2-GOV-1.22c.iii*).

Oversight of Targets for Impacts, Risks, and Opportunities (*ESRS 2-GOV-1.22d*)

Following the completion of the Sustainability Report, the Steering Committee will evaluate and propose appropriate targets for approval by the Board of Administration (*ESRS 2-GOV-1.22d*). At this moment, the Bank has not set any targets.

Availability of appropriate skills and expertise to oversee sustainability matters

Libra Bank recognizes the importance of integrating sustainability expertise within its governance structure to enhance decision-making and risk management. The Bank's governance bodies possess sustainability-related expertise through certified training programs and external advisory support, ensuring that sustainability considerations are embedded in strategic decision-making (*ESRS 2-GOV-1.23a*).

To strengthen its internal knowledge base, several key governance members have obtained recognized ESG-related certifications, demonstrating their commitment to responsible banking and sustainable finance:

- Member of the Steering Committee and the Board of Administration – Certified ESG Analyst
- Head of the Credit Risk Management Department – Certified ESG Analyst
- Head of the European Funds Division – Green Financing Certified Professional (Chartered Banker Institute)
- Team Coordinator – Risk Management Division – Various ESG-related training programs

Beyond internal expertise, Libra Bank also engages external advisors to ensure its sustainability strategy remains aligned with best practices and evolving regulatory expectations. The Bank collaborates with third-party consultants, including EY, to support the Double Materiality Assessment (DMA) process and EU Taxonomy alignment. This ensures that sustainability risks, opportunities, and impacts are assessed using globally recognized methodologies (*ESRS 2-GOV-1.23a*).

Libra Bank's material Impacts, Risks, and Opportunities (IROs) primarily relate to portfolio impacts and privacy concerns, both of which are classified as downstream risks. Given the complexity and evolving nature of sustainability-related challenges, the Bank leverages the expertise of its governance members, particularly those holding Certified ESG Analyst (CESGA) credentials, to enhance the assessment, monitoring, and strategic integration of sustainability-related financial risks (*ESRS 2-GOV-1.23b*).

The Steering Committee and Board of Administration are actively involved in overseeing sustainability-related matters, ensuring that Libra Bank's governance structure fosters responsible finance practices, regulatory compliance, and long-term value creation for stakeholders.

The administrative, management, and supervisory bodies of Libra Bank play a central role in upholding ethical business practices and ensuring regulatory compliance across all operations. The Board of Administration has ultimate responsibility for the Bank's governance framework, overseeing policies related to ethical conduct, anti-corruption measures, and regulatory compliance. It regularly reviews and approves the Bank's business conduct strategy to ensure alignment with legal obligations, international best practices, and stakeholder expectations.

The Steering Committee is tasked with implementing business conduct policies and embedding ethical considerations into strategic and operational decision-making. It is also responsible for overseeing the compliance

function, which ensures adherence to key regulatory and ethical frameworks, including:

- ⇒ Anti-money laundering (AML) policies
- ⇒ Anti-bribery and corruption (ABC) controls
- ⇒ Customer due diligence processes
- ⇒ Data privacy regulations

Regular compliance reports, including updates on ethics-related incidents and regulatory adherence, are presented to both the Steering Committee and the Board of Administration. Additionally, the Bank maintains a Whistleblower Policy, which is periodically reviewed and approved to reinforce transparency and accountability, the specifics of which are detailed within the G1 requirement disclosures (*ESRS 2-GOV-1.5a*).

Libra Bank's leadership is equipped with extensive expertise in business ethics, compliance, and corporate governance. Members of the Board of Administration have backgrounds in legal affairs, risk management, and regulatory compliance, having held senior positions within financial institutions and supervisory bodies. This collective experience strengthens the Bank's ability to oversee ethical business conduct, ensuring that compliance policies are effectively implemented and continuously improved (*ESRS 2-GOV-1.5b*).

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

As part of the newly introduced DMA exercise, moving forward, the Steering Committee and Board of Administration will be informed about material IROs on an annual basis. This ensures continuous oversight and integration of sustainability considerations into strategic decision-making (*ESRS 2-GOV-2.26a*).

The annual DMA process will inform the Bank's strategic outlook across different time horizons:

- ⇒ Short-term: the results will be integrated into the decision-making process for annual budgets.
- ⇒ Medium-term: the results will be considered in the development and approval of the Bank's General Business Strategy.
- ⇒ Long-term: the results will be used in strategic decision-making related to market shifts and potential growth opportunities.

The degree of materiality, macroeconomic context, and evolving regulatory requirements will influence how IROs shape decision-making across these timeframes (*ESRS 2-GOV-2.26b*).

The Board of Administration holds ultimate responsibility for all Bank activities, as outlined in the Organization and Operating Regulation. It addresses all material topics identified through the DMA process. However, as this is the first DMA conducted, no specific IROs were previously addressed as part of the management decision-making process.

For Social and Governance topics, many of the Bank's existing indicators and reporting requirements closely align with identified IROs, as detailed in the internal policies and procedures. This existing framework ensures that key sustainability aspects are continuously monitored and managed (*ESRS 2-GOV-2.26c*).

Integration of sustainability-related performance incentive schemes

There is no sustainability linked incentives at present, as Libra Bank's current incentives are linked to financial results and traditional risk management indicators (*ESRS 2-GOV-3.29*).

At present, no climate-related considerations are directly factored into remuneration procedures (*ESRS 2-GOV-13*).

1.2.2. Statement on due diligence

Currently, no specific due diligence processes for particular IROs are in place as part of the internal due diligence framework, as relevant and material topics have only been identified following the completion of the first DMA process.

As part of the Bank's commitment to responsible business conduct, a comprehensive due diligence process is

embedded for concerns related to traditional financial risks, as well as compliance with all applicable national and EU legislation. This process is integrated across governance, strategy, and operations, ensuring that potential or actual risks affecting the Bank's strategy and adherence to its core values, as defined in the General Business Strategy, are systematically identified, addressed, and monitored (ESRS 2-GOV-4.30; 32).

Core Elements of Due Diligence

- a) **Embedding due diligence in governance, strategy and business model:** Due diligence is integrated into the Bank's corporate governance framework through policies approved by the Steering Committee and the Board of Administration, including the Environmental & Social (E&S) Policy, Banking Code of Ethics, and Anti-Harassment Policy.
- b) **Engaging with affected stakeholders in all key steps of the due diligence:** The Bank maintains continuous engagement with stakeholders, including clients, investors, employees, regulators, and professional organizations.

Client feedback is received via complaints and dedicated feedback channels, also accessible to non-clients.

Regulators conduct annual supervisory reviews and issue yearly supervisory reports, in addition to numerous ad hoc requests addressed by the Bank. The Bank also actively participates in Romanian Banking Association (ARB) committees that discuss key regulatory and business model issues.

- c) **Identifying and assessing adverse impacts:** Due diligence is performed to identify and assess actual and potential adverse impacts, especially in the downstream value chain, with a focus on lending operations. The Environmental and Social Management System (ESMS) includes sector-specific screening criteria, and ESG risk assessment tools used during the credit approval process.
- d) **Taking actions to address those adverse impacts:** When adverse impacts are identified, the Bank undertakes appropriate actions, including enhanced due diligence and engagement with clients to develop Environmental and Social Action Plans (ESAPs) as part of the ESMS. The Bank also enforces a lending exclusion list to mitigate and prevent sustainability-related impacts.
- e) **Tracking the effectiveness of these efforts and communicating:** Targets and specific KPIs for due diligence on sustainability-linked matters will be reviewed and considered by the Steering Committee and Board of Administration following the conclusion of the initial DMA process.

Due Diligence Process Elements	Relevant Section of the Sustainability Statement
a) Embedding the due diligence process into governance, strategy, and business model	1.2.3 The Role of the Administrative, Management, and Supervisory Bodies 1.2.2 Stakeholders' Interests and Opinions
b) Collaboration with affected stakeholders at all main stages of the due diligence process	1.2.3 The Role of the Administrative, Management, and Supervisory Bodies 1.2.2 Stakeholders' Interests and Opinions
c) Identification and assessment of adverse impacts	1.2.3 The Role of the Administrative, Management, and Supervisory Bodies

d) Taking action to address these adverse impacts	1.3.3 Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model 1.4.1 Overview of the Double Materiality Assessment Process 2.1.2.3 Actions and Resources Related to Climate Change Policies 2.2.2.3 Actions and Resources Related to Water and Marine Resources
e) Tracking the effectiveness of these efforts and communicating	3.1.2.2 Collaboration Processes with Own Workforce and Worker Representatives on Impact 3.1.2.3 Processes for Remedying Adverse Impacts and Channels for the Own Workforce 3.1.2.4 Actions Regarding Significant Impacts on the Own Workforce, Approaches to Managing Significant Risks, and Tracking Significant Opportunities Related to the Own Workforce and the Effectiveness of These Actions 3.2.2.2 Interaction Processes with Consumers and End Users Regarding Impacts 3.2.2.3 Processes for Remedying Adverse Impacts and Channels for Consumers and End Users to Raise Concerns 3.2.2.4 Actions Regarding Significant Impacts on Consumers and End Users, Approaches to Managing Significant Risks, Tracking Significant Opportunities Related to Consumers and End Users, and the Effectiveness of These Actions

1.2.3. Risk management and internal controls over sustainability reporting

At present, Libra Bank does not have a formalized risk management process dedicated exclusively to sustainability reporting. Nevertheless, existing governance structures and internal controls are currently used to support the preparation of the sustainability statement. Responsibilities for sustainability reporting are integrated within existing internal functions, including those involved in ESG implementation (*ESRS 2-GOV-5.36a*).

Libra Bank's administrative, management, and supervisory bodies play a central role in promoting responsible business conduct across the organization. The Board of Administration holds ultimate responsibility for the governance framework, including the Code of Conduct, anti-corruption measures, and ethical compliance standards. It reviews and approves the Bank's business conduct policies to ensure alignment with applicable laws, international standards, and stakeholder expectations.

The Steering Committee is tasked with the operational implementation of these policies, ensuring that ethical principles are embedded in decision-making processes and day-to-day activities. The Committee also oversees the Compliance function, which monitors the Bank's adherence to key policies including anti-money laundering (AML), anti-bribery and corruption, customer due diligence, and data privacy. Regular reports on compliance indicators, including incidents and ethical concerns, are submitted to both the Steering Committee and the Board.

A dedicated Whistleblower Policy is also in place, subject to regular review and governance-level approval, to ensure safe and confidential channels for reporting misconduct (*ESRS 2-GOV-1.5a*).

Libra Bank's overall risk profile is governed by its Risk Strategy, which applies a weighted approach to different categories of risk based on their potential severity and prioritization within the Bank's broader risk framework. This methodology extends to sustainability-related risks, especially those concerning the accuracy, transparency, and compliance of sustainability disclosures.

In the context of the Bank's first Double Materiality Assessment (DMA) exercise, an integrated cross-functional approach was adopted to identify, assess, and prioritize risks affecting the reliability and completeness of sustainability-related information. This process involved close collaboration across departments such as Sustainability, Compliance, Risk Management, Finance, Human Resources, and IT.

The following components were central to the Bank's risk assessment process:

- ⇒ Stakeholder engagement and materiality analysis aligned with ESRS requirements were conducted to determine which sustainability matters present the highest relevance based on impacts, risks and opportunities.
- ⇒ A risk scoring methodology was applied to assess the likelihood, scale, and scope of impacts (and irremediability for negative impacts), and likelihood and magnitude of risks and opportunities (IROs).

Where a dedicated risk management process specific to sustainability is not yet formalized, the Bank uses existing risk governance structures to support sustainability-related assessments. These include internal policies and procedures that already address compliance, operational risk, and strategic oversight.

Furthermore, the assessment process is guided by regulatory compliance standards, especially those outlined in CSRD and ESRS, with special attention to:

- ⇒ Consistency and traceability of data used in sustainability disclosures
- ⇒ Reliability of internal and third-party information sources
- ⇒ Coordination across departments responsible for data collection and validation

In addition, the Bank benefits from a governance structure with deep expertise in ethics, compliance, and regulatory affairs. Several members of the Board of Administration have held senior roles in the financial and regulatory sectors, bringing robust legal and compliance knowledge that supports the effective oversight of sustainability-related matters. This collective expertise reinforces the integration of ethical conduct and regulatory compliance into the Bank's sustainability reporting processes (*ESRS 2-GOV-5.36b*).

As part of the sustainability reporting process, Libra Bank has identified several key risks that may affect the accuracy, integrity, or regulatory alignment of its disclosures. One such risk is data quality, stemming from inconsistent or incomplete data collection across internal systems or third-party sources. To mitigate this, the Bank employs standardized data collection templates, implements automated validation controls, and performs periodic reconciliations to ensure consistency and accuracy.

A second major concern is regulatory compliance risk, related to potential non-compliance with CSRD, ESRS, or sector-specific disclosure obligations. To address this, the Bank conducts ongoing monitoring of regulatory developments, schedules periodic legal reviews, and provides dedicated training to the reporting teams to ensure compliance readiness.

In terms of reputation, the Bank acknowledges the potential for greenwashing or reputational risk, which may arise from inaccurate or misleading sustainability claims. This is mitigated through an internal review process led by the Sustainability Team, with final validation and approval provided by the Steering Committee and Board of Administration.

Another challenge is third-party data risk, particularly concerning the estimation of GHG emissions in the absence of direct client data. In such cases, the Bank engages with specialized external consultants to apply recognized industry standards and ensure reliable proxy estimations.

Lastly, IT and system risks, such as failures in reporting infrastructure, could lead to inaccurate disclosures or system downtime. These are addressed through regular system audits, the implementation of robust cybersecurity

protocols, and a comprehensive IT disaster recovery framework (*ESRS 2-GOV-5.36c*).

Findings and recommendations derived from the Bank's sustainability risk assessments are reviewed by the management bodies and based on their decisions, are progressively integrated into the Bank's broader risk management framework. This integration ensures that sustainability reporting is not treated as a standalone process, but rather embedded into existing internal functions, particularly those related to compliance, risk oversight, and strategic planning (*ESRS 2-GOV-5.36d*).

The results of the sustainability reporting process, including risk-related findings, are formally presented to the Steering Committee and the Board of Administration on an annual basis, as part of the Double Materiality Assessment (DMA) exercise. Moving forward, as the Bank develops specific sustainability-related risk indicators, periodic reporting on these metrics will be implemented to ensure ongoing governance-level oversight and responsiveness (*ESRS 2-GOV-5.36e*).

1.3 Strategy

1.3.1. Strategy, business model and value chain

Libra Bank is a credit institution with 100% Romanian capital, active in the Romanian banking market since 1996. With a modern, digital, and sustainable approach, Libra Bank has consolidated its position as a trusted financial partner for individual clients, liberal professionals, and SMEs. The Bank promotes innovation in banking services, being one of the first financial institutions in Romania to launch products dedicated to the e-commerce segment and fully digital solutions for account opening and loan access.

In 2024, Libra Bank continued to expand its portfolio of sustainable products by launching green financing solutions, including loans for energy efficiency in real estate and funding guaranteed by the European Investment Fund (EIF), under programs dedicated to competitiveness, sustainability, and microfinance.

Libra Bank operates exclusively in Romania, through a network of physical banking units and digital channels, employing 1,307 workers based in Romania.

Libra Bank provides a comprehensive range of financial products and services to individuals, professionals, and corporate clients. The main categories include:

- ⇒ **Corporate and Retail Banking Services:** current accounts, deposits, lending (including working capital and investment loans), payment services, and card issuance.
- ⇒ **Sustainability-Linked Finance Products:** including dedicated green real estate financing and participation in the "Electric Up" program, which supports electric vehicle charging infrastructure and energy efficiency upgrades for SMEs.
- ⇒ **Digital Banking Solutions:** designed to promote financial inclusion and digital accessibility while reducing operational emissions through a low-carbon digital infrastructure.

A new loan product was launched under the guaranteed agreements signed with the European Investment Fund (EIF), covering competitiveness, sustainability, and microfinance objectives. This supports access to finance for underserved SMEs and promotes alignment with EU sustainability goals (*ESRS 2-SBM-1.40a i*).

Libra Bank operates exclusively within Romania. It serves a diversified customer base across multiple business segments, including:

- ⇒ **Large Corporate Clients:** Enterprises with significant turnover and complex financing needs.
- ⇒ **Corporate Clients:** Medium-sized businesses with standard commercial operations.

- ⇒ **SMEs and Microfinance Clients:** Small businesses, particularly those with turnover below 5 million RON, supported by dedicated programs including EIF-backed lending.
- ⇒ **Agribusiness Entities:** Clients operating in agriculture and rural development.
- ⇒ **Real Estate Developers:** Entities seeking financing for residential and commercial development projects.
- ⇒ **Liberal Professionals:** Such as lawyers, doctors, and architects.
- ⇒ **Retail Customers:** Individual clients and households accessing everyday banking and consumer credit.
- ⇒ **eBusiness Clients:** Businesses active in the digital and e-commerce sector.
- ⇒ **Digital Clients:** Individuals interacting exclusively through online banking platforms.

There were no significant changes to the customer groups or geographic footprint during the reporting year (*ESRS 2-SBM-1.40a ii*). As of the end of 2024, the Bank employed 1,307 employees, all based in Romania. The Bank does not operate in other geographical areas (*ESRS 2-SBM-1.40a iii*).

Segment Presentation (Loans and Advances to Customers at Amortized Cost) as of December 31, 2024

2024	
RON	Loans and Advances to Customers at Amortized Cost – Gross Carrying Amount
Agriculture	1,375,572,630
Real Estate	1,649,993,070
Enterprises	1,913,562,432
Administrative-Territorial Units (ATUs)	573,240,794
Professionals	1,143,002,928
Individuals	793,844,146
Total	7,449,216,001
Impairment Adjustment	-252,714,120
Carrying Amount	7,196,501,880

The Bank does not offer any material products or services that are banned in any market in which it operates (*ESRS 2-SBM-1.40a iv*).

As part of the Bank's commitment to transparency and responsible lending, Libra Bank discloses its exposures to sectors that may pose elevated sustainability and reputational risks, as defined under ESRS 2-SBM-1.40d. These exposures are assessed based on NACE classification codes and reflect the bank's total loans and advances as of the reporting period ending 31 December 2024.

Libra Bank maintains a minimal exposure to the fossil fuel sector. Financed exposures associated with NACE codes related to fossil fuel extraction, processing, and distribution—specifically 0910, 1920, 2014, 3521, 3522, 3523, 4612, 4671, 0610, and 0620—collectively represent 0.082% of the Bank's total loans and advances. Thus, the Bank has a limited involvement in carbon-intensive activities, in line with its long-term goal of aligning its portfolio with a low-carbon economy (*ESRS 2-SBM-1.40d i*).

The Bank's exposure to chemical production activities falling under Division 20.2 of Annex I to Regulation (EC) No 1893/2006—specifically NACE code 2020—amounts to 0.002% of total loans and advances, which indicates that Libra Bank's lending strategy is not significantly oriented towards sectors associated with elevated environmental and safety risks (*ESRS 2-SBM-1.40d ii*).

There are no financed exposures to any controversial weapons activities, including anti-personnel mines, cluster munitions, chemical weapons, or biological weapons. This conclusion is based on a review of exposures to NACE codes 2540, 2051, 2571, 2910, 3030, and 3040, which are commonly associated with such activities (*ESRS 2-SBM-1.40d iii*).

Libra Bank does not maintain any exposure to the cultivation or production of tobacco, as defined by NACE code 1200, in alignment with the Bank's exclusionary lending policies, which prioritize public health considerations and responsible finance (*ESRS 2-SBM-1.40d iv*).

In addition to loan portfolio exposures, the Bank has further reviewed its overall revenues from clients in sensitive sectors like fossil fuel and chemical production i.e., activities fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006 for the full calendar year 2024, covering all revenue sources, including from clients who concluded their relationship with the Bank during the year. Based on this comprehensive review, net revenues derived from these clients amounted to 0.10% of the Bank's total net profit for 2024. Moreover there were no revenues in the reporting period from clients in other sensitive sectors, namely controversial weapons and cultivation and production of tobacco. (*ESRS 2-SBM-1.40d*).

Currently, Libra Bank has not set explicit sustainability-related goals segmented by product groups, customer categories, or geographies. However, as part of its evolving sustainability strategy, the Bank is undertaking preparatory measures—such as implementing the Double Materiality Assessment (DMA) and integrating ESG risk into its lending criteria—that will inform the formulation of such goals in upcoming reporting periods (*ESRS 2-SBM-1.40e*).

As no formal sustainability-related goals have been set (as disclosed above), Libra Bank has not yet assessed the alignment of its products, services, or markets with such goals (*ESRS 2-SBM-1.40f*).

- ⇒ As Libra Bank develops its sustainability approach, it recognizes several materials challenges: **Data Quality & Availability:** The Bank faces difficulties in gathering consistent ESG-related data, especially from SMEs.
- ⇒ **Capacity Building:** There is a recognized need to strengthen ESG expertise across departments, particularly in risk, credit, and compliance functions.
- ⇒ **Regulatory Complexity:** The Bank must navigate and comply with complex and evolving frameworks (e.g., EU Taxonomy, SFDR), requiring continuous investment in legal and compliance capabilities.

In order to mitigate these challenges, Libra Bank has adopted the following planned solutions and projects:

- ⇒ **ESG Integration in Risk Management:** The Bank is embedding ESG risk indicators into its existing credit and risk evaluation frameworks, as a response to the outcomes of the initial DMA process. This solution also supports the identification of material IROs.
- ⇒ **Stakeholder Engagement Framework:** Libra Bank is developing structured stakeholder engagement processes, including surveys, workshops, and bilateral consultations. For the current exercise, the engagements were held through indirect consultations. These engagements will help identify and prioritize ESG matters aligned with stakeholder expectations (*ESRS 2-SBM-1.40g*).

Libra Bank operates as a universal commercial bank serving both retail and corporate segments. The Bank's business model is underpinned by three key input categories:

- ⇒ **Financial Capital:** Mobilized through customer deposits, bond issuances, and equity. The Bank adheres to liquidity and capital adequacy regulations to ensure sound capital availability.
- ⇒ **Human Capital:** Over 1,300 employees (2024), primarily located in Romania. Investment in employee development, internal academies, and tailored benefits ensures high retention and professional growth.
- ⇒ **Technology & Infrastructure:** The Bank continuously upgrades its IT systems, digital channels, and cybersecurity protocols to support operational efficiency and customer experience (*ESRS 2-SBM-1.42a*).

Libra Bank's core outputs consist of a diversified suite of financial products and services tailored to address the needs of a wide range of customer segments. These outputs are designed to promote financial inclusion, support sustainable economic development, and ensure long-term value creation for both internal and external stakeholders.

The key product & service outputs of Libra Bank include:

- ⇒ **For Corporate & SME Banking:**
 - Working capital loans, investment financing, factoring
 - Business current accounts and dedicated digital platforms for companies
 - Bancassurance and risk management products
 - EIF-backed loan programs for sustainability, competitiveness, and microfinance
 - Green lending solutions for energy-efficient real estate
- ⇒ **For Retail Banking:**
 - Current and savings accounts
 - Consumer loans and mortgages
 - Mobile banking and fully digital onboarding
 - Cards and personal finance tools
 - Tailored products for professionals and freelancers
- ⇒ **For Payments & Transaction Services:**
 - SEPA and non-SEPA international transfers
 - Instant payments and e-commerce integration
 - Online payments, bill payment platforms, and POS services for merchants

The expected and realized outcomes are as follows:

- ⇒ **For Customers:**
 - Access to Finance: Improved access for underserved groups, such as microenterprises, rural customers, and digital-only users.
 - Customer Experience: Increased convenience through digital innovation (e.g., fully remote account opening, instant credit decisions).
 - Financial Inclusion: Enhanced support for entrepreneurial activity, especially via EIF-backed programs, supporting underserved demographics like agribusiness and self-employed professionals.
- ⇒ **For Investors:**
 - Stable Returns: The Bank's disciplined approach to lending, underwriting, and compliance underpins predictable cash flows.

- Risk Mitigation: Conservative risk scoring systems, ESG-based exclusion lists, and early-stage credit risk evaluation reduce exposure to volatile or unsustainable sectors.
- Growth Potential: Sustainable product development (e.g., green loans, ESG-linked facilities) unlocks access to growing market segments aligned with ESG investment trends.

⇒ **For Other Stakeholders (Regulators, Communities, Policy Makers):**

- Responsible Governance: Ongoing compliance with prudential, data privacy, AML/CFT, and ESG-related regulations.
- Societal Impact: Through lending to sectors like renewable energy, education, and healthcare, the Bank contributes to long-term societal resilience and alignment with national and EU sustainability goals.
- Transparent Conduct: Communication strategies and ethics policies reinforce responsible practices and help manage reputational risks (*ESRS 2-SBM-1.42b*).

Libra Bank operates as a financial intermediary positioned at the nexus of capital provision, risk transformation, and value creation. Its upstream and downstream value chains include a wide range of actors and are structured to support the Bank's operations and strategic goals.

As part of its upstream value chain, Libra Bank benefits from the following key inputs and relationships:

- ⇒ **Technology and Infrastructure Suppliers:** Providers of banking software, core systems, digital identity verification, cybersecurity services, and data hosting platforms.
- ⇒ **Professional and Advisory Services:** Legal advisors, auditors, tax consultants, and sustainability consultants (e.g., EY), supporting internal controls, DMA exercises, and regulatory alignment.
- ⇒ **Institutional & Capital Providers:**
 - International financial institutions (e.g., EIF, EIB) that co-finance loan programs or offer risk-sharing guarantees.
 - Bond investors, shareholders, and other capital providers that enable business expansion and innovation.
- ⇒ **Industry & Regulatory Stakeholders:** Romanian Banking Association (ARB), financial regulators (NBR, ASF), and European supervisory institutions that influence policymaking and compliance standards.
- ⇒ **Academic & Training Institutions:** Partners for staff training, ESG education, and recruitment of skilled professionals.
- ⇒ **Rating Agencies:** Provide creditworthiness assessments, influencing cost of capital and investor relations.

In the downstream value chain, Libra Bank has the following key outputs and relationships:

- ⇒ **Customer Segments:**
 - Retail Clients: Individuals and households seeking traditional and digital banking products.
 - SMEs and Corporates: Businesses of all sizes, with particular focus on sustainability-linked financing, energy transition, and agriculture.
 - Public Sector: Local authorities and state agencies accessing payment, deposit, or project financing services.
- ⇒ **Distribution Channels:**
 - Physical Network: Strategically located branches across Romania to serve urban and rural clients.

- o Digital Infrastructure: Online banking portals, mobile apps, and APIs for fintech integration—enabling 24/7 banking, digital onboarding, and remote loan origination.

⇒ **End Users and Beneficiaries:**

- o Clients benefitting from convenient, affordable, and secure financial services.
- o Broader society benefitting from financial inclusion, ethical banking, and responsible lending aligned with ESG principles.
- o Investors benefitting from diversified products, transparent governance, and sound financial performance.

As strategic relationships, Libra Bank maintains close cooperation with:

- ⇒ Regulators (for licensing, risk oversight, sustainability frameworks)
- ⇒ Professional Bodies (e.g., ARB working groups)
- ⇒ Collaborative Programs (e.g., EIF sustainability and competitiveness loan facilities)
- ⇒ Medical, Legal, and Freelancer Associations (specialized product co-creation) (*ESRS 2-SBM-1.42c*).

1.3.2. Interests and views of stakeholders

Libra Bank considers stakeholder engagement a core element of its sustainability governance, risk management, and strategy formulation processes. The Bank has established a structured, multi-channel approach to identify, engage, and integrate the interests and expectations of its stakeholders into its business conduct and decision-making frameworks.

(i) Identification of Key Stakeholders

The Bank has conducted a stakeholder mapping exercise, which is reviewed annually as part of its materiality assessment and business strategy review. In the following table, Libra Bank presents its key stakeholder groups, the format and frequency, as well as information regarding the responsibility for organizing stakeholder engagement (*ESRS 2-SBM-2.45a i, ii, iii*):

Key stakeholder group	Frequency and format	Responsibility for stakeholder engagement
Retail and Corporate Customers: Including individuals, professionals, SMEs, and large enterprises	⇒ Regular feedback collected via satisfaction surveys, online forms, complaint channels. ⇒ Direct engagement through customer service teams and dedicated relationship managers.	Managed by Customer Support, Product Development, and Marketing teams.
Employees: Across various divisions and locations, covering both operational and support functions	⇒ Engagement through internal communications, employee forums, and surveys. ⇒ Formal representation through collective bargaining agreements where applicable. ⇒ Anonymous channels such as the Whistleblower Mechanism.	Coordinated by Human Resources and the Ethics & Compliance Officer.
Shareholders: Representing the	⇒ Engagement through general	Led by the Governance

Bank's equity holders, including institutional and individual investors.	shareholders' meetings, investor updates, and financial disclosures.	Office and Legal Department.
Regulators and Supervisory Authorities: Including the National Bank of Romania (NBR), ASF, and other EU supervisory entities.	⇒ Regular reporting, formal meetings, and ongoing dialogue during audits and supervisory reviews. ⇒ Responses to ad hoc regulatory requests.	Managed by Risk Management, Compliance, and the Bank's executive bodies
Professional and Industry Organizations: Such as the Romanian Banking Association (ARB) and sector-specific bodies.	⇒ Participation in thematic committees (e.g., compliance, ESG, risk) and industry consultations.	Employees appointed as committee members.
Suppliers and Business Partners: Including technology vendors, legal advisors, and external consultants.	⇒ Ongoing interaction through procurement processes, performance monitoring, ESG due diligence, and incident response mechanisms.	Oversight by Procurement and Risk divisions, in collaboration with ESG and Legal teams.

Engagement activities are centrally coordinated, and responsibility is distributed across designated departments, depending on stakeholder group, as reported above. All stakeholder channels have assigned owners to ensure follow-through and issue escalation where needed.

The Bank engages with stakeholders to:

- ⇒ Understand evolving expectations, concerns, and preferences.
- ⇒ Gather data and insights to inform strategy, product innovation, and sustainability goals.
- ⇒ Strengthen trust and long-term relationships.
- ⇒ Ensure regulatory compliance and alignment with best practices.
- ⇒ Identify and manage emerging risks and opportunities relevant to the Bank and its value chain (*ESRS 2-SBM-2.45a iv*).

Outcomes from engagement activities are systematically captured and translated into tangible action across the Bank's operations:

- ⇒ **Strategic Planning:** Customer feedback has shaped the development of digital services and green lending products. Stakeholder insights are reflected in the strategic business plan and sustainability objectives.
- ⇒ **Product Development:** Retail and SME clients have influenced product features, especially around financial inclusion and ease of access to EIF-backed loans.
- ⇒ **Risk Management:** Employee and client feedback is reviewed for potential reputational, operational, or compliance risks, which are escalated to the Risk Division.
- ⇒ **Policy Updates:** Employee input is used to adapt internal policies (e.g., benefits, work-life balance, training needs), supporting talent retention and workplace satisfaction.

The Sustainability Report itself is reviewed by governance bodies, which consider stakeholder insights when approving ESG strategy and disclosures (*ESRS 2-SBM-2.45a v*).

As part of its materiality assessment and due diligence framework, Libra Bank actively integrates stakeholder input into its strategic planning and sustainability decision-making processes. Engagement mechanisms are designed to ensure the Bank captures a diverse range of views across its key stakeholder groups—retail and corporate customers, employees, investors, and regulators.

The Bank employs a multi-channel approach that includes, structured interviews with internal and external stakeholders, surveys and feedback mechanisms, including post-interaction questionnaires and Net Promoter Scores (NPS), complaint analysis and trend monitoring from both retail and corporate customers as well as ongoing dialogue with regulators and professional bodies. These channels enable the Bank to collect qualitative and quantitative insights, which are subsequently reviewed during strategic and risk management meetings and factored into product development, governance enhancements, and disclosure planning.

Through its stakeholder engagement activities, Libra Bank has gathered the following key insights:

- ⇒ **Customer Perspectives:** Clients express a growing awareness of environmental and social issues; however, the pace of transition to sustainable products remains cautious. Demand for green financial products is increasing slowly, indicating the need for customer education, incentives, and clear value propositions in the area of sustainable finance.
- ⇒ **Employee and Internal Stakeholder Views:** Employees highlight the importance of a strong ethical culture, clear governance structures, and enhanced internal risk management. Their feedback supports ongoing efforts to maintain high standards for employee training, internal communication, and the Bank's whistleblower protection mechanisms.
- ⇒ **Investor and Regulatory Feedback:** Investors and supervisory authorities emphasize the need for transparency in disclosing sustainability-related risks and performance metrics, as well as integration of ESG factors into lending, investment, and capital allocation decisions (*ESRS 2-SBM-2.45b*).

At this stage, no formal amendments have been made to the Bank's business model or overarching strategy directly as a result of stakeholder engagement. However, several engagement-driven themes have informed internal reviews and will be considered for future updates to product offerings and internal governance (*ESRS 2-SBM-2.45c(i)*).

While not yet implemented, the following actions are under consideration for 2025–2026 based on stakeholder input:

- ⇒ **Product Innovation:** Development of new sustainability-linked lending products tailored to the SME and retail segments, with an emphasis on energy efficiency and digital accessibility.
- ⇒ **Internal Capacity Building:** Expansion of ESG training across departments, including risk, credit, and front-office functions.
- ⇒ **Enhanced ESG Disclosure:** Integration of sustainability metrics into public reports to meet investor and regulatory expectations (*ESRS 2-SBM-2.45c(ii)*).

These planned initiatives are expected to strengthen stakeholder confidence, particularly among clients seeking transparency and among regulators monitoring CSRD/ESRS implementation. Proactive alignment with stakeholder concerns will also reinforce the Bank's brand as a responsible and trustworthy financial partner, contributing to higher engagement and reputational resilience over the long term (*ESRS 2-SBM-2.45c(iii)*).

The Steering Committee and the Board of Administration are informed about the stakeholder engagement and their views with regards to sustainability impacts as part of the sustainability reporting process, through their final approval.

The management of Libra Bank is informed with regards to the stakeholder engagement through various channels:

- ⇒ **Customers:** Complaints are monitored and presented monthly to the Steering Committee and quarterly to the Board of Administration. Spikes or increased volumes are analyzed for root causes and proposed solutions. Specific grievances requiring management approval are addressed separately. Customer eNPS survey results are presented to both the Steering Committee and the Board of Administration.
- ⇒ **Employees:** Employee eNPS survey results are presented to both the Steering Committee and the Board of Administration. Employee grievances are presented to the Steering Committee based on disciplinary investigation results.
- ⇒ **Investors and Shareholders:** Through periodic general shareholders meetings.
- ⇒ **Regulators and Supervisory:** Requests from regulators are forwarded to management bodies, requiring either Steering Committee approval or direct signatures from a Steering Committee member.
- ⇒ **Professional Organizations:** Relevant presentations and information packages are forwarded to the Steering Committee.
- ⇒ **Suppliers:** For outsourcing suppliers, compliance and potential incidents are reported biannually to the Steering Committee. Operational risk incidents for all suppliers are presented on a case-by-case basis, based on risk levels and potential impacts (*ESRS 2-SBM-2.45d*).

1.3.3. **Material impacts, risks and opportunities and their interaction with strategy and business model**

Considering that Libra Bank has identified material IROs pertaining to Own Workforce (S1) and Consumers and End-Users (S4), the Bank considers these two groups of stakeholders as key in the sense that their interests, views and rights inform our strategy and business model.

a) Own workforce

Libra Bank recognizes its workforce as a key group of affected stakeholders whose rights, interests, and views play a central role in shaping the Bank's strategy and business model. The Bank sees employee well-being, ethical treatment, and long-term engagement as foundational to sustainable success.

The Bank engages regularly with its employees through structured mechanisms such as:

- ⇒ Annual engagement surveys, including eNPS (employee Net Promoter Score)
- ⇒ Virtual forums addressing specific topics (e.g., benefits, flexibility, performance)
- ⇒ "Meet the CEO" sessions, which provide an open channel for direct feedback

This ongoing engagement ensures that the views and concerns of employees are actively considered in strategic decision-making.

The identified interests and priorities of employees include:

- ⇒ Job security and fair remuneration
- ⇒ Career development and internal mobility
- ⇒ Work-life balance, particularly through hybrid and flexible work options
- ⇒ Health, hygiene, and safety in the workplace

These insights have been instrumental in aligning HR and governance practices with staff expectations.

The Bank complies fully with applicable Romanian and European labor laws and occupational health and safety regulations. It maintains a zero-tolerance stance toward human rights violations, and no such incidents have been identified to date.

The interests and views of employees have led to meaningful changes in operational and strategic direction, such as:

- ⇒ **Flexible Working Model:** Introduced in response to employee demand, balancing productivity and personal well-being.

- ⇒ **Learning & Development:** Ongoing investments in employee training programs support internal expertise and retention.
- ⇒ **Wellness Initiatives:** Rolled out based on employee feedback to improve occupational health and engagement.

These efforts reflect how employee perspectives directly inform the Bank's culture, long-term planning, and operational effectiveness (*S1-SBM-2.12*).

b) Consumers and end-users

Consumers and end-users are another critical group of stakeholders whose expectations, rights, and feedback shape the Bank's service delivery and product innovation. The Bank is committed to upholding consumer rights, promoting inclusion, and embedding respect for human rights into its business model and value chain.

The Bank maintains regular dialogue with its consumer base through:

- ⇒ Customer satisfaction surveys and Net Promoter Score (NPS) tracking
- ⇒ Complaints management channels with tracking and escalation to governance bodies
- ⇒ Dedicated relationship managers for various customer groups, ensuring direct and specialized support

These channels help the Bank stay responsive to evolving customer expectations.

The Bank safeguards customer rights through:

- ⇒ Robust data privacy practices, fully aligned with the GDPR
- ⇒ Equal access policies, ensuring no discrimination based on gender, age, disability, or socio-economic status
- ⇒ Accessibility standards integrated into digital services and branch operations

These actions support the dignity, privacy, and equal treatment of all customers.

Customer feedback has led to a number of adaptations in both product design and service delivery, including:

- ⇒ **Digital Inclusion:** Development of simplified digital banking platforms, mobile apps, and online onboarding processes
- ⇒ **Product Innovation:** Green loan products and financing solutions tailored to SME needs
- ⇒ **Financial Education:** Educational initiatives such as Libra Friends & Trends, supporting financial literacy among SMEs and entrepreneurs

The Bank monitors key consumer protection KPIs, such as complaints, satisfaction scores, and service quality metrics, which are reported to the Steering Committee and Board of Administration. This continuous feedback loop ensures that consumer rights and expectations are integrated into strategic planning and product development (*S4-SBM-2.8*).

Double materiality results

Following the double materiality assessment process, Libra Bank has identified the following sustainability matters as material from an impact perspective and/or a financial perspective:

Topic Cluster	IRO	Time horizon	Impacts on Business Model	Anticipated Effects of Material IROs
Climate change (E1)				
Climate related financing	Portfolio (Positive impact): The Bank's financing activities can positively impact climate change mitigation and community adaptation through its green financing instruments, aligned with sustainable finance principles.. Risks: Transition and regulatory risks may arise if clients do not adopt low-carbon technologies.	Long-term	The business model may face increased credit risk from potential stranded assets if clients lag in their transition; however, expanding green finance could drive revenue growth and improve the bank's market	The bank is expected to enhance climate criteria requirements in its credit assessments, leading to revised lending policies and enhanced due diligence in client screening and portfolio monitoring.

Topic Cluster	IRO	Time horizon	Impacts on Business Model	Anticipated Effects of Material IROs
	Opportunities: Expanding sustainable finance can attract ESG-focused investors and differentiate the bank in the market.		reputation, ultimately enhancing its competitive positioning.	
Climate change adaptation	Portfolio (Negative impact): Given the Bank's exposures, improper land use in construction can reduce natural resources and increase the risk of floods and landslides, heightening community vulnerability to climate change. Agricultural activities can deplete water tables, intensifying competition for water and worsening droughts and floods, thereby increasing the vulnerability of ecosystems and local communities to natural disasters. Risks: Increased loan defaults or impaired asset values may result from severe weather events. Opportunities: Offering specialized financing for adaptation projects may command a risk premium.	Medium-term (impact) Long-term (risk & opportunity)	The bank's portfolio could experience higher default rates in vulnerable sectors, which might elevate operational risk. Conversely, developing tailored adaptation products can create new revenue streams and help mitigate future losses.	Anticipated changes include updating risk management frameworks and potentially developing specialized adaptation financing products, as well as expanding portfolio monitoring (downstream).
Climate change mitigation	Portfolio (Negative impact): In non-retail, wholesale and retail trade, emissions from transportation and storage contribute to air pollution and climate change. In public administration, real estate, construction, there are significant greenhouse gas emissions from energy use and materials. In agriculture, intensive practices increase methane and nitrous oxide emissions, impacting climate change. In retail, home and vehicle loans, financing inefficient buildings and vehicles increases energy consumption and air pollution, affecting the bank's environmental impact.	Short-term (impact) Long-term (risk & opportunity)	Shifting focus toward low-carbon investments can reduce long-term risks and enhance profitability. Successful mitigation initiatives will boost the bank's reputation and may attract a broader base of ethical investors, positively influencing market stability.	Anticipated changes include updating risk management frameworks and potentially developing specialized mitigation financing products, as well as expanding portfolio monitoring (downstream).

Topic Cluster	IRO	Time horizon	Impacts on Business Model	Anticipated Effects of Material IROs
	Risks: The bank risks its reputation if it doesn't help clients reduce emissions and adapt to climate change. Perceptions of its sustainability commitment are influenced by direct impacts, industry effects, and value chain actions. Additionally, slow adaptation of financial products to climate change can undermine the bank's credibility and environmental responsibility. Opportunities: Green bonds and innovative sustainable projects provide potential revenue growth.			
Energy	Portfolio (Positive impact): A growing green energy portfolio is focused on providing solar and wind powered alternatives for clean energy generation and directly contributes to a gradual shift nationwide to more sustainable energy production.	Short-term	Fossil fuel exposure increases transition risk; however, a proactive expansion of renewable energy financing can improve asset quality, reduce regulatory penalties, and enhance long-term revenue through diversified energy products.	The bank will expand renewable energy financing.
Water and marine resources (E3)				
Water withdrawals	Risks: Financing in regions with water scarcity or inefficient water use can lead to credit risk due to operational disruptions. Additionally, long-term resource costs related to circularity, energy, water, and disposal may increase, impacting financial stability.	Medium-term	The bank's agriculture lending may become vulnerable if water scarcity leads to crop failures or increased input costs. Supporting clients in adopting water-saving technologies can reduce these risks and protect the bank's loan performance.	The bank could potentially refine its risk assessment for agriculture clients by requesting water usage metrics and integrate heat maps for draught risks.
Water consumption	Portfolio (Negative impact): Sectors such as manufacturing and agriculture, which the bank finances, have high water	Medium-term	Increased water consumption risks in the portfolio could result in higher	Possible adjustments include integrating water efficiency measures into own

Topic Cluster	IRO	Time horizon	Impacts on Business Model	Anticipated Effects of Material IROs
	consumption, which affects the resource availability.		credit losses if client operations are disrupted. However, strategic financing of water-efficient projects can lower risk exposure and create a competitive advantage in sustainable finance.	operations and for portfolio concerns integrating draught heatmaps, particularly for Agriculture clients, thereby reducing the risk of operational disruptions and enhancing portfolio resilience.
Water use	Risks: Changes in perception about an organization's impacts can arise from direct company actions, industry effects, and value chain activities. Additionally, new or enforced policies aimed at positive environmental impacts may require adjustments to strategy and business models, leading to increased CapEx/OpEx. These changes can indirectly affect revenues if clients struggle to meet their credit commitments.	Medium-term	Effective water management in the portfolio reduces the risk of regulatory penalties and environmental damage. Emphasizing sustainable water practices can lower long-term operational costs and enhance the bank's ESG profile.	Possible adjustments include integrating water efficiency measures into own operations and for portfolio concerns integrating draught heatmaps, particularly for Agriculture clients, thereby reducing the risk of operational disruptions and enhancing portfolio resilience.
Own workforce (\$1)				
Secure employment	Own Operations (Positive impact): Ensuring fair and stable employment positively impacts employees. Employees confident in their long-term job prospects experience reduced anxiety over layoffs, leading to higher motivation, engagement, and performance. Job security also reduces stress and mental health issues related to financial uncertainty and career instability. Risks: High worker turnover leads to productivity losses due to unskilled and inexperienced workers. This significantly affects reputational and operational risks for both the value chain and the bank's own operations. Opportunities: Offering secure employment attracts top talent, improving workforce quality and reducing turnover rates and	Short-term (impact) Medium-term (risk & opportunity)	Stability in employment enhances productivity and operational continuity. While higher wage costs might be incurred, these are offset by reduced turnover, better talent retention, and improved service levels that strengthen the bank's competitive edge.	Employment stability is expected to further reinforce internal operations, reducing turnover costs and strengthening the value chain by ensuring a reliable and experienced workforce.

Topic Cluster	IRO	Time horizon	Impacts on Business Model	Anticipated Effects of Material IROs
	recruitment costs. It also enhances the company's reputation among stakeholders, particularly employees, as a facilitator of career development.			
Working time	Own Operations (Positive impact): Adequate working hours and a balanced workload promote mental and physical health, reducing burnout and improving job satisfaction.	Short-term	Controlled working time minimizes risks of employee burnout and associated productivity losses. This contributes to cost-effective operations and helps maintain a high level of service quality, thereby enhancing overall business performance.	Anticipated effects include fine-tuning scheduling policies and workload distribution, with HR policies.
Work-life balance	Own Operations (Positive impact): Supporting work-life balance promotes a more positive and supportive organizational culture, improving relationships between employees and management. Healthy work-life balance can improve physical and mental well-being by reducing stress, burnout, and fatigue.	Short-term	A strong work-life balance drives higher employee engagement and loyalty, reducing recruitment costs and boosting productivity. This, in turn, supports a more resilient and agile business model.	Enhancements in work-life balance are expected to translate into lower employee turnover and improved customer service, with strategic adjustments in HR practices positively impacting employee engagement and operational outcomes.
Social dialogue	Own Operations (Positive impact): Involving workers in discussions leads to more informed decision-making and sustainable solutions. Social dialogue enhances workforce resilience and morale.	Short-term	Effective social dialogue helps preempt labor disputes and builds a collaborative workplace, which reduces operational risks and fosters a positive corporate culture that supports long-term business stability.	The bank remains open to all stakeholder feedback, and if relevant, could further integrate stakeholder feedback into strategic decision-making, reinforcing internal dialogue mechanisms that enhance overall operational efficiency.
Freedom of association,	Own Operations (Positive impact): Enforcing fundamental	Short-term	Strong representation	Enhanced employee representation is

Topic Cluster	IRO	Time horizon	Impacts on Business Model	Anticipated Effects of Material IROs
the Existence of works councils and the information, consultation and participation rights of workers	labor rights, such as freedom of association, collective bargaining, non-discrimination, and freedom from forced and child labor, positively impacts employees and strengthens the rule of law. Empowering workers to organize helps them advocate for fair wages, safe working conditions, and job security, creating a more equitable workplace.		practices enhance workforce stability and reduce the risk of labor disputes, which supports smoother operational management and reduces potential legal liabilities that could impact profitability.	anticipated to lead to more effective internal governance and recruitment practices.
Collective bargaining, including rate of workers covered by collective agreements	Own Operations (Positive impact): Collective bargaining provides workers a structured way to express needs and concerns, ensuring equal representation, especially for vulnerable workers. Workers can negotiate wages, benefits, and working conditions, promoting fair compensation, job security, and safer environments, leading to a motivated and engaged workforce.	Short-term	Consistent collective bargaining practices ensure predictable labor costs and mitigate risks of disputes, which in turn contribute to operational stability and improved financial performance.	The bank could reinforce collective bargaining frameworks to secure predictable labor costs and ensure alignment with internal compensation strategies.
Health and safety - S1	Own Operations (Positive impact): Focusing on health and safety significantly enhances employee well-being by reducing workplace stress and creating a supportive environment.	Short-term	Robust health and safety measures lower the risk of workplace incidents, reducing potential liability and ensuring a reliable operational environment that supports long-term financial performance.	Anticipated effects include improved internal risk management and reduced operational disruptions, as robust safety measures are further integrated.
Adequate wages	Own Operations (Positive impact): Adequate wages improve living standards by meeting basic needs like housing, healthcare, education, and nutrition, benefiting communities long-term. Fair wages boost employee morale, satisfaction, and well-being, leading to better mental and physical health, motivation, and productivity.	Short-term	Ensuring adequate wages helps maintain a skilled and motivated workforce, which is critical for sustained productivity and service quality, even if it slightly increases short-term labor expenses.	The bank will continue to periodically adjust wage policies to maintain competitiveness and employee satisfaction, reinforcing workforce stability.

Topic Cluster	IRO	Time horizon	Impacts on Business Model	Anticipated Effects of Material IROs
Gender equality and equal pay for work of equal value	Own Operations (Positive impact): Ensuring gender equality and equal pay reduces gender disparities, fosters inclusion, and promotes fairness in labor markets. It also creates a level playing field for career advancement, allowing promotions based on merit and increasing women's access to leadership positions.	Medium-term	Achieving gender equality enhances the bank's brand and mitigates legal and reputational risks, leading to a more inclusive culture that can drive innovation and improve overall performance.	Anticipated effects include embedding gender equality into recruitment and promotion strategies, improving workforce diversity and enhancing the bank's overall brand value across both internal operations and customer-facing functions.
Training and skills development	Own Operations (Positive impact): Continuous training enhances employee competence and productivity, reducing work pressures. Investing in development boosts engagement and retention, fostering loyalty. Skills development supports career progression, improving job satisfaction and motivating employees toward leadership roles. Risks: Improperly scheduled training can disrupt workflows and reduce short-term productivity. Insufficient planning may also create gaps in essential functions while employees are in training. Opportunities: Investing in workforce development builds employee loyalty, reduces turnover, and fosters long-term relationships. Continuous learning enhances employee engagement and retention. Up-to-date skills drive innovation and competitive advantage, positioning the company to respond to market changes. Internal career development and succession planning reduce the need for external hires and prepare future leaders.	Short-term	Enhanced training programs lead to a more competent and agile workforce, enabling the bank to adopt new technologies and processes that drive efficiency and competitive advantage.	The bank will continue to further integrate training programs into its talent development strategy, improving operational efficiency through enhanced employee capabilities.
Measures against	Own Operations (Positive impact): Prohibiting harassment	Short-term	Effective measures against workplace	Continuous monitoring of these

Topic Cluster	IRO	Time horizon	Impacts on Business Model	Anticipated Effects of Material IROs
violence and harassment in the workplace	and encouraging employees to share concerns prevents detrimental impacts on employees. Strong measures against workplace violence and harassment promote a safe, supportive environment, reducing stress, anxiety, and mental health issues, and improving overall well-being.		harassment reduce legal and reputational risks, contributing to a more stable and productive work environment that supports sustained operational performance.	measures is expected to reduce internal conflicts and legal risks, ensuring stable operations and reinforcing a positive work environment that benefits both employee experience and customer service.
Privacy - S1	Own Operations (Positive impact): Implementing GDPR processes and procedures the company protects individuals' privacy, fosters trust in digital services, reduces data misuse, and promotes transparency and accountability in data handling across society.	Short-term	Rigorous privacy policies minimize the risk of cybersecurity breaches and regulatory penalties, thereby protecting the bank's reputation and ensuring long-term customer loyalty and operational stability.	The bank anticipates further investment in IT security (including DORA requirements) and data protection protocols, thereby reducing legal and reputational risks while strengthening customer relationships across its downstream value chain.
Consumers and end-users (S4)				
Privacy - S4	Own Operations (Positive impact): Implementing GDPR processes and procedures the company protects individuals' privacy, fosters trust in digital services, reduces data misuse, and promotes transparency and accountability in data handling across society.	Short-term	Enhanced cybersecurity measures not only reduce the risk of costly breaches but also bolster the bank's image as a secure institution, improving customer confidence and competitive positioning.	Anticipated effects include deeper integration of cybersecurity measures into IT systems and improved customer trust in digital services, reducing potential disruptions and enhancing competitive positioning.
Freedom of expression - S4	Own Operations (Positive impact): Freedom of expression allows consumers to share experiences and opinions, leading to informed decision-making and enhanced financial literacy. This increases consumer protection, fostering a safer and more transparent marketplace.	Medium-term	Fostering an environment of free expression enhances customer trust and loyalty. This open approach can lead to innovative product improvements and stronger market positioning, while	The bank could leverage open communication channels to enhance product development and customer service.

Topic Cluster	IRO	Time horizon	Impacts on Business Model	Anticipated Effects of Material IROs
			also managing reputational risks effectively.	
Access to (quality) information	Own Operations (Positive impact): Access to quality information builds consumer trust and confidence, protects them from exploitation, and promotes financial literacy. This ensures consumers make informed decisions and fosters a safer, more transparent marketplace.	Short-term	Providing high-quality information strengthens customer trust and mitigates legal risks, thereby supporting customer retention and enhancing the bank's overall reputation for transparency and reliability.	Anticipated effects include refining digital and branch-based communication channels and integrating improved information delivery into customer interactions, thereby reinforcing transparency and regulatory compliance.
Responsible marketing practices	Own Operations (Positive impact): Responsible marketing builds consumer trust and confidence, protects them from exploitation, and promotes financial literacy. This ensures consumers make informed decisions and fosters a safer, more transparent marketplace.	Short-term	Responsible marketing practices reduce the risk of legal penalties and reputational damage, while fostering customer loyalty and improving market competitiveness through ethical and transparent communication.	The bank could further align its marketing practices and ethical standards by updating internal guidelines and monitoring channels, while improving consumer outreach and engagement.
Business conduct (G1)				
Corporate culture	Own Operations (Positive impact): A strong, values-driven culture is embedded in all aspects of the bank's operations, guided by a comprehensive Code of Ethics, which enhances customer care and transparency, ensures fair and impartial services, and promotes employee well-being. This fosters trust and satisfaction among customers and employees alike.	Medium-term	A robust corporate culture reduces operational and compliance risks while improving customer and employee loyalty, thereby contributing to long-term financial stability and competitive advantage.	The bank expects to reinforce its corporate culture through enhanced internal communications and leadership training and by embedding cultural values in customer service protocols, thereby strengthening overall organizational resilience.
Protection of whistle-blowers	Own Operations (Positive impact): The bank has secured, confidential channels for reporting misconduct, supported	Short-term	Effective whistleblower protection enhances trust and	Anticipated effects include enhanced integration of whistleblower

Topic Cluster	IRO	Time horizon	Impacts on Business Model	Anticipated Effects of Material IROs
	by clear policies, which improves employee morale and trust, enhances ethical culture and transparency, and strengthens governance and accountability.		accountability, reducing the risk of unreported misconduct and its financial and reputational fallout, and thereby safeguarding the bank's long-term operational stability.	mechanisms into governance frameworks and reinforcing a culture of accountability, reducing potential legal and reputational risks.
Bribery and Corruption Prevention and detection including training	Own Operations (Positive impact): The bank employs strict anti-bribery measures, comprehensive KYC/AML protocols, and regular training sessions to deter unethical practices, which enhances ethical and social standards, increases transparency, and strengthens internal culture. Portfolio (Positive impact): Rigorous monitoring and due diligence ensure high compliance across client and supplier relationships, promoting ethical practices and sustainability. It also contributes to market stability and resilience by supporting responsible and transparent operations.	Long-term (own operations) Short-term (portfolio)	Strong anti-corruption frameworks reduce legal and reputational risks, secure regulatory approval, and can lead to a more robust, resilient portfolio by attracting high-quality clients committed to ethical practices.	The bank plans to enhance internal control systems by finetuning compliance protocols and due diligence for clients, thereby reducing legal risks and strengthening ethical business practices.

Libra Bank's identified material impacts, both positive and negative, significantly influence people and the environment. Positive impacts primarily originate from sustainable finance initiatives, including green real estate lending, renewable energy financing, and energy efficiency projects, which actively contribute to reducing greenhouse gas emissions and promoting sustainable development and community health. Conversely, there are material negative impacts associated with financing sectors such as agriculture, energy, and manufacturing. For instance, clients operating in high water-consumption sectors (e.g., agriculture) or those with fossil-fuel exposure carry risks of environmental degradation, such as water scarcity and increased greenhouse gas emissions. These also lead to potential adverse social impacts, including job insecurity and community stress due to economic disruption. Thus, while the Bank's sustainable finance products can drive positive environmental and social outcomes, effective management is critical to mitigate potential negative impacts related to client activities (*ESRS 2-SBM-3.48c i*).

The material impacts, both environmental and social, originate directly from its financing strategy and internal risk management processes, reflecting the inherent connections between sustainability criteria and Libra Bank's business model. For example, the integration of environmental and social (E&S) criteria into lending and underwriting is a strategic priority that directly influences product innovation, including climate-related financing, energy-efficient real estate products, and sustainable agriculture loans. Similarly, impacts linked to workforce practices—such as secure employment, fair remuneration, and health and safety standards—as well as those related

to privacy protection, ethical marketing, and corporate governance, are systematically managed through targeted internal policies, HR frameworks, IT security systems, and compliance mechanisms. These operational strategies not only allow the Bank to manage potential negative impacts (e.g., regulatory risks, reputational harm) but also create opportunities for enhanced market reputation, sustained revenue streams from green products, and stronger stakeholder trust (*ESRS 2-SBM-3.48c ii*).

The anticipated material impacts have been categorized according to defined time horizons, aligned with Libra Bank's strategic planning and ESRS guidelines:

- ⇒ **Short-term (<1 year):** Immediate operational risks include adjustments to working-time management, data privacy enhancements, and rapid responses to acute regulatory changes such as GDPR and marketing compliance.
- ⇒ **Medium-term (1–5 years):** Impacts expected over this period include enhanced employee engagement through improvements in secure employment practices, work-life balance policies, and the embedding of ESG criteria deeper into lending practices. Customer engagement strategies will also progressively yield benefits in digital inclusion and improved transparency.
- ⇒ **Long-term (>5 years):** Strategic, long-term impacts relate particularly to climate-change mitigation, adaptation, and the expansion of sustainable financing. The full environmental benefits from renewable energy financing and sustainable real estate lending are expected to mature in this timeframe, significantly reshaping the Bank's risk profile and strengthening market positioning as regulatory frameworks evolve (*ESRS 2-SBM-3.48c iii*).

Material impacts are addressed directly through Libra Bank's internal activities and indirectly through its extensive network of business relationships. Internally, the Bank manages sustainability impacts via robust internal controls, HR policies (e.g., secure employment, adequate wages, health and safety), and comprehensive IT and privacy frameworks (GDPR compliance and cybersecurity measures). For example, climate-related risks are directly addressed through client screening, due diligence, and portfolio monitoring practices, especially relevant in sectors with high environmental sensitivity, such as agriculture and energy.

Indirectly, impacts arise through Libra Bank's relationships with borrowers, suppliers (including fintech and technology providers), regulators, and consultants (e.g., sustainability advisors, compliance experts). These business relationships require diligent monitoring and engagement, particularly within lending portfolios exposed to environmental or social sensitivities. By systematically managing both direct operations and relationships, the Bank ensures sustainability considerations are effectively integrated into strategic decisions and risk management practices (*ESRS 2-SBM-3.48c iv*).

The materiality assessment identified specific sustainability-related risks and opportunities currently influencing its financial performance:

- ⇒ **Operating Costs:** Current financial results reflect increased operating expenses, driven by investments in upgraded risk management systems, compliance enhancements (particularly related to regulatory requirements such as GDPR and ESRS/CSRD), and the engagement of expert consultants. While these expenditures elevate short-term costs, they contribute to long-term improvements in operational efficiency, regulatory compliance, and reduced risk exposure.
- ⇒ **Revenue Generation:** Revenue streams are positively influenced by emerging opportunities linked to the Bank's sustainable finance initiatives, including digital inclusion platforms, green loans, sustainability-linked financing, and EIF-backed lending programs. Although initially modest, these opportunities progressively enhance revenue as market acceptance of sustainable financial products grows, reflecting evolving client preferences and regulatory incentives.

- ⇒ **Investment Outlays:** The Bank's current cash flows reflect significant capital expenditures directed toward technology infrastructure, cybersecurity, digital customer engagement, and analytics systems essential for effective risk management and compliance. These investments underpin regulatory adherence, reduce operational risks, and position the Bank competitively in sustainable and digital finance markets (*ESRS 2-SBM-3.48d*).

Libra Bank anticipates differentiated financial effects from proactively integrating sustainable finance and ESG criteria across defined time horizons:

- ⇒ **Short-term (<1 year):** Immediate financial implications include modest increases in operating expenses related to upgrading IT systems, enhancing data privacy controls, and improving internal ESG training programs. These initial investments are projected to deliver short-term regulatory compliance improvements, mitigate immediate operational risks, and strengthen customer trust and market credibility.
- ⇒ **Medium-term (1–5 years):** Financial effects during this period are anticipated to include significant shifts in the Bank's lending portfolio risk profile, driven by the maturation of sustainable finance products such as green loans, sustainability-linked loans, and renewable energy financing. The integration of climate and ESG factors into credit models is expected to enhance financial resilience, diversify revenue streams, and improve risk-adjusted returns. Operational efficiencies and reduced compliance costs further support financial performance.
- ⇒ **Long-term (>5 years):** Over the long term, the Bank expects substantial strategic financial benefits, including a stronger balance sheet, increased market valuation, and more resilient cash flows. Long-term reductions in credit and reputational risks, coupled with expanded market opportunities in low-carbon finance and digital banking, should result in sustained profitability. Enhanced market positioning is anticipated to attract ESG-focused investors, ensuring long-term competitive advantage, steady financial performance, and lower earnings volatility (*ESRS 2-SBM-3.48e*).

To manage material sustainability risks and capture strategic opportunities, our investment and disposal plans include:

- ⇒ **Capital Expenditure & Asset Transformation:** Ongoing capital expenditures target upgrades to digital infrastructure, compliance systems, and risk management technologies. Specific investments include advanced analytics for portfolio monitoring, cybersecurity enhancements (aligned with GDPR and DORA requirements), and digital platforms promoting financial inclusion and customer engagement.
- ⇒ **Business Transformation & Innovation:** The Bank plans strategic expansion into sustainable finance, green project financing, and digital banking innovation. It actively explores joint ventures and collaborations with fintech partners to drive innovation in financial products. Diversifying its loan portfolio through EU-backed programs (e.g., EIF-supported initiatives) is also planned, enhancing market reach and contributing to financial inclusion. Additionally, real estate financing will progressively emphasize energy-efficient buildings, aligning the Bank's asset portfolio with sustainability goals and evolving market demands (*ESRS 2-SBM-3.48e i*).

Libra Bank has identified diverse funding sources to execute its strategy and address identified material risks and opportunities:

- ⇒ **Deposit Funding and Core Banking Operations:** Customer deposits continue as the primary, stable, and cost-efficient funding source, supporting lending growth, digital transformation, and sustainability investments.

- ⇒ **Capital Markets and Bond Issuances:** The Bank plans bond issuances to diversify funding, reduce concentration risks, and support strategic initiatives including sustainable finance and technological infrastructure projects.
- ⇒ **Internal Capital and Retained Earnings:** Strategic reinvestment of profits and optimization of operational expenditures will fund targeted investments in digital transformation, compliance enhancements, and sustainable product development.
- ⇒ **Strategic Partnerships and Joint Ventures:** Partnerships with fintech companies and financial institutions will supplement funding, distribute investment risks, accelerate technology adoption, and support innovative financial products, ensuring faster market penetration and strategic agility (*ESRS 2-SBM-3.48e ii*).

The Bank conducted an initial resilience analysis combining qualitative and quantitative assessments (via internal workshops, scenario analysis, and expert judgment) across ESRS-defined time horizons:

- ⇒ **Short-Term (<1 year):** Immediate enhancements in IT infrastructure, data privacy controls, and risk management processes will stabilize operational capacity, reduce short-term compliance risks, and moderately increase operating costs. These investments improve efficiency and regulatory alignment.
- ⇒ **Medium-Term (1–5 years):** Expanded sustainable finance initiatives, digital retail offerings, and diversified lending products (EIF-backed loans) are projected to reduce portfolio-level credit and reputational risks. Incremental revenue growth is anticipated through these strategic adjustments, supported by enhanced risk-adjusted returns as ESG factors integrate further into credit and risk models.
- ⇒ **Long-Term (>5 years):** Strategic shifts, including promoting energy-efficient real estate financing and broader digital inclusion, are expected to significantly enhance the Bank's competitive positioning, financial resilience, and market valuation. Long-term sustainable practices embedded in both upstream supplier selection and downstream portfolio management will enhance financial stability, reduce volatility, and generate sustained revenue growth aligned with regulatory evolution.

Libra Bank's resilience strategy includes sustained investment in digital transformation, robust ESG risk management, and targeted expansion of sustainable finance offerings. These actions, reinforced by diversified funding sources, proactive stakeholder engagement, and robust internal controls, ensure the business model's resilience and adaptability to evolving sustainability impacts, risks, and market opportunities (*ESRS 2-SBM-3.48f*).

All material impacts, risks, and opportunities identified through the Bank's materiality assessment are covered comprehensively by the standard ESRS Disclosure Requirements, except for the entity-specific disclosure related to Climate-related financing.

Material topics and associated ESRS sub-topics covered by standard disclosures include:

ESRS Disclosure Requirement	ESRS Sub-topic
E1	Climate-related financing
E1	Climate change adaptation
E1	Climate change mitigation
E1	Energy
E3	Water withdrawals
E3	Water consumption

E3	Water use
S1	Secure employment
S1	Working time
S1	Work-life balance
S1	Social dialogue
S1	Freedom of association, existence of works councils, and the information, consultation, and participation rights of workers
S1	Collective bargaining, including rate of workers covered by collective agreements
S1	Health and safety
S1	Adequate wages
S1	Gender equality and equal pay for work of equal value
S1	Training and skills development
S1	Measures against violence and harassment in the workplace
S1	Privacy (Workforce)
S4	Privacy (Consumers/Customers)
S4	Freedom of expression
S4	Access to quality information
S4	Responsible marketing practices
G1	Corporate culture
G1	Protection of whistle-blowers
G1	Bribery and corruption prevention and detection, including training

Entity-Specific Disclosure (Climate-related financing)

Climate-related financing represents an important material topic unique to Libra Bank's operational and strategic context. Given the specificity of the Bank's financing activities, its exposure to certain economic sectors, and associated risks and opportunities, additional entity-specific disclosures beyond the standard ESRS framework are required. These disclosures include further details on sector-specific financed emissions, detailed portfolio transition strategies, and customized risk management measures that are particularly relevant to Libra Bank's distinct business model and market presence (*ESRS 2-SBM-3.48h*).

1.4. Management of Impacts, Risks and Opportunities

1.4.1. Disclosures on the process for assessing materiality

Libra Bank's double materiality assessment is designed using a robust multi-method approach to comprehensively identify and evaluate material impacts, risks, and opportunities. Key methodologies include:

- ⇒ **Interdivision Interviews:** Structured interviews and targeted email consultations were conducted across multiple divisions (e.g., Retail Banking, Corporate Banking, Risk & Compliance, HR) to identify ESG-related impacts, risks, and opportunities. These interactions captured division-specific insights regarding how ESG and regulatory developments may influence operations, customer relationships, and product offerings, including current risk management and opportunity identification practices.
- ⇒ **Stakeholder Engagement:** The Bank engaged extensively with stakeholders, including customers, employees, investors, regulators, and civil society organizations, through surveys, feedback mechanisms, and complaint channels. This process captured external expectations and concerns, directly informing the prioritization of material topics.
- ⇒ **Expert Panel Judgments:** An expert panel consisting of internal sustainability specialists and external sustainability consultants reviewed initial insights from interviews and stakeholder engagement. The panel provided expert judgments on the severity, scope, and likelihood of ESG-related impacts, risks, and opportunities, integrating technical expertise (e.g., climate science, social impact analysis) into the prioritization process.
- ⇒ **Portfolio Analysis:** Quantitative analysis was performed on the Bank's lending, investment, and underwriting portfolios to identify ESG-related exposures. This involved evaluating indicators such as sectoral exposures (energy, agriculture, real estate), carbon intensity, water usage, and social risks. This analysis validated and refined the Bank's understanding of material topics, informing strategic risk mitigation and product innovation.

The following key assumptions were taken into consideration by Libra Bank during the double materiality assessment:

- ⇒ **Defined Time Horizons:** Short-term (<1 year), medium-term (1–5 years), and long-term (>5 years) horizons were applied as per ESRS 1, enabling identification of immediate operational risks, medium-term strategic shifts, and long-term transformational opportunities.
- ⇒ **Data Reliability and Availability:** The Bank assumes historical performance data, market trends, and regulatory guidance used are reliable and reflective of current conditions. Ongoing updates and validation ensure data relevance.
- ⇒ **Stakeholder Prioritization:** Stakeholder input is assumed representative of broader market and societal expectations, with greater emphasis placed on feedback from critical groups such as customers and investors.
- ⇒ **Integration of Qualitative and Quantitative Data:** The combined use of qualitative expert judgments and quantitative portfolio data provides a balanced perspective, essential for identifying both measurable impacts and nuanced insights (*ESRS 2-IRO-1.53a*).

This process aligns with the double materiality principle, integrating internal data (lending practices, digital initiatives) and external inputs (stakeholder insights, regulatory developments), providing comprehensive coverage of ESG-related impacts (*ESRS 2-IRO-1.53b*).

The DMA explicitly targets activities and business relationships posing heightened ESG risks, such as climate-related financing in environmentally sensitive sectors (e.g., agriculture, energy). Geographic considerations are minimal due to the Bank's exclusive operation within Romania, where regulatory requirements and ESG conditions are relatively consistent (*ESRS 2-IRO-1.53b i*).

Impacts from both the Bank's internal operations (e.g., HR policies, lending criteria) and external business relationships (e.g., supplier due diligence, downstream customer impacts) are evaluated. This dual perspective ensures comprehensive understanding and management of the Bank's overall impact footprint (*ESRS 2-IRO-1.53b ii*).

Stakeholder consultations (surveys, roundtables, regulatory engagement) and collaboration with external sustainability experts ensure credibility and robustness. Expert insights help capture emerging risks and validate findings (*ESRS 2-IRO-1.53b iii*).

Negative impacts are prioritized based on severity and likelihood; positive impacts are assessed by scale, scope, and likelihood, consistent with ESRS 1 Section 3.4 (Impact Materiality). For example, climate adaptation risks are prioritized by potential credit impacts, while opportunities such as digital lending or sustainable real estate finance are prioritized by revenue potential and risk reduction capability (*ESRS 2-IRO-1.53b iv*).

This structured approach, mentioned above, incorporates internal and external inputs using defined impact and financial materiality scales. These scales enable the Bank to evaluate the severity, likelihood, and potential financial consequences of each identified issue, ensuring informed decision-making aligned with strategic priorities (*ESRS 2-IRO-1.53c*).

In order to identify connections between impacts and dependencies with risks and opportunities, Libra Bank mapped interdependencies between its sustainability impacts (e.g., climate-related financing, water management, social issues) and operational dependencies.

Examples of such connections include:

- ⇒ **Fines and Reputational Damage:** The Bank evaluates the financial implications of potential regulatory penalties or reputational harm resulting from lapses in ESG compliance, such as inadequate climate due diligence.
- ⇒ **Disrupted Business Continuity:** The assessment examines how extreme weather events might disrupt borrower operations (especially in agriculture or real estate), potentially leading to higher credit default rates.
- ⇒ **Expanding Customer Base:** The analysis identifies opportunities, such as digital retail expansion and diversified EU-backed loan programs, which can boost revenue growth and enhance market presence.

Libra Bank assumes that high-exposure sectors, such as agriculture and energy-intensive industries, carry greater potential risks or opportunities. By systematically integrating both negative and positive financial effects, the Bank strategically balances risk mitigation and opportunity capture (*ESRS 2-IRO-1.53c i*).

In assessing likelihood, magnitude, and nature of effects, Libra Bank considered the following:

- ⇒ **Qualitative Inputs:** Qualitative data gathered from interdivision interviews and stakeholder consultations provide nuanced perspectives on potential reputational risks, operational disruptions, and strategic opportunities, directly informing materiality judgments.
- ⇒ **Quantitative Thresholds:** Financial materiality scales establish clear thresholds to quantify potential revenue impacts, cost implications (e.g., regulatory fines, operational expenses), and credit risk variations. For instance, high likelihood of regulatory penalties or significant portfolio credit deterioration triggers elevated materiality ratings. Quantitative thresholds used in determining risk categories were:

High Impact:	Operational and other areas (Compliance, Reputational etc.): Financial loss/benefit of RON 10 million or more. Portfolio: Financial loss/benefit of RON 25 million or more.
Medium Impact:	Operational and other areas (Compliance, Reputational etc.): Financial loss/benefit of RON 4 million up to RON 9.99 million Portfolio: Financial loss/benefit of RON 8 million up to RON 24.99 million

Low Impact:	Operational and other areas (Compliance, Reputational etc.): Financial loss/benefit of RON 1 million up to RON 3.99 million Portfolio: Financial loss/benefit up to - 2 million up to RON 7.99 million

- ⇒ **Integrated Analysis:** The Bank employs a weighted scoring model combining qualitative insights and quantitative measures. Each identified risk or opportunity is scored for severity and likelihood across defined time horizons (short: <1 year; medium: 1–5 years; long: >5 years), enabling comprehensive analysis of immediate operational risks and longer-term strategic implications.
- ⇒ **Outcome of the Assessment:** This integrated approach results in a clear prioritization hierarchy of risks and opportunities. For example, short-term investments in enhanced data security infrastructure may initially elevate operating costs but are justified by significantly reduced medium-term exposure to costly cybersecurity breaches (*ESRS 2-IRO-1.53c ii*).

Libra Bank prioritized its sustainability-related risks relative to other risks with the help of the following risk-assessment framework and tools:

- ⇒ **Comparative Analysis:** Sustainability-related risks are integrated into the broader Enterprise Risk Management (ERM) framework, alongside strategic, market, financial, compliance, and technological risks. The Bank utilizes impact and financial materiality scales, ensuring consistent and comparative evaluation across diverse risk categories.
- ⇒ **Relative Weighting:** The Bank assigns specific weights to sustainability risks based on potential financial impacts. For example, climate change adaptation risks receive high prioritization due to potential disruptions in loan portfolio quality, even if such risks manifest predominantly in the medium to long-term horizon.
- ⇒ **Decision Support:** The outcomes of risk assessments—combining qualitative assessments and quantitative metrics—directly inform strategic planning and capital allocation. This ensures sustainability risks and opportunities receive appropriate attention relative to traditional business risks, fostering holistic risk management (*ESRS 2-IRO-1.53c iii*).

Upon completion of its first DMA exercise, Libra Bank’s decision-making process integrates material sustainability impacts, risks, and opportunities alongside financial considerations into strategic and operational decisions. Key elements include:

- ⇒ **Interdepartmental Coordination:** A dedicated Sustainability Team coordinated by the Chief Risk Officer (CRO), comprising representatives from Risk, Compliance, Legal, European Funds, and Marketing divisions, oversees materiality assessments.
- ⇒ **Structured Evaluation:** Decisions leverage qualitative inputs (interdivision interviews, stakeholder feedback) and quantitative assessments (impact and financial materiality scales), ensuring comprehensive prioritization of sustainability issues.
- ⇒ **Board-Level Oversight:** Results from the materiality assessments are presented to and validated by the Steering Committee and the Board of Administration (BoA), who approve strategic adjustments and capital allocation decisions consistent with sustainability goals.
- ⇒ **Internal Control Procedures:** To ensure robustness and integrity, the Bank’s internal control procedures include:
 - **Risk Management Framework:** Sustainability-related risks are integrated into lending operations via the Environmental and Social Management System (ESMS), as detailed in the E&S policy and

procedure. Regular audits confirm the effectiveness of lending, investment, and operational controls.

- **Compliance and Assurance Functions:** Internal Audit and Compliance departments regularly review risk scoring accuracy, adherence to regulatory standards (GDPR, EU Taxonomy), and stakeholder engagement efficacy. These teams will also review the DMA process upon completion.
- **Documentation and Transparency:** Methodologies, assumptions, and materiality thresholds are thoroughly documented, providing transparency, traceability, and accountability in decision-making processes (*ESRS 2-IRO-1.53d*).

The Bank integrates sustainability-related risk identification, assessment, and management into its overarching risk management framework through the internal ESMS (Environmental and Social Management System). (*ESRS 2-IRO-1.53e*).

Following Libra Bank's initial DMA exercise, sustainability opportunities identified are directly integrated into overall management processes. For instance, opportunities to enhance digital inclusion and expand retail lending strategically drive revenue growth and improved financial performance. Regular monitoring and data analysis ensure ongoing alignment with emerging market trends and regulatory changes, informing strategic planning and resource allocation decisions (*ESRS 2-IRO-1.53f*).

The double materiality assessment comprehensively covers Libra Bank's full value chain. It addresses upstream activities through due diligence and assessment processes for suppliers, market research, and third-party relationships to identify external risks and opportunities. For its own operations, it focuses on internal management of operational risks, human resources policies, compliance, and internal controls. Downstream activities include evaluating customer outcomes and societal and environmental impacts resulting from financing activities, such as green lending and sustainable real estate financing, as well as portfolio-level ESG management. (*ESRS 2-IRO-1.53g*).

As this is the Bank's first Double Materiality Assessment (DMA), there are no changes compared to a prior period. Future reassessments and potential modifications will be documented clearly in subsequent reports (*ESRS 2-IRO-1.53h*).

The Bank's process to identify and assess climate-related impacts, specifically Greenhouse Gas (GHG) emissions, integrates qualitative and quantitative analyses guided by defined impact and financial materiality criteria. It involves cross-functional collaboration among ESG, Procurement, Operations, and Finance teams, ensuring climate considerations are embedded in strategic and daily decision-making.

- ⇒ **Data Collection and Use of Proxies:** Scope 1, 2, and 3 Emissions: Internal data from energy use and operational activities (Scope 1 & 2) are accurately recorded and assessed. However, due to limited client-level emissions data related to Scope 3 Category 15, the Bank employs industry-standard proxy indicators combining sector-based data and financial metrics (Enterprise Value Including Cash - EVIC) to estimate portfolio emissions.
- ⇒ **External Expertise:** Specialist consultants validate GHG estimation methodologies, ensuring compliance with recognized frameworks such as the EU Taxonomy and the Partnership for Carbon Accounting Financials (PCAF).
- ⇒ **Cross-Departmental Coordination:** Regular cross-departmental collaboration ensures continuous data refinement and accurate representation of climate impacts (*E1-IRO-1.20a*).

While the Bank has not historically documented physical climate risks comprehensively, it plans to leverage results from this initial DMA on a best-effort approach to potentially expand monitoring processes of high-risk sectors to identify emerging risks (*E1-IRO-1.20b i*).

Upon identifying relevant hazards, the Bank will evaluate asset and business sensitivity through:

- ⇒ **Vulnerability Assessments:** Reviewing lending portfolios, prioritizing sectors most susceptible to physical climate events.
- ⇒ **Supply Chain Analysis:** Identifying dependencies potentially affected by climate disruptions.
- ⇒ **Operational Sensitivity Analysis:** Assessing resilience of physical branches and digital channels to extreme climate events, leveraging existing Business Continuity Plans (BCP) and Business Impact Analyses (BIA) (*E1-IRO-1.20b ii*).

Process to Identify and Assess Climate-Related Physical Risks (Detailed Requirements)

The Bank has not yet conducted comprehensive physical risk assessments. Following the DMA, it intends to systematically identify and screen climate hazards (e.g., floods, heatwaves) over defined short (<1 year), medium (1–5 years), and long-term (>5 years) horizons, utilizing sectoral portfolio monitoring (*E1-IRO-1.AR 11a*).

Currently, no formal definitions align with asset lifetime or capital planning exist. Future assessments will align time horizons explicitly with ESRS 1 and strategic planning periods:

- ⇒ **Short-Term (<1 year):** Immediate operational and regulatory climate risks.
- ⇒ **Medium-Term (1–5 years):** Adjustments to client behavior and evolving climate risk landscapes.
- ⇒ **Long-Term (>5 years):** Strategic transitions to low-carbon, climate-resilient business models (*E1-IRO-1.AR 11b*).

No comprehensive assessment has yet been completed. Planned future assessments will incorporate vulnerability reviews of lending portfolios, supply chain analyses, and business activity resilience evaluations, considering hazard likelihood, magnitude, duration, and geographic specifics (e.g., NUTS regional breakdown) (*E1-IRO-1.AR 11c*).

Currently, no scenario analyses using explicit high-emissions projections (e.g., IPCC SSP5-8.5, NGFS “Hot house world”) have been conducted. Future assessments may include these scenarios, contingent on regional climate data availability, to inform hazard identification and sensitivity evaluations (*E1-IRO-1.AR 11d*).

Identification and Assessment of Climate-Related Risks and Opportunities

As mentioned above, the Bank plans to incorporate climate-related assessments into its materiality analysis to identify, evaluate, and prioritize physical and transition risks (e.g., extreme weather, regulatory shifts, market transitions) and opportunities (e.g., sustainable lending, digital inclusion) across short-term (<1 year), medium-term (1–5 years), and long-term (>5 years) horizons. The methodology primarily relies on qualitative insights complemented by established impact and financial materiality thresholds.

The current assessment integrates various elements to provide a comprehensive view. It includes internal data, such as operational metrics, risk dashboards, and portfolio exposure analyses. Additionally, it incorporates external inputs, including stakeholder feedback, industry guidelines, and market forecasts. This holistic approach ensures a thorough and well-rounded analysis. Due to limited availability of client-specific climate data, the Bank employs proxy indicators, particularly for estimating GHG emissions. Consequently, the current assessment approach remains predominantly qualitative, acknowledging ongoing developments to enhance quantitative capabilities.

Insights from the assessment are systematically integrated into the overall materiality assessment framework. This integration enables the Bank to identify assets and business activities that are potentially exposed to climate-related physical hazards or transition risks. Additionally, it highlights significant climate-related opportunities, such as sustainable finance initiatives and digital banking transformation. The assessment explicitly evaluates impacts over three defined time horizons:

- ⇒ **Short-term (<1 year):** Immediate operational and compliance-related climate risks.
- ⇒ **Medium-term (1–5 years):** Evolving risks/opportunities influencing client preferences, product performance, and regulatory landscape.
- ⇒ **Long-term (>5 years):** Strategic risks/opportunities linked to transitions such as investments in renewable energy, sustainable real estate financing, and adaptation to climate policy shifts.

By combining qualitative assessments with clear materiality thresholds, the Bank captures the spectrum of climate-related risks and opportunities. Although quantitative assessment remains limited due to client-level data availability, the existing methodology provides a firm foundation for integrating climate considerations into strategic decision-making and risk management (*E1-IRO-1.21*).

Identification and Assessment of Climate-Related Transition Risks and Opportunities in Operations and Value Chain

The Bank employs approaches aligned with limiting global warming to 1.5°C, with no or limited overshoot, to identify climate-related transition events across its operations and value chain.

This process involves analyzing transition events such as regulatory developments, which include enhanced carbon pricing and stricter emissions standards, market-driven shifts toward low-carbon products and services, technological advancements that influence energy consumption and carbon intensity. Identification relies extensively on various methods, including interdepartmental interviews that capture internal insights, expert panel judgments for specialized technical evaluations, stakeholder consultations which offer valuable market expectations and regulatory outlooks.

- ⇒ These inputs assist the Bank in pinpointing which transition events are most likely to materially impact its assets, operations, and portfolio management practices. Key focus areas include digital transformation in retail finance, sustainable real estate financing, and the development of green loan products—sectors identified as especially sensitive to climate-related regulatory and market shifts (*E1-IRO-1.20c i*).

Following the identification of transition events, the Bank systematically assesses the exposure of its assets and business activities to these events, quantifying transition risks and opportunities through vulnerability analyses and comprehensive value chain assessments. The Bank evaluates the vulnerability of lending and investment portfolios to identified transition events by:

- ⇒ Reviewing historical financial performance and credit risks in sensitive sectors (energy, real estate, consumer finance).
- ⇒ Applying financial materiality scales to assess potential impacts on revenues, cost structures, and creditworthiness.

The assessment extends throughout the Bank's value chain:

- ⇒ **Upstream:** Analysis of suppliers' environmental practices and risks potentially magnifying the Bank's own transition risks.
- ⇒ **Downstream:** Evaluation of customer behavior shifts, emerging preferences for green financial products, and evolving consumer credit risk profiles, highlighting strategic opportunities for sustainable growth (*E1-IRO-1.20c ii*).

The Bank systematically screens its assets and business activities against the above-mentioned transition events through internal portfolio monitoring and external expert consultations as part of its DMA exercise (*E1-IRO-1.AR 12a*).

The Bank evaluates the extent to which its assets and business activities are exposed and sensitive to identified

climate-related transition events. This structured assessment process involves:

- ⇒ **Evaluating Magnitude and Likelihood:** Using defined impact and financial materiality scales, the Bank quantifies potential financial implications such as regulatory fines, increased operational costs, or revenue opportunities (e.g., market expansion into green financial products).
- ⇒ **Vulnerability Assessments:** Conducting detailed sector-specific analyses for high-priority sectors—energy, real estate, and digital retail—to precisely identify the magnitude, likelihood, and duration of potential financial impacts associated with transition events.

This comprehensive approach provides clarity on transition risks and opportunities, enabling strategic and operational decision-making informed by thorough assessments of potential effects (*E1-IRO-1.AR 12b*).

The Bank integrates climate-related assessments into the identification of transition events and subsequent exposure assessment, explicitly employing methodologies consistent with the Paris Agreement target of limiting global warming to 1.5°C. The assessment includes recognized external sources such as International Energy Agency (IEA) scenarios (e.g., Net Zero Emissions by 2050, Sustainable Development Scenario) and NGFS (Network for Greening the Financial System) scenarios.

- ⇒ The Bank's assessment-driven approach leverages expert panel judgments and stakeholder consultations to identify relevant climate transition events. It integrates impact and financial materiality scales to estimate potential financial effects, thus incorporating climate risks into the Bank's risk management and strategic planning frameworks. Additionally, the robustness of assumptions and analytical methodologies is ensured through validation by external sustainability experts and consultants. This approach enables the Bank to proactively manage climate-related transition risks and identify emerging opportunities aligned with strategic goals (*E1-IRO-1.AR 12c*).

The Bank has assessed its portfolio and confirms that no assets or business activities have been identified as wholly incompatible with or requiring extraordinary efforts to align with a transition to a climate-neutral economy (as per Taxonomy-alignment criteria outlined in Commission Delegated Regulation (EU) 2021/2139). Existing exposures in certain economic sectors may require clients to undergo operational adjustments, supported through targeted financing solutions provided by the Bank, but no exposures are classified as fundamentally incompatible (*E1-IRO-1.AR 12d*).

There are no critical climate-related assumptions made in the financial statements, as such, the alignment with the climate scenarios utilized by the Bank within its materiality and scenario analysis processes is not applicable (*E1-IRO-1.AR 15*).

Libra Bank employs a comprehensive materiality assessment process aligned with the double materiality principle as outlined in ESRS 1, Section 3.2. This approach ensures a balanced evaluation of sustainability impacts, risks, and opportunities concerning both their effects on people and the environment, as well as their financial implications for the Bank's performance and operations.

The Bank uses clearly defined quantitative and qualitative thresholds to determine material information, evaluating the scale, scope, and likelihood of each identified impact, risk, and opportunity through a structured internal risk scoring model. This model integrates quantitative metrics, such as potential revenue impacts, cost implications, regulatory penalties, and shifts in credit risk, alongside qualitative insights, including stakeholder concerns, reputational considerations, regulatory guidance, and expert judgment.

In line with ESRS 1 (Section 3.2 and Appendix E), the Bank ensures that individual disclosure points deemed immaterial—even when under generally material topics—are appropriately excluded from disclosure. This approach ensures that disclosures remain relevant, clear, and focused.

Through systematic application of these criteria and thresholds, Libra Bank ensures that its sustainability disclosures meet the criteria of relevance, accuracy, and comprehensiveness required under ESRS 2-IRO-2.59. Only topics that surpass the defined materiality thresholds, in accordance with ESRS 1 guidance, are reported, thus enabling stakeholders to clearly identify and focus on the most critical sustainability impacts, risks, and opportunities relevant to the Bank's ongoing development, performance, and strategic position (*ESRS 2-IRO-2.59*).

(*ESRS 2-IRO-2.56*)

1.4.2. ESRS reporting requirements covered by the company's sustainability statement

1.4.1.1. Contents of ESRS reporting requirements

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GOV-2	Information provided to the company's administrative, management and supervisory bodies and the sustainability issues addressed by them	8-12
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SBM-1	Strategy, business model and value chain	15-21
SBM-2	Interests and views of stakeholders	21-24
SBM-3	Significant impacts, risks and opportunities and their interaction with the strategy and business model	24-38
IRO-1	Description of the processes for identifying and assessing significant impacts, risks and opportunities	36-43
IRO-2	ESRS reporting requirements covered by the company's sustainability statement	43-49
ESRS E1 Climate change		
ESRS 2 GOV-3	Integration of sustainability-related performance into incentive schemes	11
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ESRS 2 SBM-3	Significant impacts, risks and opportunities and their interaction with the strategy and business model	51-52
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E1-5	Energy consumption and energy mix	57-58
E1-6	Gross GHG emissions of categories 1, 2, 3 and total GHG emissions	59-63
ESRS S1 Own Workforce		
ESRS 2 SBM-3	Significant impacts, risks and opportunities and their interaction with the strategy and business model	72-74
S1-1	Own workforce policies	75-82

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S4-3	Processes to address negative impacts and channels through which consumers and end-users can voice their concerns	108
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S4-5	Targets related to the management of significant adverse impacts, the promotion of positive impacts and the management of significant risks and opportunities	114-115
ESRS G1 Business conduct		
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1.4.1.2. List of data points in cross-cutting standards and thematic standards stemming from other EU legislation

Reporting requirement and related data point	Reference from SFDR	Pillar 3 Reference	Benchmark Regulation Reference	Reference from the EU Climate Law	Page Number
ESRS 2 GOV-1 Gender diversity in management bodies point 21 (d)	x		x		8-9

Reporting requirement and related data point	Reference from SFDR	Pillar 3 Reference	Benchmark Regulation Reference	Reference from the EU Climate Law	Page Number
ESRS 2 GOV-1 Percentage of members of management bodies who are independent paragraph (21)(e)			x		8-9
ESRS 2 GOV-4 Due Diligence Process Statement Paragraph 30	x				12
ESRS 2 SBM-1 Involvement in fossil fuel-related activities point 40(d)(i)	x	x	x		Nu este material
ESRS 2 SBM-1 Involvement in activities related to fossil fuels point 40(d)(ii)	x		x		Nu este material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons point 40(d)(iii)	x		x		Nu este material
ESRS 2 SBM-1 Involvement in activities related to tobacco cultivation and production point 40 letter (d) iv			x		Nu este material
ESRS E1-1 Transition plan to achieve climate neutrality by 2050 paragraph 14				x	51
ESRS E1-1 Companies excluded from the application of the Paris Agreement-aligned benchmarks, point 16(g)		x	x		51
ESRS E1-4 Greenhouse gas emission reduction targets, paragraph 34	x	x	x		57
ESRS E1-5 Consumption of fossil energy from source-disaggregated sources (climate-intensive sectors only) paragraph 38	x				Nu este material
ESRS E1-5 Energy consumption and energy mix paragraph 37	x				57-58
ESRS E1-5 Energy intensity associated with activities in sectors with a high climate impact, paragraphs 40 to 43	x				Nu este material
ESRS E1-6 Gross Category 1,2,3 Emissions and Total GHG Emissions paragraph 44	x	x	x		59-63
ESRS E1-6 Gross GHG	x	x	x		63

Reporting requirement and related data point	Reference from SFDR	Pillar 3 Reference	Benchmark Regulation Reference	Reference from the EU Climate Law	Page Number
intensity paragraphs 53-55					
ESRS E1-7 GHG removals and carbon credits paragraph 56				x	Nu este material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			x		Este material (introduș progresiv)
ESRS E1-9 Disaggregation of monetary values according to acute and chronic physical risk, paragraph 66(a), Location of significant assets that are subject to significant physical risk, paragraph 66(c)		x			Este material (introduș progresiv)
ESRS E1-9 Breakdown of the book value of real estate assets by energy efficiency classes point 67(c)		x			Este material (introduș progresiv)
ESRS E1-9 Portfolio exposure to climate-related opportunities paragraph 69			x		Este material (introduș progresiv)
ESRS E2-4 Quantity of each pollutant listed in Annex II of the E-PRTR Regulation (European Register of Pollutants Emitted and Transferred) emitted into air, water and soil, paragraph 28	x				Nu este material
ESRS E3-1 Water, and marine resources point 9	x				Nu este material
ESRS E3-1 Specific Policy Paragraph 13	x				Nu este material
ESRS E3-1 Sustainable Oceans and Seas paragraph 14	x				Nu este material
ESRS E3-4 Total recycled and reused water point 28(c)	x				Nu este material
ESRS E3-4 Total water consumption in m3 per net income from own operations paragraph 29	x				Nu este material
ESRS 2 - SBM 3 - E4 point 16 (a) i	x				Nu este material
ESRS 2 - SBM 3 - E4 point 16 (b)	x				Nu este material
ESRS 2 - SBM 3 - E4 point 16 (c)	x				Nu este material
ESRS E4-2 Sustainable Land/Agriculture Practices or	x				Nu este material

Reporting requirement and related data point	Reference from SFDR	Pillar 3 Reference	Benchmark Regulation Reference	Reference from the EU Climate Law	Page Number
Policies, point 24(b)					
ESRS E4-2 Sustainable Ocean/sea practices or policies, point 24(c)	x				Nu este material
ESRS E4-2 Policies to combat deforestation point 24 points (d)	x				Nu este material
ESRS E5-5 non-recycled waste point 37(d)	x				Nu este material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	x				Nu este material
ESRS 2 - SBM3 - S1 Risk of forced labor incidents point 14 (f)	x				Nu este material
ESRS 2 - SBM3 - S1 Risk of child labor incidents point 14 (g)	x				Nu este material
ESRS S1-1 Human Rights Policy Commitments, paragraph 20	x				80-81
ESRS S1-1 Due Diligence Policies on Issues Addressed by International Labor Organization Fundamental Conventions 1-8, Paragraph 21			x		80-81
ESRS S1-1 processes and measures to prevent trafficking in human beings' paragraph 22	x				Nu este material
ESRS S1-1 occupational accident prevention policy or accident management system, paragraph 23	x				82
ESRS S1-3 complaint/complaint resolution mechanisms point 32(c)	x				83-84
ESRS S1-14 Number of fatalities and number and rate of work-related accidents point 88(b) and (c)	x		x		Nu este material
ESRS S1-14 Number of days lost as a result of injury, accident, death or illness Paragraph 88(e)	x				Nu este material
ESRS S1-16 Gender pay gap in	x		x		93

Reporting requirement and related data point	Reference from SFDR	Pillar 3 Reference	Benchmark Regulation Reference	Reference from the EU Climate Law	Page Number
unadjusted form paragraph 97(a)					
ESRS S1-16 An excessive level of ratio between the remuneration of the Director-General and that of the workers paragraph 97 (b)	x				93
ESRS S1-17 Incidents of discrimination point 103(a)	x				Nu este material
ESRS S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 104(a)	x		x		Nu este material
ESRS 2 – SBM3 – S2 Significant risk of child labor or forced labor in the value chain point 11(b)	x				Nu este material
ESRS S2-1 Human Rights Policy Commitments, paragraph 17	x				Nu este material
ESRS S2-1 Policies related to workers in the value chain paragraph 18	x				Nu este material
ESRS S2-1 Failure to comply with the principles of business and human rights and OECD guidelines paragraph 19	x		x		Nu este material
ESRS S2-1 Due diligence policies on issues addressed by International Labor Organization Fundamental Conventions 1-8, paragraph 19			x		Nu este material
ESRS S2-4 Human rights issues and incidents related to its upstream and downstream value chain, paragraph 36	x				Nu este material
ESRS S3-1 Human Rights Policy Commitments, paragraph 16	x				Nu este material
ESRS S3-1 Non-compliance with UN Guiding Principles on Business and Human Rights, ILO Principles and/or OECD Guidelines paragraph 17	x		x		Nu este material

Reporting requirement and related data point	Reference from SFDR	Pillar 3 Reference	Benchmark Regulation Reference	Reference from the EU Climate Law	Page Number
ESRS S3-4 Human Rights Issues and Incidents, paragraph 36	x				Nu este material
ESRS S4-1 Consumer and end-user policies, paragraph 16	x				98-105
ESRS S4-1 Failure to comply with the Guiding Principles on Business and Human Rights and the OECD Guidelines paragraph 17	x		x		105
ESRS S4-4 Human Rights Issues and Incidents, paragraph 35	x				105
ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)	x				122-123
ESRS G1-1 Protection of whistleblowers point 10 (d)	x				123-124
ESRS G1-4 Fines for Violation of Anti-Corruption and Anti-Bribery Laws paragraph 24(a)	x		x		127
ESRS G1-4 Anti-corruption and anti-bribery standards point 24(b)	x				127

2. INFORMATION ON MATERIAL ENVIRONMENTAL TOPICS

2.1. Climate Change

2.1.1. Strategy

Libra Internet Bank has not yet adopted a formal transition plan for climate change mitigation. As of the current reporting period, the Bank does not have GHG emission reduction targets in place, nor does it track or disclose progress toward alignment with the 1.5°C goal of the Paris Agreement. As such, there is no current strategy or defined set of actions linked to climate neutrality or Paris-aligned targets, and no related decarbonization levers or GHG-reduction activities have been identified. *(Disclosure: E1-1.14; E1-1.16a)*

There are no decarbonization levers in place, nor has the Bank identified or disclosed changes in its product and service portfolio, technological investments, or operational practices related to emissions reduction. Similarly, no actions or adjustments are reported in the upstream or downstream value chain in relation to climate mitigation. *(Disclosure: E1-1.16b)*

In the absence of a transition plan, the Bank has not allocated operational or capital expenditure (OpEx or CapEx) to actions supporting climate mitigation. There is also no reporting on taxonomy-aligned CapEx or investment planning aligned with the requirements of Commission Delegated Regulation (EU) 2021/2178. *(Disclosure: E1-1.16c)*

The Bank has not conducted a qualitative assessment of locked-in emissions associated with any of its products, services, or operational assets. Consequently, there is no evaluation of potential transition risks arising from carbon-intensive activities, nor are there plans in place to manage or decommission GHG-intensive assets. *(Disclosure: E1-1.16d)*

Given that no transition plan has been adopted, there is no integration of such a plan within the Bank's overarching business strategy or financial planning frameworks. Furthermore, there is no evidence of oversight or approval of a transition plan by the Bank's administrative, management, or supervisory bodies. *(Disclosure: E1-1.16h; E1-1.16i)*

Lastly, as no plan exists, there is no progress to report on implementation, nor are there milestones, monitoring tools, or performance indicators in place to assess alignment with climate-related strategic objectives. The Bank acknowledges that this is a developing area and may be addressed in future reporting periods based on regulatory guidance, internal capacity, and data availability. *(Disclosure: E1-1.16j)*

Libra Internet Bank does not currently maintain a transition plan for climate change mitigation. This decision is based on the structure of the Bank's lending portfolio, which is concentrated in sectors such as real estate, agriculture, wholesale, and professional services. These sectors carry lower carbon intensity and are not significantly exposed to fossil fuel-related activities such as coal, oil, or gas. As such, the Bank assesses its exposure to high carbon transition risk as limited. The current environmental and social risks associated with its operations and financing activities are managed through the Environmental and Social (E&S) Policy and Procedure, which forms part of its broader ESG framework. However, following the finalization of its initial Double Materiality Assessment (DMA), the Bank intends to reassess whether and to what extent a climate transition plan will be developed. Any future actions or targets would be based on exposures identified as significantly impacting the achievement of the 1.5°C target outlined in the Paris Agreement. In the meantime, the Bank continues to integrate environmental and social considerations into credit evaluations and risk management, in line with regulatory requirements and best practices where feasible. *(Disclosure: E1-1.17)*

In the context of climate-related impacts and the interaction of risks and opportunities with its strategy and business model, the Bank has identified three material risk areas. Financing in carbon-sensitive sectors presents a transition risk; adaptation to climate change, particularly in agriculture and real estate, is considered a physical risk; and broader climate change mitigation activities are also seen through the lens of transition risk. These distinctions help the Bank tailor its strategic and operational responses to climate-related challenges. *(Disclosure: E1-SBM-3.18)*

The Bank conducted a resilience analysis of its business strategy and model in relation to climate change. This assessment covered its full operational scope, including the upstream and downstream value chain, with no exclusions. The objective was to understand how the Bank's business may be affected by both physical and transition risks across multiple time horizons. *(Disclosure: E1-SBM-3.19a)*

The resilience analysis took place between October 2024 and January 2025. Although the Bank did not apply a quantitative climate scenario model, it used qualitative projections aligned with a 1.5°C warming pathway as part of the DMA exercise. This included evaluating potential regulatory changes (e.g., stricter carbon pricing), shifts in demand toward lower-carbon sectors, and expected technological transformations. The Bank assessed material impacts and risks across short-term (less than one year), medium-term (1–5 years), and long-term (beyond 5 years) timeframes. *(Disclosure: E1-SBM-3.19b)*

The results of the resilience analysis suggest that the Bank may face increased competitive pressures in the short term due to stakeholder expectations, expanded reporting duties, and heightened scrutiny of environmental and social impacts. These changes could lead to higher compliance costs and require additional investments under uncertain conditions. In the medium term, the Bank expects physical risks such as changing temperatures and natural disasters to significantly affect loan sectors like agriculture and construction. To mitigate this, internal staff training has begun on topics such as sustainable agriculture and renewable energy project evaluation, aimed at building internal capacity and client engagement. In the long term, severe climate events such as water and temperature extremes may threaten the financial viability of certain regions and sectors. Changing consumer preferences and stricter environmental regulations could further challenge existing lending segments. However, the Bank sees long-term benefits in its growing support for green finance, particularly in renewable energy, sustainable agriculture, and energy-efficient buildings, which are expected to contribute positively to its resilience. *(Disclosure: E1-SBM-3.19c)*

2.1.2. Impact, Risk, and opportunity management

2.1.2.1. Description of the processes to identify and assess material climate change mitigation and adaptation-related impacts, risks and opportunities

Libra Internet Bank currently has two internal documents relevant to managing its material impacts, risks, and opportunities related to climate change mitigation and adaptation. These are the Environmental and Social (E&S) Policy and Procedure and the Green Financing Procedure and Sustainability Lending Products. While the Bank does not explicitly label these as climate-specific policies, both documents contribute to the integration of environmental considerations, including climate change risks, into its lending operations and product design. The E&S Policy supports the identification and evaluation of environmental risks in financed sectors. The Green Financing Procedure

defines criteria for sustainability-linked financial products that promote environmentally responsible investment decisions.

The Bank does not maintain a standalone climate change mitigation or adaptation policy at this stage. However, its current documents provide a basis for embedding environmental risk assessments, and the Bank may consider the formal development of targeted climate policies as regulatory expectations and internal capabilities evolve. *(Disclosure: E1-2.24)*

Libra Internet Bank integrates climate-related considerations into lending and risk management through a structured and operationalized Environmental and Social Management System (ESMS). This system is outlined in the E&S Policy and implemented through the Environmental and Social Risk Procedure (Reporting: E1-2.24). The ESMS serves as the fundamental framework for managing risks related to climate change mitigation and adaptation across all financing activities.

The ESMS applies differentiated levels of environmental and climate-related due diligence based on a risk classification matrix and a sectoral classification system, enabling the consistent identification of transactions with potential climate impact. For each client, specific due diligence questionnaires are used according to the assessed risk level.

To support climate change mitigation, the Bank has adopted a dedicated Green Financing Procedure, defining technical eligibility requirements aligned with the EU Green Taxonomy and the Loan Market Association's Green Loan Principles. This includes categories such as:

- o Renewable Energy (e.g., solar photovoltaic, wind)
- o Green Buildings
- o Energy Efficiency
- o Sustainable Agriculture and Forestry
- o Clean Transport

These annexes describe technical thresholds such as minimum % renewable energy contribution, EPC benchmarks, and sector-specific efficiency improvement criteria. *(Disclosure: E1-2.25).*

2.1.2.2. *Policies related to climate change mitigation and adaptation*

E&S Policy and Procedure

The Environmental and Social (E&S) Policy and Procedure is designed to integrate environmental and social considerations into Libra Internet Bank's lending operations. Its key objectives include the identification and management of material environmental risks, such as those arising from climate change adaptation and mitigation. This includes both physical risks, such as extreme weather events, flooding, or land degradation caused by improper construction or agricultural practices, and transition risks stemming from changes in regulatory frameworks and public policies. The policy also emphasizes opportunities that support the transition to a low carbon economy, such as financing energy efficient buildings, sustainable agriculture, and renewable energy projects including solar and wind. In doing so, it contributes to climate change mitigation by reducing the financed emissions footprint of the Bank's lending portfolio.

In addition, the policy addresses the reputational risks the Bank could face if it does not actively engage clients in climate related transitions, or if its financing practices are perceived to contradict climate objectives such as those under the Paris Agreement. Through its Environmental and Social Management System (ESMS), the Bank conducts periodic reviews of client environmental performance and integrates climate related criteria into credit evaluations. This process includes assessing both energy consumption and emissions intensity where applicable. The policy is therefore a core governance instrument for managing climate adaptation and mitigation risks, promoting energy transition, and aligning the Bank's lending activities with environmental sustainability goals. *(Disclosure: MDR-P*

65(a))

The policy applies to lending exposures across all economic sectors, with a particular emphasis on industries such as real estate, agriculture, and energy. The Bank does not apply geographic restrictions, and the policy is implemented throughout all jurisdictions in which the Bank operates. While it does not explicitly cover upstream supply chain activities, it focuses on downstream impacts resulting from financed projects and activities. There is no specific stakeholder groups excluded from the policy's scope. Clients and communities affected by environmental performance of financed activities are considered in the evaluation and monitoring process. *(Disclosure: MDR-P 65(b))*

The responsibility for implementation of the E&S Policy lies with the Head of the Risk Management Division and the Chief Risk Officer (CRO). The policy is formally approved by the Bank's Steering Committee and endorsed by the Board of Administrators, reflecting governance-level accountability. *(Disclosure: MDR-P 65(c))*

The Bank does not reference or commit to any specific third-party frameworks or external environmental standards in the implementation of this policy. Instead, it relies on its internal ESMS framework to ensure that environmental risks are identified, assessed, and managed in line with internal expectations and regulatory obligations. *(Disclosure: MDR-P 65(d))*

In formulating the policy, the Bank considered the interests of stakeholders, particularly clients and communities potentially affected by the environmental consequences of financed activities. Client feedback is obtained through the due diligence process, which includes the use of tailored questionnaires to assess environmental risk exposure. These inputs help ensure the policy remains aligned with material stakeholder concerns. *(Disclosure: MDR-P 65(e))*

While the E&S Policy is not publicly available, its application is operationalized through client-facing procedures such as environmental risk questionnaires and disclosures made during the lending process. This ensures that stakeholders who may be affected by the Bank's lending decisions, and those who support its implementation, are informed of the relevant policy expectations. *(Disclosure: MDR-P 65(f))*

Green Financing Procedure and Sustainability Lending Products

The Green Financing Procedure and Sustainability Lending Products policy was developed to complement Libra Internet Bank's standard lending framework by enabling targeted financing that supports climate change adaptation and mitigation objectives. The policy defines specific eligibility criteria and operational steps for granting loans through both the Bank's own resources and national or European guarantee programs. It places particular emphasis on climate change adaptation opportunities by supporting projects in construction and agribusiness that enhance climate resilience, including the financing of sustainable agricultural practices, energy-efficient farming equipment, and water-saving technologies. In terms of climate change mitigation, the policy promotes clean technology investments and the development of low-carbon infrastructure, including energy-efficient buildings and renewable energy systems, directly contributing to the energy transition. It also supports the Bank's green financing strategy by enabling lending to activities aligned with sustainable finance principles, thereby contributing positively to climate goals while offering new business opportunities through the development of sustainability-linked financial products. This strategic focus ensures alignment with the Bank's material opportunities and supports long-term competitiveness in the evolving ESG finance landscape. *(Disclosure: MDR-P 65(a))*

The scope of the policy spans lending to all customer categories including individuals, microenterprises, SMEs, and small mid-caps across a broad range of sectors such as agriculture, wholesale, trade, liberal professions, and light industry. It has a specific focus on downstream activities through the evaluation of borrower environmental practices and energy performance. The policy is applied across all geographical regions where the Bank operates and places particular emphasis on the consideration of stakeholders, including borrowers and communities impacted by financed activities. However, lending to high energy-intensive industries, oil and gas, and similarly carbon-intensive sectors is excluded under the policy's criteria. *(Disclosure: MDR-P 65(b))*

The Head of the European Funds Division and the Bank's General Director are jointly accountable for the implementation of the Green Financing Procedure and Sustainability Lending Products policy. They oversee the

application of eligibility criteria, internal training for sales teams, and alignment with national and EU green finance frameworks. *(Disclosure: MDR-P 65(c))*

The policy does not currently refer to specific third-party standards or voluntary commitments but is informed by the structure and goals of EU-level sustainable finance initiatives. *(Disclosure: MDR-P 65(d))*

In terms of stakeholder considerations, the policy was designed to be actionable by employees involved in the credit decision-making process, many of whom are unfamiliar with sustainable finance. It therefore outlines clear steps and transparent criteria to ensure consistency and credibility. Additionally, customer communication is embedded in the policy, with the sales teams playing a central role in presenting clients with green lending opportunities. This stakeholder-oriented approach aims to promote awareness and engagement around sustainable finance and environmental performance. *(Disclosure: MDR-P 65(e))*

The policy itself is not published publicly. However, its core concepts, including eligibility conditions and the environmental focus of the loan products, are shared with clients during product discussions and credit evaluations. These interactions allow the Bank to communicate sustainability requirements and create awareness among borrowers regarding climate-aligned financing opportunities. *(Disclosure: MDR-P 65(f))*

The Bank's **Environmental and Social (E&S) Policy and Procedure** addresses climate change mitigation by embedding climate risk considerations directly into the Bank's due diligence and credit evaluation processes. It supports investments in projects that reduce greenhouse gas emissions, including renewable energy and green buildings, and encourages sustainable practices among borrowers to lower the carbon intensity of their operations. In parallel, **the Green Financing Procedure and Sustainability Lending Products** policy promotes mitigation through targeted financing for renewable energy projects, green and energy-efficient certified buildings, zero and low-emission mobility, and digital solutions for climate mitigation. It also supports sustainable enterprises identified through national and EU-level guarantee agreements, whose environmentally conscious operations contribute to climate change mitigation.

Regarding climate change adaptation, the **E&S Policy and Procedure** facilitates adaptation by incorporating criteria into loan approval processes that prioritize investments which increase resilience to climate-related events. This is particularly emphasized in the real estate and agricultural sectors, where the Bank uses both qualitative and quantitative criteria to assess project resilience and vulnerability reduction. **The Green Financing Procedure** also addresses adaptation in line with eligibility criteria defined under EU guarantee programs. It includes financing for investments that enhance company or regional resilience to climate change, reduce climate vulnerabilities in agriculture, and support the adoption of digital solutions such as advanced weather monitoring systems and early warning technologies. Investments in research and innovation to improve climate adaptation are also supported.

In terms of energy efficiency, the **E&S Policy** considers the energy performance of financed projects during environmental risk assessments, ensuring that higher energy efficiency is reflected in credit evaluations. This is further reinforced by the **Green Financing Procedure**, which explicitly targets projects that demonstrate significant improvements in energy efficiency and reductions in energy consumption.

Both policies also support the deployment of renewable energy. The **E&S Policy** promotes the financing of projects implementing renewable energy technologies to reduce reliance on fossil fuels and to help lower emissions. **The Green Financing Procedure** provides further alignment with this objective by facilitating dedicated funding to solar, wind, and other low-carbon energy systems.

No additional areas beyond mitigation, adaptation, energy efficiency, and renewable energy have been identified at this time as requiring specific policy attention. Therefore, no further disclosures are applicable under *E1-2.25(e)*. The Bank confirms that it does not have any missing policy or action disclosures required under the relevant ESRS provisions. There are currently no areas for which the Bank is unable to provide information due to a lack of adopted policies or actions. As such, the provisions under *ESRS 2.62* are not applicable at this time.

2.1.2.3. ***Actions and resources related to climate change policies***

Libra Internet Bank has not undertaken any formal climate change mitigation or adaptation actions during the reporting year, nor are there any structured actions currently planned (Disclosure: E1-3.28; MDR-A(a)). The Bank recognizes the importance of addressing climate-related risks and opportunities and intends to evaluate relevant actions after finalizing its first Double Materiality Assessment. This evaluation will be guided by future regulatory developments and emergent market practices (*Disclosure: ESRS 2.62*).

As such, there are no expected outcomes to report at this time, nor has the Bank implemented any actions that contribute to climate-related policy objectives or targets (Disclosure: MDR-A(a)). The Bank's current approach does not include a defined scope of action in terms of affected activities, value chain segments, geographies, or stakeholder groups (Disclosure: MDR-A(b)). No time horizons have been established for the completion of any future actions (Disclosure: MDR-A(c)), and no remediation measures have been initiated in response to material climate impacts (Disclosure: MDR-A(d)). Additionally, the Bank does not report any progress regarding prior action plans (*Disclosure: MDR-A(e)*).

No financial or other resources have been allocated to the implementation of climate-related action plans, either for the current or future periods (Disclosure: MDR-A.69(a), (b), (c)). The Bank does not currently utilize sustainable finance instruments such as green bonds or green loans to support climate change mitigation or adaptation, and the ability to implement such actions is not currently contingent upon the granting of financial support or specific policy developments (*Disclosure: E1-3.AR 21*).

At this stage, the Bank has not applied any decarbonization levers, such as renewable energy generation, operational energy efficiency measures, or nature-based climate solutions (Disclosure: E1-3.29(a); E1-3.AR 19d). Consequently, there are no achieved or expected GHG emission reductions to disclose (Disclosure: E1-3.29(b)), and no relevant expenditures (CapEx or OpEx) have been linked to the implementation of climate mitigation or adaptation actions (Disclosure: E1-3.29(c); E1-3.AR 22). The Bank has not yet aligned its expenditures with the Taxonomy-related performance indicators under Commission Delegated Regulation (EU) 2021/2178, nor are any differences between potential CapEx/OpEx and the KPIs applicable at this stage (*Disclosure: E1-3.29(c)(i–iii)*).

The Bank confirms that, while no specific actions have been implemented for the current period, it intends to assess the feasibility of adopting concrete mitigation and adaptation measures in the future. This process will consider the availability of reliable environmental data, regulatory requirements, and financing tools that support sustainability objectives (*Disclosure: ESRS 2.62*).

Libra Internet Bank has taken initial steps toward implementing climate change mitigation and adaptation through its financing activities, particularly by initiating an expansion of its green lending portfolio. Although no structured or quantified mitigation or adaptation actions have been executed during the reporting year, the Bank has begun to operationalize mechanisms and product lines that enable targeted climate financing (Disclosure: E1-3.28).

The Bank's most significant current exposure in climate-related financing lies in the renewable energy sector, where several wind and solar energy projects have already been financed. These projects contribute directly to climate mitigation through clean energy production. Project-level tracking is conducted using portfolio filters embedded in the Bank's Environmental and Social Management System (ESMS), with additional oversight through client-level reporting and periodic monitoring procedures (Disclosure: E1-3.28, E1-3.AR 21). Although Libra Internet Bank has not yet deployed formal decarbonization levers such as energy efficiency improvements, nature-based solutions, or renewable self-generation (Disclosure: E1-3.29(a)), its green energy lending supports long-term emissions reduction in accordance with the objectives of the ESRS framework.

In addition to mitigation-focused lending, the Bank has launched residential and real estate loan products that directly support adaptation to climate risks. These include "Credit pentru proiecte rezidențiale inclusiv verzi" and "Credit pentru investiții imobiliare inclusiv verzi", which finance both retrofit and new construction projects that incorporate climate-resilient design elements such as insulation upgrades, flood-resistant infrastructure, and green

roofing systems. (Disclosure: E1-3.28).

Looking forward, Libra Internet Bank has developed operational frameworks for the rollout of climate financing under the InvestEU Sustainability Guarantee program in collaboration with the European Investment Fund (FEI). Although no loans have been granted under this scheme during the current reporting period, internal documentation such as the “Fisa de produs Corporate/Large Corporate/IMM – InvestEU” and “Fisa de produs ElectricUp” outlines the operational models to be used for future financing. These green credit products will support SMEs and corporates undertaking projects in energy efficiency, sustainable mobility, and low-carbon construction. The financing model includes coverage of up to 85% of investment value, with partial risk protection between 50% and 70% secured via FEI guarantees (Disclosure: E1-3.28).

At this stage, no financial allocations (CapEx or OpEx) have been committed toward climate mitigation or adaptation measures (Disclosure: MDR-A.69(a), (b), (c)). The Bank does not currently utilize sustainable finance instruments such as green bonds, nor have emissions reduction expenditures been linked to regulatory Taxonomy KPIs (Disclosure: E1-3.29(c), E1-3.29(c)(i–iii), E1-3.AR 22). Furthermore, Libra Internet Bank has not yet reported any GHG emissions reduction results stemming from financed actions (Disclosure: E1-3.29(b)).

Although no specific mitigation or adaptation actions were implemented during the year, the Bank intends to explore the feasibility of structured actions following the completion of its first Double Materiality Assessment. Future plans may include assessing the environmental impact of lending instruments, expanding taxonomy-aligned financing tools, and aligning internal resources with evolving EU and national climate policies. The implementation of such actions will depend on the availability of reliable climate-related data, access to dedicated funding instruments, and clear regulatory guidance (Disclosure: ESRS 2.62).

2.1.3. Metrics and Targets

2.1.3.1. Targets related to climate change mitigation and adaptation

Libra Internet Bank has not set any greenhouse gas (GHG) emission reduction targets or other climate-related targets during the reporting period. The Bank’s assessment concludes that its own operations are not materially relevant in terms of GHG emissions due to the limited scale and nature of its activities. Furthermore, the Bank’s lending portfolio does not include exposure to high-emission industries such as oil and gas, heavy industry, or large-scale manufacturing, which significantly reduces the climate-related footprint of its financed activities. (Disclosure: E1-4.32)

Consequently, no measurable outcome-oriented targets related to climate change mitigation or adaptation have been defined at this stage. The Bank confirms that it has not established any targets across scopes 1, 2, or 3 emissions, and no targets have been adopted regarding energy efficiency improvements, renewable energy usage, or portfolio decarbonization. (Disclosure: E1-4.33)

As no GHG emission reduction targets have been set, the requirements under ESRS for target-related disclosures, including baseline year, methodologies, scope coverage, target levels, stakeholder involvement, or science-based alignment, do not apply. (Disclosure: E1-4.34)

The Bank has not yet adopted a timeline for establishing GHG-related targets but will continue to evaluate this in line with the outcomes of its Double Materiality Assessment (DMA). Should material exposures be identified in the future, the Bank will use best efforts to define appropriate climate targets aligned with regulatory developments and sustainable finance frameworks. (Disclosure: MDR-T 81.a)

Although no targets are in place, the Bank acknowledges the importance of tracking the effectiveness of its climate-related policies and actions. As a result, it commits to monitoring progress against the identified material risks and opportunities using qualitative indicators once sufficient client-level or portfolio-level data becomes available. (Disclosure: MDR-T 81.b)

2.1.3.2. **Energy consumption and energy mix (E1-5)**

Energy consumption and energy mix	Unit of measurement	2024
Fuel consumption from coal and coal-based products	MWh	0
Fuel consumption from crude oil and petroleum products	MWh	0 (not disclosed)
Fuel consumption from natural gas	MWh	0 (not disclosed)
Fuel consumption from other fossil sources	MWh	0
Consumption of electricity, heat, steam and cooling purchased or obtained from fossil sources	MWh	1,006
Total energy consumption from fossil sources	MWh	1,006
Share of fossil sources in total energy consumption	%	58.4%
Consumption from nuclear sources	MWh	Not Disclosed
Share of nuclear consumption in total energy consumption	%	Not Disclosed
Consumption of fuel from renewable sources, including biomass, biogas, biofuels, hydrogen, etc.	MWh	0
Consumption of electricity, heat, steam and cooling purchased or obtained from renewable sources	MWh	714
Energy consumption from renewable sources other than self-produced fuels	MWh	714
Consumption of self-generated renewable energy	MWh	0
Total renewable energy consumption	MWh	714
Share of renewables in total energy consumption	%	41.6%
Total energy consumption (sum of fossil, nuclear, renewable)	MWh	1,720
<i>Total energy calculated by converting raw data from joules (J) to megawatt-hours (MWh). Data estimated based on Romanian national energy mix for 2024. No fuel-based renewable consumption or self-generated renewable energy. Data not externally validated beyond assurance provider.</i>		

2.1.3.3. **Gross GHG emissions of categories 1, 2, 3 and total GHG emissions (E1-6)**

Purpose	Type of activity	2024	Unit of measurement
Scope 1	Gross Scope 1 GHG emissions (total)	458	tonnes CO₂e
Scope 1	Percentage of GHG emissions from regulated emission trading schemes (%)	N/A	-
Scope 2	Gross location-based Scope 2 GHG emissions	413	tonnes CO₂e
Scope 2	Gross market-based Scope 2 GHG emissions	N/A	tonnes CO ₂ e
Scope 3	Purchased goods and services	0	tonnes CO ₂ e
Scope 3	Capital goods	0	tonnes CO ₂ e
Scope 3	Fuel and energy-related activities (not in Scope 1 or 2)	353	tonnes CO ₂ e
Scope 3	Upstream transportation and distribution	0	tonnes CO ₂ e
Scope 3	Waste generated in operations	0	tonnes CO ₂ e
Scope 3	Business travel	96	tonnes CO ₂ e
Scope 3	Employee commuting	650	tonnes CO ₂ e
Scope 3	Upstream leased assets	0	tonnes CO ₂ e
Scope 3	Downstream transportation	0	tonnes CO ₂ e
Scope 3	Processing of sold products	0	tonnes CO ₂ e
Scope 3	Use of sold products	0	tonnes CO ₂ e
Scope 3	End-of-life treatment of sold products	0	tonnes CO ₂ e
Scope 3	Downstream leased assets	0	tonnes CO ₂ e
Scope 3	Franchises	0	tonnes CO ₂ e
Scope 3	Investments	257.467	tonnes CO ₂ e
Scope 3	Total gross indirect GHG emissions	258.565	tonnes CO₂e
TOTAL	Total GHG emissions (location-based)	259.436	tonnes CO₂e
TOTAL	Total GHG emissions (market-based)	N/A	tonnes CO ₂ e

Calculation methodology for GHG emissions from own operations and supply chain

Libra Bank calculates and reports its greenhouse gas (GHG) emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and ESRS E1-6. The disclosures cover Scopes 1, 2, and selected Scope 3 categories, and 2024 is designated as the reference year (E1-6.52).

Scope 1 and Scope 2 Emissions

Scope 1 emissions are based on stationary combustion, mobile combustion, and fugitive emissions from refrigerants under Libra Bank's operational control. Scope 2 emissions are calculated using the location-based method, which relies on national average emission factors for electricity and thermal energy production in Romania, as published by ANRE (E1-6.AR 45d).

Currently, Libra Bank does not apply the market-based method, as it does not procure electricity through instruments such as Guarantees of Origin (GOs), Renewable Energy Certificates (RECs), or Power Purchase Agreements (PPAs). As such, no contractual instruments are used for the sale or purchase of electricity with attribute claims, and no percentage breakdown of such instruments is required in the 2024 reporting (E1-6.AR 45d).

Average emission factors from ANRE were used in the calculation of Scope 2 GHG emissions for 2024.

Methodologies, Assumptions, and Emission Factors (E1-6.AR 39b, E1-6.AR 39d)

GHG emissions have been calculated using activity-based methods combined with sector-specific emission factors. The following Global Warming Potential (GWP) rates, aligned with the most recent IPCC values, were used (E1-6.AR 39d):

- N₂O: 265 times CO₂
- CH₄: 27 times CO₂
- HFCs: 14,800 times CO₂

Libra Bank calculated emission factors for 20 economic branches using data from the European Environment Agency (EEA). These were applied to client financial data and the value of business loans. Where financial data was missing, emissions were estimated using patterns from comparable clients within the same economic sector. For project finance, emissions were estimated from publicly available data, using assumptions about equipment installation emissions in similar industries, adjusted to reflect the investment value of the bank.

For mortgage and commercial real estate (CRE) loans, when property or asset values were unavailable, Libra Bank applied a global attribution factor. This factor was based on the total value of loans and the estimated value of financed and collateralized buildings. Building surface area and emission factors were sourced from EPCs or public data from MDLPA.

All calculations used official economic activity data and sector-specific emission factors (e.g., tCO₂e/€ of revenue or tCO₂e/€ of asset), in accordance with standard EEIO methodologies (E1-6.AR 39b).

Measurement of Scope 3 Emissions and Use of Primary Data (E1-6.AR 46g)

Scope 3 GHG emissions have been calculated for selected categories using internal data and external statistical sources. At this stage, primary data from suppliers or other value chain partners was not used (E1-6.AR 46g).

- Upstream activities: 100% covered
- Downstream activities: 0% covered
- Use of primary data: 0%

Scope 3 Category Inventory (E1-6.AR 46i)

Libra Bank discloses the following Scope 3 categories as included or excluded, with justifications as required under (E1-6.AR 46i): Category	Status	Justification
1. Purchased goods and services	Excluded	Not relevant
2. Capital goods	Excluded	No capital goods in portfolio
3. Fuel- and energy-related activities	Included	Calculated using DEFRA emission factors
4. Upstream transportation and	Excluded	Not the case

distribution		
5. Waste generated in operations	Excluded	Not relevant
6. Business travel	Included	Based on internal travel data and DEFRA factors
7. Employee commuting	Included	Estimated using survey data and DEFRA factors
8. Upstream leased assets	Excluded	No leased assets
9. Downstream transportation and distribution	Excluded	Not the case
10. Processing of sold products	Excluded	Not the case
11. Use of sold products	Excluded	Not the case
12. End-of-life treatment of sold products	Excluded	Not the case
13. Downstream leased assets	Excluded	Not the case
14. Franchises	Excluded	Not the case
15. Investments	Included	Included for financed emissions

Calculation Methodology for Financed Emissions – Scope 3, Category 15 (E1-6.AR 46h)

Libra Bank calculates financed emissions using the PCAF Global GHG Accounting and Reporting Standard. Emissions are estimated using either borrower-reported data (when available) or sector-specific emission intensities based on official statistics.

Methodologies include:

- When revenue, EVIC, and the outstanding loan are known, emissions are calculated using $\text{Emissions} = \text{Emission factor} \times \text{Client revenue} \times \text{Attribution factor}$
- When only the outstanding amount is known $\text{Emissions} = \text{Emission factor} \times \text{Asset value} \times \text{Attribution factor}$

For mortgages and CRE, where individual property data is unavailable, Libra Bank used a global assignment factor calculated at the portfolio level. Emission factors were applied based on surface area and EPC/MDLPA benchmarks. Calculation boundaries align with the GHG Protocol:

- Emissions from the consolidated group (parent and subsidiaries)
- Associates and joint ventures with operational control
- Unconsolidated entities that are part of the upstream or downstream value chain (E1-6.AR 46h)

Below is a breakdown of Libra Bank's financed emissions for the year 2024, calculated according to the PCAF methodology for Scope 3, Category 15:

PCAF Category	Exposure (RON)	Financed Emissions (tCO ₂ e)	Intensity (tCO ₂ e/million RON)	Average Data Quality Score (1–5)
Business Loans and Equity Investments in Unlisted Companies	3,914,292,837	169,943.00	43.42	3
Project Finance	177,103,537	16,768.50	94.68	2
Commercial Real Estate	2,591,925,131	26,200.70	10.11	4
Residential Mortgages	585,337,682	2,030.50	3.47	4
Sovereign Bonds	1,768,308,148.49	42,524.00	24.05	1

Reporting Period and Boundary Consistency (E1-6.AR 42c, E1-6.47)

There were no discrepancies in reporting periods across the value chain. Libra Bank did not use GHG data from entities with differing reporting periods (E1-6.AR 42c). No changes occurred in the reporting boundary or value chain that would affect year-on-year comparability of reported emissions (E1-6.47).

GHG Emissions Intensity Based on Net Revenue

In accordance with ESRS E1-6.53–54 and application requirement AR 53, Libra Bank discloses its greenhouse gas (GHG) emissions intensity as the ratio between total GHG emissions (in metric tonnes of CO₂ equivalent) and net revenue (in monetary units).

The GHG intensity ratio is calculated using the following formula (E1-6.53, AR 53(a)):

GHG intensity (tCO₂e/monetary unit) = Total GHG emissions / Net revenue

- Total GHG emissions (numerator): 259.436 tCO₂e
- Net revenue (denominator): **395,984,019 RON**
- GHG intensity: 0,0006552 tCO₂e per RON

This value reflects the total GHG emissions originating from all relevant categories of direct and indirect emissions (Scope 1, Scope 2, and Scope 3), including "investments" (in accordance with Category 15 of the GHG Protocol and the PCAF methodology on financed emissions) for the reporting year 2024 (as presented under E1-6.44(d) and E1-6.52), divided by Libra Bank's net revenue, which has been calculated in accordance with IFRS 15 – Revenue from Contracts with Customers (E1-6.53(e), AR 53(e)).

Libra Bank expresses this GHG intensity value in terms of tCO₂e per RON, calculated based on total emissions (Scope 1 + Scope 2 + Scope 3), including the indirect emissions related to lending and investment activities, namely the financed emissions (Scope 3 – Category 15 of the GHG Protocol), according to the PCAF methodology and in line with Point 53. The numerator represents the total gross emissions (Scope 1 + Scope 2 + Scope 3), while the denominator represents the net revenue reported in the financial statements (E1-6.53(b)(c)(d)).

2.1.3.4. Anticipated financial effects from climate change and adaptation-related impacts, risks and opportunities

At this stage, Libra Internet Bank has not yet quantified the anticipated financial effects of material physical and transition climate risks in monetary terms due to the complexity of these issues, evolving regulatory requirements, and the current unavailability of reliable client-level data. Nevertheless, qualitative assessments have been conducted to evaluate the potential impacts across the Bank's operations and portfolio, as part of its Double Materiality Assessment (Disclosure: E1-9.66, E1-9.67).

In terms of material physical climate risks, the Bank has identified several asset classes—particularly within its real estate and agriculture portfolios—as vulnerable to extreme weather events such as floods and droughts. For example, real estate assets located in flood-prone or coastal areas, and agricultural exposures in drought-sensitive regions, have been flagged for further monitoring. While exact figures will be disclosed in future cycles, these assets are currently assessed as constituting a notable portion of the Bank's overall portfolio exposure (Disclosure: E1-9.66a, E1-9.66c).

Although no proportion of these materially exposed assets has yet been addressed through dedicated adaptation measures, the Bank intends to revisit this issue in future cycles following the completion of its first DMA (Disclosure: E1-9.66b). Similarly, no precise geographic mapping or net revenue attribution is available at this stage, but qualitative indicators suggest that key revenue lines associated with real estate and agriculture could be materially affected (Disclosure: E1-9.66d).

To structure its assessment, the Bank applied a tiered threshold system that categorizes physical and transition risk impacts as high, medium, or low. This methodology defines high operational risk as involving financial losses above RON 10 million or reputational/compliance crises with long-term impact, while high portfolio-level risk includes potential financial losses exceeding RON 25 million and affecting multiple sectors. Medium and low tiers are similarly defined by narrower financial or sectoral criteria. This system was used as a proxy to estimate possible future impacts (Disclosure: E1-9.AR 69a, E1-9.AR 72a).

These thresholds were developed with expert judgment and validated by external consultants to ensure that climate science and regulatory trends were appropriately reflected in the assessment of scenario-aligned financial risks (Disclosure: E1-9.AR 69b, E1-9.AR 72b).

The Bank assesses transition risks by analyzing potential regulatory, market, and technological shifts that may affect asset values and operating conditions. As part of the Double Materiality Assessment (DMA), the Bank identified that segments of its real estate portfolio, particularly older buildings with lower energy efficiency ratings, are subject to transition risks. These assets could face value depreciation or increased operational costs due to new energy performance regulations or declining market preference for carbon-intensive properties (Disclosure: E1-9.67a, E1-9.67c).

Although the Bank has not yet taken adaptation or mitigation actions to address these transition risks, it plans to revisit this in future cycles. No liabilities are currently expected in the short-, medium-, or long-term from these exposures, and no reconciliations to financial statements have yet been prepared (Disclosures: E1-9.67b, E1-9.67d, E1-9.68a, E1-9.68b). Additionally, no estimates are currently available regarding potentially stranded assets (Disclosure: E1-9.AR 73a) or cost savings from mitigation/adaptation measures (Disclosure: E1-9.69a), nor has the Bank projected market size or revenue potential from climate-aligned products or services at this time (Disclosure: E1-9.69b).

None of the energy consumption data for the Bank's real estate portfolio is based on internal estimates; all values are sourced from official certificates and external evaluations (Disclosure: E1-9.AR 73b). The Bank tracks the energy-efficiency class of real estate assets in its portfolio and uses this classification as a basis for assessing transition risk exposure. Assets with lower energy efficiency ratings are flagged as vulnerable to market devaluation and regulation-driven cost increases. Those with high energy performance are considered more resilient to transition risks (Disclosure: E1-9.67c).

As part of its phased approach, Libra Internet Bank intends to enhance its financial modelling, integrate quantitative metrics over the next three reporting periods, and incorporate more granular geographic and revenue-based analyses of climate risks in alignment with evolving ESRS expectations (Disclosure: ESRS 2.62).

2.2. Water and marine resources

2.2.1. Strategy

Water is a fundamental and increasingly scarce resource that supports environmental balance, economic resilience, and social well-being. As part of the bank's approach to environmental stewardship, this chapter addresses how its activities impact, depend on, and respond to issues related to water and marine resources.

While the bank's direct operational water footprint is limited due to its service-based nature, its most significant influence on water and marine ecosystems occurs through its financing activities, particularly in water-intensive sectors such as agriculture, construction, and real estate. These sectors face substantial physical risks, including water scarcity, contamination, and flooding.

This chapter details the bank's methodologies and processes for identifying and assessing water- and marine-related risks and opportunities, including reliance on expert consultations and internal sustainability reviews. The Environmental and Social Risk Management System (ESMS) is used as a primary due diligence tool, integrating environmental risk assessments into the credit evaluation process. While granular water usage data at the client level remains limited, the bank applies industry-specific assumptions to screen portfolios and identify potential high-impact activities.

Currently, the bank has not set specific quantitative targets or developed dedicated action plans related to water and marine resources. However, it acknowledges the strategic importance of these issues and is committed to improving its monitoring and policy integration.

By continuing to enhance its data quality, risk screening practices, and stakeholder engagement, the bank seeks to mitigate water-related risks and support long-term value creation. This includes exploring future opportunities in sustainable finance, such as loans for water-efficient technologies in agriculture and infrastructure.

2.2.2. Impact, Risk and opportunity management

2.2.2.1. Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

Libra Internet Bank has established a qualitative process to identify and assess material impacts, risks, and opportunities related to water and marine resources. The process focuses on both the Bank's own operations and critical downstream segments of its value chain, particularly within its financing activities. Given the limited direct operational water footprint of the Bank, the assessment prioritizes the identification of water-related risks within the loan portfolio, especially in sectors known to be water-intensive such as agriculture and real estate. Because obtaining detailed client-level water consumption data remains a challenge, the Bank's analysis is based primarily on qualitative data and expert understanding of industry-level water dependency.

The screening process applies to the Bank's internal operations, where water usage is minimal and routinely monitored, as well as downstream financing activities. For client sectors with potentially higher water consumption, the Bank relies on a combination of expert judgment, internal operational reviews, and sector-based assumptions to estimate potential impacts. These assumptions are drawn from public information and industry best practices, supported by internal qualitative assessments and risk exposure evaluations that inform the Double Materiality Assessment.

While no direct consultations with affected communities were undertaken during the reporting period, the Bank incorporated internal expertise and external consultation into its water-related materiality screening. Internal consultations involved team members from Sales, Risk, and Sustainability, who provided qualitative insights into the Bank's exposure to water-related risks through client relationships. Additionally, external ESG consultants were engaged to validate the findings and ensure alignment with market standards. These insights were incorporated into the final assessment framework to supplement gaps in quantitative client data and support informed decision-making.

The Bank has screened its assets and relevant downstream activities to identify water and marine resource-related risks and opportunities. This process included internal reviews, expert assessments conducted by Bank staff, and reliance on reasonable assumptions informed by the nature of the sectors financed. The bank considered loan exposures for water intensive activities - particularly agriculture projects, especially those located in geographic areas subject to water scarcity (e.g. S-E Romania), along with real estate projects. *(Disclosure: ESRS IRO-1.8(a))*

During the reporting period, the Bank did not conduct direct consultations with affected communities. However, internal teams and external consultants were consulted to provide qualitative input, ensuring a reasonable and context-aware assessment in the absence of granular stakeholder engagement. *(Disclosure: ESRS IRO-1.8(b))*

2.2.2.2. Policies related to water and marine resources

E&S Policy and Procedure

Libra Internet Bank has adopted an Environmental and Social (E&S) Policy and Procedure to manage the material risks and impacts identified in relation to water and marine resources by integrating environmental considerations directly into its lending framework. The general objectives of the policy are to identify, evaluate, and mitigate water-related environmental and social risks by embedding due diligence processes throughout the credit cycle. This includes attention to both physical risks (e.g., water scarcity, flooding, or pollution) and transition risks (e.g., regulatory changes or shifts in societal expectations), particularly in connection with climate change. These risks are addressed through environmental and social due diligence, which includes client questionnaires, documentation review, and, where necessary, on-site assessments. The policy ensures that water-related issues are identified early in the credit assessment process, helping the Bank manage its exposure to disruptions that may affect client repayment capacity. In terms of environmental impact, the policy accounts for the potential consequences of excessive water consumption by requiring borrowers to disclose relevant permits and consumption data when

available, thus encouraging more sustainable practices. Additionally, the policy anticipates reputational and regulatory risks linked to water use by maintaining a flexible screening process that considers policy changes and public perception shifts. While it does not currently include sector-specific thresholds or third-party benchmarks, the policy allows for stakeholder input, particularly through feedback mechanisms embedded in the client engagement process. In this way, the E&S Policy and Procedure serves as a comprehensive governance tool to manage the identified water-related risks and impacts across the Bank's financing activities. *(Disclosure: MDR-P 65(a))*

The policy is applied to all of the Bank's lending activities across economic sectors and does not exclude any geographies. It is primarily focused on downstream impacts—those associated with clients' operations, projects, or financed assets that may interact with water resources. *(Disclosure: MDR-P 65(b))*

To implement the policy, the Bank uses a risk-based screening process. It performs qualitative risk assessments based on internal expertise and publicly available environmental data, especially where client-level quantitative data is not available. Clients operating in higher-risk sectors are required to complete environmental questionnaires that request information on water permits, consumption levels, and environmental practices. In selected cases, site visits are carried out to validate client responses. *(Disclosure: MDR-P 65(a))*

The Head of the Risk Management Division, together with the Chief Risk Officer (CRO), is responsible for overseeing the application of the policy. The E&S Policy is approved by the Bank's Steering Committee and also endorsed by the Board of Administrators, ensuring that responsibility lies at the highest level of governance. *(Disclosure: MDR-P 65(c))*

While the policy does not currently reference or commit to external third-party standards such as the Equator Principles or IFC Performance Standards, its design is aligned with market practices and is regularly updated to reflect regulatory developments. *(Disclosure: MDR-P 65(d))*

The policy considers the interests of stakeholders, particularly clients and indirectly affected communities. During the due diligence process, clients are requested to disclose water-related environmental risks and their mitigation strategies. Internal assessments and input from external environmental consultants supplement this stakeholder input, ensuring relevance and materiality of the issues considered. *(Disclosure: MDR-P 65(e))*

Although the full policy is not publicly available, it is shared with relevant clients through the lending due diligence process. Clients receive access to the necessary environmental questionnaires and are informed of the Bank's expectations regarding environmental compliance, including those relating to water resources. *(Disclosure: MDR-P 65(f))*

For projects with expected water-intensive operations, such as irrigation systems in agriculture or infrastructure projects with significant water needs, the Bank collects water-related data via sector-specific questionnaires and, when needed, onsite assessments. This ensures that water consumption and resource efficiency are considered in financing decisions. *(Disclosure: E3-1.12b)*

The Bank currently has no formal commitments or defined targets related to reducing water consumption, either within its own operations or throughout its value chain. Water consumption reduction is not embedded as an organizational objective at this time. *(Disclosure: E3-1.12c)*

2.2.2.3. *Actions and resources related to water and marine resources*

No key actions related to water and marine resources were taken by the Bank during the reporting year, nor are any currently planned. As such, there are no defined outcomes, and no implementation efforts are in place to support policy objectives or targets in this area. *(Disclosure: MDR-A 68(a))*

Given the absence of current or planned actions, there is no applicable scope in terms of activities, value chain segments, geographies, or affected stakeholder groups. No time horizons have been established for the completion of any water-related actions. *(Disclosure: MDR-A 68(b)(c))*

Similarly, no remedial actions have been taken or supported for addressing adverse material impacts related to water or marine resources, and there is no progress to report from any previously disclosed action plans. (Disclosure: MDR-A 68(d)(e))

Regarding financial planning and allocation, no current or future operational (OpEx) or capital (CapEx) expenditures have been earmarked for the implementation of water-related action plans. The Bank does not currently utilize sustainable finance instruments such as green bonds or social bonds for water-specific objectives, and implementation of any such initiatives is not contingent on financial support or regulatory developments at this time. (Disclosure: ESRS 2 MDR-A 69(a)(b)(c))

The Bank does not currently implement targeted actions or allocate resources to address issues in areas of water risk, including regions classified as having high-water stress. (Disclosure: E3-1.19)

Although the Bank has adopted a general Environmental and Social (E&S) Policy that references water-related impacts, it currently does not maintain standalone policies or actions specifically targeting water withdrawals, consumption, or use. The Bank intends to evaluate the introduction of specific actions and associated policies in future periods, conditional upon the availability of reliable client-level data and alignment with evolving market and regulatory expectations. (Disclosure: ESRS 2.62)

2.2.3. Metrics and Targets

Libra Internet Bank has not set any measurable, outcome-oriented, or time-bound targets related to water or marine resources for the current reporting period, as such there is currently no relationship between policy objectives and target-setting processes, nor are there any metrics in place to monitor performance against such targets. (Disclosure: E3-3.20)

Consequently, the Bank has not disclosed any details on baseline values, measurement units, milestones, geographic scope, or stakeholder involvement in relation to water or marine resource targets. (Disclosure: MDR-T.80(a-j))

No targets currently exist that relate to the management of material impacts, risks, or opportunities concerning areas at water risk or high-water stress, nor have any targets been set regarding the reduction of water consumption or the improvement of water quality. (Disclosure: E3-3.23(a), E3-3.23(c))

The Bank confirms that no water or marine resources-related targets are required by legislation or regulatory mandate, and no voluntary targets have been adopted at this stage. (Disclosure: E3-3.25)

Although no targets have been formally established, it has committed to assessing, on a best effort basis, the feasibility of setting measurable targets in the future. This process will depend on the availability of more reliable and disaggregated client-level data and will align with emerging market standards and regulatory guidance. (Disclosure: ESRS 2.81(a))

Therefore, no processes, ambition levels, or qualitative or quantitative indicators are currently used to track the effectiveness of water or marine-related policies and actions. (Disclosure: ESRS 2.81(b))

2.2.3.1. Anticipated financial effects from water and marine resources-related impacts, risks and opportunities

At this stage, Libra Internet Bank has not quantified the anticipated financial effects of water and marine resources-related risks and opportunities in monetary terms. This is due to the complexity of the topic, the evolving nature of regulatory and market conditions, and the current unavailability of consistent, reliable client-level data related to water consumption, efficiency, and pollution. Nevertheless, qualitative assessments have been conducted to evaluate potential impacts across the Bank's portfolio and operations. (Disclosure: E3-5.33a)

In terms of risks, the Bank has identified several material exposures. Physical risks include water scarcity and pollution, particularly relevant in sectors such as agriculture and real estate. These risks may lead to operational disruptions, decreased land and asset values, and, in turn, increased credit risk for financed clients. For example, in agriculture, reduced water availability may affect crop yields, profitability, and loan performance. In real estate, water-related events like flooding or droughts could impact property values in vulnerable areas. These physical risks are expected to materialize primarily over the medium term. (Disclosure: E3-5.33b)

Transition risks relate to the expected tightening of environmental regulations concerning water efficiency and pollution control. Sectors such as agriculture and construction may face increased compliance costs or be required to adapt to new industry standards. These risks are likely to unfold over the longer term, in alignment with evolving EU and national water management policies. *(Disclosure: E3-5.33b)*

Potential opportunities have also been identified, particularly in the context of sustainable finance. The Bank anticipates long-term potential to expand lending to projects that support water conservation and resilience, such as water-efficient agricultural systems and sustainable real estate developments. These opportunities, though not yet quantified, may enhance revenue through green loan products and align the Bank's portfolio with future regulatory and ESG criteria. *(Disclosure: E3-5.33a; E3-5.33b)*

Due to the absence of quantifiable financial data, the Bank has not established a modelling framework or identified critical assumptions that would enable a robust projection of financial effects. The main barriers include lack of standardized water-related data across sectors, particularly in agriculture, and the absence of sector-specific benchmarks at national or EU level. Additionally, there is considerable uncertainty regarding the future policy environment, technological advancements, and timing of climate-related impacts on water availability. These limitations have constrained the Bank's ability to establish reliable forward-looking estimates. *(Disclosure: E3-5.33c)*

2.3. Submission of information pursuant to Article 8 of Regulation 2020/852 (EU Taxonomy Regulation)

2.3.1. Legislative framework

Regulation (EU) 2020/852, adopted by the European Parliament and Council on 18 June 2020 (hereinafter referred to as the EU Taxonomy Regulation), establishes a comprehensive framework to facilitate sustainable investment. The purpose of this regulation is to define the criteria necessary to assess whether an economic activity can be considered environmentally sustainable, in line with the principles of the European Green Deal. Article 8 of Delegated Regulation (EU) 2020/852 also details the specific reporting obligations for entities that are subject to the Non-Financial Reporting Directive (NFRD) or, subsequently, the CSRD Sustainable Reporting Directive.

Reporting according to EU Taxonomy requirements by Libra Internet Bank shall be carried out in accordance with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council, which establishes a framework for facilitating sustainable investment (EU Taxonomy Regulation), as well as the associated Delegated Regulation ((EU) 2021/2178) on reporting requirements.

For credit institutions, this reporting obligation takes the form of a key performance indicator, known as the Green Asset Ratio (GAR). The aim of this performance indicator is to increase transparency and accelerate the transition to a sustainable economy.

In order to be eligible for an economic activity, it must be present in at least one of the six environmental activities described in the EU Taxonomy delegated acts, regardless of whether it fulfils all the technical screening criteria set out in those acts or ultimately qualifies as sustainable (aligned). The six environmental objectives are:

1. Climate change mitigation
2. Adaptation to climate change
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems.

Next, in order for an eligible economic activity to be considered aligned (sustainable), it must:

- contribute substantially to one or more of the six environmental objectives (the substantial contribution criteria) without causing significant harm to any of the other environmental objectives (the 'do no significant harm' principle) and, at the same time,
- comply with international minimum guarantees for human rights and labor rights (minimum guarantees).

The specific criteria (Technical Examination Criteria (TSC)) for the two climate objectives with regard to climate change mitigation and adaptation are set out in Delegated Regulation (EU) 2021/2139 (hereinafter referred to as the "Climate Delegated Act"), and for the other four environmental objectives in Delegated Regulation (EU) 2023/2486 (referred to as the "Environmental Delegated Act") and Commission Delegated Regulation (EU) 2022/1214 (referred to as the "Complementary Climate Delegated Act").

2.3.2. Reporting perimeter

In accordance with Delegated Regulation 2021/2178, Annex V, Section 1.1.1, credit institutions are required to report Green Asset Ratio (GAR) key performance indicators (KPIs) based on their area of prudential consolidation. Given the Bank's operating context, the reported GAR KPIs reflect information related to the bank's entire prudential scope of consolidation. Libra Internet Bank does not prudentially strengthen any entity.

In terms of compliance with reporting requirements, GAR performance indicators illustrate the results in relation to both Turnover and CapEx.

The performance indicators of the GAR are calculated both in terms of the stock existing at a specific reference date for reporting (reporting in 2025, for the end of the financial year on 31 December 2024) and in terms of flow, taking into account the gross carrying amount of newly created exposures (i.e. new loans and advances, debt securities, equity instruments), which are only newly generated exposures in the year prior to the reporting reference date, without deducting amounts of loan repayments or sales of debt securities/equity instruments that occurred in the year prior to the reporting reference date (31 December 2024).

2.3.3. Calculation of key performance indicators: Green Asset Ratio (GAR)

The Green Asset Ratio (GAR) was calculated as a percentage of assets considered to be aligned, according to the EU Taxonomy, of the total assets covered by the GAR.

$$\text{Green Asset Ratio (GAR)} = \frac{\text{Assets deemed to be Aligned}}{\text{Total GAR Assets}}$$

The denominator, representing the Total Assets covered by the GAR, includes all loans and advances, debt securities, shares, collateral taken over and other assets on the balance sheet, excluding exposures to central governments and supranational issuers, central banks and assets included in the trading book.

The numerator of the fraction comprises exposures to financial and non-financial entities that are subject to the NFRD reporting obligation (CSRD), as well as households, local authorities and collateral obtained through real estate transactions, all of which are considered aligned.

The calculation of KPIs for off-balance sheet exposures includes financial guarantees (FinGuar) provided by the Bank.

For the fiscal year ended **December 31, 2024**, Libra Internet Bank reports a **GAR, stock**, of both **Turnover** and **Capital Expenditures (CapEx)** of **0%**.

The methodology used to determine the eligibility and alignment of exposures reported in the GAR numerator.

The methodology implemented to ensure the correct identification of eligibility and alignment percentages is

adapted to each business line managed by the Bank and listed in the EU Taxonomy legislation under the category "GAR - Assets covered in both numerator and denominator".

This category includes loans to corporations (financial and non-financial enterprises), loans to households, loans to local authorities and collateral obtained through ownership: residential and commercial real estate.

Loans to corporate clients (both financial and non-financial enterprises)

For lending activities to clients in the corporate segment, the assessment shall be based on the eligibility and alignment information provided by the client in its reporting, in accordance with the requirements of the EU Taxonomy. With this approach, taking into account current regulations, loans granted to small businesses that are not required to report under the NFRD (CSRD) will be included in the total assets covered by the GAR only in the denominator, without being able to be counted in the numerator as sustainable activities. The end result will reflect a lower GAR KPI. Also, the data on the alignment of the funded entity will inevitably be delayed by one year, as it reflects the eligibility and alignment status of the previous reporting year.

The Bank has used national legislation, in particular OMFP 85/2024 and NBR Order 1/2024, in the process of identifying its institutional clients, who are under the obligation to report, in accordance with the requirements of the EU Taxonomy:

- For non-financial corporations, according to OMFP 85/2024 criteria:
 - o the entity is in the public interest
 - o The entity has an average number of employees > 500
 - o the entity meets at least 2 of the following 3 criteria: Net turnover > RON 50 million, total assets > RON 25 million, average number of employees > 50.
- For financial companies, according to the criteria of NBR Order 1/2024:
 - o The entity has an average number of employees > 500
 - o the entity meets at least 2 of the following 3 criteria: Net turnover > 250 million lei, total assets > 125 million, average number of employees > 250.

Loans to retail customers (households)

In the case of mortgage loans to retail customers, all exposures to individuals who have brought residential real estate as collateral are considered eligible. This approach is due to the fact that the specificity of these loans is included in the EU Commission Delegated Regulation (EU) 2021/2139 on climate change, under activities 7.7 Acquisition and ownership of buildings and 7.1 Construction of new buildings. In particular, the Bank assessed that all retail loans secured by residential real estate have a 100% eligibility in relation to the environmental objective of climate change mitigation.

As regards the alignment demonstration, the bank is currently in the process of developing a methodology and system for data collection and reporting, which will allow it to carry out an alignment assessment in the coming years. These procedures will include a three-level test, according to the legislation, focused on the components specified in the Technical Examination Criteria: Substantial Contribution, the Principle of "Do No Significant Harm" and Minimum Social Guarantees.

As regards loans for vehicles and those intended for property renovation, the Bank does not currently monitor them separately. They are included in the total exposure for the Household component of the GAR reporting template, together with other categories of loans to households considered as consumer loans. The definition of the reporting category 'Households' in the Annex 'ANNEX XL – Instructions for carrying forward ESG risks, EBA instructions for supplementing GAR tables, as well as the definition in Implementing Regulation (EU) No 2021/451' has been used.

Loans to Local Authorities

Given the lack of detailed information on the sustainable use of funds, exposures resulting from local government financing were excluded from both the numerator and the denominator of the GAR. They were reported under the

category "Central governments and supranational issuers" as part of the total assets, but outside the assets covered by the GAR, according to the clarification notes published by the EU Commission on the EU Taxonomy.

Guarantees obtained by taking possession of residential and commercial real estate.

As regards the methodology applied in the case of collateral obtained through the possession of residential and commercial immovable property, it is similar to that used for mortgage loans.

Categories of assets excluded from the numerator of the GAR, considered in the denominator

Companies that are not subject to CSRD reporting

Exposures resulting from the financing of entities that are not required to report under the requirements of the NFRD (CSRD) have been excluded from the assessment of eligible economic activities under the Taxonomy. These exposures are not included in the numerator of the GAR but are accounted for in the denominator. Such entities are either located within the EU but are not required to report under the current scope of the EU Taxonomy, or are located outside the EU (not operating in a 'Member State')

Other categories of assets excluded from the numerator of the GAR, but considered in the denominator:

The following categories were excluded from the numerator but accounted for in the denominator: Derivatives, Interbank Loans on Demand, Cash and Cash-Related Assets, Other Asset Categories.

Categories of assets excluded from the calculation of the GAR

Assets that are not included in the calculation of the GAR are excluded from both the numerator and the denominator. Specifically, they include exposures to central governments and supranational issuers, exposures to central banks and exposures associated with the trading book.

**2.3.4. Transition activities included in the reporting under the EU Taxonomy –
Nuclear energy and fossil fuels**

Commission Delegated Regulation (EU) 2022/1214, adopted on 9 March 2022, sets out the criteria for economic activities associated with the generation of energy from natural gas and nuclear power plants, recognizing them in the EU Taxonomy as transitional activities. Nuclear energy is classified as 'low carbon' and is subject to strict environmental and safety regulations, respecting the principle of not causing significant harm, thus contributing to the transition to climate neutrality. As for the generation of electricity from natural gas, it is considered less polluting compared to other sources such as coal. The activities referred to in the Delegated Act on nuclear energy and gaseous fuels include:

Nuclear energy:

- Pre-commercial stages of advanced technologies for the production of energy from nuclear processes with a minimum of waste generated by the fuel cycle.
- Construction and safe operation of new nuclear power plants, for the production of electricity or heat, including for the production of hydrogen, using the best available technologies
- Generation of electricity from nuclear energy in existing installations.

Energy from fossil fuels:

- Electricity production from fossil fuels
- High-efficiency cogeneration of thermal energy for heating/cooling and electricity based on gaseous fossil fuels.
- Production of thermal energy for heating/cooling from fossil fuels in an efficient district heating and cooling system.

For the purpose of reporting according to the requirements set out in Commission Delegated Regulation (EU) 2022/1214, clients in the corporate segment who are required to report according to NFRD (CSRD) and who are registered with a NACE code corresponding to one of the activities mentioned above in the Delegated Regulation were considered. Financial institutions that have benefited from financing and have exposure to corporate clients that are required to report under the NFRD (CSRD) and that are registered with a NACE code corresponding to one

of the activities mentioned above in the Delegated Regulation were also considered. For the current reporting year, no customers were identified that are subject to reporting on nuclear energy and fossil fuels.

2.3.5. Limitations on data availability

Considering the fact that no exposures related to corporate clients that are subject to NFRD reporting (CSRD) have been identified, we do not identify limitations in the collection of eligibility and alignment data related to this category of clients. The Bank aims to continue working with clients to increase the quality and completeness of EU Taxonomy data, in parallel with developing its capabilities to assess portfolio alignment. The future expansion of the CSRD reporting perimeter to include small and medium-sized entities will contribute to the growth of the GAR, given the LIB's focus on financing SMEs on the local plan.

As regards data collection for the retail customer segment (loans to households), as well as for local authorities, the following limitations have been identified:

Type of lending activity	Alignment details	Source of data and identified limitations
Mortgage loans granted to households, secured by residential real estate	The bank does not report the alignment for the Retail customer category.	The bank does not currently have processes, procedures and means of data collection in place to ensure the availability of information in the demonstration of alignment. However, Libra Internet Bank is working to ensure that these methodologies and processes are in place for the reporting years to come. All exposures resulting from secured loans of residential real estate are considered eligible, according to Commission Delegated Regulation (EU) 2021/2139 with regard to climate change mitigation, Activities 7.1 and 7.7.
Car loans, granted to households	The bank does not report the alignment for the Retail customer category.	The bank does not currently track "auto" loans and loans for building renovations separately. They all fall under the category of "Consumer loans".
Funding to local authorities	The bank does not focus on this business segment, specifically	Libra Internet Bank does not pursue the "Sustainable" use of funds for any of the six environmental goals. Therefore, exposure to local authorities is not accounted for in GAR's Assets and, according to the EU Commission's Clarification Notice (FAQ), exposure is reported outside of the calculation of GARs (excluded from both the numerator and the denominator).

3. INFORMATION ABOUT THE MATERIAL SOCIAL TOPICS

3.1. Own Workforce

Libra Bank S.A. operates within an internal framework that fosters innovation, professional growth, equity, and transparency. This framework allows all employees the opportunity to play an active role in the organization's success and digital transformation. The bank's dedication to its workforce is reflected in its policies and initiatives designed to ensure an inclusive, motivating, and flexible work environment in response to changes in the financial sector.

This chapter examines the impacts, risks, and opportunities (IRO) concerning the bank's workforce, as determined through the double materiality assessment in accordance with ESRS requirements. It also outlines Libra Bank's policies, the actions implemented, and targets set to leverage opportunities and tackle challenges related to human resources.

Libra Bank's strategy and business model have a direct influence on the structure and development of its workforce, especially in aspects such as digital transformation, branch network expansion, regulatory compliance, and the development of a sustainable framework. The key workforce impacts, generated or influenced by the bank's strategy and business model, include:

- **Digital Transformation & Automation:** The bank's strong positioning in terms of new technologies and process digitalization has reshaped employee roles, requiring the development of specific skills and adjustments to the organizational structure.
- **Head Office and Branch Network Reorganization:** In transitioning to digital channels, new departments and roles have been established, while physical branch expansion has been strategically implemented to better meet customer needs. Additionally, a stronger focus on retail clients has led to the expansion of loan analysis and sales teams.
- **Regulatory Compliance:** The evolution of European financial regulations has required ongoing training programs and compliance awareness initiatives to ensure employees are prepared to meet new regulatory standards.
- **Implementation of the Environmental & Social (E&S) Framework:** The adoption of an E&S framework has demanded the development of new skills among employees, the creation of an interdepartmental E&S team, and the revision and reclassification of the bank's green products according to European standards.

The bank is dedicated to providing fair and sustainable working conditions for all individuals involved in its activities. This commitment is reflected in the information provided, which encompasses both employees with individual employment contracts (whether fixed-term and indefinite) as well as those assigned to the bank through temporary work agencies.

3.1.1. Strategy

Connection of material impacts with Libra Bank's strategy, business model and activities

Libra Bank recognizes that its strategy and business model directly influence its workforce, particularly through its focus on digital transformation, branch network setup, regulatory compliance, and sustainability framework development. The Bank's workforce comprises various categories of employees and non-employees who may be subject to material impacts due to its operations. Employees include Executive Management (CEO, CFO, etc.), Finance & Accounting professionals, Human Resources personnel, Information Technology staff, Supply Chain and Procurement teams, Sales & Marketing professionals (including Digital), Legal & Compliance teams (Antifraud, Risk Management), Operations and Backoffice teams, and those involved in Audit and Corporate Governance. Additionally, non-employees impacted by the Bank's activities include Contractors, Consultants, Freelancers, Bondholders, National and International Financial Institutions, and Community Stakeholders.

As the Bank enhances its technological capabilities and integrates automation into operations, workforce roles are evolving, requiring employees to acquire new skills and adapt to digital tools. This transformation has led to the

creation of new roles and departments, particularly in loan analysis and sales, as well as the expansion of physical branches to better serve customer needs. Additionally, regulatory changes at the European level require continuous employee training programs to ensure compliance with evolving financial and ESG-related requirements. The introduction of an Environmental and Social (E&S) framework has further influenced workforce dynamics by requiring employees to develop expertise in sustainable finance, leading to the establishment of an interdepartmental E&S team and a reclassification of the Bank's green financial products in alignment with European standards.

In this context, Libra Bank has identified different material workforce impacts that originate from or are connected to its strategy and business model, including secure employment, working hours, work-life balance, social dialogue, collective bargaining, health and safety, equal pay, gender equality, training, and workforce privacy.

In line with its strategic workforce management, Libra Bank ensures a fair and stable employment structure that generates material positive impacts on employees. The vast majority of staff members have indefinite employment contracts, with only a small number on fixed-term contracts, mainly for temporary replacements such as maternity leave. Moreover, the Bank strives to retain these employees by offering permanent roles after their initial contract term. Secure employment fosters confidence among employees, reducing stress and enhancing motivation, ultimately leading to increased performance and commitment to company goals.

Furthermore, Libra Bank maintains a standard 40-hour workweek, with regulated overtime compensated according to legal requirements either by providing additional time off or extra pay. The Bank actively discourages excessive work hours to promote a healthier work-life balance. This is further supported by initiatives such as flexible work arrangements, remote work options, additional vacation days, health insurance that includes gym memberships, sabbaticals, and study leave, all of which contribute to employees' mental and physical well-being.

Libra Bank is committed to fostering an inclusive and participatory work environment by upholding fundamental labor rights such as freedom of association, collective bargaining, and social dialogue. To support this, the Bank provides internal infrastructure and manpower for organizing employee representative elections and maintains an open communication channel through HR representatives who address employee suggestions and grievances.

All legislative provisions regarding health and safety have been transposed into internal procedures to ensure worker protection and compliance with relevant regulations. The Bank prioritizes employee well-being through transparent hiring practices, being one of the first Romanian employers to publicly disclose salary ranges in job listings and maintaining an internal pay scale accessible to all employees. The "Policy regarding remuneration and employee benefits" mandates equal pay for equal work and prohibits gender discrimination and is reinforced by the "Code of Banking Ethics," which bans any direct or indirect discrimination based on gender and other protected characteristics.

To support continuous workforce development, Libra Bank provides all employees with access to internal and external training programs, covering training costs as part of a structured learning and development framework. Employees are expected to engage in ongoing professional development, as professional training is integrated into their internal KPIs.

To ensure a safe and respectful workplace, the Bank has strict policies against workplace violence and harassment, with clearly defined disciplinary consequences, including termination of employment for offenders. All complaints are handled with strict confidentiality by the Ethics Officer. Reporting channels, directly to the Ethics Officer, are available to all bank employees either through the dedicated channel published on the Bank's intranet under the "Applications" section or by sending the complaint via email to etica@librabank.ro.

Regarding confidentiality and cybersecurity, Libra Bank ensures information security through robust policies, procedures, and technological measures that protect sensitive data. Employees are periodically subjected to internal training regarding data confidentiality responsibilities, reinforcing compliance with GDPR standards. The Bank

includes confidentiality clauses in all client contracts and requires explicit data confidentiality agreements before processing any personal data. During the reporting period, 17 incidents related to GDPR compliance were identified. (SBM-3-13, S1-SBM-3.14a, SBM-3-14-c)

Connection of material risks and opportunities with Libra Bank's strategy and business model

Libra Bank's workforce is crucial in executing its business strategy, ensuring regulatory compliance, and delivering high-quality customer service, especially as the Bank expands its retail banking segment and advances digital transformation. The evolution of the Bank's business model presents both material risks and opportunities related to workforce impacts and dependencies.

One key risk is high worker turnover, which can lead to operational inefficiencies and reputational effects due to a less experienced workforce. High turnover can disrupt customer service quality, slow down operational processes, and increase recruitment and training costs. To mitigate this, the Bank prioritizes secure employment, with most employees hired under indefinite contracts. Even for fixed-term contracts, efforts are made to transition employees into permanent roles, ensuring long-term career development and reducing the negative effects of turnover. This approach improves employee morale and enhances the Bank's reputation as an employer that values workforce stability.

Another significant risk relates to training and skills development, particularly in the context of digital transformation and evolving regulatory requirements. Continuous learning is essential for fostering innovation and competitive advantage, but poorly scheduled training programs can lead to short-term operational disruptions. If training is not aligned with daily business needs, productivity may decline, leading to temporary gaps in key operational functions. To address this, Libra Bank has made training a core workforce priority, incorporating it into employee key performance indicators (KPIs) and ensuring that staff members have structured learning paths aligned with business objectives. Training programs include both internal courses and external certifications, particularly in digital finance, regulatory compliance, and customer engagement strategies, equipping employees to support the Bank's expansion and technological advancements.

A further risk stems from regulatory and compliance pressures, particularly as European financial regulations become more stringent in areas such as AML/KYC, ESG disclosures, and consumer protection laws. These expanding compliance requirements can place a significant strain on employees, leading to potential burnout and errors in regulatory reporting. To mitigate this, the Bank continuously invests in automating compliance processes, specialized hiring in regulatory roles, and ongoing compliance training to prepare employees for new regulatory challenges. The implementation of AI-driven regulatory tools also helps streamline compliance workflows, reducing manual workload and increasing efficiency.

The Bank also faces challenges related to employee well-being and engagement in a hybrid work model. While hybrid work arrangements provide flexibility, they also pose risks related to team cohesion, engagement, and productivity. Employees working remotely may find collaboration difficult, and some roles may require a more structured work environment. To address this, the Bank has implemented flexible work policies, mental health and well-being programs, digital collaboration tools, and a new productivity monitoring system that ensures employees remain engaged and supported in their roles. These initiatives aim to balance employee autonomy with business requirements, fostering a positive work culture that enhances job satisfaction and retention.

On the opportunity side, Libra Bank's focus on secure employment provides a competitive advantage, as job stability is a key factor in attracting and retaining top talent. A secure and supportive work environment improves workforce quality, reduces turnover rates, and lowers recruitment costs, allowing the Bank to maintain a skilled and experienced team that can effectively execute its strategy. Additionally, the expansion of the retail segment offers opportunities to leverage existing corporate banking expertise to enhance retail banking operations. Employees with corporate banking experience can contribute to cross-selling financial products and providing relationship-based

advisory services, thus strengthening the Bank's retail customer engagement.

Another significant opportunity lies in improving customer service through workforce digitalization. A well-trained, digitally proficient workforce enhances the Bank's ability to provide personalized financial solutions by leveraging data analytics and AI to optimize customer interactions. The Bank is investing in AI-driven customer service tools and training employees in data-driven engagement strategies, ensuring that staff can offer high-quality, efficient service to both retail and commercial clients.

The Bank has adopted several key initiatives in order to incorporate workforce considerations into strategic planning:

1. Human Capital Investment Aligned with Growth Strategy – Workforce planning is closely linked to the Bank's retail and digital development strategies, ensuring that employees have the necessary skills to support business expansion.
2. Technology-Enabled Workforce – The Bank leverages digital banking tools to streamline operations, reduce employee workload, and enhance efficiency.
3. Sustainability and Employee Inclusion – Workforce metrics, including training hours, employee engagement, and diversity, are integrated into internal policies, ensuring transparency and accountability in workforce management.
4. Stakeholder Engagement for Workforce Resilience – The Bank actively collaborates with employees, learning institutions, and regulatory bodies to ensure that workforce transitions align with both business goals and employee well-being. (*SBM-3-13-b, SBM-3-14-d*)
- 5.

Employees with particular characteristics

The Bank has identified specific demographic groups within its workforce that may be more vulnerable to workplace risks, including women in leadership roles, younger and older employees, individuals with disabilities, LGBTQ+ employees, and ethnic minorities. These groups may face challenges such as discrimination, barriers to career progression, difficulties in digital adaptation, accessibility issues, and potential exclusion. To assess and mitigate these risks, the Bank employs multiple mechanisms, including employee feedback surveys, confidential reporting channels, and whistleblower protections, ensuring that employees can safely report their concerns.

To foster an inclusive and equitable work environment, the Bank has implemented strict anti-discrimination policies, diversity training, and mentorship programs to support career advancement for underrepresented groups. Specific initiatives include structured career pathways for young employees, digital upskilling for older workers, workplace accommodations for employees with disabilities. Additionally, leadership development programs and flexible work arrangements help address challenges related to career growth and work-life balance.

The Bank continuously monitors workforce inclusivity through workplace audits, engagement surveys, and annual diversity reports, ensuring transparency and accountability. (*SBM-3-15,16*)

3.1.2. Impacts, risks and opportunities management

3.1.2.1. Policies related to own workforce

Libra Bank employs a comprehensive set of policies to effectively manage its workforce, ensuring alignment with regulatory requirements, industry best practices, and a strong commitment to corporate sustainability. These policies address key areas such as fair remuneration, diversity and inclusion, workplace health and safety, professional development, and work-life balance. By fostering a safe and inclusive work environment, the Bank not

only promotes fair treatment but also enhances employee well-being, engagement, and long-term retention.

The Bank emphasizes policies related to ethical conduct, non-discrimination, and labor rights, reinforcing its dedication to high standards of integrity and social responsibility. In order to adapt to evolving needs of its workforce and to comply with new sustainability and governance standards, these regulatory frameworks undergo regular reviews and updates.

Below is a summary outlining the key policies that address material impacts, risks, and opportunities (IROs) related to the workforce (*S1-1.19*).

Code of Banking Ethics

Libra Bank's Code of Banking Ethics establishes the responsibilities of the Bank and its employees toward each other, business partners, and society. It provides clear guidance on ethical conduct, helping employees understand their shared responsibilities and potential legal and ethical dilemmas that may arise in professional interactions. The Code outlines key rules, policies, and standards, reinforcing core values that govern relationships with clients, competitors, regulatory authorities, institutions, and colleagues. Serving as a framework for appropriate behavior, the Code aligns with the Bank's mission. Violations may result in disciplinary action, depending on severity. Employees facing ethical dilemmas are encouraged to seek advice from their superiors, the Human Resources Division, or the Ethics Officer for guidance on applying the Code.

The Bank's commitment to maintaining a safe and ethical work environment is reinforced through strict anti-harassment provisions that ensure confidentiality, compliance monitoring, and appropriate actions against violations.

The Ethics Officer is responsible for monitoring and reporting compliance with the policy. This includes tracking the number of recorded incidents, implementing resolution measures, and making recommendations for improvement. Investigations into allegations of violence or harassment are conducted with strict confidentiality to protect all parties involved. The Ethics Officer collaborates with the Human Resources Division to initiate preliminary disciplinary investigations when allegations arise.

The most senior level accountable for the implementation of the Code of Banking Ethics is the Deputy General Director in charge of Risk and Compliance, supported by the Ethics Officer (Head of the Compliance Division). The Deputy General Director holds overall responsibility for ensuring the policy's enforcement, alignment with regulatory requirements, and integration into the Bank's corporate governance framework. This governance structure ensures that ethical policies are consistently applied, monitored, and enforced within the Bank. (*MDR-P 65-c*)

If a disciplinary investigation confirms the occurrence of harassment, appropriate corrective measures are applied. The Ethics Officer ensures that follow-up measures are implemented, verifying that recommendations have been implemented, harassment has ceased, and the affected employee is satisfied with the resolution.

Employees who are dissatisfied with the resolution of a harassment case have several options for escalation, including the National Council for Combating Discrimination, the Territorial Labor Inspectorate, and the Courts. Additionally, if an act appears to meet the legal criteria for a criminal offense, the employee or the Bank may report the case to criminal investigation authorities. These mechanisms ensure a comprehensive framework for ethical compliance and workplace safety.

The Code of Banking Ethics addresses key Impacts, Risks, and Opportunities (IROs) related to workplace conduct and employee protection. Specifically, it covers measures against violence and harassment in the workplace (Positive Impact) by clearly defining responsibilities for preventing and addressing such incidents. The policy establishes a confidential investigation process, ensuring that the Ethics Officer and HR Division collaborate in handling disciplinary actions. Employees who experience harassment have access to legal recourse, including the National Council for Combating Discrimination, the territorial labor inspectorate, and the courts, ensuring that complaints are addressed through proper channels. The Ethics Officer monitors and reports compliance, tracks reported incidents, ensures resolutions are implemented, and follows up to confirm that harassment has ceased.

Furthermore, the policy addresses privacy (Positive Impact) by mandating that all investigations and complaints regarding harassment are overseen with strict confidentiality, safeguarding the privacy of all individuals involved. The Ethics Officer and relevant authorities are responsible for ensuring that sensitive employee data is managed responsibly during these investigations. These measures help create a safe, respectful, and legally compliant workplace environment, reinforcing the Bank's commitment to ethical business practices and employee well-being.

MDR-P 65-a

The Code of Banking Ethics is designed to prevent inappropriate management practices, economic and financial crimes, and ensure ethical conduct across all levels of the Bank. It establishes clear guidelines to mitigate risks related to fraud, money laundering, antitrust practices, bribery, and other violations of consumer protection laws. The policy also emphasizes the protection of confidential information and prohibits the misuse of an employee's position for personal or undue benefit.

In addition to ensuring compliance with financial regulations and ethical business conduct, the policy specifically addresses workplace safety and professional behavior by preventing and penalizing harassment and acts of violence. The policy applies not only to internal employee relations but also extends to interactions between employees and external stakeholders, such as suppliers and customers. This broad scope ensures that ethical standards are upheld throughout the Bank's operations and business relationships, fostering trust, transparency, and accountability in every aspect of its value chain. *MDR-P 65-b*

The Code of Banking Ethics does not explicitly reference third-party standards or initiatives. However, the Bank complies with several national and European data protection and privacy regulations that influence its ethical and security policies, including:

- Law no. 190/2018 regarding measures for implementing Regulation (EU) 679/2016 (GDPR) on the protection of personal data.
- ANSPDCP Decision no. 174/2018 regarding mandatory impact assessments for personal data protection.
- Law no. 102/2005 regarding the establishment and operation of the National Authority for the Supervision of Personal Data Processing (ANSPDCP).
- ANSPDCP Decision no. 161/2018 regarding the approval of Investigation Procedures.
- ANSPDCP Decision no. 128/2018 regarding the approval of the standard notification form for personal data breaches under GDPR.
- Guidelines and Opinions issued by the European Data Protection Board (EDPB).
- EDPB Guide 01/2021 on examples of data security breaches.
- Guidelines issued by the National Supervisory Authority for Data Processing.

By adhering to these regulatory frameworks, the Bank ensures that it meets the strict compliance standards related to privacy, security, and ethical conduct, reinforcing its commitment to responsible business practices. (*MDR-P 65-d*)

The Code of Banking Ethics and Anti-Harassment Policy is not publicly available but may be disclosed upon request to specific partners or suppliers on a case-by-case basis. While the policy primarily governs internal conduct, it is also applicable in cases of external complaints against employees.

This approach ensures that relevant external stakeholders, such as business partners or regulatory bodies, can access the policy, when necessary, while maintaining confidentiality and compliance with internal governance standards.

The Bank's ethical framework remains enforceable in interactions beyond its workforce, safeguarding integrity in all professional relationships. (*MDR-P 65-f*)

GDPR Code and Procedure

The GDPR Code regulates the processing of personal data to ensure compliance with EU Regulation 679/2016 (GDPR) regarding the protection of natural persons in relation to data processing and the free circulation of personal data. It applies to all activities that involve the processing of personal data, whether in written or electronic format, and covers the Bank's employees, collaborators, associated operators, authorized persons, and third parties.

All Bank staff are required to know and adhere to the provisions outlined in this GDPR Code as well as the Personal Data Protection Procedure. This code is supplemented by the Procedure on the Processing of Personal Data, which defines the necessary steps to be followed by employees (data users) to ensure compliance with legal norms on data protection and security.

The Personal Data Protection Procedure was developed to ensure the practical application of the GDPR Code and to outline the specific operational steps necessary for secure data handling.

This policy relates to the positive impact regarding Privacy by ensuring that the processing, storage, and transfer of personal data meet strict security and confidentiality standards. It mitigates risks associated with data misuse, unauthorized access, and regulatory non-compliance penalties, while reinforcing the Bank's reputation as a responsible data controller. By implementing robust data protection measures, the Bank fosters trust among customers, employees, and third parties, thereby enhancing customer relationships and business partnerships. Ensuring GDPR compliance not only reduces potential legal and financial liabilities but also creates opportunities for the Bank to differentiate itself as a trusted and security-conscious financial institution.

Additionally, the policy supports the positive impact related to Measures Against Violence and Harassment in the Workplace by reinforcing confidentiality in workplace harassment investigations, ensuring that victims' data remains protected, and that sensitive information is handled securely. Employees involved in harassment complaints or whistleblowing reports are legally protected from data misuse, ensuring fair and secure resolution processes. This approach strengthens Libra Bank's commitment to maintaining a safe, ethical, and compliant workplace where data privacy and individual rights are safeguarded (*MDR-P 65-a*)

The GDPR Code and Personal Data Protection Procedure aim to ensure that all personal data processing operations are conducted in full compliance with the principles established under Regulation (EU) 679/2016 (GDPR). The policies are designed to protect data subjects' rights and maintain the security, integrity, and confidentiality of personal data processed by the Bank.

The users of data, including employees and collaborators of the Bank, are required to adhere strictly to the provisions of this policy by limiting the collection and processing of personal data to what is strictly necessary for fulfilling their job responsibilities. Each user is individually responsible for effectively managing personal data stored on their workstation, tablet, or laptop, except in situations beyond their control.

In the event of a security incident, data users must immediately notify the Data Protection Officer (DPO) and the Information Security Office (OSI) and cooperate with the Investigation and Intervention Team by providing all necessary data, information, or documentation related to the incident. If needed, the DPO or OSI will escalate the matter to the Anti-Fraud and Internal Control Division for further investigation, while the Risk Management Division will oversee and monitor the security incident. This process ensures the timely detection, response, and mitigation of personal data security risks (*MDR-P 65-b*)

The most senior level accountable for the implementation and enforcement of the Anti-Harassment Policy and GDPR Code is the Deputy General Director in charge of Risk and Compliance, supported by the Ethics Officer (Head of Compliance Division). These senior leaders ensure that the policies are integrated into the Bank's governance framework, monitored for compliance, and enforced consistently across all operations.

The Chief Risk Officer holds ultimate responsibility for ensuring that data protection principles and workplace ethics are upheld, while the Ethics Officer oversees compliance monitoring, incident reporting, and disciplinary investigations in collaboration with the HR Division. This structure ensures that personal data security and ethical workplace conduct remain key priorities within the organization (*MDR-P 65-c*)

The GDPR Code aligns with and is implemented in accordance with Regulation (EU) 679/2016 on the protection of natural persons regarding the processing of personal data and the free movement of such data (GDPR). This regulation outlines the fundamental principles of lawful, fair, and transparent data processing, providing a comprehensive framework for ensuring the protection of personal data across the Bank's operations (*MDR-P 65-d*). The GDPR Code and Personal Data Protection Procedure consider the rights of all stakeholders affected by personal data processing. These rights include:

- ⇒ The right to file a complaint with ANSPDCP (National Authority for Supervising the Processing of Personal Data).
- ⇒ The right of access and information regarding the processing of their personal data.
- ⇒ The right to rectification of inaccurate or incomplete data.
- ⇒ The right to data erasure ("right to be forgotten") under certain legal conditions.
- ⇒ The right to restrict data processing in specific situations.
- ⇒ The right to data portability, allowing individuals to transfer their data between service providers.
- ⇒ The right to object to data processing based on legitimate interests.
- ⇒ The right not to be subject to automated decision-making processes that have significant effects on them.

By upholding these rights, the policy ensures that the Bank maintains fair, transparent, and legally compliant data processing practices while respecting the interests of its customers, employees, and business partners (*MDR-P 65-d*).

The GDPR Code and Personal Data Protection Procedure are not publicly available; however, the Bank ensures transparency in data processing by providing a general data processing and protection policy that is publicly accessible on its website. This policy outlines the Bank's approach to personal data collection, storage, processing, and security.

Although the full GDPR Code is not publicly disclosed, it may be provided upon request to relevant partners or regulatory authorities. The policy applies in cases of external complaints against employees, ensuring that personal data protection standards extend beyond internal operations (*MDR-P 65-f*).

Anti-harassment Policy

The Anti-Harassment Policy ensures that all individuals interacting with the Bank—including employees, customers, temporary workers, contractors, and visitors—are protected from harassment. The Bank takes all necessary measures to hold perpetrators accountable, enforcing disciplinary, contravention, or criminal consequences as applicable. Any employee found to have harassed another individual may face disciplinary sanctions, including potential termination of employment.

All harassment complaints are treated seriously and confidentially. Employees can report acts of harassment through the Librahome reporting channel, with records securely stored for five years.

The most senior level accountable for implementing the Anti-Harassment Policy is the Steering Committee, which provides overall oversight and ensures that the policy aligns with the Bank's broader ethical and compliance frameworks.

The Ethics Officer, appointed by the Steering Committee, is responsible for day-to-day enforcement, monitoring, and reporting of the policy. This includes investigating harassment complaints, ensuring confidentiality, implementing disciplinary actions, and submitting annual compliance reports to the Steering Committee. These reports are submitted by the end of the first quarter of each year, detailing the number of recorded incidents, resolution outcomes, and any recommendations for improvement. This structured oversight ensures that all levels of the organization uphold ethical workplace standards, and that employees, customers, and other stakeholders are protected from harassment (*MDR-P 65-c*).

This policy directly addresses the positive impact related to Measures Against Violence and Harassment in the Workplace by preventing and addressing workplace harassment. Additionally, it supports the positive impact

regarding Secure Employment by ensuring a safe and respectful work environment where employees are protected from threats or harassment that could impact job stability. It also contributes to the positive impact related to Social Dialogue by establishing formal reporting channels for employees to report harassment incidents, ensuring their voices are heard. The policy further reinforces the positive impact regarding Privacy by guaranteeing that all harassment reports and investigations remain confidential and securely stored for a defined period (*MDR-P 65-a*).

The objective of the Anti-Harassment Policy is to ensure equal opportunities and fair treatment for all employees while preventing violence and harassment in the workplace. The policy recognizes every employee's right to a safe work environment and seeks to promote a culture of mutual respect and dignity.

The policy applies to all individuals interacting with the Bank, including employees, customers, temporary workers, contractors, and visitors. It covers all workplace activities, including on-site work, work-related interactions, and digital communication platforms used for professional purposes.

The policy extends across the entire value chain, including internal employees, third-party service providers, and external stakeholders engaging with the Bank. While the policy is not publicly available, it can be disclosed on demand to relevant partners or suppliers in cases where an external complaint is filed against a Bank employee.

Geographically, the policy applies to all locations where the Bank operates and ensures compliance with national labor laws and European regulations on workplace equality and harassment prevention (*MDR-P 65-b*).

The Bank's Anti-Harassment Policy aligns with national and European legal frameworks designed to prevent and combat workplace harassment and discrimination. These include:

- ⇒ Decision no. 970/2023 – Approval of the Methodology for the Prevention and Combating of Harassment on the Basis of Sex and Moral Harassment at the Workplace.
- ⇒ Government Ordinance no. 137/2000 – Framework for the prevention and sanctioning of all forms of discrimination, including harassment.
- ⇒ Law no. 202/2002 – Ensures equal opportunities and treatment between women and men, addressing workplace harassment as a form of gender-based discrimination (*MDR-P 65-d*).

This policy recognizes the fundamental importance of a work environment free from harassment and ensures that any reported cases are managed seriously, fairly, and in full compliance with legal and regulatory standards.

Although the policy primarily governs internal workplace conduct, it is applicable in cases of external complaints against Bank employees, ensuring that ethical and behavioral standards extend beyond internal operations. This approach maintains the Bank's commitment to confidentiality while enabling external stakeholders to access the policy in specific situations (*MDR-P 65-f*).

Health and Safety Policy

The Health and Safety Policy outlines the Bank's commitment to ensuring a safe and compliant working environment, reducing occupational risks, and improving health and safety performance. The policy is implemented through a structured health and safety management system, which includes continuous risk assessments and the application of necessary control measures across all Bank processes and services.

The Internal Service of Prevention and Protection (SIPP) comprises two key components: Occupational Safety and Health (OSH) and Emergency Situations (SU). Employees in management positions or those assigned as workplace safety managers are responsible for overseeing and enforcing health and safety measures, ensuring compliance with legal and policy requirements. These responsibilities include the implementation, control, and supervision of all safety procedures within their respective workplaces.

Managers are required to conduct and verify periodic safety training for employees, assisted by representatives of the Internal Prevention and Protection Service (SIPP). Training topics are provided by SIPP personnel and supported by internal work procedures and specific safety instructions.

This policy directly addresses the positive impact related to Health and Safety by enforcing continuous risk assessments, workplace safety controls, and compliance with occupational safety regulations. It also supports the

positive impact pertaining to Secure Employment **by** ensuring a safe work environment, reducing health hazards that could impact job security. Additionally, the policy reinforces the positive impact regarding Training and Skills Development through the periodic safety training for employees and managers, ensuring continuous learning about workplace hazards (*MDR-P 65-a*).

The Health and Safety Policy defines the rules, instructions, and procedures necessary for applying workplace safety and emergency preparedness standards within the Bank. It ensures that all employees receive adequate training, professional development, and testing in workplace safety and emergency response.

The policy assigns specific safety responsibilities to employees based on their roles. These responsibilities are established by the employer or the employer's legal representative, who may consult the Safety and Health at Work Committee or representatives of the Internal Prevention and Protection Service (SIPP). In cases where the Bank collaborates with an external prevention and protection service provider, responsibilities may be assigned based on contractual agreements.

The policy applies to all locations where the Bank operates, ensuring alignment with national occupational health and safety regulations. By maintaining a proactive risk management approach, the Bank ensures compliance with legal requirements, workplace safety, and emergency response preparedness across all departments and branches (*MDR-P 65-b*).

The Deputy General Director and the Head of the Administrative Division are the most senior-level authorities responsible for the implementation and enforcement of the Health and Safety Policy. Their role includes ensuring compliance with safety regulations, monitoring risk control measures, and overseeing safety training programs. By maintaining executive oversight of workplace safety, these senior leaders ensure that all employees operate in a safe and legally compliant environment (*MDR-P 65-c*).

The Health and Safety Policy aligns with the following national occupational safety and fire protection regulations:

- ⇒ Law no. 319/2006 – Law on Safety and Health at Work
- ⇒ Government Decision no. 1425/2006 – Approval of Methodological Norms for implementing the Safety and Health at Work Law
- ⇒ Government Decision no. 955/2010 – Amendments to the Methodological Norms for applying the Safety and Health at Work Law
- ⇒ Law no. 307/2006 – Law on Fire Protection
- ⇒ Order of the Minister of Administration and Interior no. 163/2007 – General Norms for Fire Protection

These legal references form the foundation of the Bank's occupational Health and Safety Policy, ensuring compliance with national and industry standards (*MDR-P 65-d*).

The Health and Safety Policy ensures employee participation in workplace safety discussions through the Safety and Health at Work Committee. The committee consists of four employee representatives responsible for monitoring safety conditions, providing recommendations, and engaging in consultations regarding workplace health and safety. The Safety and Health at Work Committee convenes quarterly, allowing employees to discuss and address safety concerns. The committee's findings and recommendations are documented in meeting minutes, and key safety measures are communicated to all employees. This structure ensures that workplace safety concerns are addressed in a transparent and participatory manner (*MDR-P 65-e*).

The Health and Safety Policy is not publicly available, but it may be disclosed on demand to relevant partners or suppliers on a case-by-case basis.

Although the policy is primarily an internal document, its principles apply to all employees and external parties involved in workplace safety procedures. This approach ensures that relevant stakeholders are informed about safety standards and compliance requirements while maintaining internal confidentiality (*MDR-P 65-f*).

Policy regarding the training and professional development of employees

The Policy regarding the Training and Professional Development of Employees establishes a structured framework

for continuous learning and career development within the Bank. It defines key aspects such as the strategy for employee development, the annual training budget, eligibility criteria for external training programs, and the allocation of responsibilities for managing training initiatives.

The policy includes an annual professional development plan, which outlines:

- ⇒ Induction training programs for new employees.
- ⇒ Training through external online course platforms to expand learning opportunities.
- ⇒ Training sessions for all employees or specific job functions to ensure competency development.
- ⇒ Evaluation of training effectiveness by external providers and monitoring of employee knowledge acquisition.
- ⇒ Mandatory courses and compliance-related tests required for regulatory adherence.
- ⇒ Performance indicators to track the impact of training and ensure alignment with the Bank's objectives.

This policy directly supports the Training and Skills Development positive impact, by ensuring structured and continuous professional growth for employees. It also mitigates the risk related to Training and Skills Development by addressing potential gaps in knowledge, regulatory compliance issues, and skill shortages. Additionally, it leverages the opportunity regarding Training and Skills Development by offering external learning platforms, structured career development programs, and performance-based training enhancements to drive employee engagement and expertise.

The monitoring process includes evaluating training sessions, tracking employee participation, and assessing the effectiveness of learning initiatives. By fostering a culture of continuous improvement, the policy strengthens workforce capabilities, aligns employee development with business objectives, and enhances the overall professional competency of the Bank's staff (*MDR-P 65-a*).

The Training and Professional Development Policy is designed to enhance employees' knowledge, skills, and competencies in alignment with both individual career growth and the Bank's long-term business strategy.

The policy ensures employees receive ongoing training and professional development opportunities to:

- ⇒ Adapt to evolving job roles and workplace requirements.
- ⇒ Update and refine expertise related to their positions.
- ⇒ Undergo professional reconversion due to socio-economic changes.
- ⇒ Acquire advanced skills necessary for business growth and industry trends.
- ⇒ Develop their careers within the Bank, in coordination with the Career and Succession Management Policy.
- ⇒ Minimize operational risks arising from inadequate employee training.

Training sessions and courses are conducted according to an annual professional development plan, which can be adjusted throughout the year based on emerging training needs, new regulatory requirements, or evolving business priorities. The policy applies to all employees of the Bank, including those on indefinite-term and fixed-term contracts, as well as temporary employees hired through employment agencies.

To ensure training effectiveness, employees are encouraged to provide feedback after completing courses facilitated by external trainers. Additionally, the Training and Professional Development Department proactively shares learning recommendations and updates on relevant topics available through online learning platforms to encourage continuous education and engagement.

By aligning employee training initiatives with the Bank's annual business strategy, the policy ensures that learning and professional development remain integral to workforce competency and organizational success (*MDR-P 65-b*).

The General Director and the Head of the Human Resources Division are responsible for the implementation,

oversight, and enforcement of the Training and Professional Development Policy.

They ensure that training programs are strategically aligned with workforce needs, business objectives, and regulatory requirements. Their responsibilities include:

- ⇒ Supervising the execution of the annual professional development plan.
- ⇒ Approving budgets for training and skill development initiatives.
- ⇒ Ensuring compliance with mandatory training requirements.
- ⇒ Evaluating the effectiveness of training programs based on performance indicators (*MDR-P 65-c*).

The Policy regarding the Training and Professional Development of Employees aligns with Law no. 53/2003 – The Labor Code, which establishes the legal framework for employment relationships, employee rights, and professional development obligations in Romania. By adhering to Law no. 53/2003, the Bank ensures that its training programs comply with national labor laws, fostering workforce upskilling, career advancement, and long-term employment stability (*MDR-P 65-d*).

The Career and Succession Management Policy

The Career and Succession Management Policy establishes a structured framework for employee career development, internal mobility, and leadership succession within the Bank. It defines the general principles governing promotions, transfers, career planning, and succession management for key roles and leadership positions.

Key elements of the policy include:

- ⇒ Principles for the promotion and transfer process, ensuring transparency and equal opportunity.
- ⇒ Career management framework, including career path planning and structured career development.
- ⇒ Internal promotion and transfer procedures, detailing how employees can move into new roles.
- ⇒ Succession management process, ensuring leadership continuity for governing body members and key functions.

The general principles guiding promotions and internal transfers emphasize:

- ⇒ Equal opportunity for all employees to access career growth opportunities based on merit.
- ⇒ Non-discrimination policies, ensuring selection processes are free from biases related to race, gender, religion, sexual orientation, or political beliefs.
- ⇒ Job security for internal candidates, meaning employees who apply for a new role do not risk their current position or future career prospects.
- ⇒ Active involvement of division directors in encouraging high-performing employees to seek career advancement.

This policy directly supports the positive impact related to Secure Employment by providing employees with career growth opportunities within the Bank, reducing external job market uncertainties. It also addresses the Secure Employment risk by ensuring fair and structured promotion processes, mitigating concerns about job instability or favoritism. Additionally, the opportunity related to Secure Employment is reinforced by supporting leadership development and internal career mobility, ensuring employees have pathways to advancement within the organization.

The policy also integrates work-life balance considerations, aligning with the positive impact on Work-Life Balance by ensuring career progression does not come at the expense of employee well-being and that flexible career growth opportunities are available. Furthermore, the policy contributes to the positive impact pertaining to Social Dialogue

by establishing clear communication channels for career advancement, internal mobility, and succession planning, ensuring that employees have a voice in their professional growth.

Additionally, the policy aligns with the positive impacts on Freedom of Association, Works Councils, and Workers' Rights and Collective Bargaining by ensuring that career development opportunities are fair, transparent, and aligned with labor rights, fostering an inclusive and participatory work environment.

The policy also integrates training and professional development, aligning with the positive impact regarding Training and Skills Development by preparing employees for new roles through targeted skill development initiatives. To mitigate the risk regarding Training and Skills Development, the policy ensures that employees are equipped with the necessary skills before advancing into new positions, reducing performance risks. Lastly, the policy leverages the opportunity pertaining to Training and Skills Development by promoting continuous learning, leadership growth, and long-term workforce sustainability.

The monitoring process includes evaluating promotion and succession outcomes, tracking career progression metrics, and ensuring compliance with internal regulations to maintain a merit-based and transparent approach to career development. Through these measures, the Career and Succession Management Policy contributes to a secure, fair, and growth-oriented work environment, ensuring the Bank remains competitive, inclusive, and aligned with best workforce development practices (*MDR-P 65-a*).

The Career and Succession Management Policy defines the principles and responsibilities for managing employee career progression and leadership succession within the Bank. It establishes a structured process for internal recruitment, career mobility, and succession planning, ensuring that employees receive appropriate training and experience to prepare for new roles.

This policy applies to all Bank employees, covering career development programs for employees at all levels, internal promotion, and transfer procedures applicable to all eligible staff, and succession planning for key leadership positions, including governing body members and critical functional roles.

The policy ensures job security for internal candidates, allowing employees to apply for new positions without jeopardizing their current role or future career prospects. Additionally, employees identified as potential successors participate in annual training plans and leadership development programs, strategic meetings and professional development sessions, and succession-specific training for external candidates, which occurs between the date of appointment and formal regulatory approval by the National Bank of Romania. (*MDR-P 65-b*)

The General Director and the Head of the Human Resources Division are responsible for the implementation, oversight, and enforcement of the Career and Succession Management Policy.

Their key responsibilities include:

- ⇒ Supervising career development initiatives and ensuring alignment with workforce planning strategies.
- ⇒ Monitoring internal recruitment, promotion, and transfer processes to ensure transparency and merit-based decision-making.
- ⇒ Overseeing leadership succession planning to ensure a strong talent pipeline for key governance roles.
- ⇒ Ensuring compliance with the Bank's policies and regulatory standards related to career progression and talent management (*MDR-P 65-c*).

To support career growth and leadership succession, the Bank allows talented employees to express their career interests, choosing from fields such as operations, risk management, business and sales, and technology and digital banking. When identifying potential successors, the Bank considers both selection criteria and diversity principles, ensuring a balance of knowledge, skills, and experience among leadership candidates.

Internal candidates nominated as potential successors are required to attend leadership training and development programs, participate in strategic meetings and succession planning sessions, and engage in ongoing mentorship and executive learning. For external succession candidates, training takes place between the appointment date and regulatory approval from the National Bank of Romania.

By incorporating employee aspirations, diversity factors, and structured development programs, Libra Bank ensures equitable career growth, workforce stability, and long-term succession planning

The Career and Succession Management Policy is not publicly available but is internally accessible to employees and HR personnel responsible for managing career development and leadership succession.

While the full policy remains confidential, key career pathways, internal promotion processes, and leadership succession frameworks are communicated through internal channels, ensuring transparency, accessibility, and strategic workforce alignment (*MDR-P 65-f*).

Policy regarding remuneration and employee benefits

The Policy regarding Remuneration and Employee Benefits establishes a structured framework for fair and transparent compensation, performance-based incentives, and employee benefits across all categories of the Bank's personnel. It defines key aspects such as:

- ⇒ General structure of remuneration, including fixed and variable pay components.
- ⇒ Fixed remuneration criteria, based on salary grids, internal and external equity, and equal pay principles.
- ⇒ Variable remuneration criteria, linked to performance-based bonuses, compensatory allowances, and other financial incentives.
- ⇒ General responsibilities for the remuneration process, ensuring compliance with the Bank's strategic goals and financial stability.
- ⇒ Rules for Identified Personnel, including remuneration structures for the Steering Committee, Board Members, and employees whose roles significantly impact the Bank's risk profile.
- ⇒ Employee benefits and additional facilities, ensuring a competitive compensation package.

The policy is reviewed annually under the coordination of the Human Resources Division, alongside the Risk Management and Compliance Divisions, and is approved by the Board of Directors. The policy is also subject to annual evaluation by the Internal Audit Division to ensure compliance with the remuneration framework adopted by the Bank's governance bodies.

The General Director and the Head of the Human Resources Division are responsible for the implementation, oversight, and enforcement of the Remuneration and Employee Benefits Policy.

Their responsibilities include:

- ⇒ Supervising the execution of remuneration frameworks to ensure alignment with performance goals and financial stability.
- ⇒ Monitoring compliance with internal policies and regulatory requirements for fair and responsible pay practices.
- ⇒ Ensuring risk-adjusted remuneration strategies, preventing excessive variable compensation linked to high-risk activities.
- ⇒ Reviewing annual compensation structures, ensuring they remain competitive, equitable, and aligned with market standards (*MDR-P 65-c*)

To align remuneration with financial performance and risk management, the policy follows these key principles:

- ⇒ Variable remuneration is adjusted based on the Bank's financial performance, ensuring sustainability and risk control.
- ⇒ Performance-based adjustments are incorporated to ensure alignment with long-term objectives.
- ⇒ Strict compliance with regulatory frameworks, preventing the use of vehicles or methods to bypass remuneration governance.

- ⇒ Risk-mitigation measures, ensuring employees do not engage in practices that could lead to excessive risk-taking or conflict of interest.

The **Remuneration and Employee Benefits Policy** supports multiple sustainability matters related to secure employment, fair wages, training and development, and workplace equality.

The policy reinforces the positive impact related to Secure Employment by promoting stable and sustainable employment conditions through competitive remuneration, structured benefits, and financial incentives that support long-term workforce retention. It ensures that employees are fairly compensated for their contributions, which enhances job security and reduces turnover. By addressing the Secure Employment risk, the policy mitigates concerns related to job instability and workforce uncertainty by ensuring that all remuneration and career progression processes are transparent, merit-based, and aligned with business continuity. Employees are encouraged to explore new career paths within the Bank without fear of jeopardizing their current positions, thus enhancing job security and overall employee confidence. Additionally, the opportunity related to Secure Employment is strengthened through the policy's focus on career progression and leadership succession, which encourages high-performing employees to advance within the organization.

The policy also upholds the positive impact on Work-Life Balance by incorporating flexible remuneration structures and additional employee benefits that support work-life balance, such as bonuses, leave policies, and other financial incentives that improve overall employee well-being.

Additionally, the policy ensures the positive impact on Social Dialogue by fostering transparent salary discussions, employee feedback mechanisms, and structured dialogues on pay equity, reinforcing an environment of collaboration and fairness.

The policy supports the positive impact pertaining to Adequate Wages by ensuring a structured approach to remuneration that aligns with market benchmarks, internal equity, and regulatory standards. It guarantees that all employees receive fair, transparent, and performance-based compensation, preventing wage disparities and supporting financial stability.

Additionally, the positive impact related to Gender Equality and Equal Pay for Equal Work is addressed through equal pay policies, salary transparency, and non-discriminatory compensation structures, ensuring that all employees receive comparable remuneration based on role, experience, and performance rather than gender or other personal characteristics. (*MDR-P 65-a*)

The Remuneration and Employee Benefits Policy is an essential component of the Bank's internal governance framework, designed to foster a performance-based culture where individual goals align with the Bank's strategic objectives. By ensuring that remuneration practices support sustainable growth, the policy links compensation with the Bank's financial performance and long-term risk appetite, reinforcing responsible and balanced decision-making. By establishing a structured, transparent, and equitable approach to remuneration, the policy helps the Bank attract and retain top talent, mitigate excessive risk-taking, and align employee incentives with overall business performance. Through these principles, the Bank promotes a work environment where employees are fairly rewarded for their contributions, motivated to perform, and supported in their professional growth (*MDR-P 65-b*)

The Remuneration and Employee Benefits Policy aligns with multiple national and European regulatory frameworks, ensuring compliance with industry standards and governance best practices. These include:

- ⇒ NBR Regulation No. 5/2013 – Establishes prudential requirements for credit institutions and implements CRD IV (European Directive 2013/36/EU) on remuneration policies.
- ⇒ Government Emergency Ordinance No. 99/2006 – Regulates credit institutions and capital adequacy, ensuring remuneration aligns with risk-based performance.
- ⇒ EU Delegated Regulation No. 527/2014 – Supplements Directive 2013/36/EU, setting remuneration governance requirements for financial institutions.

- ⇒ EBA Guidelines (EBA/GL/2016/06) – Regulates remuneration practices for banking product sales and service provision.
- ⇒ EBA Guidelines (EBA/GL/2021/04) – Establishes best practices for sound remuneration policies within the financial sector.
- ⇒ Romanian Labor Code (Law No. 53/2003) – Governs employee rights, fair pay practices, and employment regulations (*MDR-P 65-d*).

The Remuneration and Employee Benefits Policy is designed to balance employee motivation, corporate performance, and risk management, considering the interests of multiple stakeholders.

The Human Resources Division oversees the implementation process, guided by the following principles:

- ⇒ Motivating employees and maximizing their performance.
- ⇒ Attracting and retaining top talent within the Bank.
- ⇒ Supporting a strong organizational culture based on merit, transparency, and corporate values.
- ⇒ Aligning remuneration with financial stability, including profitability, risk, capital adequacy, and liquidity management.
- ⇒ Ensuring compliance with labor laws and regulatory frameworks.
- ⇒ Maintaining transparency and internal equity, preventing salary discrimination or wage gaps.
- ⇒ Avoiding conflicts of interest, ensuring variable compensation does not encourage excessive risk-taking.

For employees responsible for credit evaluation, the policy ensures:

- ⇒ They are not incentivized to take on excessive risk, ensuring a balanced and responsible approach to loan approvals.
- ⇒ Their remuneration does not depend solely on the number of credit approvals, preventing conflicts of interest that could undermine risk management.

For employees involved in retail banking product sales, the policy ensures:

- ⇒ Their compensation is not exclusively linked to product sales targets.
- ⇒ They do not prioritize promoting more profitable products at the expense of consumer needs (*MDR-P 65-e*).

The Remuneration and Employee Benefits Policy is not publicly available but remains internally accessible to key stakeholders. Employees can access the policy to ensure transparency in pay structures and benefits, allowing them to understand their compensation framework. Regulators may review the policy upon request to verify compliance with labor and banking regulations, ensuring that the Bank meets all legal and industry standards. Additionally, governance bodies oversee its implementation to uphold fair pay practices and risk-adjusted compensation, maintaining alignment with corporate objectives and regulatory expectations.

By enforcing strict governance, regulatory compliance, and equitable pay structures, the policy reinforces employee satisfaction, corporate responsibility, and long-term financial stability while supporting a transparent and well-regulated work environment (*MDR-P 65-f*).

Procedure regarding teleworking

The Procedure Regarding Teleworking establishes the framework for organizing remote work, ensuring employees adhere to the Bank's operational, security, and compliance standards while working outside the office. The policy outlines methods for configuring and securing SSL-VPN connections, ensuring that employees using work laptops can securely access the Bank's IT network. Remote employees must comply with the internal regulations regarding working hours and must remain accessible during working hours via the Bank's designated communication tools, including mobile phones, email, and Microsoft Teams.

Employees handling ReGIS, SaFIR, and SENT applications have dedicated secure access through pre-configured workstations, ensuring that sensitive financial operations maintain the same security standards as on-site work. The policy also mandates that all remote employees remain aware of their responsibility to report operational risks, incidents, or dysfunctions through the Bank's operational risk application. If an employee cannot access the reporting system, they must immediately notify their direct supervisor and the Risk Management Division via email or phone.

The policy reinforces security and data protection through strict adherence to GDPR principles, requiring employees to store all work files in designated locations and prohibiting data transfers to personal devices or unauthorized storage media. Workstations must never be left unattended to prevent data breaches or unauthorized access. Any violation of these security measures is considered a data security incident and must be reported immediately.

This policy primarily supports the positive impact on Privacy by implementing strict security and data protection measures that safeguard confidential information while allowing employees to work remotely. Ensuring compliance with GDPR and internal data protection rules reduces the risk of privacy breaches and unauthorized data access.

Additionally, the policy contributes to the positive impact on Secure Employment by providing employees with structured guidelines that allow for flexible work arrangements without jeopardizing their job stability. It also mitigates the risk pertaining to Secure Employment by ensuring remote work does not lead to job insecurity or operational inefficiencies. Employees are protected through clearly defined teleworking conditions, enabling them to balance remote and office-based work without disruption.

The policy also aligns with the positive impact regarding Work-Life Balance by allowing employees to work remotely under structured conditions, reducing commuting time and offering greater flexibility in managing professional and personal commitments. Furthermore, the positive impact related to Working Time is reinforced by maintaining clear guidelines on working hours, ensuring that remote work remains structured and does not extend beyond contractual obligations.

Additionally, the positive impact on Health and Safety is indirectly supported by reducing employees' need for physical commuting, thereby minimizing workplace-related risks and enhancing overall well-being (*MDR-P 65-a*).

The Procedure Regarding Teleworking applies to all employees authorized to work remotely, ensuring that teleworking does not compromise operational efficiency or data security. The policy establishes proper working conditions for remote employees while safeguarding the Bank and its stakeholders, including customers and financial institutions such as ReGIS, SaFIR, and SENT, from privacy and security risks.

The procedure defines clear roles and responsibilities for remote employees, managers, and IT security teams to maintain a secure and compliant remote work environment. This ensures that remote work arrangements align with the Bank's risk management framework and regulatory obligations (*MDR-P 65-b*).

The General Director and the Head of the Human Resources Division are responsible for overseeing the implementation of the Procedure Regarding Teleworking. Their role includes ensuring compliance with labor regulations, maintaining security standards, and addressing any operational risks associated with remote work (*MDR-P 65-c*).

The Procedure Regarding Teleworking complies with Law no. 241/2023, which governs remote work arrangements and ensures that organizations implement appropriate controls to mitigate privacy and security risks. By adhering to this legal framework, the Bank upholds national labor and data protection standards while supporting a flexible work environment (*MDR-P 65-d*).

The policy is designed to balance employee flexibility, operational efficiency, and data security. By providing structured guidelines for teleworking, the Bank ensures that employees can work remotely under secure conditions while maintaining uninterrupted business operations. Additionally, customers and financial institutions that rely on the Bank's services are protected from privacy and security risks through strict adherence to data protection protocols.

The Procedure Regarding Teleworking is not publicly available but is internally accessible to relevant stakeholders,

including HR personnel, IT security teams, and employees authorized for remote work. This ensures that all teleworking policies and security protocols are consistently applied and understood across the organization (*MDR-P 65-f*).

Performance Management Procedure

The **Performance Management Procedure** establishes a structured framework for the annual performance evaluation process, ensuring transparency, consistency, and professional development for all employees. The policy outlines the key stages of the evaluation process, defines the criteria for assessment, and provides guidelines for handling non-standard situations. The performance management process takes place annually, typically in February, and spans six weeks, with an evaluation calendar communicated by the Human Resources Division.

A central component of the policy is the emphasis on continuous feedback, enabling managers and employees to engage in ongoing discussions regarding performance, development opportunities, and professional goals. Through regular performance discussions, the procedure ensures that employees receive constructive feedback and guidance to enhance their skills and competencies.

This policy is directly linked to the positive impact on Adequate Wages by integrating performance evaluation results with the remuneration and benefits system, ensuring that compensation reflects individual contributions and performance levels. It also strongly supports the positive impact related to Training and Skills Development by identifying employee development needs and recommending professional development plans, including training, specialization courses, online learning, and project participation. Additionally, the risk related to Training and Skills Development is addressed by ensuring that employees receive targeted skill enhancement opportunities to close potential knowledge gaps that could hinder career progression. Furthermore, the opportunity related to Training and Skills Development is reinforced by encouraging employees to assess their career trajectories and proactively engage in professional development initiatives aligned with their long-term aspirations.

Through these mechanisms, the **Performance Management Procedure** strengthens employee engagement, career growth, and workforce sustainability while supporting business performance and strategic objectives (*MDR-P 65-a*). The Performance Management Procedure applies to all employees within the Bank, creating a standardized process for evaluating professional objectives, attitudes, and behaviors. It provides a structured approach for setting and assessing performance expectations, allowing both employees and managers to engage in meaningful discussions about work contributions, challenges, and future goals.

A key aspect of the policy is its role in defining professional development objectives. During the evaluation process, managers collaborate with employees to establish individualized development plans, including training programs, specialization courses, and mentorship opportunities. This approach not only supports employees in their current roles but also prepares them for future positions within the Bank.

Additionally, the policy integrates permanent feedback mechanisms, encouraging managers to provide immediate recognition for exceptional performance or address areas requiring improvement in real time. This ensures that performance evaluations are not limited to a single annual event but form part of a continuous improvement cycle (*MDR-P 65-b*).

The Performance Management Procedure is overseen by the General Director and the Head of the Human Resources Division, who are responsible for ensuring its proper implementation, alignment with organizational goals, and compliance with labor regulations. Their role includes reviewing evaluation processes, monitoring feedback mechanisms, and ensuring that performance-related compensation and professional development decisions are fairly executed across the organization (*MDR-P 65-c*).

The Performance Management Procedure aligns with relevant labor regulations, including the Labor Code (Codul Muncii), ensuring that employee performance assessments adhere to legal frameworks governing employment rights, performance evaluations, and remuneration (*MDR-P 65-d*).

The Performance Management Procedure is designed to support both employees and management by fostering a culture of continuous dialogue, professional development, and accountability. It creates a structured environment

where employees and managers can jointly evaluate performance, identify development opportunities, and set career goals that align with business objectives.

By formalizing feedback mechanisms, the policy ensures that employees receive timely and constructive input on their performance, enabling them to address weaknesses, build on strengths, and plan their career progression within the Bank. At the same time, managers benefit from clear evaluation criteria and structured discussions, helping them guide and support their teams effectively.

Additionally, the policy integrates a reward and recognition system, linking performance evaluations to career development opportunities and remuneration structures. This ensures that employees who demonstrate strong performance and skill development are recognized and incentivized, fostering motivation and long-term engagement.

The Performance Management Procedure is not publicly available but is internally accessible to all employees through the Human Resources Division. It is communicated to all staff before the annual evaluation process to ensure that employees and managers clearly understand the evaluation criteria, feedback mechanisms, and professional development opportunities available (*MDR-P 65-f*).

Overtime procedure

The Overtime Procedure establishes a structured framework for regulating overtime work, ensuring compliance with labor laws and promoting a balance between operational efficiency and employee well-being. The policy defines the approval process for overtime, compensation mechanisms for extra hours worked, and responsibilities of relevant personnel involved in managing the process.

Overtime is not encouraged by the Bank and is subject to strict approval procedures. Employees may work beyond regular hours only when justified by workload demands and deadlines. All additional work, including hours worked on weekly rest days, legal holidays, or night shifts, must receive prior authorization from the General Director or Deputy General Director upon request by the employee's direct or indirect superior.

The **Overtime Procedure** directly aligns with several IROs by ensuring a structured and fair approach to managing additional work hours. The positive impact related to Secure Employment is supported through guaranteed compensation for overtime, reinforcing job stability and fair employment practices. By strictly regulating overtime, the policy also addresses the risk related to Secure Employment through mitigation of the risks associated with overwork and burnout, ultimately reducing job dissatisfaction and employee turnover. Furthermore, the policy contributes to the opportunity pertaining to Secure Employment by offering employees financial incentives for additional work while ensuring their contributions are recognized. It establishes a clear structure for managing working hours, which directly supports the positive impact on Working Time by preventing excessive workloads and ensuring compliance with national labor laws.

To maintain a healthy work-life balance, the positive impact on Work-Life Balance is reinforced by enforcing strict approval processes for overtime, ensuring that excessive working hours are avoided, and employees can sustain a balance between professional and personal life. (*MDR-P 65-a*).

The Overtime Procedure applies to all employees across the Bank's network, including headquarters and branches, ensuring uniformity in the management of additional work hours. The policy clearly defines the conditions under which overtime may be permitted, limiting extra hours to legally acceptable thresholds in accordance with national labor legislation and the Internal Organization Regulation of Libra Internet Bank.

By requiring strict pre-approval for overtime, the Bank prevents excessive reliance on additional work hours and maintains operational efficiency without jeopardizing employee well-being. This policy is particularly relevant to employees, managers, and HR personnel, ensuring compliance with fair labor practices while balancing workforce demands (*MDR-P 65-b*).

The Overtime Procedure is overseen by the General Director and the Head of the Human Resources Division, who are responsible for ensuring compliance with the policy, monitoring overtime trends, and addressing any issues related to excessive working hours. Their role includes approving overtime requests, ensuring fair compensation,

and maintaining workforce productivity while safeguarding employee well-being (*MDR-P 65-c*).

The Overtime Procedure adheres to the provisions of Law No. 53/2003 - Labor Code, which establishes legal regulations regarding working hours, overtime limitations, and employee compensation for extra work. By aligning with these regulatory frameworks, the Bank ensures compliance with labor laws while upholding ethical employment practices (*MDR-P 65-d*).

The Overtime Procedure is designed to strike a balance between business needs, workforce sustainability, and employee rights. By enforcing strict approval processes and compensation mechanisms, the policy ensures that employees are not subjected to excessive working hours and are fairly compensated for additional work.

The policy safeguards employees from the risks of burnout and job dissatisfaction by ensuring that overtime remains an exception rather than the norm. Additionally, by mandating transparent discussions between employees and their managers regarding work schedules and compensation, the Bank reinforces fair employment practices, promoting an open and constructive work environment. Through these measures, the policy meets stakeholder expectations regarding responsible workforce management, fair labor practices, and sustainable human resource policies.

The Overtime Procedure is not publicly available but is internally accessible to employees through the Human Resources Division. Employees are informed of the policy's provisions through onboarding sessions, training programs, and internal communications to ensure clarity on overtime regulations and approval processes (*MDR-P 65-f*).

Procedure regarding recruitment and selection

The Bank is committed to fostering a secure and equitable working environment through structured policies addressing key workforce matters, including secure employment, work-life balance, social dialogue, and collective bargaining. Various measures and programs enhance job security, improve employee engagement, and uphold labor rights, with policies continuously monitored and revised to align with legal requirements and industry best practices. The Bank's recruitment and employment policies align with multiple Impact, Risk, and Opportunity (IRO) factors. Secure employment policies provide stable job opportunities (Positive Impact), though failure to address workforce concerns or high turnover rates poses a risk. Proactive career development strategies present opportunities for employee retention and engagement. The policy ensures fair hiring practices, promoting gender equality and equal pay for work of equal value (Positive Impact), and development programs present opportunities for career advancement. The Bank enforces strict policies against workplace violence and harassment, fostering a respectful work environment (Positive Impact), while strong data protection measures ensure employee privacy and compliance with legal requirements (Positive Impact). By continuously evaluating these IROs, the Bank ensures that its employment policies remain effective, mitigating risks while leveraging opportunities for workforce enhancement. (*MDR-P 65a*)

The Bank's recruitment and selection policy covers all organizational levels (headquarters and territorial units), establishing a standardized framework for fair, inclusive, and merit-based hiring decisions. The policy applies to all employees and potential candidates within the Bank's operational reach. (*MDR-P 65b*)

The General Director and the Head of the Human Resources Division oversee the implementation of the policy, ensuring alignment with corporate objectives, regulatory requirements, and workforce development strategies. (*MDR-P 65c*)

The Bank adheres to multiple third-party regulations and standards as part of its recruitment policy, including Regulation No. 12/2020 on the authorization of credit institutions, Government Emergency Ordinance No. 99/2006 on credit institutions and capital adequacy, Regulation No. 2/2019 on the prevention and combating of money laundering and terrorist financing, and Law No. 53/2003 (Labor Code). These standards reinforce the Bank's commitment to legal compliance and ethical hiring practices. (*MDR-P 65d*)

The recruitment and selection policy are designed with key stakeholders in mind, including the Bank's current and prospective employees. The policy encourages internal career progression by promoting high-performing employees

and facilitating internal mobility. Hiring managers prioritize internal candidates for vacancies when qualifications are comparable. The Bank upholds principles of non-discrimination, equal opportunity, and data confidentiality, evaluating candidates based on merit, without discrimination. Special provisions support the integration of individuals with disabilities into the workforce. (MDR-P 65e)

The policy is currently not publicly available, but it is accessible internally to ensure adherence among employees and hiring managers. Stakeholders involved in implementing the policy receive adequate training and resources to uphold its principles effectively. (MDR-P 65f)

Internal Organization Regulation of Libra Internet Bank

The Internal Organizational Regulations of Libra Internet Bank cover all key aspects, including the bank's core values, rights and obligations of the bank and its employees, management of customer complaints and suggestions, risk management and IT risk management frameworks, labor relations, health and safety regulations, emergency situations rules, training and professional development, career and succession management, employee performance management, teleworking, working time, free time, leave rules, compensation and benefits packages, confidentiality of information, and conflict of interest. Establishing clear rules for each area of activity ensures a safe work environment for employees, enables the bank to provide high-quality banking services, and ensures good returns for shareholders.

The policy directly supports the positive impact related to Secure Employment by establishing clear labor relations, defining employee rights and obligations, and ensuring stability in employment. Additionally, it mitigates the risk linked to Secure Employment by setting disciplinary procedures and performance management rules, reducing uncertainty regarding employment conditions. The opportunity pertaining to Secure Employment is also relevant, as the policy includes career and succession management provisions that support long-term professional growth and job stability.

Workplace structure and employee well-being are further addressed through the positive impacts related to Working Time and to Work-Life Balance. The regulations outline working hours, leave policies, and teleworking options, ensuring that employees have well-defined schedules and opportunities for rest, contributing to a balanced professional and personal life.

The positive impact regarding Social Dialogue is reinforced through the policy's emphasis on fair treatment, grievance resolution, and clear communication channels between employees and management. Employees have mechanisms to report concerns regarding work conditions, inappropriate behavior, or fraud, ensuring transparency and accountability.

The policy aligns with the positive impact related to Health and Safety by establishing occupational health and safety regulations. Employees are required to participate in mandatory training, and the Bank provides access to occupational health services. Additionally, contributions to work accident and occupational disease insurance demonstrate a commitment to employee well-being.

The positive impact pertaining to Adequate Wages is covered through the policy's employee compensation and benefits framework. The Bank ensures fairness in wages and provides additional benefits beyond legal requirements, enhancing financial security for employees. Equality and fair treatment are prioritized under the positive impact related to Gender Equality and Equal Pay. The policy explicitly prohibits discrimination based on race, gender, religion, disability, or other protected characteristics. It ensures equal access to career development, promotions, and fair distribution of responsibilities, reinforcing a culture of diversity and inclusion.

The positive impact on Training and Skills Development is evident in the policy's commitment to employee education, professional development, and structured training programs. However, the risk regarding Training and Skills Development is also relevant, as failure to engage in ongoing training could lead to skill gaps and reduced workforce efficiency. Conversely, the opportunity pertaining to Training and Skills Development is supported by career management and succession planning initiatives that encourage internal mobility and long-term growth.

The policy addresses the positive impact related to Measures Against Violence and Harassment in the Workplace by

outlining strict prohibitions against harassment, discrimination, and victimization. Employees are encouraged to report inappropriate behavior, and the Bank enforces a zero-tolerance approach to workplace misconduct.

Finally, the positive impact on Privacy is embedded in the policy's confidentiality rules and data protection provisions. Compliance with GDPR and other regulations ensures that employee and customer data is handled securely and responsibly (*MDR-P 65a*).

The Internal Organizational Regulations define the main rights and obligations of the Bank and its employees, as well as norms of behavior and work discipline during working hours. Employees must comply with these regulations, and failure to do so may result in disciplinary or patrimonial liability. Regarding customer rights, the bank ensures impartial handling of complaints and claims. Any complaint, notification of negative events, or threats that may cause material damage must be reported immediately. Employees, coordinators, and managers must report inappropriate behavior or suspected fraud to their superior, the Risk Management Division, the Anti-Fraud Division, or, in extreme cases, the Management Committee. Employees must also respond to anomalies in information systems, and the bank's internal ticketing system allows the registration of requests, documentation of solutions, and tracking of performance or risks. The bank upholds fairness and equal treatment of employees and prohibits discrimination based on race, citizenship, ethnicity, gender, age, disability, chronic illness, sexual orientation, political affiliation, family situation, union activity, or other protected characteristics. Employees are provided with safe working conditions, social protection, and occupational health and safety measures, with dignity and non-discrimination ensured. The bank ensures equal opportunities for recruitment, selection, employment, training, and promotion, and managers are responsible for fair task distribution. The bank also develops health and safety procedures and requires employees to attend mandatory training. Employees have free access to occupational health services, and the bank covers insurance contributions for work accidents and occupational diseases (*MDR-P 65b*).

The General Director and Head of the Human Resources Division are the most senior levels accountable for implementing the policy (*MDR-P 65c*).

The Internal Organizational Regulations comply with multiple laws and regulations, including Law No. 53/2003 (Labor Code), Decision No. 1500/2024 extending the Collective Labor Agreement in the banking sector, Government Decision No. 1425/2006 and its modifications concerning safety and health at work, Order No. 187/1998 on the organization and functioning of the Committee on Safety and Health at Work, Law No. 346/2002 on insurance against work accidents and occupational diseases, and Regulation (EU) 2016/679 (GDPR) (*MDR-P 65d*).

The Internal Organizational Regulations serve as the foundation for managing the bank's resources in daily operations. Employees' rights and obligations are clearly defined, aligning with national and EU regulations. Beyond legal requirements, the bank provides additional benefits to support work-life balance. The policy reflects the bank's values and considers the interests of key stakeholders, including shareholders and customers (*MDR-P 65e*).

The policy is not publicly available (*MDR-P 65f*).

The policies apply to all employees and stakeholders involved in the bank's operations.

Respect for Human Rights with regards to Own Workforce

Libra Bank is committed to upholding human rights and labor rights across all workforce operations, ensuring compliance with Law no. 53/2003 (Labor Code) and other applicable labor regulations. These commitments align with the Bank's development strategy and the specific requirements of the banking sector (*S1-1.20*).

Key measures include non-discrimination, ensuring that employees are treated fairly regardless of race, gender, age, religion, sexual orientation, disability, or other protected characteristics. The Bank promotes fair wages and benefits by maintaining a transparent, performance-based remuneration system that upholds equity and non-discriminatory salary structures. Additionally, the Bank supports freedom of association and collective bargaining, encouraging employees to elect representatives and actively engaging in constructive dialogue to negotiate working conditions and benefits. To safeguard the workplace environment, the Bank has implemented measures against violence and harassment, with a comprehensive anti-harassment policy, regular training programs, and accessible grievance

mechanisms, including whistleblowing channels. (S1-1.20a)

Engagement with the Workforce

The Bank prioritizes open and transparent communication with employees, promoting a culture of mutual respect and collaboration. Employees have multiple engagement channels, including regular communication through meetings, surveys, and feedback platforms that facilitate discussions about work-related concerns. Among the feedback channels accessible to employees are:

- ⇒ The reporting channel for the Ethics Officer / Reporting cases of harassment, available under the "Applications" section on the Bank's intranet.
- ⇒ The internal social networking application, Libra People.
- ⇒ Email channels directed to the Human Resources Division, through dedicated addresses depending on the topic (training, recruitment, payroll).
- ⇒ Direct intervention with higher hierarchical supervisors (encouraged by the Bank through the internal regulatory framework).
- ⇒ Direct communication with employee representatives (note: for the reporting period, the election of representatives was not finalized due to a lack of quorum).

Although the Bank does not have trade unions, employee representation is ensured through elected representatives who engage in regular dialogue with senior management. These representatives play a key role in negotiating and signing collective labor agreements.

In 2024, due to the ongoing elections for employee representatives, the Bank temporarily relied on the Collective Labor Agreement concluded at the level of collective bargaining sector 40 – Banking Activities. To promote democratic representation, the Bank provides logistical support for internal elections and allows representatives to conduct surveys, meetings, and consultations with employees to gather feedback. Proposals generated from these discussions are submitted to the Steering Committee for review, with the aim of promoting and implementing the most feasible suggestions. (S1-1.20b)

Remedy Measures for Human Rights Impacts

The Bank is committed to identifying and addressing any adverse human rights impacts arising from its operations. It has implemented robust grievance mechanisms that allow employees to report concerns anonymously and securely. All grievances are addressed promptly and fairly, ensuring compliance with internal policies and labor laws. The investigation and remediation process are managed by the Ethics Officer in collaboration with HR and other relevant divisions. Findings and recommended actions are reviewed and approved by the Executive Committee to ensure impartiality and adherence to due process. While no grievances related to human rights violations have been recorded, the Bank continuously monitors its workforce, partners, customers, and suppliers to proactively prevent human rights infringements. (S1-1.20c)

Libra Bank's internal policies governing its workforce are aligned with both Romanian and European labor law requirements, ensuring a robust framework for employee rights, health, safety, and equality. These policies reflect a strong commitment to maintaining a compliant and ethical workplace, although they do not explicitly reference international frameworks or internationally recognized instruments, such as the UN Guiding Principles on Business and Human Rights. The bank continuously reviews and updates its policies to meet stringent domestic regulations, and while it maintains a proactive approach in monitoring global best practices, any formal alignment with international instruments remains a potential consideration for future strategy. (S1-1.21)

The Bank's policies that govern own workforce do not explicitly address human trafficking, forced or compulsory labor, or child labor; however, they are designed to comply with all national and European labor laws which prohibit such practices, thereby ensuring a safe, fair, and ethically managed work environment. (S1-1.22)

Workplace Accident Prevention Policy

The Bank maintains a structured Workplace Accident Prevention Policy, which is outlined in the Policy for Security

and Health at Work and Emergency Situations. This policy is built upon several key components to ensure a safe working environment. The Bank regularly conducts risk assessments to evaluate workplace hazards, updating findings as necessary to mitigate potential risks. Employees undergo structured safety and health training, which includes induction training for new hires led by occupational health and safety managers, biannual workplace safety and emergency response training, and monthly fire safety training for first-response teams.

To reinforce safety procedures and controls, the Bank conducts biannual internal inspections at all locations to verify compliance with work safety and fire prevention measures. Additionally, the Bank monitors and reviews safety performance through comprehensive annual reports. The Annual Workplace Safety Report covers documentation compliance, accident statistics, and labor inspections, while the Annual Fire Protection Report assesses staff training, emergency planning, evacuation routes, and first-aid preparedness. These initiatives ensure the Bank's continuous compliance with legal and safety regulations, fostering a secure and well-prepared work environment for all employees (*S1-1.23*).

Non-Discrimination and Inclusion Policy Commitments

The Bank is committed to maintaining a workplace free from discrimination and harassment, ensuring that all employees are treated fairly, equitably, and in compliance with both local laws and international standards. It explicitly prohibits all forms of discrimination, harassment, and prejudicial behavior, whether verbal, physical, or visual. This includes any conduct that creates an intimidating, hostile, degrading, or offensive environment for employees, customers, casual workers, contractors, or visitors.

Discrimination based on race, ethnicity, nationality, language, religion, social category, beliefs, gender, sexual orientation, disadvantaged status, age, disability, refugee or asylum-seeker status, or any other legally protected characteristic is strictly prohibited. The Bank enforces a zero-tolerance policy for harassment and discrimination, treating all incidents with seriousness and urgency. Allegations are investigated promptly, and individuals responsible for such conduct face disciplinary, misdemeanor, or criminal consequences.

To ensure comprehensive protection, the Bank prioritizes key areas of workplace equality. Employees are protected against bias and discrimination based on race and ethnicity, fostering an inclusive environment. Gender equality is enforced in recruitment, career progression, and salary structures to promote fairness. Age-based discrimination is strictly prohibited, guaranteeing equal opportunities for growth and development for employees of all age groups. The Bank respects religious diversity and has policies in place to accommodate religious practices where necessary. Additionally, all employees, regardless of sexual orientation, are treated equally to maintain a discrimination-free workplace. (*S1-1.24b*)

Inclusion and Positive Action Commitments

The Bank is committed to fostering diversity and inclusion by actively promoting equitable opportunities for employees from groups at particular risk of vulnerability in the workforce. While there are currently no specific inclusion policies in place, the Bank upholds fundamental gender equality principles and supports employees from underrepresented groups.

For example, the Bank promotes equal opportunities for women by ensuring fair hiring and promotion practices, providing maternity leave, and supporting work-life balance policies that enhance career development. However, structured commitments beyond compliance with legal frameworks are yet to be established. (*S1-1.24c*)

Implementation of Non-Discrimination and Inclusion Policies

The Bank takes a proactive approach to ensuring non-discrimination and fostering diversity in the workplace. While formal diversity and inclusion commitments are not yet fully integrated into corporate policies, several mechanisms are in place to prevent, mitigate, and respond to discrimination. The Bank's stance on non-discrimination and equality is embedded in internal policies and compliance frameworks, ensuring that all employees understand their rights and responsibilities.

To reinforce an inclusive work culture, employees undergo regular training sessions on workplace ethics, anti-harassment policies, and diversity awareness. Additionally, the Bank actively monitors workplace incidents, reviews

HR data on diversity metrics, and assesses potential gaps in inclusion efforts. Internal grievance mechanisms provide employees with a confidential avenue to report concerns anonymously, ensuring timely investigation and remediation.

While these measures contribute to a safe and inclusive working environment, the formalization of diversity and inclusion policies remains an area for future development. (S1-1.24d)

3.1.1.2. Processes for engaging with own workforce and workers' representatives about impacts

The Bank actively engages with its workforce through both direct engagement and worker representatives to ensure that employees' perspectives are considered in decision-making processes. Employee representatives gather feedback on various workplace matters, such as future benefits, employment conditions, and employee rights, which are then presented to the Board for review. In addition, direct engagement occurs through surveys, digital town hall meetings, and complaint channels, enabling employees to voice concerns and provide input, particularly on significant workplace changes, such as changing healthcare providers. (S1-2.27a)

While there is no set frequency for engagement activities, the Bank ensures regular and topic-specific workforce engagement through surveys and feedback sessions. Employee engagement is designed to be flexible and responsive to emerging workplace concerns. Feedback is systematically collected on specific initiatives, with all completed training sessions requiring standard post-training feedback surveys. This structured yet adaptable approach ensures that employee voices are consistently acknowledged. (S1-2.27b)

The engagement process is overseen by the Head of Human Resources, reporting directly to the General Director, who ensures that employee feedback is collected and used to inform strategic decisions. Additionally, worker representatives, who are freely elected by employees, play a key role in gathering workforce input and advocating for employee concerns within the organization. Their responsibility includes presenting employee initiatives and feedback to management, ensuring that workforce perspectives shape workplace policies and conditions. (S1-2.27c)

The Bank does not currently have any Global Framework Agreements or other formal agreements with workers' representatives regarding human rights or labor rights. However, the Bank remains committed to fostering a fair and inclusive work environment through its existing engagement processes and compliance with national labor laws. (S1-2.27d)

To measure the effectiveness of workforce engagement, the Bank employs several assessment mechanisms to ensure a responsive and evolving approach to employee relations. Employee feedback is systematically reviewed through surveys, exit and stay-in interviews, onboarding platforms, and workforce committees to assess the impact of engagement efforts. Insights gathered from this feedback are used to develop and implement targeted action plans that address key concerns raised by employees.

Additionally, the Bank continuously refines its engagement processes based on workforce responses and workplace developments, ensuring that strategies remain adaptive and effective. This commitment to ongoing improvement fosters a more engaged and satisfied workforce. (S1-2.27e)

Engagement with Vulnerable and Marginalized Workforce Groups

Currently, the Bank does not employ specific initiatives or dedicated channels to gather insights from vulnerable or marginalized workforce groups, such as women, migrants, or employees with disabilities. However, the Bank maintains an open and inclusive feedback system accessible to all employees, ensuring that all workforce members can voice their concerns without barriers. (S1-2.28)

3.1.1.3. Processes to remediate negative impacts and channels for own workforce to raise concerns

Considering that Libra Bank has not identified any material actual negative impacts related to own workforce based on the double materiality assessment, the Bank does not report on the general approach and processes to provide remedy as it is not applicable. However, the Bank reports on its general processes to address workforce concerns

below. *(S1-3.32a)*

The Bank provides employees with multiple channels to raise concerns regarding workplace issues, potential violations, or grievances. Employees may directly communicate with their supervisors, department heads, or designated HR representatives to discuss concerns. Additionally, the Bank operates an anonymous reporting mechanism, allowing employees to report potential or actual violations of regulatory or internal requirements through an independent and autonomous whistleblowing channel. This mechanism is specifically designed to protect employee confidentiality and prevent retaliation. Employees also have the opportunity to report violations of law, misconduct, or ethical concerns through a dedicated channel accessible via the internal platform. Furthermore, under the Open Door Policy, employees can directly approach members of the Executive Board via email, Microsoft Teams, or in person to discuss issues or concerns. *(S1-3.32b)*

Libra Bank has a structured grievance handling mechanism that ensures fair and impartial review of employee complaints. Trained HR personnel, along with the Ethics Officer, oversee the grievance process to maintain consistency and transparency. Employees may submit grievances through the whistleblowing channel, handled exclusively by the Ethics Officer. Complaints related to violations of the Code of Ethics, internal policies, or legal provisions are reviewed promptly, with whistleblowers receiving feedback on the findings and corrective measures taken. All complaints and resolutions are documented and tracked, ensuring proper follow-up and monitoring of outcomes. *(S1-3.32c)*

The Bank actively promotes awareness of reporting channels through employee training and communication initiatives. Employees are educated on how to access reporting channels, the importance of raising concerns, and their rights regarding grievances and whistleblowing. Reporting channels are designed to be easily accessible through the internal platform, where employees can submit reports related to internal violations, workplace misconduct, or legal infractions. These structured grievance mechanisms enhance accessibility and encourage employees to report concerns without fear of retaliation. *(S1-3.32d)*

To ensure transparency and accountability, the Bank employs tracking mechanisms to monitor reported grievances. The whistleblowing channel maintains auditable records of all complaints, including timestamps, status updates, and resolution details. Alerts are automatically triggered for pending cases, ensuring timely follow-up. Employees who submit reports through the whistleblowing system receive notifications regarding the status of their complaint and the final resolution. The Bank also engages in continuous process improvement, with annual reviews of the Code of Ethics and Anti-Harassment Policy to assess the effectiveness of existing grievance mechanisms and compliance with evolving legal requirements. *(S1-3.32e)*

The Bank actively ensures that employees are aware of, and trust, the reporting structures in place. Annual training sessions reinforce the Bank's commitment to ethical conduct and transparency. Additionally, the Ethics Officer sends out periodic communications every six months to remind employees of ethical principles, grievance procedures, and their rights. Employee trust in these processes is strengthened by the Bank's commitment to resolving complaints efficiently and providing continuous feedback to whistleblowers regarding corrective actions taken. The effectiveness of these reporting structures is also assessed through employee surveys, exit interviews, and feedback mechanisms.

The Bank upholds strict non-retaliation policies as part of the Banking Code of Ethics. Employees who report concerns in good faith are protected from any form of retaliation, including contract suspension, termination, demotions, salary reductions, job reassignment, or workplace discrimination. The Bank ensures compliance with anti-retaliation policies through regular audits, policy awareness training, and external oversight. If violations are identified, employees are entitled to remediation actions, such as reinstatement or compensation. In cases where legal violations are reported, findings are escalated to the National Bank of Romania or relevant legal authorities, providing an extra layer of protection for whistleblowers. *(S1-3.33)*

3.1.1.3. Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Secure Employment

Continuous monitoring of employee turnover at the organizational level, with a goal in 2024 to reduce overall turnover from 18% to 16% and decrease first-year employment turnover from 7.96% to 5%.

To achieve this goal, the Bank implemented a Power BI dashboard to track daily turnover at all organizational levels, holding managers accountable for turnover rates in their departments. A new Applicant Tracking System (ATS) was introduced to streamline the recruitment process, increasing efficiency and enabling HR teams to focus on candidate quality. The salary scale was revised following an external benchmarking study to ensure competitive pay.

The Bank also launched banking academies to train potential hires in advance, effectively reducing gaps in staffing. Investment in continuous training, remains a priority, with a focus on both on boarding and ongoing employee development. Furthermore, an engagement and communication platform were introduced to enhance collaboration, alongside a structured mentoring program certified by EMCC Global, aimed at leadership development.

These initiatives apply to all employees across all Bank locations, impacting recruitment, training, and career development strategies. Ongoing daily monitoring of turnover and annual evaluations of managerial performance ensure sustained progress. While these actions primarily focus on proactive strategies, they also serve as indirect remedies by addressing employee dissatisfaction and disengagement. The Power BI monitoring tool has provided valuable real-time insights, and the new ATS has improved recruitment efficiency. The revised salary scale has led to better talent retention, while the EMCC Global-certified mentoring program has positioned the Bank as an industry leader in employee development. (MDR-A-a, MDR-A-b, MDR-A-c, MDR-A-d, MDR-A-e)

Working Time

Continuous monitoring of legal requirements, industry-wide collective agreements, and internal needs to provide employees with the best possible workplace experience.

The Bank is committed to ensuring compliance with legal and collective labor agreements while offering employees flexibility in work arrangements. Established regulations govern working hours across headquarters, branches, and other departments. A flexible work-from-home policy allows certain employees to work remotely up to 100% of the time, while those at the central office can do so for up to five days per month. Employees are also entitled to personal leave of up to eight hours per month and flexible start and end times on Mondays and Fridays.

All working conditions are clearly outlined in employment contracts and accessible via the Bank's intranet. These policies apply to all employees, with remote work options tailored to departments where operational efficiency permits. The work-from-home policy is regularly assessed, while personal leave and adjusted work hours are reviewed annually. The flexible work structure mitigates potential employee dissatisfaction caused by rigid schedules, enhancing work-life balance. Employee surveys indicate high satisfaction with the Bank's flexible policies, demonstrating their effectiveness in improving morale and productivity. (MDR-A-a, MDR-A-b, MDR-A-c, MDR-A-d, MDR-A-e)

Work-Life Balance

Implementation of measures and programs to support and maintain a positive work-life balance for employees.

The Bank has implemented a comprehensive work-life balance strategy that includes differentiated annual leave, personal and caregiver leave, and industry-specific collective labor agreements. Employees can access caregiver leave for up to five days per year to support family members with serious medical issues. Additionally, paid leave is available for education, marriage, childbirth, and bereavement. These policies apply across all Bank locations, affecting employees of all levels. The leave policies are ongoing and periodically adjusted based on regulatory updates. Leave policies are continuously reviewed and adjusted in response to regulatory updates, while well-being initiatives, including Libra HARMONY, are planned annually with specific events scheduled throughout the year.

By providing leave options for personal matters, the Bank ensures employees can manage significant life events

without work-related stress. Surveys and participation rates inform ongoing enhancements to well-being initiatives. (MDR-A-a, MDR-A-b, MDR-A-c, MDR-A-d, MDR-A-e)

Additionally, the Bank has developed the Libra Harmony program to advance employee well-being as a key aspect of corporate culture. This year-long initiative comprises both virtual and on-site components, covering mental, physical, and social health. Employees have access to a range of activities, including massage sessions, wellness masterclasses, and workshops focused on topics such as stress management and relationship skills. By emphasizing well-being as an institutional priority, the program reduces workplace stress, promotes work-life balance, and encourages personal development. The initiative applies to all employees and is integrated into broader human resources planning. While not a direct response to any specific adverse impacts, it functions preventively and is monitored through feedback and engagement rates, which show a growing level of participation and satisfaction. (MDR-A-a, MDR-A-b, MDR-A-c, MDR-A-d, MDR-A-e)

Complementing the wellness strategy, the Libra Energize program is a long-standing initiative that encourages physical health and camaraderie through sport. It is structured as a multi-phase competition with events such as running, swimming, mountain biking, and orienteering. Participation is voluntary and attracts employees from various departments and locations. The program not only promotes physical fitness but also facilitates teamwork and informal networking across units. It aligns with the Bank's corporate culture objectives under the "Physical" pillar and serves as a proactive health and morale initiative. Although not connected to specific remedies or incidents, it is part of the broader effort to enhance employee resilience and organizational engagement. Its regular recurrence and steady growth in participation serve as indicators of success. (MDR-A-a, MDR-A-b, MDR-A-c, MDR-A-d, MDR-A-e)

Lastly, the Libra Champions League offers an inclusive sports platform where employees engage in friendly competition across disciplines such as football, basketball, and table tennis. The event encourages voluntary participation and is structured to foster both team and individual development. It promotes physical wellness, interpersonal collaboration, and stress reduction. As an annual initiative accessible to all internal divisions, it reinforces the Bank's focus on employee well-being and vibrant corporate culture. Although it is not designed for remediation purposes, the program supports prevention of stress and disengagement, contributing to a healthier, more connected workplace. Success is evaluated based on participation metrics and internal feedback, which guide future event planning and resource allocation. (MDR-A-a, MDR-A-b, MDR-A-c, MDR-A-d, MDR-A-e)

Social Dialogue

Fostering a culture of open communication and transparency through multiple employee engagement channels. The Bank promotes a culture of open communication and transparency through multiple employee engagement channels. Regular manager-employee meetings facilitate direct discussions on workplace issues. An internal communication platform allows employees to address concerns and ask questions to management. The annual collective labor contract negotiation process further promotes structured dialogue, ensuring transparent decision-making and employee participation in organizational discussions.

The initiatives apply to all employees across all Bank locations, providing access to communication tools regardless of position or location. These engagement strategies are continuous, while collective labor contract negotiations occur annually. Through these open communication channels, the Bank effectively resolves workplace issues and fosters trust between employees and leadership. High employee participation in dialogue platforms demonstrates their effectiveness in enhancing engagement. The structured communication approach has resulted in improvements in workplace policies based on employee feedback. (MDR-A-a, MDR-A-b, MDR-A-c, MDR-A-d, MDR-A-e)

Freedom of Association and Employee Representation

Annual review of HR policies and internal regulations, ensuring that provisions for freedom of association, consultation, and employee participation rights are clearly defined.

The Bank ensures employees' rights to freedom of association and participation in labor-related decisions. While

there is no official works council, the Bank adheres to industry-wide collective labor agreements and internal policies that stipulate employee rights.

In 2024, the Collective Contract expired along with the mandate of the previous employee representatives. During the year, two elections were organized to select new employee representatives; however, neither resulted in a majority vote.

Employee surveys are conducted annually to gather feedback for policy improvements. These policies impact all employees by providing a structured approach to worker representation and labor rights. Efforts to elect representatives and integrate employee feedback into policies are ongoing. While no reported abuses occurred, the Bank remains committed to ensuring compliance with labor laws and industry agreements. Employee feedback on the Bank's approach remains positive, with surveys showing strong support for labor rights initiatives. The adherence to sector-level agreements ensures fair and transparent labor relations despite the absence of an internal collective labor agreement. *(MDR-A-a, MDR-A-b, MDR-A-c, MDR-A-d, MDR-A-e)*

Collective Bargaining, Including Rate of Workers Covered by Collective Agreements

Initiating negotiations for the renewal of the Collective Bargaining Agreement (CBA)

In 2024, the Bank initiated negotiations for the renewal of the Collective Bargaining Agreement (CBA), which had expired in May 2024. Employees were invited to elect representatives to participate in these negotiations. However, despite two rounds of elections, the necessary majority to finalize the selection of employee representatives was not achieved, preventing the completion of a new collective contract. Despite this, the Bank continues to fully adhere to the industry-level collective labor agreement, ensuring that all employees benefit from the same labor protections and rights. Ongoing communication and training sessions inform employees about their rights under the agreement and promote understanding of the collective bargaining process. These actions aim to maintain compliance with labor laws, ensure equitable treatment across all employee categories, and foster a stable and transparent work environment. *(MDR-A-a)*

These actions apply to all employees across all branches and divisions of the Bank, irrespective of their seniority or specific roles. By integrating the sector-wide collective labor agreement into the Bank's internal policies and procedures, the institution ensures standardized labor protections for every employee. Collective bargaining policies are consistently communicated and implemented across all departments, keeping the workforce informed and engaged in labor-related matters, thereby strengthening overall labor relations within the Bank and ensuring compliance with national labor regulations. *(MDR-A-b)*

The implementation of these actions is an ongoing process, with structured annual reviews to assess policies effectiveness and identify areas for improvement. The Bank continuously monitors changes in labor regulations and updates its internal procedures accordingly. Annual training and communication efforts regarding collective labor agreements ensure that employees are aware of their rights and obligations, and future elections for employee representatives will be organized in compliance with labor laws. *(MDR-A-c)*

To address any potential grievances related to employment terms and labor rights, the Bank has established formal mechanisms for dispute resolution. Employees can file complaints or raise concerns through structured channels, ensuring that all disputes are handled fairly and efficiently. These mechanisms are designed to prevent labor conflicts and resolve any disputes related to collective agreements in a transparent and equitable manner. Although no specific remediation actions were required in 2024 due to the absence of a finalized collective agreement, the Bank's adherence to the industry-wide labor agreement ensures that employees continue to receive all applicable benefits and protections. *(MDR-A-d)*

The integration of the sector-wide collective labor agreement into the Bank's internal policies has been successfully maintained, with a high level of compliance reported across all business units. Employee feedback collected through annual surveys and feedback mechanisms indicates strong awareness and appreciation of collective labor rights. The Bank continues to refine its communication and training efforts based on employee input, ensuring that all staff members fully understand their rights under the agreement. The proactive approach demonstrates the Bank's

commitment to fair labor practices and transparent employee relations, despite the absence of a company-specific collective agreement. (MDR-A-e)

Health and Safety

Implementing comprehensive health and safety measures

The Bank's health and safety measures apply to all employees across all locations, regardless of their department or role. The actions taken include comprehensive safety training for new hires and current employees, regular safety audits at all branches and headquarters, and rigorous enforcement of internal health and safety policies. Employees receive ongoing updates on safety protocols, ensuring compliance with national regulations and internal occupational health standards, directly impacting all employees' safety and overall well-being. (MDR-A-a, b)

The Bank is committed to workplace health and safety, with specific measures such as training sessions, safety audits, and policy updates scheduled annually. Additionally, the Bank conducts a full review of its health and safety procedures as needed to ensure continuous compliance with evolving safety regulations. These proactive measures ensure that all employees remain informed, trained, and prepared for potential workplace risks. (MDR-A-c)

Although there have been no reported workplace accidents, the Bank has robust procedures in place to address potential health and safety incidents. These procedures include immediate medical assistance, thorough investigations of any reported safety concerns, and corrective measures to prevent future occurrences. Employees are also encouraged to report unsafe conditions without fear of retaliation, ensuring that risks are identified and mitigated before they result in incidents. This proactive incident response system ensures that any emerging safety concerns are promptly addressed. (MDR-A-d)

The ongoing zero-accident record serves as quantitative evidence of the success of the Bank's health and safety programs. Additionally, employee feedback collected through surveys and safety audits highlights a high level of awareness, compliance, and satisfaction with workplace safety measures. This feedback has been instrumental in refining training programs, updating internal regulations, and adapting safety initiatives to meet employee needs. Continuous safety improvements and policy enhancements ensure that the Bank remains a leader in occupational health and safety, maintaining a workplace that prioritizes employee well-being and risk prevention. (MDR-A-e)

Adequate Wages

Implementing a structured and transparent remuneration policy

The Bank has implemented a structured and transparent remuneration policy that ensures fair and competitive wages across all employee levels. This policy includes a stipulated minimum wage, a transparent salary scale, and a performance-based bonus system to reward exceptional employee achievements. Notably, the Bank is the only commercial bank in Romania that consistently publishes salary levels in job postings. The annual review of salary structures is a fundamental aspect of the Bank's remuneration policy, ensuring that wages remain competitive within the Romanian banking sector. Planned actions include continuous assessment and revision of the remuneration policy to align with economic fluctuations, market benchmarks, and evolving labor conditions. The expected outcomes are to enhance employee satisfaction, attract and retain top talent, and uphold fair compensation practices that align with both performance and financial sustainability. (MDR-A-a)

These remuneration policies apply to all employees, from entry-level positions to senior management, ensuring a fair and equitable compensation structure across the organization. The transparent salary scale and publicly disclosed salary levels in recruitment processes foster trust, accountability, and openness in wage determination, reinforcing equal pay and performance-driven incentives, and salary progression based on clear criteria. By maintaining a structured and transparent wage system, the Bank promotes financial stability and long-term career growth for employees. (MDR-A-b)

The Bank's remuneration policy undergoes an annual review, ensuring that salary scales, bonuses, and incentives remain aligned with market standards and the Bank's financial performance. This process involves regular assessments of industry benchmarks, feedback from employee satisfaction surveys, and adjustments based on economic indicators. The transparent salary disclosure practice in recruitment is an ongoing initiative, reinforcing

the Bank's commitment to equitable pay and fair hiring processes. *(MDR-A-c)*

To address potential wage-related grievances or discrepancies, the Bank has established formal procedures that allow employees to raise concerns and seek resolution in a structured and confidential manner. Employees have direct access to HR support and a formal grievance mechanism to ensure that all compensation-related concerns are reviewed promptly, fairly, and transparently. This process safeguards employee trust in the Bank's wage policies, ensuring that remuneration remains free from discrimination, bias, or misalignment with industry standards. *(MDR-A-d)*

The annual review of the remuneration policy has led to competitive salary adjustments that align with the broader banking market, ensuring fair compensation and market relevance. The publication of salary levels in job postings has strengthened the Bank's reputation for transparency, attracting high-caliber talent and reinforcing internal trust in compensation practices. Employee feedback indicates strong approval of the salary structure, with a high retention rate linked to fair remuneration and financial incentives. Additionally, the performance-based bonus system has effectively motivated employees, resulting in increased productivity and engagement. These structured wage practices demonstrate the Bank's ongoing commitment to fair, transparent, and competitive remuneration, fostering a satisfied and motivated workforce. *(MDR-A-e)*

Gender Equality and Equal Pay for Work of Equal Value

Implementing policies to ensure gender equality and equal pay for work of equal value

The Bank has implemented robust policies to ensure gender equality and equal pay for work of equal value, reinforcing its commitment to fairness and inclusivity. Salary differentiation is based on objective criteria, including the significance of each role, relevant educational background, expertise, and personal competencies, rather than gender or any other non-performance-related factor. The Bank adheres strictly to the principle of equal treatment, ensuring that male and female employees receive equivalent remuneration for the same or equally valued work, without discrimination based on gender, nationality, or age. Planned actions include ongoing adherence to gender equality policies, further enhancing compensation strategies, and conducting salary surveys and performance-linked pay structure evaluations to maintain alignment with market standards, aiming to reduce gender pay gaps, and enhance its employer brand by positioning itself as an equitable and progressive workplace. *(MDR-A-a)*

These gender equality and equal pay policies apply to all employees across all levels, departments, and locations of the Bank. The policies ensure that all employees benefit from transparent and fair compensation practices. The impact extends beyond internal equity, influencing recruitment, retention, and overall employee satisfaction, while also ensuring compliance with regulatory and ethical standards related to gender pay equity. *(MDR-A-b)*

The Bank's gender equality and pay equity policies are ongoing initiatives, with annual monitoring and adjustments to reflect market trends, regulatory changes, and internal evaluations. The periodic review of compensation structures through salary studies and recruitment feedback is conducted annually, ensuring that the Bank remains competitive and responsive to evolving workforce expectations and industry standards. These consistent assessments help maintain a well-balanced and equitable pay structure over the long term. *(MDR-A-c)*

In cases where discrepancies in pay or gender-based inequities are identified, the Bank has established internal mechanisms to address and resolve such issues efficiently. Employees can report concerns through formal grievance procedures or seek HR support for mediation and resolution. These measures ensure that any gender-related pay imbalances are rectified promptly, reinforcing the Bank's commitment to an inclusive and discrimination-free workplace. This proactive approach also mitigates legal risks and upholds best practices in workplace equity. *(MDR-A-d)*

The Bank's gender equality and equal pay policies have demonstrated strong effectiveness, with internal audits confirming consistent salary distributions aligned with market benchmarks and non-discriminatory pay practices. Employee satisfaction surveys have indicated high levels of approval and appreciation for the Bank's transparent and fair compensation policies. These insights, combined with data from external salary studies, have guided ongoing refinements to the Bank's remuneration structure, ensuring continued fairness and competitiveness.

Through these structured initiatives, the Bank sets a benchmark for gender equality in the financial sector, actively promoting fair pay and equal opportunities for all employees. By maintaining a transparent and unbiased compensation system, the Bank continues to foster a diverse, inclusive, and progressive workplace, ensuring that all employees feel valued, respected, and equitably rewarded for their contributions. (MDR-A-e)

Training and skills development

Establishing a comprehensive annual development plan

The bank has established a comprehensive annual development plan to enhance employee skills and knowledge, ensuring continuous professional growth and alignment with strategic business objectives. This plan encompasses a wide range of training and development sessions, including induction and integration programs for new employees, professional development courses delivered by external providers in both online and classroom formats, and internal training covering specialized banking operations, financial analysis, legal matters, and soft skills development. To provide flexible learning opportunities, the bank leverages e-learning platforms such as LinkedIn Learning, Coursera, Udemy, eDx, Pluralsight, and Alisson. Additionally, role-specific training sessions are regularly conducted for both branch and head office employees, supplemented by team-building activities designed to foster a cohesive and collaborative work environment. The expected outcomes of these initiatives include increased employee competency, improved job performance, enhanced engagement, and the establishment of a continuous learning culture within the organization. (MDR-A-a)

These training and skills development initiatives apply to all employees within the bank, spanning across all departments, hierarchical levels, and locations, from entry-level employees to senior management. The scope includes both mandatory and optional training, ensuring that all employees have equal access to resources that allow them to develop professionally and adapt to industry advancements. The initiatives directly impact various stakeholders, including employees, HR teams, and business leaders, by providing the workforce with the skills required to support business objectives, regulatory compliance, and innovation. (MDR-A-b)

The training and development activities are structured annually, with specific sessions scheduled throughout the year to ensure continuous learning and alignment with the latest industry trends, technological advancements, and internal strategic goals. The annual review of training policies allows for regular updates and adjustments to the training content and methodologies, ensuring they remain relevant and effective. The bank remains committed to enhancing the learning experience, continuously improving training strategies to support both individual career growth and business success. (MDR-A-c)

In cases where gaps or deficiencies in employee training are identified, the bank provides additional support and resources to address these issues. Measures include supplemental training sessions, one-on-one coaching, access to additional e-learning resources, and personalized learning pathways based on performance assessments. These efforts ensure that employees achieve the required competency levels and are fully equipped to contribute to the bank's objectives, thereby enhancing operational efficiency and service quality. (MDR-A-d)

Feedback from employees and post-training performance assessments indicate high levels of satisfaction and knowledge retention, with quantifiable improvements in operational efficiency and customer service linked to training initiatives. Quantitative data from learning management systems (LMS) provide insights into participation rates, completion rates, and the effectiveness of different training modules, which guide ongoing improvements to training programs. The bank's investment in training and development has contributed to a highly skilled workforce that is aligned with organizational goals, regulatory requirements, and industry best practices. Through these structured training programs, the bank ensures that employees remain competitive, knowledgeable, and capable of driving long-term business growth and innovation. (MDR-A-e)

Measures against violence and harassment in the workplace

Establishing and implementing a dedicated Policy against Harassment

The bank has established and implemented a dedicated Policy against Harassment, fully aligned with Government Decision No. 970/2023, which outlines the Methodology for preventing and combating harassment based on sex

and moral harassment at work. This policy is designed to ensure that all employees, regardless of their gender, background, or position, are entitled to a safe and respectful work environment free from violence, discrimination, and harassment. The primary objective of this policy is to promote equal opportunities and fair treatment between men and women in the workplace, ensuring that no individual is subjected to intimidation, bullying, sexual harassment, or any form of workplace violence. By enforcing this policy, the bank actively fosters a culture of respect, inclusivity, and dignity, emphasizing that all employees have the right to work in an environment that is supportive, transparent, and free from hostility. *(MDR-A-a)*

The scope of the policy covers all employees across the bank, regardless of their location, hierarchical level, or department. It applies universally to head office and branch employees, as well as external contractors and third-party partners who interact with the bank's workforce. The policy ensures that all employees are aware of their rights and responsibilities in preventing and addressing workplace harassment. Additionally, it extends to HR representatives, compliance officers, and the Ethics Officer, who play a crucial role in monitoring, implementing, and enforcing the policy across all operational areas. *(MDR-A-b)*

The implementation of this policy is an ongoing initiative, with continuous monitoring and enforcement mechanisms in place. Employees undergo mandatory training sessions on workplace harassment and violence prevention, ensuring that they fully understand acceptable workplace behaviors, reporting mechanisms, and their rights under the policy. The Ethics Officer reinforces these principles biannually, sending reminders to all employees about the importance of ethical workplace behavior and the available reporting channels. The complaint registration system has been permanently integrated into the bank's intranet, providing employees with a confidential, secure, and easily accessible platform to report concerns or incidents. *(MDR-A-c)*

In cases where allegations of harassment or workplace violence arise, the bank has a clear grievance and remediation process in place. Employees can confidentially submit complaints via the intranet platform, which are immediately reviewed by designated personnel within HR and the Ethics Office. Investigations are conducted thoroughly and impartially, ensuring that every reported case is handled with discretion, fairness, and due process. Although no sanctions have been taken in reported cases to date, this does not indicate a lack of action; rather, it suggests that the bank's preventative measures and awareness campaigns have been effective in minimizing instances of workplace harassment and violence. *(MDR-A-d)*

The effectiveness of the policy is assessed through employee feedback, workplace incident reports, and periodic internal audits. By consistently monitoring training participation rates, the frequency of reported cases, and employee awareness levels, the bank ensures that its anti-harassment measures remain robust and impactful. The data gathered has demonstrated that employees are well-informed about the policy, trust the reporting mechanisms, and feel confident in the bank's ability to handle complaints appropriately. This structured approach underscores the bank's commitment to a safe and inclusive workplace, reinforcing its stance as a leader in ethical employment practices and workplace integrity. *(MDR-A-e)*

Privacy

Adopting a comprehensive data protection framework

To ensure compliance with EU Regulation No. 679/2016 (GDPR) concerning the protection of individuals' personal data and the free movement of such data, Libra Internet Bank has adopted a comprehensive data protection framework. This includes the Personal Data Processing Code, the Personal Data Processing Procedure, and the Policy on the Processing of Personal Data, all of which apply to employees, partners, associated operators, and authorized persons. These policies outline the legal basis for data processing, the rights of data subjects, security measures, and the procedures for handling personal data. The Policy on the Processing of Personal Data is publicly available on the bank's official website, ensuring transparency in how data is collected, stored, and processed. The core objective of these policies is to establish internal controls and promote best practices regarding GDPR compliance to safeguard sensitive information and uphold regulatory requirements. *(MDR-A-a)*

The scope of these data protection initiatives extends across the entire bank, covering all employees, departments,

and business units, as well as external stakeholders, including clients and third-party service providers. Every aspect of data collection, processing, and storage must comply with GDPR requirements, ensuring that personal data is handled ethically, securely, and transparently. By maintaining high privacy standards, the bank strengthens its reputation, builds customer trust, and enhances employee confidence in the organization's commitment to data security. Additionally, this proactive approach to data protection minimizes legal and financial risks, particularly considering the significant fines and reputational damage associated with GDPR violations. *(MDR-A-b)*

The implementation of key data protection measures is an ongoing effort, with strict compliance monitoring and regular updates to internal policies and practices. The Data Protection Officer (DPO) is responsible for reviewing all data privacy requests, including contracts signed with partners and suppliers. Each project or contractual agreement must be advised and approved by the DPO through a dedicated compliance channel. The bank has also implemented mandatory privacy clauses in all client contracts and ensures that customers receive the necessary data protection agreements before any data processing begins. Additionally, the DPO actively participates in internal projects and advises on banking policies and procedures that impact data privacy, ensuring that all internal operations remain GDPR-compliant. *(MDR-A-c)*

To further enhance data security and privacy compliance, the bank has established a robust training program for employees. GDPR training sessions are mandatory during onboarding for new employees and are repeated annually, with ongoing knowledge testing to ensure that employees understand their responsibilities regarding data protection. Training materials are available via an online learning platform, making them easily accessible to all employees. To reinforce compliance awareness, the DPO provides continuous guidance and updates on GDPR regulations, advising employees on best practices and security measures when handling sensitive data. Internal tests are conducted periodically to assess employee understanding of data privacy principles and ensure adherence to legislative and internal data protection policies. *(MDR-A-d)*

The bank conducts annual security inspections across its headquarters and branch locations to monitor, investigate, and take corrective measures in response to potential security incidents. These inspections are part of a pre-approved security audit plan, incorporating findings from the previous year to ensure continuous improvement of processes and elimination of data security risks. The effectiveness of these GDPR compliance measures is assessed through compliance audits, security incident reports, and ongoing feedback from internal and external stakeholders. By implementing these structured privacy controls, Libra Internet Bank ensures that personal data is handled lawfully, securely, and in alignment with European data protection standards, safeguarding employees, customers, and business partners from data breaches and cybersecurity threats. *(MDR-A-e)*

ESRS 2 MDR-A.69: Financial Resources Allocated to Action Plans

The Bank incorporates all financial resources for various action plans into the general budgeting process of their respective owners, eliminating the need for separate budget lines for each initiative. This approach ensures that operational (OpEx) and capital expenditures (CapEx) for each initiative are aligned with the bank's overall financial planning and strategic goals. Given this structure, no specific sustainable finance instruments such as green bonds, social bonds, or green loans have been allocated exclusively for these action plans. Additionally, the execution of these plans is not contingent upon external preconditions, such as government financial support, public policy changes, or significant market developments. All actions are self-financed and integrated within the bank's operational framework. *(MDR-A.69(a))*

Since these action plans are embedded within the bank's broader financial strategy, there is no separately disclosed number of financial resources allocated exclusively for their implementation. The most relevant financial allocations are reflected in the bank's general financial statements, where expenses related to employee engagement, training, operational development, and compliance initiatives are included under HR, IT, and administrative budgets. Any expenditures required for action plans are accounted for as part of the normal course of business operations rather than as independent financial allocations. *(MDR-A.69(b))*

There are no future financial resources separately earmarked for these action plans, as they continue to be funded

through the bank's standard budgetary planning. If necessary, the bank may adjust financial allocations within its annual budget reviews to ensure that operational and strategic objectives are met efficiently. Given this integrated financial management approach, the bank does not maintain dedicated capital expenditure (CapEx) or operational expenditure (OpEx) allocations for individual action plans. (MDR-A.69(c))

Resources Allocated to the Management of Material Impacts

The Bank allocates significant resources to the training and education of employees, ensuring that all personnel are well-equipped to understand and manage material impacts in their respective areas of responsibility. These resources are allocated annually through the bank's budgeting process, with specific allocations assigned to Compliance, HR, Administrative Divisions, and the Data Protection Officer (DPO). This structured approach guarantees that all departments responsible for managing material impacts receive the necessary financial and human resources to implement effective policies and procedures. (S1-4-43)

The workforce needed for managing material impacts is determined by the size of the bank and the scale of impact for each topic, ensuring that sufficient personnel and expertise are in place to monitor, prevent, and mitigate any negative effects. Training initiatives, compliance monitoring, and risk management strategies are regularly reviewed and updated to maintain effectiveness. Additionally, each division plays a crucial role in ensuring that material impacts related to employment conditions, ethical banking practices, regulatory compliance, and workforce well-being are systematically addressed and integrated into daily operations. This structured allocation of resources reflects the bank's commitment to proactive impact management and continuous improvement across all operational levels. (S1-4-43)

In cases where the bank has not yet adopted specific actions regarding certain material impacts, it discloses any potential gaps in policy implementation, workforce allocation, or financial resource allocation under S1-3.34. However, the bank continuously evaluates the need for further actions and remains committed to enhancing its material impact management framework through ongoing policy reviews, stakeholder engagement, and strategic resource planning. (ESRS 2.62, S1-3.34)

3.1.3. Metrics and targets

3.1.3.1. *Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities*

Targets for Managing Material Impacts, Risks, and Opportunities

The Bank follows a structured approach in setting measurable, outcome-oriented, and time-bound targets to assess progress in managing material impacts, risks, and opportunities related to its own workforce. Based on internal reviews and monitoring, all assessed impacts on our employees as part of the Double Materiality Assessment, have so far resulted in overall positive outcomes. Notwithstanding these favorable results, the Bank remains committed to monitoring employee wellbeing, engagement, development, and workplace safety through established processes and systems; however, no formal targets have been established to manage workforce-related impacts, risks and opportunities. Nevertheless, the Bank continuously reviews its approach and will reassess this matter following future DMA exercises to determine if new quantified targets are necessary for workforce-related material impacts. The process includes ongoing monitoring, internal reviews, and stakeholder consultations to ensure that the Bank remains proactive in its sustainability commitments. The Bank remains committed to evaluating workforce-related risks and opportunities and will establish measurable targets should future materiality assessments indicate a need for intervention. Regular policy updates, stakeholder engagements, and sustainability reporting frameworks ensure that any future targets will be well-integrated into the Bank's operational and strategic goals. (S1-5-46)

Given the fact that no formal targets have been set to manage workforce-related IROs, no stakeholder engagement took place with this intent. This will be considered by Libra Bank when reassessing whether new quantified targets are necessary for workforce-related material impacts for future reporting periods. (S1-5-47) The minimum disclosure

requirements regarding targets are not applicable for the Bank considering that targets have not been established.

Tracking the Effectiveness of Workforce-Related Targets

Although the Bank has not set measurable, outcome-oriented targets specifically related to its workforce, it actively tracks the effectiveness of its policies and actions to manage material sustainability-related impacts, risks, and opportunities. The monitoring process includes quantitative and qualitative indicators that assess workforce stability, professional development, and compliance with internal training requirements. These efforts align with the Bank's commitment to continuous improvement and risk mitigation.

One of the key workforce indicators the Bank monitors is employee turnover, which is analyzed both at the organizational and team levels. This metric is tracked via Power BI reports, allowing real-time monitoring of workforce dynamics. To reinforce awareness and accountability, turnover has been integrated as a Key Performance Indicator (KPI) within the following evaluation processes:

- ⇒ Managerial Performance Evaluations consider employee turnover at the level of the respective coordinated structure. Performance thresholds are structured as follows: 40% turnover results in achieving 50% of the objective, 30-40% turnover corresponds to 75% objective achievement, 20-29.9% turnover corresponds to 85% achievement, while <20% turnover results in full (100%) objective achievement. This approach ensures that managers actively engage in reducing turnover and fostering a stable workforce. Similarly, in HR Team and HR Director Evaluations, the same turnover KPI is applied at the entire bank level, holding HR leaders accountable for managing workforce retention and employee engagement.

In addition to turnover, the Bank systematically tracks professional development through an Annual Professional Training Indicator, ensuring that each employee completes a minimum of 8 hours of training per year. This requirement is embedded into performance evaluations, reinforcing the commitment to continuous learning and ensuring alignment with organizational sustainability commitments. Managers monitor compliance with this indicator during annual performance reviews, ensuring that all employees meet their professional development goals.

The Bank also conducts Annual Training and Testing Sessions within a predefined evaluation period, as per internal procedures. These sessions cover essential topics such as compliance, operational risk, and cybersecurity, with content tailored to different employee roles. The results of these training sessions directly impact both performance evaluations and the employee bonus system, reinforcing their importance in risk management and operational excellence.

Through these structured monitoring mechanisms, the Bank ensures that its workforce policies remain effective, aligning with sustainability-related commitments and tracking progress over time using clear, measurable benchmarks. This initiative-taking approach allows the Bank to mitigate workforce-related risks, enhance employee engagement, and continuously adapt its policies and processes to the evolving workforce landscape. (ESRS 2.81b)

3.1.2.2. Characteristics of Libra Bank's employees

In compliance with the requirements of ESRS requirements, the following information is disclosed regarding the composition and characteristics of the Libra Bank's workforce.

Total Number of Employees and Breakdown by Gender and Country

The total number of employees at the Bank is 1,307, with 431 male employees and 876 female employees. There were no employees who identified as Other or Not Reported in the reporting period. (S1-6.50a)

Table: Employees Broken Down by Gender

Gender	Number of Employees (Head Count)
Male	431
Female	876
Other	N/A
Not Reported	N/A
Total Employees	1,307

Total Number of Permanent, Temporary, and Non-Guaranteed Hours Employees (S1-6.50b)

The following table details the total number of employees based on employment type and gender, as of December 2024.

Table: Employees Broken Down by Gender and Type of Employment (December 2024)

Category	Female	Male	Other*	Not Disclosed	Total
Number of Employees (Head Count)	876	431	N/A	N/A	1,307
Number of Permanent Employees (Head Count)	829	416	N/A	N/A	1,245
Number of Temporary Employees (Head Count)	47	15	N/A	N/A	62
Number of Non-Guaranteed Hours Employees (Head Count)	N/A	N/A	N/A	N/A	N/A
Number of Full-Time Employees (Head Count)	870	426	N/A	N/A	1,296
Number of Part-Time Employees (Head Count)	6	6	N/A	N/A	11

(*) Gender as specified by the employees themselves.

Total Employee Turnover and Number of Employees Who Left the Organization (S1-6.50c)

During the reporting period, 168 employees left the organization, resulting in an employee turnover rate of 14.04% (S1-6.50c).

All employee numbers were reported as a headcount at the end of the reporting period.

No significant fluctuations in employee numbers were recorded that require additional contextual information. (S1-6.50e)

The total number of employees by gender and country reported above is identical to the annual financial statements, as reflected on page 65 of the financial report. (S1-6.50f)

Methodology for Employee Turnover Calculation (ESRS 2 MDR-M.77)

The turnover rate is calculated using the following formula:

$$\text{TURNOVER RATE} = \left(\frac{\text{Number of employees who left during the reference period}}{\text{Average number of active employees during the reference period}} \right) * 100$$

Where:

$$\text{Average number of employees in the reference period} = \frac{\text{Number of employees at the start of the reference period} + \text{Number of employees at the end of the reference period}}{2}$$

This formula accounts for the percentage of employees who have left the organization while factoring in the average number of active employees over the reporting period. Employees who left the Bank within their trial period are excluded from the calculation. (ESRS 2 MDR-M.77a)

The measurement of this metric has not been validated by an external body other than the assurance provider. (ESRS 2 MDR-M.77b)

No additional labeling or alternative definitions are applied to this metric. (ESRS 2 MDR-M.77c)

Non-Employees in the Undertaking's Own Workforce

The Bank employs non-employees in its own workforce, which includes self-employed workers and individuals provided by employment agencies. The total number of non-employees engaged in the Bank's operations is presented in the table below. (S1-7.55a)

Table 55: Non-Employee Workforce Data

Category	
Total number of non-employee workers in own workforce	11
Total number of self-employed workers	6
Total number of workers provided by undertakings primarily engaged in employment activities	5

These numbers exclude individuals who are part of the Bank's direct employee workforce but contribute to its operations under contractual agreements.

The Bank reports its non-employee workforce data as a headcount at the end of the reporting period (31.12.2024). This approach ensures consistency in workforce reporting and aligns with internal workforce tracking systems. The data does not include full-time equivalent (FTE) conversions, as non-employees operate under varied contract structures that do not always reflect standard working hours. (S1-7.55b)

There were no significant fluctuations in the number of non-employees in the workforce between the current and previous reporting periods. Thus, no additional contextual data is necessary for understanding workforce trends. (S1-7.55c)

All reported numbers are based on actual data, with no estimations used in compiling the non-employee workforce figures. (S1-7.57)

The Bank calculates the non-employee workforce based on the total headcount at the end of the reporting period (31.12.2024). This approach ensures accuracy and alignment with internal HR records. (ESRS 2 MDR-M.77a)

The Bank's measurement of non-employee workforce data has not been validated by an external body, other than the assurance provider. (ESRS 2 MDR-M.77b)

The non-employee workforce metric has been labeled and defined using clear and precise descriptions, in accordance with HR reporting standards. However, no alternative labels or definitions have been assigned to this metric. (ESRS 2 MDR-M.77c)

Diversity Metrics (S1-9.66a)

Below is the breakdown of gender distribution within the Bank's top management positions. This data ensures transparency in leadership representation and supports diversity monitoring.

Table 57: Top Management Level Employee Data (S1-9.66a)

Gender	Number of Employees	% of Top Management Level	under 30 years old	30-50 years old	over 50 years old
Female	2	25.00%	0	0	3
Male	6	75.00%	0	0	6
Other Gender	N/A	-			
No Data	N/A	-			
Total	8	100%	0	0	9

For reporting purposes, top management is defined as Board Members, including Management Function Members and Supervisory Function Members. This definition ensures consistency in leadership reporting (S1-9.AR 71).

The Bank discloses employee distribution by age category, showcasing its workforce composition across different career stages (S1-9.66b).

Table 58: Employee Data by Age Groups

Age Group	Number of Employees	% of Total Employees
Under 30 years old	468	35.8%
Between 30 and 50 years old	795	60.81%
Over 50 years old	44	3.37%

This age distribution data provides insights into workforce demographics, talent pipeline sustainability, and potential succession planning needs.

Adequate Wages

The Bank ensures that all its employees receive wages that comply with local legal minimum wage regulations. Salaries are structured to align with national wage laws, reinforcing the institution's commitment to fair compensation practices (S1-10.69).

The Bank confirms that no employees earn below the applicable wage benchmark (Legal minimum wage) in Romania, the only country where it operates. This ensures that all employees receive fair remuneration, maintaining compliance with wage adequacy standards (S1-10.70).

Social Protection

The bank ensures that all employees are covered by social protection in accordance with labor legislation and internal policies. Employees are protected against loss of income due to sickness, unemployment, employment injury, acquired disability, parental leave, and retirement through public programs or benefits provided by the bank (S1-11-74).

All employees are covered under social protection programs in accordance with national regulations and internal policies (S1-11-75).

Persons with Disabilities

The percentage of employees with disabilities within the bank's workforce is 0.30%, in compliance with legal restrictions on data collection (S1-12.79).

Training and Skills Development Metrics (S1-13.83a, S1-13.83b)

The following table provides an overview of employee participation in career development and performance reviews, as well as the average number of training hours per employee, broken down by gender.

Table 59: Career Development, Performance Reviews, and Training Hours

	Female	Male	Other	Not disclosed	Total
	2024	2024	2024	2024	2024
Percentage of employees and (or) non-employees that participated in regular performance and career development reviews	565 (64,79%)	307 (35,20%)	-	-	872 (100%)
Average number of training hours per employee and (or) non-	8	8	-	-	-

employee					

Methodologies and Assumptions (ESRS 2 MDR-M.77)

For defining the gender percentages of employees involved in the 2024 evaluation process, the following considerations were applied:

1. The number of candidates included in the evaluation process (565 + 307) consists of employees with an active contract at the time of evaluation, who have worked for at least four months in the previous year in the role they are being evaluated for (i.e., they must have been in the role since at least September 1st of the previous year).
2. All completed evaluations were considered, ensuring that, at the time of finalizing the report, the contracts of those included in the final assessment remained active.

For calculating the average number of training hours per employee, the following aspects were considered:

1. According to internal regulations, each employee's Key Performance Indicator (KPI) includes a professional development objective requiring a minimum of 8 hours of training per year to be fully achieved (100%).
2. The bank provides multiple opportunities for all employees to meet their professional development KPI through:
 - ⇒ In-person training sessions
 - ⇒ Online training courses
 - ⇒ The bank's Learning Management System (LMS)
3. All training activities are included in the annual training plan, with the measurement indicator represented by "man-hours."

Last year, the bank recorded more than 23,000 man-hours of training activities. Additionally, employees are included in the annual training and testing program covering critical topics relevant to operations, using the LMS platform. For each course, a designated study period is estimated according to internal procedures. Thus, mandatory courses complement the training plan, ensuring an average of 8 hours of training per year.

Validation by an External Body (ESRS 2 MDR-M.77b)

There has been no validation of these metrics by an external body other than the assurance provider.

Metric Labeling and Definition (ESRS 2 MDR-M.77c)

Man-hours are calculated using the following formula:

$$\text{Man-hours} = \text{Number of participants} \times \text{Number of sessions} \times \text{Session length}$$

To track man-hours, all training activities are recorded weekly based on attendance lists.

1.1.3.10. DR S1-14 – Health and Safety Metrics

	Employees		Non-employees	
	2023	2024	2023	2024
Percentage of own workers who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	100%	100%	100%	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0	0	0	0

Number of fatalities in own workforce as result of work-related injuries	0	0	0	0
Number of fatalities in own workforce as result of work-related ill health	0	0	0	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0	0	0	0
Number of fatalities as result of work-related injuries of other workers working on undertaking's sites	0	0	0	0
Number of fatalities as result of work-related ill health of other workers working on undertaking's sites	0	0	0	0
Number of recordable work-related accidents for own workforce	1	0	0	0
Rate of recordable work-related accidents for own workforce				
Number of cases of recordable work-related ill health of own workforce	0	0	0	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health, and fatalities from ill health	10 days	0	0	0

In 2024, one work event was declared and registered. Following the investigation of the event, the investigation commission established that the event was an accident outside of work. The Territorial Labor Inspectorate approved the investigation file. (S1-14.90)

All work events are reported to the responsible division, and those responsible must take all legal measures to report the event internally and to the Territorial Labor Inspectorate. For non-employees, the legislation applies differently as they do not have an individual employment contract. However, they are trained, participate in fire evacuation drills, and must comply with company rules. (ESRS 2 MDR-M.77a, b)

1.1.3.11. DR S1-15 – Work-life balance metrics

At Libra Internet Bank, 100% of employees are entitled to take family-related leave. In 2023 and 2024, 7% of entitled female employees and 5% of entitled male employees took family-related leave, totaling 12% of all employees. There is no data available for other gender categories (S1-15.93 a, b).

Percentage of entitled employees that took family-related leaves	2023	2024
Female	7%	7%
Male	5%	5%
Other gender	-	-
No data	-	-
Total	12%	12%

All employees of Libra Internet Bank have access to family leave according to internal policies and/or labor law. Since all employees are entitled to family-related leave through social policy and/or collective bargaining agreements, this disclosure meets the requirement of paragraph 93a (S1-15.94).

Employees can access these days off whenever a family event occurs, in accordance with labor law. The methodology and significant assumptions behind this metric include the application of national labor laws and internal policies, which grant employees leave for special events such as marriage, family emergencies, paternity leave, and funerals. There are no external bodies validating this metric beyond the assurance provider (ESRS 2 MDR-M.77a, b). The metric is labeled and defined clearly as special event leave days, covering marriage, family emergencies, parental leave, and funeral leave (ESRS 2 MDR-M.77c).

1.1.3.12. DR S1-16 – Remuneration metrics (pay gap and total remuneration)

Libra Bank discloses the gender pay gap as required, calculated using all employees' gross hourly pay level. The

gender pay gap for 2024 in Romania across all employees at Libra Internet Bank is 3% (S1-16.97a).

			Male-female pay gap
Country	Operating segment	Employee category	2024
Romania	Libra Internet Bank	All Employees	30%

The Bank also discloses the annual total remuneration ratio of the highest-paid individual to the median for all other employees, which is 5.88 (S1-16.97b). This calculation includes all employees and considers base salary, cash benefits, benefits in kind, and direct remuneration, as per the undertaking’s remuneration policies. (S1-16.AR 101 & ESRS 2 MDR-M.77).

The methodology used aligns with regulatory requirements and includes all employees' gross hourly pay, calculated based on the prescribed formula (S1-16.AR 98).

The measurement of this metric is not validated by an external body other than the assurance provider (ESRS 2 MDR-M.77a, b). There are no additional labels or definitions required for this metric (ESRS 2 MDR-M.77c).

3.2. Consumers and End-users

Introduction

At Libra Internet Bank, the relationship with consumers and end-users is guided by a commitment to transparency, ethical conduct, data protection, and accessibility. The Bank integrates these principles into its strategic, operational, and digital processes to ensure that the delivery of financial products and services is both responsible and inclusive. In a rapidly evolving financial and regulatory environment, Libra Internet Bank maintains a proactive stance in understanding and addressing the material impacts, risks, and opportunities (IROs) related to consumers, as identified through the Double Materiality Assessment.

Libra Internet Bank’s approach to consumer and end-user responsibility is rooted in a comprehensive policy framework that governs privacy, marketing, communication, and cybersecurity. These policies are designed not only to comply with national and EU regulations – such as the General Data Protection Regulation (GDPR) – but also to reflect the Bank’s values of fairness, integrity, and customer-centric innovation.

Key positive impacts identified include the protection of privacy through secure digital infrastructure, the promotion of freedom of expression in digital environments, access to clear and accurate financial information, and responsible marketing practices that enhance customer trust. These areas are actively managed through specific strategies and internal controls, including the Cyber Security and Resilience Strategy 2024–2026, the Personal Data Protection Procedure, and the Marketing Framework, which together establish the principles, mechanisms, and accountability lines necessary for effective stakeholder protection.

Libra Internet Bank ensures that consumer-facing policies apply uniformly across its value chain and customer base while acknowledging that certain groups – such as minors or individuals with limited financial literacy – may require additional safeguards. The Bank’s operational model includes digital education, communication transparency, and consent-driven marketing, which collectively help mitigate risks and enhance financial inclusion.

While no material negative impacts were identified during the Double Materiality Assessment, the Bank remains vigilant, implementing early detection and continuous improvement measures to prevent potential future issues. Dedicated governance structures, including the Data Protection Officer and Heads of Risk and Marketing Divisions, oversee implementation and effectiveness monitoring, supported by regular staff training and customer feedback mechanisms such as Net Promoter Score (NPS) surveys and customer engagement forums.

This chapter provides a detailed overview of how Libra Internet Bank manages its material impacts, risks, and opportunities related to consumers and end-users. It outlines the relevant disclosure requirements under ESRS S4, describes the policies in place, and highlights the actions and resources dedicated to achieving meaningful outcomes for customers across the Bank’s operational footprint.

3.2.1. Strategy

Libra Internet Bank demonstrates a clear and integrated connection between its digital, cyber, and personal data protection strategies and its broader business model, reflecting a strong alignment with ESRS expectations. The Bank's IT Strategy underscores its commitment to data protection, aiming to foster trust in digital services, reduce misuse, and enhance transparency and accountability. This directly relates to the potential and actual impacts on consumers and end-users, particularly concerning digital trust and cybersecurity.

To proactively mitigate digital and operational risks, Libra Internet Bank has adopted advanced mechanisms based on Machine Learning and Artificial Intelligence to enhance its capability to detect and respond to internal and external threats. This aligns with the strategy's core objective to reduce the time between the identification of a vulnerability and the implementation of risk mitigation controls – a key adaptation of the business model in response to digital risks.

Moreover, the Cyber Security and Resilience Strategy 2024–2026 expands the scope and depth of cyber initiatives. This includes:

- ⇒ Systematic penetration testing and remediation plans.
- ⇒ Optimization of internet and mobile banking security systems.
- ⇒ Company-wide awareness and cybersecurity training programs.
- ⇒ Regulatory alignment for personal data protection through internal frameworks that govern how consent is collected, managed, and retained.

These actions not only connect back to the Bank's core operations but also influence and shape strategic choices, demonstrating a strong feedback loop between risk/impact assessments and strategic adaptation – satisfying both parts of this disclosure requirement.

Further, responsible marketing practices reflect consumer-centric values, ensuring that communication is based on explicit consent, and avoiding deceptive advertising, which aligns with transparency and ethical standards expected by ESRS. Such practices mitigate reputational and regulatory risks and form part of the broader consumer trust strategy. (*Disclosure Reference: S4-SBM-3.9a*)

The customer relationship is managed in a way that prioritizes value-added services, trust, and long-term satisfaction, all of which represent opportunities for growth while mitigating churn-related risks. By addressing both risk (e.g., data breaches, loss of trust) and opportunity (e.g., service personalization, digital efficiency), the bank shows that its strategy and business model evolve in response to identified dependencies on and impacts from consumers and end-users. (*Disclosure Reference: S4-SBM-3.9b*)

The bank provides a clear segmentation of its consumer and end-user base:

- ⇒ General Consumers and End-Users: Individuals, micro-companies, SMEs, and large enterprises across sectors.

Digital Channel Consumers: Users of digital banking services end to end operations where the Remote Identification Norm's provisions are applied. Libra Internet Bank designs and delivers financial services for a broad range of consumers and end-users. These include individual retail clients, micro-enterprises, small and medium-sized enterprises (SMEs), and large companies across a variety of economic sectors. The Bank recognizes that while all customers are important stakeholders, certain categories of users may be more exposed to material impacts arising from the Bank's operations and digital services.

In particular, consumers and end-users who rely on digital banking services are identified as having privacy-sensitive needs. These consumers are particularly concerned with how their data is handled and protected. Accordingly, the Bank prioritizes responsible data processing, non-discrimination, and the safeguarding of freedom of expression as key ethical and operational pillars within its digital service offerings. (*Disclosure: S4-SBM-3.10a*)

The consumers and end-users that are at heightened risk of material impact are:

i. Consumers of inherently harmful products

This category does not apply to Libra Internet Bank's financial services, which do not include products that are inherently harmful or contribute to chronic disease. *(Disclosure: S4-SBM-3. 10a.i)*

ii. Consumers whose rights to privacy and non-discrimination may be impacted

Libra Internet Bank acknowledges that the protection of consumer rights – especially privacy, freedom of expression, and equal treatment – is critical to maintaining trust. In response, the Bank has implemented advanced data protection frameworks and cybersecurity mechanisms aligned with GDPR requirements. Personal data is protected throughout all stages of the service lifecycle, from onboarding to relationship management. These protocols include secure storage, restricted access, encryption, and routine security audits. This commitment minimizes the risk of privacy violations or discriminatory practices. *(Disclosure: S4-SBM-3. 10a.ii)*

iii. Consumers dependent on accurate and accessible product-related information

Informed decision-making is essential in the financial sector. Libra Internet Bank ensures that all financial products are accompanied by clear, accurate, and transparent information, including terms and conditions, fee structures, and associated risks. The Bank provides both digital (www.librabank.ro) and printed materials and offers face-to-face and online advisory support. These measures are continuously reviewed to align with regulatory expectations and best practices, reducing the risk of consumer misunderstanding or misuse of financial services. *(Disclosure: S4-SBM-3.10a.iii)*

iv. Particularly vulnerable consumers (e.g., children, financially vulnerable individuals)

The Bank acknowledges that certain user groups, such as minors and individuals with limited financial literacy, may require enhanced protections. Services to minors are strictly regulated (<https://www.librabank.ro/card-junior-copii>), allowing only legal guardians to open and manage related accounts. The Bank ensures that products targeted toward vulnerable populations are clearly explained and supported through customer education and ethical marketing. *(Disclosure: S4-SBM-3. 10a.iv)*

Based on the findings of the Double Materiality Assessment (DMA), no widespread, systemic, or individual negative impacts on consumers or end-users have been identified to date. The bank's standard framework for risks monitoring mechanisms remain in place to ensure that any emerging risks are promptly identified and addressed. *(Disclosure: S4-SBM-3.10b)*

In terms of positive impacts on consumers and end-users, the Bank's services – particularly those under the IBK (Internet Banking for companies), MBK (Mobile Banking), and broader digital product suites – have demonstrably increased financial accessibility for consumers. These services enable easier participation in national and European financing programs, supported by user-friendly digital tools and educational content. As a result, consumers are empowered to meet their financial goals with greater efficiency and confidence. *(Disclosure: S4-SBM-3.10c)*

The Bank focuses on cultivating a well-informed and protected customer base, which directly contributes to building a trusted market reputation and improving financial performance. At the same time, the Bank remains vigilant regarding risks such as potential data breaches, miscommunication of product terms, or marketing missteps. These risks are actively mitigated through robust governance, employee training, and consumer engagement initiatives. *(Reporting: S4-SBM-3.10d)*

Following its materiality assessment process, Libra Internet Bank has developed a detailed understanding of how specific consumer segments – especially users of digital services – may face heightened exposure to negative impacts, such as data breaches or financial fraud. This insight informs the Bank's risk management approach, which includes enhanced IT controls, targeted communication strategies, and consumer support channels to proactively address emerging risks. *(Disclosure: S4-SBM-3.11)*

While the Bank's offerings are broadly targeted, it acknowledges that certain population groups – including young consumers and those with limited financial education – may require specific consideration. By engaging student/young graduates in financial and digital literacy programs, along with protective IT frameworks, the Bank ensures that these groups are not disproportionately affected. At the same time, the Bank emphasizes that potential risks and opportunities are managed consistently across its consumer base. *(Disclosure: S4-SBM-3.12)*

3.2.2. Management of Impacts, Risks and Opportunities

Introduction

At Libra Internet Bank, the relationship with consumers and end-users is guided by a commitment to transparency, ethical conduct, data protection, and accessibility. The Bank integrates these principles into its strategic, operational, and digital processes to ensure that the delivery of financial products and services is both responsible and inclusive. In a rapidly evolving financial and regulatory environment, Libra Internet Bank maintains a proactive stance in understanding and addressing the material impacts, risks, and opportunities (IROs) related to consumers, as identified through the Double Materiality Assessment.

Libra Internet Bank's approach to consumer and end-user responsibility is rooted in a comprehensive policy framework that governs privacy, marketing, communication, and cybersecurity. These policies are designed not only to comply with national and EU regulations – such as the General Data Protection Regulation (GDPR) – but also to reflect the Bank's values of fairness, integrity, and customer-centric innovation.

Key positive impacts identified include the protection of privacy through secure digital infrastructure, the promotion of freedom of expression in digital environments, access to clear and accurate financial information, and responsible marketing practices that enhance customer trust. These areas are actively managed through specific strategies and internal controls, including the Cyber Security and Resilience Strategy 2024–2026, the Personal Data Protection Procedure, and the Marketing Framework, which together establish the principles, mechanisms, and accountability lines necessary for effective stakeholder protection.

Libra Internet Bank ensures that consumer-facing activities are applied uniformly across its customer base while acknowledging that certain groups – such as minors or individuals with limited financial literacy – may require additional safeguards. The Bank's operational model includes digital education, communication transparency, and consent-driven marketing, which collectively help mitigate risks and enhance financial inclusion.

Although no significant adverse impacts were identified during the Double Materiality Assessment, the Bank remains vigilant, implementing early detection measures and continuous improvement initiatives to prevent potential future issues. Dedicated governance structures, including the Data Protection Officer and the Heads of the Risk and Marketing Divisions, oversee the implementation and monitoring of effectiveness, supported by regular staff training and customer feedback mechanisms such as Net Promoter Score (NPS) surveys and customer engagement forums (Libra Friends and Trends, student presentations, the Bank's branches, and the dedicated email addresses available on the Bank's website: reclamatii@librabank.ro, info@librabank.ro).

This chapter provides a detailed overview of how Libra Internet Bank manages its material impacts, risks, and opportunities related to consumers and end-users. It outlines the relevant disclosure requirements under ESRS S4, describes the policies in place, and highlights the actions and resources dedicated to achieving meaningful outcomes for customers across the Bank's operational footprint. (*Disclosure: S4-1.13*)

3.2.2.1. Policies related to consumers and end-users

Cyber Security and Resilience Strategy (2024-2026)

Libra Internet Bank's Cyber Security and Resilience Strategy 2024–2026 was developed in direct response to the growing relevance of digital privacy, data protection, and operational continuity in the financial sector. The policy reflects the Bank's commitment to strengthening its information technology and cybersecurity infrastructure, with the overarching goal of safeguarding consumer and end-user privacy and ensuring uninterrupted service delivery.

The strategy includes:

- ⇒ Continuous evaluation of IT&C risks through internal risk assessments and vulnerability testing.
- ⇒ Implementation of machine learning (ML) and AI-based detection systems to mitigate cyber intrusion attempts.
- ⇒ Expansion of incident response and recovery frameworks to ensure business continuity in the face of system breaches.

⇒ Conducting external penetration testing followed by remediation.

Providing annual training and awareness programs to all employees to foster a culture of cyber hygiene and privacy consciousness.

This policy directly addresses the protection of privacy and access to quality information, as identified in the Bank's Double Materiality Assessment. It enhances secure digital infrastructure and ensures accurate, timely communication of system-related updates, thereby reinforcing consumer trust in digital services. *(Disclosure: MDR-P 65(a), S4-1.13)*

The strategy applies to:

- ⇒ All internal operations involving digital systems, data infrastructure, and online services.
- ⇒ All geographical locations in which the Bank operates.
- ⇒ All consumer-facing platforms, including Internet Banking and Mobile Banking applications.
- ⇒ All employees, technical administrators, and collaborators involved in system operations, security, or compliance.

While the policy currently focuses on internal infrastructure, its impacts extend downstream by protecting customer data and upstream by ensuring that third-party systems integrated into the Bank's operations meet equivalent security standards. *(Disclosure: MDR-P 65(b))*

The Security Department, which is directly subordinated to the Risk Management Division, holds ultimate responsibility for the implementation and continuous review of this policy. This includes incident monitoring, reporting to executive management, and coordinating inter-departmental responses to cyber threats. *(Disclosure: MDR-P 65(c))*

The strategy is aligned with leading cybersecurity and operational resilience frameworks, including:

- ⇒ ISO 27001:2022 (Information Security Management Systems).
- ⇒ EU Digital Operational Resilience Act (DORA).
- ⇒ National best practices for financial institutions concerning IT risk management.

By following these standards, Libra Internet Bank ensures it meets both international and European regulatory expectations regarding IT security, resilience, and consumer protection. *(Disclosure: MDR-P 65(d))*

The strategy was developed with direct consideration of key stakeholder interests, including:

- ⇒ Consumers, whose data privacy must be protected.
- ⇒ Employees, who rely on system security for day-to-day activities.
- ⇒ Business partners, who interact with the Bank's systems and platforms.
- ⇒ Regulatory authorities, to whom the Bank must demonstrate compliance.

By integrating feedback from these groups (especially through incident reporting and annual system audits), the strategy ensures relevance and operational responsiveness. *(Disclosure: MDR-P 65(e))*

As of now, the Cyber Security and Resilience Strategy 2024–2026 is an internal document and is not publicly available. However, key privacy-related commitments and controls are communicated to consumers via the Bank's digital platforms, and high-level summaries are shared in annual disclosures and client communications. *(Disclosure: MDR-P 65(f))*

This policy applies uniformly to all consumers and end-users without discrimination, ensuring that everyone benefits equally from the protections and procedures established under the cybersecurity framework. *(Disclosure: S4-1.15)*

Personal Data Protection Procedure

The Personal Data Protection Procedure sets out the legal, organizational, and operational framework for the secure processing of personal data in compliance with Regulation (EU) 2016/679 (GDPR) and national Romanian Law 190/2018. It applies to all personal data processing activities carried out by Libra Internet Bank staff, collaborators, authorized processors, and third parties.

Key components include:

- ⇒ Defining data processing principles, legal bases (e.g. consent, contractual necessity), and data subject rights.
- ⇒ Regulating internal workflows for managing consent withdrawal, access requests, rectification, and erasure.
- ⇒ Training staff and data users on obligations.
- ⇒ Ensuring clear escalation in the event of a data breach (via the DPO and Incident Response Team).
- ⇒ Limiting the scope of personal data usage to what is strictly necessary and maintaining an internal Record of Processing Activities.

This policy directly supports the Bank's material commitments to privacy, access to quality information, and responsible marketing practices, as identified in the Double Materiality Assessment. It serves as the operational cornerstone of lawful, transparent, and secure personal data processing across all customer-facing and internal processes. *(Disclosure: MDR-P 65(a), S4-1.13)*

This policy applies to:

- ⇒ All employees and collaborators handling personal data.
- ⇒ All internal systems and processes (onboarding, account management, marketing, complaints, etc.).
- ⇒ Third-party processors and authorized entities operating under Libra Internet Bank's control.
- ⇒ All consumers and end-users, including clients, former clients, and interested parties.

It does not extend to personal use of employee data outside authorized job functions. However, the entire value chain of customer data processing is addressed, including internal collection and external sharing (if any), ensuring GDPR alignment. *(Disclosure: MDR-P 65(b), S4-1.15)*

The Data Protection Officer (DPO), part of the Compliance Division, is directly accountable for implementing and monitoring this policy. The DPO reports to the General Director and has independent authority to advise on legal, compliance, and security actions regarding data privacy. *(Disclosure: MDR-P 65(c))*

The policy is fully aligned with:

- ⇒ Regulation (EU) 2016/679 – GDPR.
- ⇒ Romanian Law no. 190/2018.
- ⇒ Guidelines from ANSPDCP (National Supervisory Authority for Personal Data).
- ⇒ European Data Protection Board (EDPB) standards. *(Disclosure: MDR-P 65(e))*

While the full internal policy is not publicly available, a summary Privacy Policy is published online in accordance with GDPR Article 13 requirements. *(Disclosure: MDR-P 65(f))*

Applies to all consumers and end-users, without segmentation, with clear mechanisms to handle vulnerable data subjects (e.g., minors, elderly, digitally inexperienced users). *(Disclosure: S4-1.15)*

Marketing Framework (includes social media Policy, Promotional Campaigns Procedure, Website Administration Procedure, and Client Relationship Management)

Libra Internet Bank's Marketing Framework consists of structured internal rules designed to ensure transparency, fairness, and compliance in all consumer-facing communication and promotional activities.

It governs:

- ⇒ Consent-based marketing (e.g., only targeting clients who have opted in).
- ⇒ Ethical advertising with full disclosure of product risks and terms.
- ⇒ Content governance for digital channels and public communications.
- ⇒ Social media interaction guidelines and website update protocols.
- ⇒ Complaint management related to advertising or misleading information.

These overarching principles are operationalized through four core internal procedures:

- ⇒ The Policy on Social Media Communication defines standards for engaging with audiences across digital platforms (e.g., Facebook, Instagram, LinkedIn), ensuring that all content is ethical, professional, brand-aligned, and compliant with legal and reputational risk standards.
- ⇒ The Website Administration Procedure governs how content on the Bank's official websites is created, reviewed, updated, and secured. It ensures that all public-facing online material is accurate, user-friendly, secure, and aligned with digital accessibility and compliance best practices.
- ⇒ The Working Procedure for Promotional Campaigns outlines how marketing campaigns are planned, validated, and executed. It includes processes for message review, approval protocols, legal compliance, and consistency across media channels (digital, print, TV, radio, etc.).
- ⇒ The Procedure for Managing Relationships with Clients and Non-Clients establishes structured methods for handling incoming requests, clarifications, complaints, or concerns. It reinforces a customer-centric approach, placing emphasis on privacy, informed consent, and data security throughout every customer interaction.

The Framework is essential for safeguarding against consumer misinformation and promoting financial literacy, aligning with the Bank's material commitments to privacy, freedom of expression, access to quality information, and responsible marketing practices. Furthermore, Libra Internet Bank has implemented a series of actions to uphold responsible marketing practices and ensure transparent communication with all customers and end-users, in alignment with material impact area S4-Responsible Marketing Practices. These actions contribute to the protection of consumers from misleading promotions, uphold ethical standards in financial communications, and promote informed decision-making. *(Disclosure: MDR-P 65(a), S4-1.13)*

This framework applies across:

- ⇒ Digital channels (social media, website, email, app interfaces).
- ⇒ Print and media advertisements.
- ⇒ Internal and external stakeholders, including marketing agencies.
- ⇒ All consumer segments and product lines.

Exclusions include non-business personal social media use by employees, which remains regulated only when brand affiliated. *(Disclosure: MDR-P 65(b), S4-1.15)*

The Head of the Marketing Division, reporting directly to the General Director, is responsible for implementing the framework and reviewing campaign compliance and effectiveness. *(Disclosure: MDR-P 65(c))*

This policy is aligned with:

- ⇒ GDPR, for privacy in marketing.
- ⇒ ANPC (Romanian Consumer Protection Authority) guidelines.
- ⇒ EU consumer transparency directives. *(Disclosure: MDR-P 65(d))*

The policy ensures protection of consumer interests through:

- ⇒ Clear content and accessibility standards.
- ⇒ Campaign approval processes involving relevant internal departments.
- ⇒ Feedback and correction mechanisms in case of advertising complaints. *(Disclosure: MDR-P 65(e))*

The Policy on Social Media Communication, the Website Administration Procedure, the Working Procedure for Promotional Campaigns, and the Procedure for Managing Relationships with Clients and Non-Clients are internal operational documents and are not publicly disclosed. These policies are intended for internal governance and apply to employees, collaborators, and relevant stakeholders involved in customer communication and marketing activities. While the policies themselves are not published, their principles are embedded in customer-facing platforms, marketing materials, and onboarding documents. *(Disclosure: MDR-P 65(f))*

Applies uniformly across all consumer and end-user segments, including those more vulnerable to marketing manipulation (e.g., minors, financially inexperienced). (*Disclosure: S4-1.15*)

Human Rights Policy Commitment

Although Libra Internet Bank has not adopted a formal standalone human rights policy commitment, it fully respects and integrates human rights principles into its internal procedures and operational practices. The Bank ensures compliance with all applicable legal requirements concerning the rights of consumers and/or end-users, particularly in relation to data privacy, freedom of expression, and non-discrimination.

The Bank's policies and procedures are aligned with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the ILO Declaration on Fundamental Principles and Rights at Work. These frameworks are embedded through the design of operational protocols and oversight mechanisms that govern product development, marketing, digital communication, and client interactions. (*Disclosure: S4-1.16*)

Libra Internet Bank's internal procedural framework is explicitly designed to safeguard the privacy rights and freedom of expression of consumers and end-users. All financial products and services are subject to a multi-departmental validation process, involving the Compliance Division, IT Security, Legal, and other relevant functions, to ensure full compliance with national and European legislation – including the General Data Protection Regulation (GDPR).

By embedding legal compliance into the design and distribution of its products, the Bank ensures that consumer-facing activities respect the dignity, autonomy, and informational self-determination of all customers. (*Disclosure: S4-1.16a*)

Libra Internet Bank maintains open and accessible engagement channels to ensure that consumers and end-users can actively participate in shaping their banking experience and voice their concerns or preferences. These include:

- ⇒ IBK/MBK mobile and internet platforms.
- ⇒ The Bank's official website (www.librabank.ro).
- ⇒ Social media channels.
- ⇒ A dedicated email address for data-related concerns (protectiadatelor@librabank.ro).
- ⇒ Physical branches and a multilingual call center, including emergency support.
- ⇒ Specialized communication channels for specific issues (e.g., garnishments, insolvencies).
- ⇒ An internal grievance mechanism for more serious or unresolved concerns.

Notably, individuals have the right to withdraw consent for marketing communications at any time, using the digital channels mentioned above. Upon withdrawal, an automated process ensures that no further communication is sent, in line with GDPR and ethical marketing practices. (*Disclosure: S4-1.16b*)

Libra Internet Bank has established internal procedures for the prompt analysis and remediation of any potential or actual human rights impacts, whether identified through internal risk reviews, consumer complaints, or external audits. These procedures are governed by a multidisciplinary team including the Compliance Division, Legal, IT Security, and Risk Management.

When a concern is raised, it is formally assessed, documented, and followed by remedial measures, which may include:

- ⇒ Strengthening technical safeguards.
- ⇒ Updating internal protocols.
- ⇒ Offering direct redress or support to affected individuals.
- ⇒ Integrating the issue into staff training and continuous improvement programs.

To date, no material negative human rights impacts relating to consumers or end-users have been identified during the Double Materiality Assessment (DMA) exercise. (*Disclosure: S4-1.16c*)

Libra Internet Bank confirms that its internal policies are fully aligned with EU regulations, as well as internationally

recognized human rights instruments, including the:

- ⇒ UN Guiding Principles on Business and Human Rights.
- ⇒ ILO Declaration on Fundamental Principles and Rights at Work.
- ⇒ OECD Guidelines for Multinational Enterprises.
- ⇒ The Bank integrates these frameworks by applying data protection, ethical marketing, accessibility, and consumer protection standards across its operations and value chain.

As of the reporting period, the Bank has not identified any instances of non-respect for these instruments within its downstream value chain involving consumers or end-users. A structured risk-monitoring system is in place to detect, report, and mitigate any such issues should they arise in the future. (*Disclosure: S4-1.17*)

3.2.2.2. Processes for engaging with consumers and end-users about impacts

Libra Internet Bank ensures that the perspectives of consumers and end-users meaningfully inform decision-making processes aimed at identifying and addressing both actual and potential impacts. Feedback is actively collected through multiple ongoing engagement channels, including:

- ⇒ Customer satisfaction surveys and post-interaction questionnaires.
- ⇒ Direct client interactions at branches and through the call center.
- ⇒ Digital feedback forms available through the Bank's website.
- ⇒ Social media engagement and online reviews.
- ⇒ Insights gathered through customer service interactions.

A central tool in this engagement strategy is the Net Promoter Score (NPS), which the Bank uses regularly to measure the loyalty and satisfaction of its client base. By analyzing NPS trends and related feedback, the Bank identifies customer pain points, emerging expectations, and potential reputational risks.

This data is reviewed by relevant business units and informs concrete decisions on:

- ⇒ Enhancing product and service features.
- ⇒ Optimizing internal processes (e.g., complaint resolution, digital onboarding).
- ⇒ Designing customer communication strategies.
- ⇒ Adjusting marketing and consent management practices.

Additionally, new clients are explicitly encouraged to submit early-stage feedback through the website's dedicated contact form, which ensures that first impressions, onboarding experiences, and usability concerns are captured and integrated into service delivery adjustments.

By consistently prioritizing customer insights, Libra Internet Bank ensures its strategy is aligned with end-user needs, helping to mitigate potential negative impacts and enhance consumer trust, satisfaction, and long-term loyalty. (*Disclosure: S4-2.20*)

Libra Internet Bank directly engages with both affected consumers and/or end-users, as well as their legitimate representatives – such as legal guardians for minors or proxy contacts for corporate clients. These engagements are carried out through structured customer service interactions, branch communications, and digital platforms.

The Bank ensures that open communication channels are always available, including:

- ⇒ Email and written correspondence.
- ⇒ Phone conversations and call center follow-ups.
- ⇒ App-based chat or feedback tools.
- ⇒ In-person discussions at branches.

Where direct engagement is not feasible, the Bank also acknowledges insights received through credible proxies, such as regulatory bodies (e.g. ANPC), or B2B clients acting on behalf of their consumer networks. These insights are

logged, assessed, and, when relevant, escalated through internal mechanisms to inform product and service adjustments.

This hybrid engagement model allows the Bank to ensure inclusive participation, particularly for users who are digitally excluded, legally represented, or in vulnerable positions. *(Disclosure: S4-2.20a)*

Engagement with customers is embedded throughout all phases of the customer lifecycle – from the moment a client opens an account, throughout the use of banking services, and up to the closing of their relationship with the Bank. Engagement types include:

- ⇒ Onboarding Phase: Customers experience surveys and opt-in preference forms.
- ⇒ Active Relationship Phase: Ongoing feedback via customer service, NPS scoring, and in-app prompts.
- ⇒ Critical Events: Issue resolution (e.g. complaint handling), product renewals, service changes.
- ⇒ Offboarding/Exit Phase: Exit surveys or retention outreach to understand reasons for leaving.

The frequency of engagement is continuous, with structured moments of interaction (e.g., quarterly surveys, campaign feedback loops) and real-time response channels (e.g., 24/7 call center, mobile app feedback). This ensures that consumer perspectives are continuously integrated into operational and strategic decision-making processes. *(Disclosure: S4-2.20b)*

At Libra Internet Bank, the Marketing Division Director holds the most senior operational responsibility for ensuring that customer engagement processes are carried out effectively and systematically across all channels. This role oversees the collection, analysis, and integration of consumer feedback into business decision-making processes and ensures that key insights inform product development, service delivery improvements, and communication strategies. *(Disclosure: S4-2.20c)*

Libra Internet Bank systematically evaluates the effectiveness of its consumer engagement practices through a variety of quantitative and qualitative metrics, including:

- ⇒ Net Promoter Score (NPS): used to assess client loyalty and likelihood to recommend the bank.
- ⇒ Customer Satisfaction (CSAT) surveys: deployed periodically or after key interactions.
- ⇒ Social media monitoring: including sentiment analysis.
- ⇒ Call center analytics and complaint data trends.
- ⇒ Website and app feedback forms and data analytics.

The Bank conducts regular reviews of this data to identify improvement areas and address recurring concerns. Outcomes resulting from this engagement include:

- ⇒ Enhancements to customer onboarding experiences.
- ⇒ Adjustments to service terms or delivery based on pain points.
- ⇒ Updates to consumer communication strategies.
- ⇒ Tailored solutions for customer segments (e.g., young professionals, SMEs).

The process ensures a feedback loop where input from consumers directly leads to actionable improvements in products, services, or communication. *(Disclosure: S4-2.20d)*

Libra Internet Bank takes a proactive and inclusive approach to understand the perspectives of potentially vulnerable or marginalized consumers, including:

- Minors: Access to financial products is limited and mediated through legal guardians, ensuring safety and oversight.
- Persons with disabilities: Web accessibility standards are gradually being integrated into the Bank's digital infrastructure (e.g., mobile banking apps, website design), in line with EU Web Accessibility Directive principles.

- Financially vulnerable individuals: Product documentation is simplified, and support is offered through dedicated staff and digital tools.

Feedback channels (such as complaint portals (reclamatii@librabank.ro), call centers, and branch interactions) are open to all consumer segments and adapted as needed to reduce communication barriers. *(Disclosure: S4-2.21)*

3.2.2.3. **Processes to remediate negative impacts and channels for consumers and end-users to raise concerns**

Libra Internet Bank has established a framework for addressing and remedying any material negative impacts on consumers and end-users, whether these impacts arise directly from its own operations or indirectly through its value chain.

When a potential or actual negative impact is identified – through internal monitoring systems, regulatory reporting, or customer complaints – the bank activates its incident review protocols. These involve:

- ⇒ Classification of the type and severity of the impact.
- ⇒ Assignment of case ownership to a designated department (e.g. Customer Service, Compliance, Risk Management).
- ⇒ Formal logging of the incident in the internal tracking system.
- ⇒ Development of a tailored corrective action plan.

If the source of the impact is related to a business partner or third-party service provider, the bank coordinates with these entities to:

- ⇒ Investigate the root cause.
- ⇒ Define joint remediation steps.
- ⇒ Monitor execution and enforce accountability clauses in service contracts (e.g., SLAs or compliance terms).

Each reported incident is logged, and follow-up actions are documented in the internal case management system. Furthermore, customer service and compliance teams track the status of the resolution and ensure communication is maintained with the consumer.

Internal audits and root cause analysis are periodically conducted to identify systemic issues and prevent recurrence. The effectiveness of remedies is evaluated based on:

- Resolution time.
- Customer satisfaction feedback post-remedy.
- Recurrence rates of similar complaints.

The bank's structured response system helps ensure consumer confidence, transparency, and compliance with legal and ethical obligations. *(Disclosure: S4-3.25a)*

Libra Internet Bank provides a comprehensive range of formal channels that allow consumers and end-users to raise concerns, lodge complaints, or request clarification regarding the bank's products, services, and communications. These channels are developed and operated by the Bank itself, with support for third-party redress where applicable.

1. Internal Complaint and Feedback Channels (Established by the Bank):

- ⇒ Call Center: Dedicated lines for general inquiries and emergency support (e.g. card blocking).
- ⇒ Internet and Mobile Banking Apps: Integrated ticketing tools for reporting technical or transactional issues.
- ⇒ In-branch Desks: Physical support desks available at all bank branches for personalized assistance.
- ⇒ Dedicated Email Contacts: Topic-specific email addresses for concerns such as garnishments, insolvencies, data privacy (e.g., protectiadator@librabank.ro), and general inquiries.

2. External/Third-party Mechanisms (Supported by the Bank):

- ⇒ The bank informs customers of their right to escalate unresolved complaints to the National Authority for Consumer Protection (ANPC) or the National Bank of Romania (NBR).
- ⇒ These regulatory channels provide independent review and redress, especially in cases of unresolved or systemic issues.

This system ensures accessibility and transparency in addressing concerns and maintaining a high standard of consumer care. *(Disclosure: S4-3.25b)*

In general, Libra Internet Bank does not mandate the implementation of dedicated complaint mechanisms by its business partners. However, in select cases – particularly when the partner is directly offering financial products or services to consumers (such as fintech collaborators or partner credit institutions) – the Bank may:

- ⇒ Coordinate complaint resolution mechanisms by integrating its grievance handling systems with those of the partner;
- ⇒ Establish communication protocols for the exchange of relevant consumer feedback data.
- ⇒ Monitor incident trends to ensure that the partner meets agreed-upon service and conduct standards.

These practices ensure that consumers using partner platforms or white-label services have equal access to the same protections and redress standards. *(Disclosure: S4-3.25c)*

Regular internal reviews are conducted to assess both the responsiveness and quality of the resolution process. These reviews involve relevant business units such as Compliance, Customer Service, and Risk Management. Based on findings, procedures are updated, training is provided, and systems are optimized to strengthen effectiveness. Stakeholders, including employees managing frontline interactions and customers who file complaints, indirectly contribute through structured feedback loops and satisfaction surveys. *(Disclosure Requirement: S4-3.25d)*

Consumer trust in the grievance process is further assessed through resolution success rates and feedback forms post-resolution. Insights from these evaluations are used to refine messaging, update channel interfaces, and improve response protocols.

Libra Internet Bank has in place internal rules to protect customers and employees who use grievance mechanisms from retaliation. These safeguards include anonymity options in complaint submissions, escalation protocols, and oversight by the Compliance and Risk divisions. These measures align with ESRS G1-1 expectations regarding anti-retaliation. *(Disclosure Requirement: S4-3.26)*

3.2.2.4. Acting on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Actions Implemented to Ensure the Confidentiality and Lawful Processing of Customer Data

In line with the European Union's General Data Protection Regulation (GDPR, Regulation No. 679/2016), Libra Internet Bank has implemented a series of key actions to uphold high standards of personal data protection, directly addressing the material impact area of S4-Privacy. These actions collectively contribute to safeguarding consumer rights, ensuring regulatory compliance, and building stakeholder trust in data handling processes.

One of the primary actions undertaken was the adoption of a formal Personal Data Processing Procedure, applicable to all employees, contractors, associated operators, and authorized persons within the Bank's operational ecosystem. This policy ensures that data is processed lawfully, transparently, and securely in accordance with European standards. The expected outcome of this initiative is the full alignment of data handling practices with GDPR obligations, minimizing the risk of privacy breaches while reinforcing customer confidence. This action applies to all geographic locations in which Libra Internet Bank operates and impacts both upstream (employee handling of data) and downstream (customer and partner) activities. All elements of this policy were fully implemented during the current reporting period.

A second key action includes the involvement of the Data Protection Officer (DPO) in reviewing all contracts and projects that involve personal data. A dedicated internal channel has been set up for staff to request the DPO's review and recommendations. This ensures that privacy risks are mitigated from the project initiation stage. The scope of this action includes supplier relationships, internal policy drafting, and client agreements. Through this proactive oversight, the Bank fosters innovation and product development while remaining compliant with GDPR standards. All related measures were executed during the reporting year.

Finally, the Bank conducted annual inspections across its territorial units and headquarters to monitor compliance and identify potential security risks. These inspections are part of the approved annual plan and incorporate lessons learned from the previous year. The findings inform corrective measures, policy revisions, and staff retraining. The scope of this action includes physical locations, IT systems, and procedural adherence. All inspections were carried out as planned, with findings addressed promptly.

Across these four actions, the Bank has not identified any material negative impacts requiring remedy in the reporting year (MDR-A-d). Moreover, these actions are part of a broader privacy strategy that eliminates the risk of reputational harm or financial penalties. The implementation of GDPR-compliant structures has not only fulfilled regulatory duties but has also advanced the Bank's objectives related to consumer trust, digital resilience, and service excellence. (Disclosure: MDR-A-a, MDR-A-b, MDR-A-c, MDR-A-d, MDR-A-e)

Actions Implemented to Promote and Uphold Freedom of Expression Among Consumers

Libra Internet Bank has implemented a set of targeted actions to strengthen the freedom of expression of its consumers and end users, particularly within the digital banking environment. These actions focus on enabling open, respectful, and inclusive dialogue across multiple touchpoints. In the reporting period, the bank has enhanced its customer feedback mechanisms, expanded its presence and responsiveness on social media platforms, and reinforced its commitment to transparency in all customer-facing communications.

Key activities include maintaining structured feedback tools such as Net Promoter Score (NPS) surveys, encouraging customers to share their experiences and opinions both publicly and privately. The bank's social media channels have been used not only for promotional content but also for consumer interaction, ensuring that customers feel heard and acknowledged. Additionally, customer complaints and inquiries raised through various channels, including digital apps, call centers, and branches, are systematically reviewed, tracked, and resolved in a timely and transparent manner.

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The scope of these actions spans all customer touchpoints, including Internet and Mobile Banking platforms, social media, and in-person service desks. All customer segments, such as retail, corporate, and SME, are included across all operational geographies of the bank. While current actions have been implemented within the short term, future plans include the integration of advanced sentiment analysis tools and continuous enhancement of communication protocols.

Although no material negative impacts related to freedom of expression were identified during the reporting year, the bank's grievance mechanisms remain available to consumers. These channels ensure that any concerns raised are promptly and fairly addressed, further reinforcing the bank's commitment to protecting the voices and rights of its customers (Disclosure: MDR-A-a, MDR-A-b, MDR-A-c, MDR-A-d, MDR-A-e).

Actions Implemented to Enhance Access to Quality Financial Information and Promote Informed Decision-Making

Libra Internet Bank has implemented several initiatives aimed at improving access to high-quality financial and economic information, with a direct contribution to the advancement of consumer and end-user financial literacy and informed decision-making.

One of the flagship initiatives during the reporting period was the organization of "Libra Friends & Trends", a recurring event held in major Romanian cities such as Timișoara, Iași, Constanța, and Brașov. These events brought clients into direct contact with top management, who presented insights on macroeconomic trends, financial forecasting, sustainable financing, and data privacy awareness. This direct engagement model fosters an informed

customer base, strengthens client relationships, and aligns with the Bank's strategy of providing expert-driven financial guidance. The scope includes business and retail clients across all operational geographies. The event is held periodically and will be expanded further based on audience feedback and market needs. Feedback collected to date has confirmed growing attendance and high engagement rates, supporting the continued refinement and relevance of the format.

In parallel, the Bank hosted educational events for university students in Iași, Craiova, and Ploiești, where a Deputy CEO delivered interactive lectures on applied economics and the interpretation of global events. This initiative targets future professionals, equipping them with real-world economic context and critical thinking skills. The Bank intends to scale these events to more locations and broaden the thematic coverage. This long-term effort complements formal education by enhancing financial literacy at the early stages of a participant's economic engagement. Stakeholder feedback has been highly positive, and participation rates have grown with each edition. To further enhance the accessibility of economic information for a broader audience, Libra Internet Bank launched "Minutul de Economie", a short-form video series published across its social media platforms. Hosted by the Bank's Chief Economist, the videos distill complex economic concepts into brief, accessible segments. This initiative provides clients, business professionals, and the general public with actionable insights that support their financial decision-making processes. The series is ongoing, with plans to diversify topics, increase publishing frequency, and enhance viewer engagement through interactive formats. Viewership analytics and user feedback indicate rising interest and sustained relevance.

Additionally, the Bank continued publishing its "Economic and Financial Information Bulletin", a twice-monthly newsletter produced by the Market Research and Macroeconomic Department. Covering subjects like inflation, GDP, industry dynamics, and interest rate trends, the bulletin reaches a dedicated subscriber base that includes business clients, journalists, and financial professionals. Its insights contribute directly to users' understanding of national and international financial developments, providing strategic guidance to navigate economic uncertainty. This initiative is permanent and regularly reviewed for topic expansion and analytical depth. Since its inception, the bulletin has maintained a loyal readership and demonstrated ongoing value, as confirmed through stakeholder feedback.

Together, these four actions cover both upstream (internal content production and expert contributions) and downstream (public outreach and customer education) components of the value chain. While no material negative impacts were identified during the reporting year, the Bank's mechanisms for audience feedback and engagement ensure that the information shared remains accurate, timely, and responsive to users' evolving needs. These efforts also reinforce the Bank's regulatory compliance obligations and demonstrate progress against key sustainability goals related to information transparency and financial empowerment (Disclosure: MDR-A-a, MDR-A-b, MDR-A-c, MDR-A-d, MDR-A-e).

Actions Implemented to Promote Responsible Marketing Practices and Transparent Communication

Libra Internet Bank has implemented a series of actions to uphold responsible marketing practices and ensure transparent communication with all customers and end-users. These actions contribute to the protection of consumers from misleading promotions, uphold ethical standards in financial communications, and promote informed decision-making.

One of the core initiatives is the bank's commitment to consent-based promotional communication. Libra Internet Bank sends marketing emails only to customers who have explicitly opted in, thereby respecting their communication preferences and complying with privacy and ethical standards. This action applies across all operational geographies and is embedded into the bank's ongoing communication strategy. The expected outcome is improved customer trust and reduced reputational risk, as well as regulatory compliance. Any complaints regarding unsolicited communication are promptly resolved, and customers are given clear opt-out mechanisms. Periodic reviews ensure continuous improvement of this process.

In parallel, the bank ensures full transparency in its financial product communications by clearly presenting all applicable fees, terms, and conditions. All promotional materials undergo review under internal policies such as the

Policy on Social Media Communication, the Website Administration Procedure, and the Working Procedure for Promotional Campaigns. These rules govern both upstream (content development and compliance) and downstream (customer-facing delivery) activities, ensuring marketing integrity. These actions are continuously monitored and updated, and the bank has reported no significant complaints related to misleading marketing during the reporting period.

The events and engagements mentioned above support marketing goals and consumer education simultaneously, with plans for expanded coverage and evolving topics based on participant feedback. (Disclosure: MDR-A-a, MDR-A-b, MDR-A-c, MDR-A-d, MDR-A-e)

Libra Internet Bank has not established dedicated budget lines exclusively for its responsible marketing and transparency-related action plans. Instead, all financial resources required for the implementation of these activities are integrated within the general budgeting processes of the respective departments responsible for execution, such as Marketing, Compliance, and Legal. No green bonds, social bonds, or similar sustainable finance instruments were issued to support these specific actions, and their implementation does not rely on public financial aid or policy-based preconditions. (Disclosure: ESRS 2 MDR-A.69(a))

The current financial resources allocated to responsible marketing practices are embedded in operational expenditures (OpEx) across Marketing and Communications budgets. While these allocations are not itemized in standalone financial statement lines, they are reflected under the broader categories of marketing, customer communication, and compliance costs. (Disclosure: ESRS 2 MDR-A.69(b))

Looking ahead, future financial resources for responsible marketing will continue to be drawn from the same integrated budget framework. No extraordinary capital expenditures (CapEx) are planned for these activities. Instead, enhancements, such as updates to campaign governance tools or customer feedback systems, will be managed through incremental OpEx allocations over the short, medium, and long term, as part of departmental strategic planning cycles. (Disclosure: ESRS 2 MDR-A.69(c))

In accordance with paragraph 31(a), the bank has established a centralized complaints resolution system, designed to identify, address, and monitor customer grievances efficiently. This system is complemented by proactive service communication mechanisms. For example, in the event of core system maintenance, IT updates, or potential service disruptions due to disaster recovery procedures (BCP_DR), customers receive timely notifications through multiple channels (e.g., Internet Banking/Mobile Banking, email, website banners). These actions are aimed at preventing or mitigating any inconvenience or potential negative experience for customers before it escalates into a material impact. (Disclosure: S4-4 31a)

Regarding paragraph 31(b), when material negative impacts do occur, Libra Internet Bank prioritizes customer-centric remediation. Complaints that reveal significant service failures or operational shortcomings are escalated to relevant departments, with corrective actions implemented promptly. The bank ensures that impacted customers are informed about the resolution status and provided with compensation or remedial outcomes when appropriate. This approach ensures accountability and swift remediation, especially in events like system downtime, transaction delays, or data privacy breaches. (Disclosure: S4-4 31b)

In addition to reactive and preventive measures, the bank also undertakes initiatives aimed at positively contributing to social outcomes. Examples include the dissemination of financial literacy content, including regular updates on system security, privacy awareness, and responsible banking practices, as described above. (Disclosure: S4-4 31c)

To assess the effectiveness of these actions, as required under paragraph 31(d), Libra Internet Bank conducts regular performance reviews of its communication strategy and complaints management processes. This includes tracking complaint resolution times, analyzing feedback trends, and conducting periodic satisfaction surveys. Outcomes of these reviews feed into process improvements, including adjustments to how service alerts are communicated and how complaints are escalated internally. The objective is to ensure that customer-facing actions are delivering the intended results in terms of satisfaction, transparency, and reduced service disruption. (Disclosure: S4-4 31d)

The bank identifies actual or potential negative impacts primarily through its centralized complaints system and

proactive communication practices. Consumer grievances submitted via branches, the call center, mobile and internet banking platforms, or social media are logged and assessed by designated departments. Trends are regularly analyzed to detect recurring issues that may represent broader risks. Additionally, customer engagement data, such as Net Promoter Score (NPS) and satisfaction survey results, serve as early indicators of potential dissatisfaction or systemic problems. When a risk is identified – such as a delayed service, unclear product information, or digital disruption – the bank initiates a response plan tailored to the severity and nature of the issue. *(Disclosure: S4-4 32a)*

The bank's approach to managing specific material negative impacts involves both reactive and proactive mechanisms. For instance, if a new product feature is found to be confusing or non-compliant, the Product Development and Marketing teams work in coordination with Compliance and Legal units to revise the feature or its presentation. Marketing content is reviewed before launch to ensure compliance with consumer protection principles, and there are dedicated escalation procedures for high-risk cases involving financial loss or misinformation. In instances where operational issues require cross-functional collaboration – such as IT service outages – the bank mobilizes both internal teams and external partners (e.g., IT vendors, regulators) to restore normal operations quickly. These approaches are reinforced by a commitment to ethical product design and responsible communication. While industry-level collaboration is not always required, the bank remains open to it when sector-wide systemic issues emerge, such as cybersecurity risks or regulatory changes. *(Disclosure: S4-4 32b)*

Libra Internet Bank ensures that remedy processes are both available and effective through a continuous improvement cycle. All complaints and service-related reports are registered, monitored, and followed up until closure. The bank has adopted key risk indicators (KRIs) and Service level agreements (SLA) for complaint resolution timeframes, quality of communication, and customer satisfaction after remediation. Internal audits and compliance reviews also help ensure the process is implemented effectively. Remedies may include service restoration, fee reimbursement, direct customer follow-up, and improvements to internal controls. When necessary, the bank coordinates with consumer protection bodies (e.g., ANPC) to guarantee independent oversight and reinforce public trust. The effectiveness of these remedies is regularly reviewed through customer feedback mechanisms and performance analytics. *(Disclosure: S4-4 32c)* These measures are designed to ensure operational resilience, customer satisfaction, and compliance with responsible business practices.

The bank is implementing actions aimed at mitigating material risks associated with operational disruptions and system dependencies. One major area of focus is the enhancement of service continuity protocols, particularly in regard to scheduled core system updates and the bank's disaster recovery framework (BCP_DR). These actions are critical in managing business continuity and maintaining uninterrupted services for customers. The effectiveness of these measures is tracked using defined internal KRIs and SLAs, including system uptime, response times, and customer feedback collected through the bank's digital platforms and customer support channels. For example, IT infrastructure uptime metrics are monitored continuously to detect vulnerabilities and address them before they escalate into customer-facing problems. *(Disclosure: S4-4 33a)*

In terms of paragraph 33(b), Libra Internet Bank also leverages its understanding of consumer needs to identify and pursue material opportunities. The bank seeks to enhance customer experience by streamlining communication flows, minimizing friction in service interactions, and continuously updating and optimizing its digital infrastructure. These initiatives enable the bank to deliver more responsive, agile, and customer-focused services, creating opportunities to increase customer loyalty, reduce churn, and differentiate itself in a competitive market. For instance, system updates are now coupled with direct notifications and fallback mechanisms to maintain availability, improving client trust and satisfaction. Additionally, continuous upgrades to the bank's mobile and internet banking platforms are designed to meet evolving customer expectations and expand engagement opportunities. *(Disclosure: S4-4 33b)*

Furthermore, Libra Internet Bank maintains a strong internal governance framework to avoid causing or contributing to material negative impacts through its own practices – particularly in relation to marketing, sales, and data usage. All promotional communication is based on explicit consent, and the bank avoids aggressive sales tactics by focusing

on informed decision-making and customer education. Transparency is prioritized in all customer-facing documents, ensuring that terms, conditions, and fees are clearly communicated. Furthermore, data protection principles – aligned with GDPR – govern all aspects of customer data handling. Where potential tensions arise between commercial goals and ethical obligations (e.g., product profitability vs. transparency), the bank prioritizes consumer protection. These decisions are guided by internal policies and reviewed by departments such as Legal, Compliance, and IT Security. *(Disclosure: S4-4 34)*

Libra Internet Bank has implemented procedures to monitor and manage any potential human rights concerns connected to its consumer and end-user practices. As part of its commitment to upholding ethical standards, the bank regularly reviews customer-facing processes to ensure that operations respect human rights principles, including privacy, non-discrimination, freedom of expression, and access to financial services. While no severe human rights incidents have been reported in the reporting period, the bank maintains systems for early identification and resolution of potential issues, ensuring alignment with the UN Guiding Principles on Business and Human Rights. This preventive approach is embedded into daily operations, reinforcing trust and ensuring compliance with fundamental rights protections. *(Disclosure: S4-4 – Par 35)*

To manage its material impacts on consumers, Libra Internet Bank allocates targeted internal resources across relevant departments. This includes dedicated teams in Compliance, Customer Support, IT Security, and Marketing, all of which contribute to identifying, mitigating, and resolving issues that may negatively affect consumers. Financial resources are embedded within departmental budgets and are used to support complaint management systems, digital communication tools, and staff training. The resource allocation is not reported as a separate budget line, as these costs are considered an integral part of daily operations and customer relationship management. In practice, these resources allow the bank to maintain high-quality service, transparency in communication, and rapid response mechanisms. *(Disclosure: S4-4 – Par 37)*

With regard to the disclosure of reasons for not taking specific sustainability actions, Libra Internet Bank confirms that it has taken the necessary measures to address key consumer-related concerns, including transparency in service disruption communications, enhanced digital infrastructure, and an effective complaint resolution framework. The bank has not encountered any significant structural, financial, or regulatory barriers that would have prevented the adoption of relevant actions. Nevertheless, it continues to review and adapt its operational approach to ensure continuous improvement in sustainability performance, consumer satisfaction, and responsiveness to emerging challenges. *(Disclosure: S4 MDR-A 13 – Par 62)*

3.2.3. Indicators and Targets

Libra Internet Bank has not currently established specific sustainability-related targets in connection with managing material negative impacts, advancing positive impacts, or mitigating material risks and opportunities. However, the bank remains committed to regulatory compliance and good practice, applying continuous improvement and ongoing monitoring of its internal systems, operations, and policies. *(Disclosure: MDR-T-81. a)*

In light of this approach, the bank does not plan to introduce formal sustainability targets for the mentioned IROs, choosing instead to maintain compliance with all applicable legal frameworks in each area of impact. This reflects a strategy focused on risk prevention, legal adherence, and operational effectiveness rather than performance benchmarking through target-setting. *(Disclosure: MDR-T-81. a)*

Nonetheless, Libra Internet Bank continues to monitor and evaluate the effectiveness of its policies and operational actions across various material areas, particularly under its Cybersecurity and Resilience Strategy and its Personal Data Protection Procedure. In the area of cybersecurity, the bank conducts periodic testing – at least annually – to assess its resilience to cyberattacks. This process includes evaluating prevention, detection, and remediation mechanisms and updating internal controls to respond to new vulnerabilities or threat scenarios. These actions directly support the bank's broader IT&C risk framework, which is based on the continuous assessment of regulatory alignment, implementation feasibility, control efficiency, and overall security posture. *(Disclosure: MDR-T-81. b)*

For the processing of personal data, the bank has defined structured processes overseen by the Data Protection Officer (DPO). These include maintaining a centralized Register of Processing Records, immediate intervention and remediation in the event of security incidents, and notifications to the Romanian Data Protection Authority (ANSPDCP) when required. Furthermore, consumers are informed when incidents present significant risks to their fundamental rights and freedoms, in accordance with GDPR requirements. Records of all such incidents are kept, along with documentation detailing remedial steps and outcomes. *(Disclosure: MDR-T-81. b)*

Employee awareness and policy compliance are reinforced through mandatory training sessions, which are conducted at least annually. These trainings focus on personal data protection and employees' obligations under GDPR and national legislation. Attendance is tracked in collaboration with the Human Resources Division, and understanding is assessed via follow-up tests. The DPO is responsible for reporting training results and policy effectiveness to the Bank's senior management, who use this information to ensure decisions are aligned with legal obligations and best practices. *(Disclosure: MDR-T-81. b)*

4. INFORMATION ON MATERIAL GOVERNANCE TOPICS

4.1. Business Conduct

This section outlines Libra Internet Bank's governance framework related to business conduct, focusing on ethical standards, regulatory compliance, and the reinforcement of integrity across its operations. The Bank's approach is rooted in a structured set of internal policies and procedures that guide conduct, support internal accountability, and ensure alignment with legal obligations and international standards.

The disclosures presented here are based on material impacts, risks, and opportunities identified through the Double Materiality Assessment. These include the role of corporate culture in improving customer care, ensuring fairness in service delivery, and enhancing employee wellbeing; the protection of whistle-blowers as a means to foster ethical behavior, accountability, and transparency; and the prevention and detection of unethical practices, including corruption and bribery, both within internal operations and across client relationships. These areas reflect the Bank's efforts to strengthen governance, promote a resilient internal culture, and contribute to broader market stability.

Business conduct policies are formalized through key internal documents, including the General Business Strategy, the Code of Banking Ethics, the Internal Organization Regulation, and the KYC/AML/CFT Norm. Together, these instruments establish clear expectations for behavior, decision-making, and compliance across the organization and its value chain. They define the principles underpinning Libra Internet Bank's professional environment, guide the ethical engagement of employees and partners, and create mechanisms for reporting and addressing misconduct.

This chapter provides detailed disclosures in accordance with ESRS G1, covering the scope, governance structure, implementation, stakeholder alignment, and monitoring of each relevant policy. It also describes how internal training, whistleblower protections, and incident response systems are used to support the prevention and mitigation of potential negative impacts related to business conduct.

4.2. Managing impacts, risks and opportunities

4.2.1. Business conduct policies and corporate culture

General Business Strategy

The General Business Strategy defines the foundational values that shape the Bank's corporate culture and decision-making processes. These values include customer orientation, sustainability, ethical cooperation, innovation, work-life balance, and personal accountability. The policy reinforces a culture of high performance and ethical conduct throughout the Bank's operations. It addresses the material impact of corporate culture by promoting transparency, impartial services, and internal cohesion across all departments. These cultural principles contribute directly to improved customer care, stronger client relationships, and enhanced employee morale, as identified in the Double Materiality Assessment. *(Disclosure: MDR-P 65(a))*

The scope of the strategy covers all operational levels and geographic areas in which the Bank is active. It applies to internal business units as well as upstream partners and downstream client relationships. The policy has no exclusions and acts as the overarching framework through which other internal procedures and regulatory

compliance efforts are shaped. The values it sets are reflected consistently in all other internal governance framework and influence both strategic and operational activities across the value chain. *(Disclosure: MDR-P 65(b))* Accountability for the implementation of the General Business Strategy lies with the Executive Committee, operating under the supervision of the Board of Directors. This structure ensures that the Bank's leadership is directly responsible for embedding the values and objectives outlined in the strategy into all areas of business activity. *(Disclosure: MDR-P 65(c))*

The strategy does not reference specific international third-party frameworks or standards. However, it sets principles that are aligned with the internal ethical and compliance structures of the Bank and supports the implementation of specific standards through more targeted policies (e.g., those addressing compliance, anti-bribery, and employment law). *(Disclosure: MDR-P 65(d))*

The strategy incorporates stakeholder interests by explicitly recognizing the importance of employees, clients, and partners in achieving the Bank's long-term objectives. It emphasizes fair and transparent treatment of customers, collaboration with external partners (including in areas such as innovation and sustainability), and the importance of an engaged workforce. This reflects a deliberate effort to address stakeholder needs in the formulation of strategic direction. *(Disclosure: MDR-P 65(e))*

The policy is not publicly disclosed. However, its principles and core values are presented in the Bank's Annual Transparency Report and referenced in public communications. Internally, the policy is shared with all employees and reinforced through annual training programs, staff communications, and internal compliance monitoring, ensuring that all personnel understand and are aligned with the strategic vision of the Bank. *(Disclosure: MDR-P 65(f))*

Code of Banking Ethics

The Code of Banking Ethics establishes the principles and behavioral expectations that govern all employee conduct at Libra Internet Bank, encompassing interactions with clients, colleagues, authorities, and external stakeholders. It serves as a central instrument for promoting an internal culture rooted in fairness, professionalism, and regulatory compliance. The Code clarifies the shared ethical responsibilities of the organization and its employees, reinforcing accountability and setting clear consequences for misconduct.

The policy also creates a secure and structured environment for internal reporting by establishing dedicated whistleblower channels, including anonymous options, which enable employees to raise concerns without fear of retaliation. This mechanism reinforces ethical governance and strengthens employee morale by demonstrating the Bank's institutional commitment to protecting those who speak up. Additionally, the Code plays a critical preventive function by mandating training on ethical conduct and legal responsibilities. All staff members are expected to understand and adhere to the standards outlined in the Code, with oversight provided by the Ethics Officer. These training and enforcement mechanisms contribute to a culture of integrity and help mitigate risks related to corruption, unethical behavior, or non-compliance. Through these combined functions, the Code directly supports the development of an ethical corporate culture, the protection of internal whistleblowers, and the prevention and detection of misconduct through continuous training and accountability systems. *(Disclosure: MDR-P 65(a))*

The Code applies to all employees of Libra Internet Bank, across all departments and functions, and is binding in all professional interactions—both internal and external. It governs behavior with colleagues, clients, suppliers, competitors, and public institutions. The Code applies strictly within the Bank's own operations but also indirectly influences third-party interactions by setting conduct expectations for external collaboration. There are no stated exclusions. *(Disclosure: MDR-P 65(b))*

Responsibility for the implementation and oversight of the Code lies with the Chief Risk Officer (CRO) and the Head of Compliance. The designated Ethics Officer oversees enforcement and serves as a contact point for ethical concerns and whistleblower reports. *(Disclosure: MDR-P 65(c))*

The Code of Banking Ethics aligns with applicable regulatory and supervisory frameworks, specifically the National Bank of Romania (NBR) Regulation 5/2013 and the EBA Guidelines on Internal Governance. These external standards

underpin the ethical expectations and internal governance structures embedded in the Code, ensuring that the Bank's approach to business conduct remains consistent with national regulatory requirements and European best practices. *(Disclosure: MDR-P 65(d))*

The Code of Banking Ethics was developed with clear consideration of employee interests, recognizing staff as key stakeholders in upholding the Bank's ethical standards and achieving its strategic objectives. Employees are encouraged to actively participate in improving operations by proposing ideas that enhance productivity and by reporting behaviors or practices that could pose risks to the organization. The Bank promotes a culture of accountability by emphasizing that all staff have a shared responsibility for maintaining regulatory compliance and professional discipline. To facilitate transparent communication and safeguard employee input, the Bank has established structured internal reporting channels. These include a dedicated ethics officer channel available on the internal Librahome platform for reporting non-criminal violations of internal rules—such as procedural errors, dress code breaches, or breaches of collegiality—and a separate channel for reporting suspected legal violations, such as abuse of office, bribery, harassment, or other criminal conduct. These mechanisms ensure that employee concerns are addressed responsibly, contributing to a culture of trust, integrity, and operational transparency. *(Disclosure: MDR-P 65(e))*

The full Code is made available to all employees via the Bank's intranet. Any revisions are communicated internally and addressed during the annual professional training cycle. While the full policy is not published externally, a summary version is available on the Bank's public website. *(Disclosure: MDR-P 65(f))*

Internal Organization Regulation of Libra Internet Bank

Internet Bank's internal governance framework establishes a comprehensive set of operational rules that define the rights and obligations of both the Bank and its employees, ensuring a consistent application of the Bank's values and fostering a strong corporate culture. The policy includes provisions on employment relations, labor discipline, risk and IT management, health and safety, customer complaints handling, anti-fraud responsibilities, training and career development, employee evaluation, telework, leave entitlements, and internal conduct. It also covers cross-cutting compliance areas such as confidentiality, data protection, and conflict of interest.

By ensuring clarity, structure, and consistency in the governance of day-to-day operations, the IOR supports the material impact associated with a healthy corporate culture, particularly in fostering employee well-being, promoting fair service delivery, and aligning internal conduct with client expectations. These impacts were identified in the Bank's Double Materiality Assessment. The monitoring of implementation is embedded in operational practices through the enforcement of disciplinary measures, supervisory oversight, and internal audit mechanisms. *(Disclosure: MDR-P 65(a))*

The IOR applies across all the Bank's operational functions and is binding for all employees, managers, and internal collaborators. It governs staff conduct both within headquarters and branch locations. While primarily focused on internal operations, the policy indirectly shapes interactions with external stakeholders—such as clients, suppliers, and partners—through provisions on professional behavior, risk control, and customer service ethics. The IOR does not explicitly cover upstream or downstream third parties, but its rules on conduct, complaints handling, and anti-discrimination have cascading effects on external relationships. There are no exclusions in terms of geography or business line. *(Disclosure: MDR-P 65(b))*

Responsibility for the implementation and oversight of the IOR lies with the Director and Head of the Human Resources Division. This includes ensuring compliance with the policy across departments, managing updates in accordance with legal changes, and coordinating with other divisions—such as Legal, Compliance, and Risk Management—on cross-functional provisions. *(Disclosure: MDR-P 65(c))*

The Internal Organization Regulation incorporates and aligns with several national and EU-level legal and regulatory frameworks, including:

- ⇒ Romanian Labor Code (Law no. 53/2003),
- ⇒ Decision no. 1500/2024 on the collective bargaining agreement for banking,

- ⇒ Occupational health and safety regulations (e.g., Government Decision no. 1425/2006 and no. 955/2010),
- ⇒ Law No. 346/2002 on work accident and occupational disease insurance,
- ⇒ Regulation (EU) 2016/679 (GDPR).

These external standards inform and shape the operational provisions of the IOR, especially in the areas of labor relations, employee rights, health and safety, and data confidentiality. *(Disclosure: MDR-P 65(d))*

The IOR is structured to reflect and balance the interests of key internal and external stakeholders. For employees, it provides clarity on roles, expectations, and protection mechanisms—such as anti-discrimination rules and access to professional development. For clients, the policy ensures that customer concerns are formally addressed, with structured complaints and escalation channels. By reinforcing orderly operations and fair treatment, the policy also protects shareholders and investors, reducing reputational and operational risks and fostering a stable work environment. *(Disclosure: MDR-P 65(e))*

The Internal Organization Regulation is an internal document and is not made publicly available. It is, however, fully accessible to all employees via the Bank's internal intranet platform. Upon hiring, all employees are briefed on its content and required to adhere to its provisions as a condition of employment. Regular updates or amendments are communicated through internal channels. *(Disclosure: MDR-P 65(f))*

KYC/AML/CFT NORM

The KYC/AML/CFT Norm defines the institutional framework and mandatory processes adopted by Libra Internet Bank to prevent money laundering and the financing of terrorism. The policy is legally anchored in Romania's Law no. 129/2019, Government Emergency Ordinance no. 202/2008, and relevant EU directives (Directive 2015/849 and Directive 2018/843). It outlines customer due diligence (CDD) requirements, continuous monitoring, risk classification methodologies, reporting obligations, and internal control measures. A dedicated section details how employees are to escalate suspicious activity to the National Bank of Romania (NBR) or other competent authorities, either via designated compliance roles or direct digital reporting channels.

The policy directly supports the material sustainability matter of prevention and detection in the financial sector by reducing the Bank's exposure to illicit financial flows and enhancing the integrity of its client portfolio. As assessed in the Double Materiality Assessment, this relates to the material impact of influencing client business conduct and promoting wider market resilience. By requiring upstream compliance with AML/CFT principles, the Bank encourages counterparties to adopt more robust governance frameworks, contributing to reduced systemic risk. Monitoring is carried out by the Money Laundering Reporting Officer (MLRO), the Compliance Division, and internal audit teams through risk-based control reviews, automated transaction monitoring tools, and recurring regulatory audits. *(Disclosure: MDR-P 65(a))*

The policy applies across the Bank's full range of products, services, and geographies, encompassing all customer segments including individuals, professionals, SMEs, corporates, and occasional clients. It sets out the AML/CFT responsibilities of front office personnel, compliance officers, and other staff members who interact with clients or process transactions. The scope extends upstream to include suppliers of client onboarding technology and KYC screening services and downstream to beneficiaries and stakeholders indirectly affected by customer-related financial crime risks. Additionally, the policy contains specific obligations for the Bank to cooperate with public authorities, such as FIUs, financial regulators, and law enforcement. There are no stated exclusions. *(Disclosure: MDR-P 65(b))*

Responsibility for implementation and oversight lies with the Chief Risk Officer (CRO), the Money Laundering Reporting Officer (MLRO), and the Head of Compliance. These individuals ensure alignment with legal requirements and manage the escalation of suspicious activities, client risk assessments, and staff training. *(Disclosure: MDR-P 65(c))*

The policy is directly aligned with:

- ⇒ Law no. 129/2019 on the prevention and combating of money laundering and terrorism financing.

- ⇒ NBR Regulation 2/2019.
- ⇒ Government Emergency Ordinance (GEO) no. 202/2008.
- ⇒ Directive (EU) 2015/849 and Directive (EU) 2018/843 (AMLD4 and AMLD5).

These legal instruments define the required content and operational application of the policy. *(Disclosure: MDR-P 65(d))*

The policy accounts for the interests of clients, employees, and national authorities. Customers are protected from identity theft and fraud through stringent KYC procedures. Employees are trained to recognize suspicious behavior and fulfill legal obligations while being supported with clear internal reporting tools. Authorities are provided timely and complete reports via established channels. The Bank balances these stakeholder needs by ensuring regulatory compliance while safeguarding the financial system. *(Disclosure: MDR-P 65(e))*

The policy is not publicly available due to its operational sensitivity, but its principles are contractually embedded in client-facing documents such as the General Business Framework Agreement. For employees, the full document is available on the internal intranet and forms part of the mandatory compliance training curriculum. Key principles and obligations are reinforced regularly via internal communications and risk briefings. *(Disclosure: MDR-P 65(f))*

Corporate culture at Libra Internet Bank is defined in the General Business Strategy and operationalized through internal governance documents, including but not limited to the Code of Banking Ethics and the Anti-Harassment Policy. These policies set out expected behaviors, core values, and ethical standards and serve as foundational instruments through which corporate culture is both formalized and reinforced.

The Bank develops and promotes its corporate culture through annual training programs mandatory for the entire workforce. These programs address the practical application of internal policies to employees' daily responsibilities. Training content includes real-life examples, case studies, and compliance scenarios designed to improve policy comprehension and ethical awareness. Completion of the training is verified through mandatory assessments.

The evaluation of corporate culture is based on three primary internal performance indicators:

- ⇒ Training and testing results – Measured through employee performance in mandatory policy assessments, which reflect understanding and internalization of the Bank's ethical framework.
- ⇒ Workforce retention and turnover – Used as a proxy for employee satisfaction and organizational alignment with declared values.
- ⇒ Ethical grievance records – Assessed both in volume and severity to monitor the effectiveness and pervasiveness of the Bank's cultural values in guiding behavior and decision-making.

This integrated approach allows the Bank to systematically cultivate and evaluate its corporate culture, ensuring alignment with its strategic objectives, employee well-being, and stakeholder expectations. *(Disclosure: G1-1.9)*

Libra Internet Bank has implemented comprehensive mechanisms for identifying, reporting, and investigating concerns related to unlawful behavior or breaches of internal conduct rules. These mechanisms are designed to ensure confidentiality, accountability, and responsiveness, while accommodating reports from both internal and external stakeholders. *(Disclosure: G1-1.10(a))*

Employees may report violations through dedicated internal channels published on the Bank's intranet (Librahome). These include:

- ⇒ A direct line to the Ethics Officer for reporting non-criminal breaches of internal rules, such as breaches of procedure, dress code, or collegial conduct.
- ⇒ A separate channel for violations of law, such as bribery, abuse of office, harassment, or corruption.
- ⇒ An external whistleblower platform provided by the National Integrity Agency (ANI), publicly accessible via its official website.

In cases where the Ethics Officer is implicated, employees may escalate their concerns directly to the General

Manager, the ANI, or through public disclosure. Reports must include a clear description of the violation, evidence (where applicable), and relevant contextual information. Anonymity is permitted, and anonymous reports are evaluated based on their evidentiary substance.

Following submission, the Ethics Officer acknowledges receipt within 7 calendar days. A full investigation is then conducted, which may include interviews, documentation review, and risk assessment. The whistleblower receives a status update within 3 months. All reports and outcomes are recorded in a confidential electronic register and retained for a period of five years.

Resolution outcomes include either filing (when the report is incomplete or unverifiable) or escalation to the Bank's Management Committee, which determines appropriate enforcement actions while maintaining confidentiality. Clients and suppliers may also report suspected violations through the public email address of the Ethics Officer provided on the Bank's website. *(Disclosure: G1-1.10(a))*

Libra Internet Bank maintains anti-corruption and anti-bribery policies aligned with all applicable European regulations and guidance, including international frameworks. These policies are consistent with the United Nations Convention against Corruption, and no gaps have been identified that would necessitate further policy development or a specific implementation timeline. *(Disclosure: G1-1.10(b))*

Libra Internet Bank has formalized internal whistleblower protection mechanisms to align with Directive (EU) 2019/1937, ensuring employees can report concerns safely and without fear of retaliation.

i. Establishment and Communication of Channels

Whistleblower reporting channels are clearly outlined in the Code of Banking Ethics and are accessible via the internal Librahome platform. These channels include:

- ⇒ An internal contact point with the Ethics Officer for violations of internal policies or conduct rules.
- ⇒ A separate internal reporting tool for suspected breaches of law.
- ⇒ An external option through the National Integrity Agency (ANI), accessible via its public platform.

All employees are trained annually on the Bank's business conduct policies, including these reporting mechanisms. Training includes examples of breaches, case studies, and assessments to confirm understanding. Employees also receive guidance on how to use the channels securely and anonymously. The Ethics Officer, designated to receive such reports, is trained to handle them professionally, confidentially, and in compliance with data protection requirements.

ii. Protection Against Retaliation

The Code of Banking Ethics explicitly prohibits retaliation against whistleblowers who act in good faith. Prohibited retaliatory actions include:

- ⇒ Suspension or dismissal.
- ⇒ Demotion, reduction of pay, or reassignment.
- ⇒ Denial of promotion or negative performance reviews.
- ⇒ Harassment, intimidation, or inclusion on blacklists.

Retaliation is classified as a serious disciplinary offense, triggering further disciplinary action under the Internal Organization Regulation. The identity of whistleblowers is kept confidential, and all information is managed according to GDPR requirements and the Bank's Data Protection Policy. In cases involving reports against the Ethics Officer, escalation paths include reporting to the General Manager, to ANI, or public disclosure. Clients and suppliers can also submit concerns to the public ethics contact published on the Bank's website.

The KYC/AML/CFT Norm complements this framework by protecting compliance officers who report suspicious transactions. It allows direct reporting to the National Bank of Romania via a secure portal, ensuring confidentiality is maintained without internal involvement. *(Disclosure: G1-1.10(c))*

The Bank confirms that it has implemented whistleblower protection policies and is fully compliant with relevant laws. No future plans are needed for implementation. *(Disclosure: G1-1.10(d))*

In addition to whistleblower protocols, the Bank has established procedures for promptly, independently, and objectively investigating any incidents of corruption or bribery. These procedures are embedded within the Code of Banking Ethics and mirror those used for general misconduct reporting. They ensure that ethical breaches are systematically assessed and resolved by the Ethics Officer or escalated to management. *(Disclosure: G1-1.10(e))*

Training on business conduct—including anti-bribery, anti-corruption, ethical standards, and whistleblower

protection—is mandatory for all employees and is delivered annually. Training covers real-life scenarios, employee responsibilities, and expectations for ethical behavior across business functions. *(Disclosure: G1-1.10(g))*

The Bank identifies front-office employees as being the most exposed to risks related to corruption and bribery. These roles involve direct interactions with clients, third-party representatives, and external stakeholders, making them critical targets for integrity controls and behavioral oversight. *(Disclosure: G1-1.10(h))*

4.2.2. Prevention and detection of corruption and bribery

Libra Internet Bank has in place comprehensive procedures to prevent, detect, and address corruption and bribery, as part of its overarching business conduct governance framework. These measures are enforced through the Bank's Code of Banking Ethics, internal training programs, and investigation protocols. *(Disclosure: G1-3.18)*

Prevention and detection mechanisms include annual mandatory training for all employees on general compliance topics, including corruption and bribery. The training clarifies legal definitions, prohibited practices (e.g., accepting gifts or favors), and employee responsibilities in recognizing and reporting suspicious conduct. Training is complemented by periodic communications from the Ethics Officer, who issues guidance reminders to reinforce accountability and awareness of internal standards. *(Disclosure: G1-3.18(a))*

Investigations into allegations of corruption or bribery are conducted by the Bank's Ethics Officer, who is not part of the management hierarchy involved in the case under investigation. This ensures objectivity and mitigates risks of conflict of interest. The Ethics Officer operates independently and has a direct reporting line to senior management, preserving impartiality in the investigative process. *(Disclosure: G1-3.18(b))*

Upon completing an investigation, the Ethics Officer submits a confidential report to the Bank's senior management. The report includes the findings and, where necessary, recommendations for corrective actions. The Management Committee then decides on appropriate enforcement measures in line with the severity and nature of the case. *(Disclosure: G1-3.18(c))*

The Bank confirms that such procedures are fully in place, and therefore no additional implementation plans are required. *(Disclosure: G1-3.19)*

Communication of anti-corruption and anti-bribery policies is ensured through multiple channels:

- ⇒ Annual mandatory training that covers ethical obligations, reporting mechanisms, and legal compliance.
- ⇒ Periodic updates and reminders issued by the Ethics Officer to reinforce policy principles and employee responsibility.
- ⇒ Internal dissemination of policy updates, where revisions to the Code of Ethics are communicated promptly to all staff. These measures ensure accessibility and understanding of the policies across the workforce. *(Disclosure: G1-3.20)*

Anti-bribery and anti-corruption training is integrated into the Bank's general compliance training curriculum, which is delivered annually and is mandatory for all employees. The training includes legal definitions, typical case scenarios, guidance on prohibited behaviors, and instructions for recognizing and reporting breaches. Emphasis is placed on zero tolerance for bribery or gift acceptance. After completing the training, employees are required to pass a test. Failure to pass may influence annual performance evaluations. *(Disclosure: G1-3.21(a))*

The Bank reports that all employees are covered by the training program, amounting to 100% coverage of functions at risk of exposure to corruption and bribery. This universal application reflects a proactive and preventive approach. *(Disclosure: G1-3.21(b))*

In addition to general employee training, the Bank organizes specialized anti-corruption and anti-bribery training for senior leadership. This training is coordinated annually by the Bank's primary shareholder (NCH) and includes participation from the CEO, Deputy General Managers, Heads of Compliance, Risk, Legal, Operations, IT, and Credit Divisions, among others. This ensures that individuals in strategic roles are equipped to detect and mitigate corruption risks across their areas of responsibility. *(Disclosure: G1-3.21(c))*

Due to limitations in the internal data reporting systems, the category "Other own workers" includes staff members who are also part of the "At-risk functions," "Managers," and "Administrative, Management, and Supervisory Bodies (AMSB)" groups. This reporting structure is necessary because the topics of corruption and bribery fall within the scope of the Bank's mandatory annual training and testing program, which applies to the entire workforce.

All employees holding an active status as of the end of August are required to complete a formal testing session as part of the annual compliance training. For employees hired after this date and prior to the next mandatory cycle, the induction training program includes targeted modules covering key areas of risk, such as anti-fraud,

KYC/AML/CFT, and general compliance, thereby ensuring full coverage across the workforce.

Managers, particularly branch-level leadership, also participate in quarterly compliance meetings with representatives of the Compliance Division. These sessions are held virtually and reinforce awareness of regulatory and ethical standards throughout the year. These activities are tracked and reported under the "Managers" category. Members of the Board and a selected group of senior managers, including division heads and branch managers, attend annual external training programs coordinated by the Bank's primary shareholder, the NCH Group. In 2024, the training topic focused on anti-bribery and corruption, and participation is documented under the "ASMB" category.

Front-office employees, identified as occupying roles most exposed to bribery and corruption risks, may receive additional ad-hoc training throughout the year based on internal audit findings, compliance control missions, or specific risk incidents. These interventions are applied as targeted measures beyond the standard annual compliance program and are essential for strengthening individual and team-level awareness in higher-risk operational environments.

Training delivery methods include both classroom-based sessions and computer-based modules. For instance, onboarding training for new hires averages 90 minutes, while recurring compliance-related modules range from 25 to 55 minutes, depending on the topic. Quarterly meetings for managers last approximately 45 minutes per session, and the external anti-bribery training delivered to AMSB participants lasted 60 minutes.

All training is mandatory, and failure to pass post-training assessments impacts the annual employee evaluation process. This ensures accountability and reinforces the Bank's zero-tolerance stance on bribery and corruption.

Through this structure, the Bank ensures that anti-bribery and anti-corruption training is systematically applied, adapted by risk exposure and role, and continuously reinforced across all levels of the organization. This approach fulfills the expectations of G1-3.AR 8 by addressing the nature, scope, audience, and frequency of the training and linking coverage to specific risk categories. *(Disclosure: Disclosure – G1-3.AR 8)*

Furthermore, front-office employees, who are part of the "At-risk functions" category, may participate throughout the year in various training and testing sessions based on decisions made following control missions, audit assignments, or reported specific risk incidents.	At-risk functions	Managers	AMSB	Other own workers
Training coverage				
Total	0	3	1	3
Total receiving training	0	3	1	3
Delivery method and duration				
Classroom training (hours)	0	3/participant	1/participant	2/participant (mandatory) 1.5/participant (induction)
Computer-based	Mandatory training	Quarterly meeting	Anti Bribery and	Compliance training:

training (hours)	*already included in "Other own workers" column	between Branch Managers and Compliance Department 45 min/meeting (4 meetings/year) The meeting has place in MS Teams. *Mandatory training *already included in "Other own workers" column	Corruption (in 2024) 60 mins/participant in average, 20 participants Mandatory training *already included in "Other own workers" column	40 mins/ session (average), 1102 employees KYC/AML/CFT training: 55 mins/ session (average), 596 employees Antifraud training: 25 mins/ session (average), 1052 employees Induction: 90 mins in average, 395 employees 1. Compliance 2. KYC/AML/CFT 3. Antifraud
Voluntary computer-based training (hours)	n/a	n/a	n/a	n/a
Frequency				
How often training is required	Annual	Annual;	Annual	Annual
Topics covered				
Definition of corruption	YES	YES	YES	YES
Policy	YES	YES	YES	YES
Procedures on suspicion/detection	YES	YES	N/A	YES

4.2.3. Actions on professional conduct

Actions on Corporate Culture

The Bank conducted a strategic management event involving over 100 internal leaders, including Division Heads, Branch Managers, and Executive Managers. This annual event had a multifaceted structure. It included presentations on organizational performance and strategic direction, followed by a half-day interactive workshop. The workshop focused on communication skills, strategic thinking, planning, and ethical decision-making, delivered through a practical simulation exercise. The key objective was to reinforce ethical leadership, enhance managerial alignment across the institution, and strengthen cohesion between headquarters and branches. This initiative contributes to the corporate culture policy by promoting a shared understanding of ethical leadership and business values among managerial staff. The event covered the entire internal organizational structure with a national geographic scope. It is expected to continue on an annual basis as part of the Bank's leadership development initiatives. *(Disclosure: MDR-A(a)(b)(c)(e))*

Another key internal initiative focused on enhancing transparency and dialogue is the "Ask the CEO" program. This internal communication effort fosters a culture of openness and trust by allowing employees to directly engage with the CEO in an online live format. Staff are invited to ask questions and raise topics of interest, creating a transparent and participatory communication environment. This contributes to strengthening organizational cohesion, increases

accessibility of top leadership, and reinforces internal values of integrity and inclusivity. The initiative spans the entire organization and applies across all departments, without geographic restriction. While not tied to formal remediation actions, it supports early issue identification and resolution. The program has been well received, and continued implementation is planned based on high participation and positive outcomes. *(Disclosure: MDR-A(a)(b)(c)(e))*

Actions on Protection of Whistle-blowers

To support the Bank's internal commitment to ethical governance and legal compliance, a number of actions have been taken to strengthen the protection of whistle-blowers. One key measure is ensuring the confidentiality of all data related to whistleblower reports. This involves the secure handling of sensitive personal information and internal documentation, as well as strict access controls. All submitted reports, whether anonymous or identified, are recorded and stored within a protected electronic register managed by the Ethics Officer. These confidentiality protocols apply across all business units and locations and are fundamental to creating a safe reporting environment. They align with the provisions of the Code of Banking Ethics and support compliance with applicable national legislation and Directive (EU) 2019/1937. *(Disclosure: MDR-A(a)(b))*

In addition to data confidentiality, the Bank has institutionalized the possibility of submitting anonymous reports. Employees are not required to disclose their identity when reporting violations of internal rules or legal obligations. Reports are still subject to full investigation, provided they contain sufficient information. This option encourages individuals to come forward without fear of retaliation, thereby increasing reporting rates and reinforcing the integrity of the internal control environment. Anonymous reporting is available through digital channels accessible via the Bank's intranet and is complemented by secure external reporting options. These measures are applicable across the Bank's entire operational structure and contribute to a resilient culture of accountability. *(Disclosure: MDR-A(a)(b))*

Financial Resources Allocated to the Action Plan

The implementation of the Bank's action plans relating to corporate culture, ethical conduct, and whistleblower protection does not require the establishment of separate or significant capital or operational expenditure lines. All associated costs are integrated within the general budgeting of the respective departments responsible for implementing each action (e.g. Human Resources, Compliance, Communications). As such, there are no distinct financial allocations recorded under separate CapEx or OpEx budget lines for these actions. *(Disclosure: ESRS 2 MDR-A.69(a))*

The financial resources allocated to these initiatives are included within the broader categories of personnel development, staff engagement, and compliance expenditures in the Bank's annual financial statements. Due to the embedded nature of these actions within operational processes, no disaggregated financial amounts are currently presented separately for disclosure purposes. *(Disclosure: ESRS 2 MDR-A.69(b))*

At this time, the Bank has not earmarked future standalone financial resources for these action plans. Continuation and expansion of the programs will remain integrated within the regular operational budgets of the relevant departments and will be adjusted based on strategic planning outcomes and internal demand. *(Disclosure: ESRS 2 MDR-A.69(c))*

4.3. Metrics and Targets

As of the current reporting period, the Bank has not established specific quantitative or qualitative targets under the G1 Business Conduct disclosures. The Bank continues to implement policies and procedures aimed at promoting ethical behavior and preventing corruption or bribery but has not formalized these objectives into defined, measurable targets.

During the reporting period, the Bank recorded zero (0) convictions related to corruption or bribery offenses. No fines or penalties were issued for violations of anti-corruption or anti-bribery laws. *(Disclosure: G1-4.24(a))*

There were no breaches of internal anti-bribery and anti-corruption procedures that required corrective action or remediation during the reporting year. As such, no specific actions were triggered under internal investigation or disciplinary protocols. *(Disclosure: G1-4.24(b))*

5. ANNEXES

5.1. Reporting requirements according to Annex VI - templates for credit institutions' key performance indicators

5.1.1. Table 0 - Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets	Turnover KPI (****)	CapEx KPI (*****)	% coverage (over total assets) (***)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	0.00	0.00%	0.00%	62.79%	92.45%	37.21%

		Total environmentally sustainable activities	Turnover KPI (****)	CapEx KPI (*****)
Additional KPIs	GAR (flow)	0	0%	0%
	Trading book*	0	0%	0%
	Financial guarantees	0	0%	0%
	Assets under management	0	0%	0%
	Fees and commissions income**	0	0%	0%

LEI		Total [gross] carrying amount	Disclosure reference date T (FY ending Dec 2024)												
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			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 Use of Proceeds	Of which transitiona l	Of which enabling													Of which Use of Proceeds
-	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	979,647,454.00	566,212,999.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Financial undertakings	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Credit institutions	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	-	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
7	Other financial corporations	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	of which investment firms	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Loans and advances	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Debt securities, including UoP	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	-	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
12	of which management companies	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Loans and advances	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Debt securities, including UoP	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	-	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
16	of which insurance undertakings	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Loans and advances	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Debt securities, including UoP	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	-	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
20	Non-financial undertakings	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21	Loans and advances	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	Debt securities, including UoP	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Equity instruments	-	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
24	Households*	979,647,454.00	566,212,9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				

[illegible]

[illegible]

	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	334,380,576.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
54	Financial guarantees	334,380,576.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
55	Assets under management	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
56	Of which debt securities	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
57	Of which equity instruments	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

5.1.2. **Table 1. Assets for the calculation of GAR Stock, Turnover view**

** The Households category includes all consumer lending activity, beyond what is reflected via the three reporting categories "of which loans collateralised by residential immovable property", "of which building renovation loans", "of which motor vehicle loans".*

Table 1. Assets for the calculation of GAR Stock, Turnover view (continue)

[illegible]

LEI	Total [gross] carrying amount	Disclosure reference date T (FY ending Dec 2024)											
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		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 Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
19 Equity instruments	-	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
20 Non-financial undertakings	-	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
21 Loans and advances	-	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
22 Debt securities, including UoP	-	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
23 Equity instruments	-	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
24 Households*	979,647,454.00	0.00	0.00		0.00	0.00							
25 of which loans collateralised by residential immovable property	566,212,999.71	0.00	0.00		0.00	0.00							
26 of which building renovation loans	-	0.00	0.00		0.00	0.00							
27 of which motor vehicle loans	-												
28 Local governments financing	-	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
29 Housing financing	-	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
30 Other local government financing	-	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
31 Collateral obtained by taking possession: residential and commercial immovable properties	-	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00

LEI	Total [gross] carrying amount	Disclosure reference date T (FY ending Dec 2024)								
		Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)		
		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 Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling

LEI	Total [gross] carrying amount	Disclosure reference date T (FY ending Dec 2024)											
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		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 Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling	
54 Financial guarantees	334,380,576.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
55 Assets under management	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
56 Of which debt securities	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
57 Of which equity instruments	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* The Households category includes all consumer lending activity, beyond what is reflected via the three reporting categories "of which loans collateralised by residential immovable property", "of which building renovation loans", "of which motor vehicle loans".

Table 1. Assets for the calculation of GAR Stock, Turnover view (continue)

LEI	Total [gross] carrying amount	Disclosure reference date T (FY ending Dec 2024)				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling
- GAR - Covered assets in both numerator and denominator						
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	979,647,454.00	566,212,999.71	0.00	0.00	0.00	0.00
2 Financial undertakings	-	0.00	0.00	0.00	0.00	0.00
3 Credit institutions	-	0.00	0.00	0.00	0.00	0.00
4 Loans and advances	-	0.00		0.00	0.00	0.00
5 Debt securities, including UoP	-	0.00		0.00	0.00	0.00
6 Equity instruments	-	0.00	0.00		0.00	0.00
7 Other financial corporations	-	0.00	0.00	0.00	0.00	0.00
8 of which investment firms	-	0.00	0.00	0.00	0.00	0.00
9 Loans and advances	-	0.00	0.00	0.00	0.00	0.00
10 Debt securities, including UoP	-	0.00	0.00	0.00	0.00	0.00
11 Equity instruments	-	0.00	0.00		0.00	0.00
12 of which management companies	-	0.00	0.00	0.00	0.00	0.00
13 Loans and advances	-	0.00	0.00	0.00	0.00	0.00
14 Debt securities, including UoP	-	0.00	0.00	0.00	0.00	0.00
15 Equity instruments	-	0.00	0.00		0.00	0.00
16 of which insurance undertakings	-	0.00	0.00	0.00	0.00	0.00
17 Loans and advances	-	0.00	0.00	0.00	0.00	0.00
18 Debt securities, including UoP	-	0.00	0.00	0.00	0.00	0.00
19 Equity instruments	-	0.00	0.00		0.00	0.00
20 Non-financial undertakings	-	0.00	0.00	0.00	0.00	0.00
21 Loans and advances	-	0.00		0.00	0.00	0.00
22 Debt securities, including UoP	-	0.00	0.00	0.00	0.00	0.00
23 Equity instruments	-	0.00	0.00		0.00	0.00
24 Households*	979,647,454.00	566,212,999.71	0.00	0.00	0.00	0.00
25 of which loans collateralised by residential immovable property	566,212,999.71	566,212,999.71	0.00	0.00	0.00	0.00
26 of which building renovation loans	-	0.00	0.00	0.00	0.00	0.00

LEI	Total [gross] carrying amount	Disclosure reference date T (FY ending Dec 2024)				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling
27 of which motor vehicle loans	-	0.00	0.00	0.00	0.00	0.00
28 Local governments financing	-	0.00	0.00	0.00	0.00	0.00
29 Housing financing	-	0.00	0.00	0.00	0.00	0.00
30 Other local government financing	-	0.00	0.00	0.00	0.00	0.00
31 Collateral obtained by taking possession: residential and commercial immovable properties	-	0.00	0.00	0.00	0.00	0.00

LEI	Total [gross] carrying amount	Disclosure reference date T (FY ending Dec 2024)			
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)			
		Of which Proceeds	Use of transitional	Of which enabling	

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	7,164,505,702.09					
33	Financial and Non-financial undertakings	5,977,994,823.16					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5,965,062,723.45					
35	Loans and advances	5,947,741,615.78					
36	of which loans collateralised by commercial immovable property	4,248,599,257.95					
37	of which building renovation loans	-					
38	Debt securities	-					
39	Equity instruments	17,321,107.67					
40	Non-EU country counterparties not subject to NFRD disclosure obligations	12,932,099.71					
41	Loans and advances	-					
42	Debt securities	-					
43	Equity instruments	12,932,099.71					
44	Derivatives	-					
45	On demand interbank loans	1,010,217,649.81					
46	Cash and cash-related assets	89,282,553.82					
47	Other categories of assets (e.g. Goodwill, commodities etc.)	87,010,675.30					
48	Total GAR assets	8,144,153,156.09	566,212,999.71	0.00	0.00	0.00	0.00
49	Assets not covered for GAR calculation	4,826,422,799.58					
50	Central governments and Supranational issuers	2,543,671,326.76					
51	Central banks exposure	2,282,751,472.82					

LEI	Total [gross] carrying amount	Disclosure reference date T (FY ending Dec 2024)					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)					
				Of which Use of Proceeds	Of which transitional	Of which enabling	
52 Trading book	-						
53 Total assets	12,970,575,955.67	566,212,999.71	0.00	0.00	0.00	0.00	
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	334,380,576.46	0.00	0.00	0.00	0.00	0.00	
54 Financial guarantees	334,380,576.46	0.00	0.00	0.00	0.00	0.00	
55 Assets under management	-	0.00	0.00	0.00	0.00	0.00	
56 Of which debt securities	-	0.00	0.00	0.00	0.00	0.00	
57 Of which equity instruments	-	0.00	0.00	0.00	0.00	0.00	

* The Households category includes all consumer lending activity, beyond what is reflected via the three reporting categories "of which loans collateralised by residential immovable property", "of which building renovation loans", "of which motor vehicle loans".

5.1.3.

Table 2. GAR Sector Information, Turnover view Table 3. GAR KPI Stock, Turnover View

Breakdown by sector - NACE 4 digits level (code)	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Water and marine resources (WTR)	
		Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD
		[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount
		LEI Of which environmentally sustainable (CCM)	LEI Of which environmentally sustainable (CCM)	LEI Of which environmentally sustainable (CCA)	LEI Of which environmentally sustainable (CCA)	LEI Of which environmentally sustainable (WTR)	LEI Of which environmentally sustainable (WTR)

**No data has been reported since there is no exposure from entities which have an eligible NACE code EU Taxonomy wise, and which are also subject to reporting obligations under the NFRD/CSRD.*

Table 2. GAR Sector Information, Turnover view Table 3. GAR KPI Stock, Turnover View (continue)

Breakdown by sector - NACE 4 digits level (code)	Breakdown by sector - NACE 4 digits level (code and label)	Circular economy (CE)		Pollution (PPC)		Biodiversity and Ecosystems (BIO)	
		Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD
		[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount
		LEI Of which environmentally sustainable (CE)	LEI Of which environmentally sustainable (CE)	LEI Of which environmentally sustainable (PPC)	Mn EUR Of which environmentally sustainable (PPC)	LEI Of which environmentally sustainable (BIO)	LEI Of which environmentally sustainable (BIO)

**No data has been reported since there is no exposure from entities which have an eligible NACE code EU Taxonomy wise, and which are also subject to reporting obligations under the NFRD/CSRD.*

Table 2. GAR Sector Information, Turnover view Table 3. GAR KPI Stock, Turnover View (continue)

Breakdown by sector - NACE 4 digits level (code)	Breakdown by sector - NACE 4 digits level (code and label)	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		LEI	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	LEI	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)

**No data has been reported since there is no exposure from entities which have an eligible NACE code EU Taxonomy wise, and which are also subject to reporting obligations under the NFRD/CSRD.*

[illegible]

Table 3. GAR KPI Stock, Turnover View (continue)

% (compared to total covered assets in the denominator)		Disclosure reference date T (FY ending Dec 2024)											
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	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	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%

[illegible]

Table 3. GAR KPI Stock, Turnover View (continue)

% (compared to total covered assets in the denominator)		Disclosure reference date T (FY ending Dec 2024)					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Of which Use of Proceeds	Of which transitional	
-	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	57.80%	0.00%	0.00%	0.00%	0.00%	7.55%
2	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
20	Non-financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
24	Households	57.80%	0.00%	0.00%	0.00%	0.00%	7.55%
25	of which loans collateralised by residential immovable	100.00%	0.00%	0.00%	0.00%	0.00%	4.37%

	property						
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	6.95%	0.00%	0.00%	0.00%	0.00%	62.79%

5.1.5.

Table 4. GAR KPI Flow, Turnover view

[illegible]

[illegible]

Table 4. GAR KPI Flow, Turnover view (continue)

% (compared to flow of total eligible assets)		Disclosure reference date T (FY ending Dec 2024)											
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	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	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%

[illegible]

Table 4. GAR KPI Flow, Turnover view (continue)

% (compared to flow of total eligible assets)		Disclosure reference date T (FY ending Dec 2024)					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Of which Use of Proceeds	Of which transitional	
-	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	23.56%	0.00%	0.00%	0.00%	0.00%	100.00%
2	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
20	Non-financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
24	Households	23.56%	0.00%	0.00%	0.00%	0.00%	100.00%
25	of which loans collateralised by residential immovable	100.00%	0.00%	0.00%	0.00%	0.00%	23.56%

	property						
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	23.56%	0.00%	0.00%	0.00%	0.00%	100.00%

5.1.6.

Table 5. KPI off-balance sheet exposures. Stock. Turnover view

[illegible]

Table 5. KPI off-balance sheet exposures, Stock, Turnover view (continue)

[illegible]

Table 5. KPI off-balance sheet exposures, Stock, Turnover view (continue)

% (compared to total eligible off-balance sheet assets)		Disclosure reference date T (FY ending Dec 2024)				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%
	Of which debt securities	0.00%	0.00%	0.00%	0.00%	0.00%
	Of which equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%

5.1.7.

Table 5. KPI off-balance sheet exposures, Flow, Turnover view

[illegible]

Table 5. KPI off-balance sheet exposures, Flow, Turnover view (continue)

[illegible]

Table 5. KPI off-balance sheet exposures, Flow, Turnover view (continue)

% (compared to total eligible off-balance sheet assets)		Disclosure reference date T (FY ending Dec 2024)				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%
	Of which debt securities	0.00%	0.00%	0.00%	0.00%	0.00%
	Of which equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%

5.1.8.

Table 1. Assets for the calculation of GAR Stock. CapEx view

[illegible]

		Disclosure reference date T (FY ending Dec 2024)													
LEI	Total [gross] carrying amount	Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		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 Use of Proceeds		Of which transitional		Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling	
	management companies														
13	Loans and advances	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Debt securities, including UoP	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	-	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
16	of which insurance undertakings	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Loans and advances	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Debt securities, including UoP	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	-	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
20	Non-financial undertakings	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21	Loans and advances	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	Debt securities, including UoP	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Equity instruments	-	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
24	Households*	979,647,454.00	566,212,999.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
25	of which loans collateralised by residential immovable property	566,212,999.71	566,212,999.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
26	of which building renovation loans	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				

LEI	Total [gross] carrying amount	Disclosure reference date T (FY ending Dec 2024)												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		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 Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling		
exposure														
52 Trading book	-													
53 Total assets	12,970,575,955.67	566,212,999.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	334,380,576.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
54 Financial guarantees	334,380,576.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
55 Assets under management	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
56 Of which debt securities	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
57 Of which equity instruments	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* The Households category includes all consumer lending activity, beyond what is reflected via the three reporting categories "of which loans collateralised by residential immovable property", "of which building renovation loans", "of which motor vehicle loans".

Table 1. Assets for the calculation of GAR Stock, CapEx view (continue)

[illegible]

[illegible]

LEI	Total [gross] carrying amount	Disclosure reference date T (FY ending Dec 2024)							
		Circular economy (CE)		Pollution (PPC)			Biodiversity and Ecosystems (BIO)		
		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 Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling	

LEI	Total [gross] carrying amount	Disclosure reference date T (FY ending Dec 2024)											
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		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 Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling	
disclosure obligations													
54 Financial guarantees	334,380,576.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
55 Assets under management	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
56 Of which debt securities	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
57 Of which equity instruments	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* The Households category includes all consumer lending activity, beyond what is reflected via the three reporting categories "of which loans collateralised by residential immovable property", "of which building renovation loans", "of which motor vehicle loans".

Table 1. Assets for the calculation of GAR Stock, CapEx view (continue)

LEI	Total [gross] carrying amount	Disclosure reference date T (FY ending Dec 2024)					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)					
				Of which Use of Proceeds	Of which transitional	Of which enabling	
-	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	979,647,454.00	566,212,999.71	0.00	0.00	0.00	0.00
2	Financial undertakings	-	0.00	0.00	0.00	0.00	0.00
3	Credit institutions	-	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	-	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	-	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	-	0.00	0.00		0.00	0.00
7	Other financial corporations	-	0.00	0.00	0.00	0.00	0.00
8	of which investment firms	-	0.00	0.00	0.00	0.00	0.00
9	Loans and advances	-	0.00	0.00	0.00	0.00	0.00
10	Debt securities, including UoP	-	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	-	0.00	0.00		0.00	0.00
12	of which management companies	-	0.00	0.00	0.00	0.00	0.00
13	Loans and advances	-	0.00	0.00	0.00	0.00	0.00
14	Debt securities, including UoP	-	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	-	0.00	0.00		0.00	0.00
16	of which insurance undertakings	-	0.00	0.00	0.00	0.00	0.00
17	Loans and advances	-	0.00	0.00	0.00	0.00	0.00
18	Debt securities, including UoP	-	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	-	0.00	0.00		0.00	0.00
20	Non-financial undertakings	-	0.00	0.00	0.00	0.00	0.00
21	Loans and advances	-	0.00	0.00	0.00	0.00	0.00
22	Debt securities, including UoP	-	0.00	0.00	0.00	0.00	0.00
23	Equity instruments	-	0.00	0.00		0.00	0.00
24	Households*	979,647,454.00	566,212,999.71	0.00	0.00	0.00	0.00

LEI		Disclosure reference date T (FY ending Dec 2024)					
		Total [gross] carrying amount	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
25	of which loans collateralised by residential immovable property	566,212,999.71	566,212,999.71	0.00	0.00	0.00	0.00
26	of which building renovation loans	-	0.00	0.00	0.00	0.00	0.00
27	of which motor vehicle loans	-	0.00	0.00	0.00	0.00	0.00
28	Local governments financing	-	0.00	0.00	0.00	0.00	0.00
29	Housing financing	-	0.00	0.00	0.00	0.00	0.00
30	Other local government financing	-	0.00	0.00	0.00	0.00	0.00
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	0.00	0.00	0.00	0.00	0.00

LEI	Total [gross] carrying amount	Disclosure reference date T (FY ending Dec 2024)			
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which transitional	Of which enabling	

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	7,164,505,702.09					
33	Financial and Non-financial undertakings	5,977,994,823.16					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5,965,062,723.45					
35	Loans and advances	5,947,741,615.78					
36	of which loans collateralised by commercial immovable property	4,248,599,257.95					
37	of which building renovation loans	-					
38	Debt securities	-					
39	Equity instruments	17,321,107.67					
40	Non-EU country counterparties not subject to NFRD disclosure obligations	12,932,099.71					
41	Loans and advances	-					
42	Debt securities	-					
43	Equity instruments	12,932,099.71					
44	Derivatives	-					
45	On demand interbank loans	1,010,217,649.81					
46	Cash and cash-related assets	89,282,553.82					
47	Other categories of assets (e.g. Goodwill, commodities etc.)	87,010,675.30					

LEI		Total [gross] carrying amount	Disclosure reference date T (FY ending Dec 2024)				
			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
48	Total GAR assets	8,144,153,156.09	566,212,999.71	0.00	0.00	0.00	0.00
49	Assets not covered for GAR calculation	4,826,422,799.58					
50	Central governments and Supranational issuers	2,543,671,326.76					
51	Central banks exposure	2,282,751,472.82					
52	Trading book	-					
53	Total assets	12,970,575,955.67	566,212,999.71	0.00	0.00	0.00	0.00
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	334,380,576.46	0.00	0.00	0.00	0.00	0.00
54	Financial guarantees	334,380,576.46	0.00	0.00	0.00	0.00	0.00
55	Assets under management	-	0.00	0.00	0.00	0.00	0.00
56	Of which debt securities	-	0.00	0.00	0.00	0.00	0.00
57	Of which equity instruments	-	0.00	0.00	0.00	0.00	0.00

* The Households category includes all consumer lending activity, beyond what is reflected via the three reporting categories "of which loans collateralised by residential immovable property", "of which building renovation loans", "of which motor vehicle loans".

5.1.9.

Table 2. GAR Sector Information, CapEx view

Breakdown by sector - NACE 4 digits level (code)	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Water and marine resources (WTR)	
		Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD
		[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount
		LEI Of which environmentally sustainable (CCM)	LEI Of which environmentally sustainable (CCM)	LEI Of which environmentally sustainable (CCA)	LEI Of which environmentally sustainable (CCA)	LEI Of which environmentally sustainable (WTR)	LEI Of which environmentally sustainable (WTR)

**No data has been reported since there is no exposure from entities which have an eligible NACE code EU Taxonomy wise, and which are also subject to reporting obligations under the NFRD/CSRD.*

Table 2. GAR Sector Information, CapEx view (continue)

Breakdown by sector - NACE 4 digits level (code)	Breakdown by sector - NACE 4 digits level (code and label)	Circular economy (CE)		Pollution (PPC)		Biodiversity and Ecosystems (BIO)	
		Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD
		[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount
		LEI Of which environmentally sustainable (CE)	LEI Of which environmentally sustainable (CE)	LEI Of which environmentally sustainable (PPC)	Mn EUR Of which environmentally sustainable (PPC)	LEI Of which environmentally sustainable (BIO)	LEI Of which environmentally sustainable (BIO)

*No data has been reported since there is no exposure from entities which have an eligible NACE code EU Taxonomy wise, and which are also subject to reporting obligations under the NFRD/CSRD.

Table 2. GAR Sector Information, CapEx view (continue)

Breakdown by sector - NACE 4 digits level (code)	Breakdown by sector - NACE 4 digits level (code and label)	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		LEI	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	LEI	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)

*No data has been reported since there is no exposure from entities which have an eligible NACE code EU Taxonomy wise, and which are also subject to reporting obligations under the NFRD/CSRD.

[illegible]

[illegible]

Table 3. GAR KPI Stock, CapEx view (continue)

[illegible]

Table 3. GAR KPI Stock, CapEx view (continue)

% (compared to total covered assets in the denominator)		Disclosure reference date T (FY ending Dec 2024)					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Of which enabling	
Of which Use of Proceeds	Of which transitional						
-	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	57.80%	0.00%	0.00%	0.00%	0.00%	7.55%
2	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
20	Non-financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
24	Households	57.80%	0.00%	0.00%	0.00%	0.00%	7.55%
25	of which loans collateralised by residential immovable	100.00%	0.00%	0.00%	0.00%	0.00%	4.37%

	property						
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	6.95%	0.00%	0.00%	0.00%	0.00%	62.79%

5.1.11.

Table 4. GAR KPI Flow, CapEx view[illegible]

[illegible]

Table 4. GAR KPI Flow, CapEx view (continue)

% (compared to flow of total eligible assets)		Disclosure reference date T (FY ending Dec 2024)											
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		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	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%

[illegible]

Table 4. GAR KPI Flow, CapEx view (continue)

% (compared to flow of total eligible assets)		Disclosure reference date T (FY ending Dec 2024)					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Of which Use of Proceeds	Of which transitional	
-	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	23.56%	0.00%	0.00%	0.00%	0.00%	100.00%
2	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
20	Non-financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
24	Households	23.56%	0.00%	0.00%	0.00%	0.00%	100.00%
25	of which loans collateralised by residential immovable	100.00%	0.00%	0.00%	0.00%	0.00%	23.56%

	property						
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	23.56%	0.00%	0.00%	0.00%	0.00%	100.00%

5.1.12.

Table 5. KPI off-balance sheet exposures, Stock, CapEx view

[illegible]

Table 5. KPI off-balance sheet exposures, Stock, CapEx view (continue)

[illegible]

Table 5. KPI off-balance sheet exposures, Stock, CapEx view (continue)

% (compared to total eligible off-balance sheet assets)		Disclosure reference date T (FY ending Dec 2024)				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%
	Of which debt securities	0.00%	0.00%	0.00%	0.00%	0.00%
	Of which equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%

5.1.13.

Table 5. KPI off-balance sheet exposures, Flow, CapEx view

[illegible]

Table 5. KPI off-balance sheet exposures, Flow, CapEx view (continue)

[illegible]

Table 5. KPI off-balance sheet exposures, Flow, CapEx view (continue)

% (compared to total eligible off-balance sheet assets)		Disclosure reference date T (FY ending Dec 2024)				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%
	Of which debt securities	0.00%	0.00%	0.00%	0.00%	0.00%
	Of which equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%

5.1.14.

Template 1 Nuclear and fossil gas related activities

* The Bank has no off-balance exposure from entities which qualify as reporters under the CSRD (not under the obligation to report) and EU Taxonomy (not operating under a Nuclear Energy and Fossil Gas eligible NACE code, nor financing such economic activities) legislation, Hence, templates 2 to 5 have not been reported on any of the relevant KPIs, stock or flow, on/off balance sheet.

Stock

On-balance Stock, Turnover view

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Row	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

On-balance Stock, CapEx view

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with	No

Off-balance Stock, Turnover view

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Row	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Off-balance Stock, CapEx view

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with	No

	minimal waste from the fuel cycle.	
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Row	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

	minimal waste from the fuel cycle.	
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Template 1 Nuclear and fossil gas related activities (continue)

* The Bank has no off-balance exposure from entities which qualify as reporters under the CSRD (not under the obligation to report) and EU Taxonomy (not operating under a Nuclear Energy and Fossil Gas eligible NACE code, nor financing such economic activities) legislation, Hence, templates 2 to 5 have not been reported on any of the relevant KPIs, stock or flow, on/off balance sheet.

Flow

On-balance Flow, Turnover view			Off-balance Flow, Turnover view		
Row	Nuclear energy related activities		Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No	1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No	2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No	3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Row	Fossil gas related activities			Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No	4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No	5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No	6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No
On-balance Flow, CapEx view			Off-balance Flow, CapEx view		

Ro w	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	N o
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	N o
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	N o
Ro w	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	N o
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	N o
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	N o

Ro w	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	N o
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	N o
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	N o
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	N o
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	N o
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	N o

Chairman of the Board of Directors

Radu Grațian Ghețea



Vice-Chairman of the Board of Directors

Eugen Goga



INDEPENDENT LIMITED ASSURANCE REPORT
ON THE SUSTAINABILITY STATEMENT FOR THE FINANCIAL YEAR 2024

To the Shareholders of Libra Internet Bank S.A.

Qualified Limited Assurance Conclusion

We have conducted a limited assurance engagement on the Sustainability Statement included in Chapter 13 from the Board of Directors Report of Libra Internet Bank S.A. (the "Bank") with registered office in Calea Vitan, no. 6-6A, Building Phoenix Tower, district 3, Bucharest, identified by unique tax registration code RO 8119644, as at December 31, 2024 and for the period from January 1, 2024 to December 31, 2024 (the "Sustainability Statement").

Based on the procedures we have performed and the evidence we have obtained, except for the possible effects of the issue referred to in the "Basis for Qualified Conclusion" section, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with local law Order No. 1/2024 amending and supplementing NBR Order no. 27/2010 approving the Accounting Regulations in compliance with International Financial Reporting Standards implementing 29(a) of the EU Directive 2013/34/EU ("Sustainability Legislation"), including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Bank to identify the information reported in the Sustainability Statement is in accordance with the description set out in chapter 1, sub-chapter 1.3, sections 1.3.2 "Interests and opinions of stakeholders" and 1.3.3 "Material impact, risks and opportunities and their interaction with the strategy and Business Model" and in sub-chapter 1.4, section 1.4.1 "Presentations on the significance assessment process ("Double Materiality Assessment Process"); and
- Compliance of the relevant taxonomy disclosures detailed in chapter 2, sub-chapter 2.3 of the Sustainability Statement with the applicable reporting requirements of Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for Qualified Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than audits or reviews of historical financial information.

Our responsibilities under this standard are further described in the Auditor's Responsibilities section of our report.

With the exception of the aspect described in the paragraph below, we believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

The Bank presented in Chapter 2, Sub-Chapter 2.1.3, Section 2.1.3.3 "Gross GHG Emissions from Scopes 1, 2, 3 and Total GHG Emissions (E1-6)", Scope 3 GHG emissions category 15 ("Financed Emissions"). We were not able to obtain sufficient appropriate evidence regarding the estimate of Financed Emissions as of 31 December 2024 and therefore we were unable to determine whether any possible adjustments to the emissions reported in this category would be necessary.

Other Matter

The comparative information included in the Sustainability Statement of the Bank was not subject to an assurance engagement on sustainability information prepared in accordance with the requirements of the Sustainability Legislation. Our conclusion is not modified in respect of this matter.

Identification of Applicable Criteria

The Sustainability Statement was prepared by the Management of the Bank in order to satisfy the requirements of the Sustainability Legislation, including:

- Compliance with the European Sustainability Reporting Standards introduced by Commission Delegated Regulation (EU) of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council (“ESRS”), including that the process carried out by the Bank to identify the information reported in the Sustainability Statement (the “Process”) is in accordance with the description set out in the related chapters of the “Double Materiality Assessment Process”; and
- Compliance of the relevant taxonomy disclosures detailed in chapter 2, sub-chapter 2.3 of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”).

Inherent Limitations in Preparing the Sustainability Statement

The criteria, nature of the Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward looking information in accordance with ESRS, administrators of the Bank are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Bank. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Statement, Administrators of the Bank interpret undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

Responsibility for the Sustainability Statement

Administrators of the Bank are responsible for designing, implementing, and maintaining a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this process in related chapters of the “Double Materiality Assessment Process” of the Sustainability Statement.

This responsibility includes:

- understanding the context in which the Bank’s activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Bank’s financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Administrators of the Bank is further responsible for the preparation of the Sustainability Statement, in accordance with local Sustainability Legislation, including:

- compliance with the ESRS;
- preparing the relevant taxonomy disclosures of the Sustainability Statement, in chapter 2, sub-chapter 2.3, in compliance with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”);
- designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group sustainability reporting process.

Auditor's Responsibility

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional skepticism throughout the engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process is consistent with the Bank's description of its Process, as disclosed in related chapters of the Double Materiality Assessment Process.

Our other responsibilities in respect of the Sustainability Statement include:

- Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error.
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our Independence and Quality Management

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

We applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Bank's internal documentation of its Process; and

- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Bank was consistent with the description of the process set out in related chapters of the "Double Materiality Assessment Process".

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Bank's reporting processes relevant to the preparation of its Sustainability Statement by
 - performing inquiries to understand the Bank's control environment, processes and information systems relevant to the preparation of the Sustainability Statement;
- Evaluated whether material information identified by the Process to identify the information reported in the Sustainability Statement is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Sustainability Statement;
- Performed substantive assurance procedures based on a sample basis on selected disclosures in the Sustainability Statement;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the EU Taxonomy;
- Performed substantive assurance procedures based on a sample basis on selected EU Taxonomy disclosures;

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

Claudiu Ghiurluc, Audit Partner



Registered in the Electronic Public Register of Financial Auditors and Audit Firms under no. AF 3113



On behalf of:

DELOITTE AUDIT SRL

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

The Mark Building, 84-98 and 100-102 Calea Grivitei, 9th Floor, District 1
Bucharest, Romania
24 April 2025



Statement

In accordance with the provisions of Art. 30 of the Accounting Law no. 82/1991, republished, and Art. 65 paragraph (2) letter c) of Law no. 24/2017 on issuers, as well as Art. 223 letter A paragraph (1) c) of the ASF Regulation no. 5/2018 on issuers of financial instruments and market operations, I assume responsibility for the preparation of the annual financial statements as of 31.12.2024 and I hereby certify that, to the best of my knowledge:

- a) The accounting policies used for the preparation of the financial statements as of 31.12.2024 are in accordance with the accounting regulations applicable to credit institutions, based on the NBR Order no. 27/2010 for the approval of accounting regulations compliant with the International Financial Reporting Standards adopted by the European Union, as subsequently amended and supplemented, in force at the reporting date of 31.12.2024;
- b) The financial statements as of 31.12.2024 present a true and fair view of the assets, liabilities, financial position, and profit and loss account, and include a correct analysis of the development and performance of the Bank, as well as a description of the main risks and uncertainties specific to the activity carried out. They are prepared in accordance with the sustainability reporting standards referred to in Art. 29b of Directive 2013/34/EU and with the specifications adopted pursuant to Art. 8 paragraph (4) of Regulation (EU) 2020/852;
- c) Libra Internet Bank SA operates on a going concern basis;
- d) The Report of the Board of Directors on the aforementioned financial statements presents, correctly and completely, the information as of the reporting date.



Radu Grațian Ghețea
Chairman of the Board of Directors



LIBRA INTERNET BANK SA

**Standalone and separate
financial statements**

31 December 2024

prepared in accordance with

International Financial Reporting Standards, as adopted by the European Union

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

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
Libra Internet Bank S.A.

Report on the Audit of the financial statements

Opinion

1. We have audited the standalone and separate financial statements of Libra Internet Bank S.A. ("the Bank"), with registered office in Calea Vitan no. 6-6A, District 1, Bucharest, Romania, identified by unique tax registration code RO 8119644 which comprise the standalone and separate statement of financial position as at 31 December 2024, the standalone and separate statement of profit or loss, the standalone and separate statement of comprehensive income, the standalone and separate statement of changes in equity and the standalone and separate statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.
2. The financial statements as at 31 December 2024 are identified as follows:
 - Individual financial statements

- Equity	RON	1,432,883,383
- Net profit for the financial year	RON	271,918,247
 - Separate financial statements

- Equity	RON	1,430,127,616
- Net profit for the financial year	RON	270,221,847
3. In our opinion:
 - the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU and National Bank of Romania Order no. 27/2010 for the approval of accounting regulations in accordance with International Financial Reporting Standards applicable to credit institutions, with subsequent amendments ("Order 27/2010").

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (herein after referred to as "Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law 162/2017, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Nature of the area of focus	How our audit addressed the key audit matter
<i>Collective impairment of loans and advances to customers</i>	
According to IFRS 9, the Bank accounts for credit losses on loans and advances to customers based on expected credit losses (ECL): for a period up to 12 months for credit exposures for which the credit risk did not increase significantly since origination, and throughout the credit, as detailed in significant increase in credit risk and measurement of the expected credit loss allowance policy from Note 3, chapter II, letter (d) to the financial statements. As at 31 December 2024, the Bank registered an impairment allowance in amount of RON 252,714 thousand for Loans and advances to customers in gross amount of RON 7,449,216 thousand. The Bank exercises significant professional judgement using complex models, extensive data and subjective assumptions over both when and how much to record as impairment for loans. Because loans and advances granted to customers form a major portion of the Bank's assets, and due to the significance of the management professional judgments applied in classifying loans and advances granted to customers receivables into various stages stipulated in IFRS 9 and determining the related impairment level, this audit area is considered a key audit matter. Key areas of professional judgment included: • utilization of historical data for determining risk parameters; • the interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the expected credit loss model; • assumptions used in the expected credit loss models to assess the credit risk related to the exposure and the expected future cash flows of the customers; • the identification of exposures with a high level of significant deterioration in credit quality and the industries affected by the restrictions imposed as a result of current economic environment; • potential impact on the assumptions used, increases in credit risk and impairments, and future cash flows as a result of the current social and economic conditions; • assessment of the forward-looking information.	Based on our risk assessment and industry knowledge, with the support of our credit risk experts, we have examined the impairment charges for loans and evaluated the methodology applied as well as the key assumptions made by the management according to the description of the key audit matter. Our procedures included the following elements: 1) Testing of key controls: We have checked the adequacy of the key processes and related key controls applied by management to ensure accuracy of impairment calculation, including: • key controls identified to ensure quality assurance of the methodological aspects used in the development of professional judgments and the ECL models; • key controls related to timely identification of impairment triggers and significant increase in credit risk; • key controls to assess the debtors' financial performance and estimate future cash flows. For the relevant key controls identified in addressing the risks, we have tested the design and operating effectiveness of such controls. 2) Testing the implementation of the ECL computation methodology into the IT system, including: • test the general IT controls related to data sources and computations of ECL; • assessment on a sample basis of the credit quality and stage allocation; • test on a sample basis the ECL computations. 3) Obtaining and analysing the information to support the key assumptions used in: • development of the models for the key risk parameters computation (12-month probability of default, lifetime probability of default and loss given default), including procedures on the source data quality; • development of the expected credit loss models; • development and adequacy of the stage allocation and the criteria used to determine the significant increase in credit risk; • development of models to reflect the potential impact of future economic conditions in the ECL computation; • assessment of the adequacy of the analysis and adjustments made by the management, on all the aspects pertaining to the estimation of expected credit losses, including prospective information on customers loans. We have assessed whether the material information on ECL presented in the financial statements is adequate, in accordance with the applicable IFRS requirements.

Nature of the area of focus	How our audit addressed the key audit matter
Interest Income Recognition	
Refer to Note 6 of the financial statements. For the year ended 31 December 2024 the Bank's interest income represents RON 914,795 thousand, the main source being loans and advances to customers. These are the main contributors to the operating income of the Bank, affecting the Bank's profitability. Interest income from loans and advances to customers is accrued over the expected life of the financial instrument using the effective interest rate. Fees that are directly attributable to the financial instrument are part of the effective interest rate and accrued over the expected life of such an instrument and are presented as interest income. Revenue recognition specifics, a high volume of individually small transactions which depends on data quality of interest and fee inputs and on IT system for their recording, resulted in this matter being identified as a key audit matter.	- We have tested the design and operating effectiveness of the key internal controls and focused on: • data input on interest and directly attributable fees for loans and advances to customers; • management oversight and control on interest income results, including budget monitoring; • IT controls relating to access rights and change management of relevant automated controls, with the assistance of our IT specialists. - We performed also the following procedures with regard to interest income recognition: • We evaluated the accounting treatment in respect of fees charged to clients to determine whether the methodology complies with the requirement of the relevant accounting standard. We have focused our testing on challenging the correct classification of fees that are identified as directly attributable to the financial instrument and are part of the effective interest rate; • For a sample of loan contracts, we assessed the completeness and accuracy of data used for the calculation of interest incomes; • We evaluated the mathematical formula used for accruing the relevant interest income over expected life of the loan; • We have assessed the interest income by building our own expectation on the revenue and compared with the actual results. - We have assessed the presentation in financial statements of the interest income in accordance with the applicable IFRS requirements.

Other information – Administrators' Report

6. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' report which includes the Sustainability reporting, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements for the year ended 31 December 2024, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Other reporting responsibilities with respect to other information – Administrators' Report

With respect to the Administrators' report, we read and report if this has been prepared, in all material respects, in accordance with the provisions of National Bank of Romania Order no. 27/2010, articles 12-17.

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

- a) The information included in the Administrators' report for the financial year for which the financial statements have been prepared are consistent, in all material respects, with these financial statements;
- b) The administrators' report has been prepared, in all significant aspects, in accordance with the Order of the National Bank of Romania no. 27/2010, Articles 12-17, except for the possible effects of the aspect included in the qualified conclusion expressed in our limited assurance report on Sustainability Reporting for the financial year 2024, issued on the same date as this audit report on the financial statements, which addresses the requirements of paragraph 17 of the Order of the National Bank of Romania no. 27/2010.

Moreover, based on our knowledge and understanding concerning the Bank and its environment gained during the audit on the financial statements prepared as at 31 December 2024, we are required to report if we have identified a material misstatement of this Administrators' report. We have nothing to report in this regard.

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

7. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Order 27/2010 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
9. Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Requirements for audits of public interest entities

15. We have been appointed by the General Meeting of Shareholders dated September 2, 2021 to audit the financial statements of Libra Internet Bank S.A. for the financial year ended 31 December 2024. The uninterrupted total duration of our commitment is 3 years, covering the financial year ended 31 December 2022, financial year ended 31 December 2023 and financial year ended 31 December 2024.

Report on Other Legal and Regulatory Requirements – Report on the Information Regarding Income Tax

16. For the financial year preceding the financial year for which the separate and consolidated financial statements were prepared, the Bank was not required under National Bank of Romania Order no. 27/2010 with subsequent amendments, to prepare and publish a report on income tax information.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Bank that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the Bank.
- No non-audit services referred to in Article 5 (1) of EU Regulation No. 537/2014 were provided.

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

Report on compliance with the Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements ("Law 162/2017"), and Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standard ("ESEF")

17. We have undertaken a reasonable assurance engagement on the compliance with Law 162/2017, and Commission Delegated Regulation (EU) 2018/815 applicable to the financial statements included in the annual financial report of Libra Internet Bank S.A. ("the Bank") as presented in the digital file 315700WKDD4ZSRL7HW38 ("Digital Files").

(I) Responsibilities of management and those charged with governance for the Digital Files prepared in compliance with the ESEF

Management of the Bank is responsible for preparing Digital Files that comply with the ESEF. This responsibility includes:

- the design, implementation and maintenance of internal control relevant to the application of the ESEF;
- ensuring consistency between the Digital Files and the financial statements to be submitted in accordance with Order 27/2010.

Those charged with governance are responsible for overseeing the preparation of the Digital Files that comply with ESEF.

(II) Auditor's Responsibilities for Audit of the Digital Files

Our responsibility is to express a conclusion on whether the financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

Our firm applies International Standard on Quality Management 1 ("ISQM1"), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extend of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the Bank's process for preparation of the digital files in accordance with ESEF, including relevant internal controls;
- reconciling the digital files including the marked-up data with the audited financial statements of the Bank to be submitted in accordance with Order 27/2010;
- evaluating if all financial statements contained in the annual report have been prepared in a valid XHTML format;

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

Conclusion

In our opinion, the financial statements for the year ended 31 December 2024 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the financial statements. Our opinion relating to the financial statements of the Bank for the year ended 31 December 2024 is set out in the "Report on the audit of the s financial statements" section above.

Claudiu Ghiurluc, Audit Partner

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

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under no. AF 3113

On behalf of:

DELOITTE AUDIT SRL

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

The Mark Building, 84-98 and 100-102 Calea Grivitei, 9th Floor, District 1
Bucharest, Romania
April 24, 2025

LIBRA INTERNET BANK SA

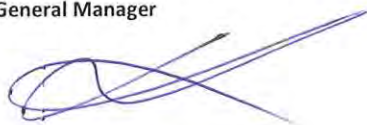
STANDALONE AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

In RON	Note	Standalone		Separate	
		2024	2023	2024	2023
Interest income calculated using the effective interest method	6	914,795,542	843,315,442	914,795,542	843,315,442
Interest expenses	6	-296,533,618	-269,452,225	-296,533,618	-269,452,225
Net interest income		618,261,924	573,863,217	618,261,924	573,863,217
Fee and commission income	7	149,679,843	103,819,890	149,679,843	103,819,890
Fee and commission expense	7	-66,021,228	-31,832,302	-66,021,228	-31,832,302
Net fee and commission income		83,658,615	71,987,588	83,658,615	71,987,588
Net income from financial instruments at FVTPL		3,278,965	3,146,251	3,278,965	3,146,251
Share of income (loss) from associates	16	1,696,400	983,123	-	-
Net gain from foreign exchange transactions and revaluation	8	54,065,995	47,237,676	54,065,995	47,237,676
Other operating income	9	7,039,121	7,484,792	7,039,121	7,484,792
Total operating income		768,001,020	704,702,647	766,304,620	703,719,524
Personnel expenses	10	-233,341,771	-191,077,467	-233,341,771	-191,077,467
Amortization and depreciation	10	-19,059,171	-18,008,907	-19,059,171	-18,008,907
Other operating expenses	10	-117,919,660	-85,963,912	-117,919,660	-85,963,912
Total operating expenses	10	-370,320,601	-295,050,286	-370,320,601	-295,050,286
Profit before impairments and tax		397,680,419	409,652,361	395,984,019	408,669,238
Net income (expenses) with Impairment losses on financial instruments	11	-77,773,579	-41,457,788	-77,773,579	-41,457,788
Profit before tax		319,906,840	368,194,573	318,210,440	367,211,450
Income tax expenses	12	-47,988,593	-49,919,581	-47,988,593	-49,919,581
Net profit for the year		271,918,247	318,274,992	270,221,847	317,291,869
Other comprehensive income		-	-	-	-
Total comprehensive income		271,918,247	318,274,992	270,221,847	317,291,869

The financial statements were authorized for issue by the Board of Directors on 22 April 2025.

Lucian Claudiu Anghel,
Deputy General Manager



Cepi Melinda,
Head of Finance Division



The notes attached are an integral part of these standalone and separate financial statements.

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

LIBRA INTERNET BANK SA

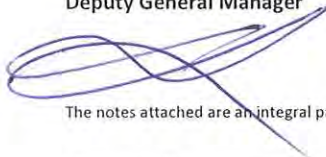
STANDALONE AND SEPARATE STATEMENT OF FINANCIAL POSITION

As of 31 December

In RON	Note	Standalone		Separate	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
Assets					
Cash at hand	13 (ii)	89,282,554	101,127,160	89,282,554	101,127,160
Financial assets at fair value through profit or loss	16	20,453,208	17,413,749	20,453,208	17,413,749
Loans and advances to the National Bank of Romania	13 (iv)	2,282,980,518	1,970,710,014	2,282,980,518	1,970,710,014
Loans and advances to banks	13 (ii)	959,943,957	602,745,556	959,943,957	602,745,556
Loans and advances to customers	14	7,196,501,880	6,602,344,809	7,196,501,880	6,602,344,809
Investment securities at amortized cost	16	1,967,390,959	1,696,152,460	1,967,390,959	1,696,152,460
Investment in associates	17	12,555,767	10,859,367	9,800,000	9,800,000
Assets held for sale	19	613,302	699,637	613,302	699,637
Property and equipment	18	51,341,936	53,423,017	51,341,936	53,423,017
Intangible assets	18	2,611,783	3,285,911	2,611,783	3,285,911
Deferred tax assets	12	7,995,231	6,537,079	7,995,231	6,537,079
Current tax assets		5,055,830	-	5,055,830	-
Other assets	15	120,682,460	124,248,426	120,682,460	124,248,426
Total assets		12,717,409,383	11,189,547,185	12,714,653,618	11,188,487,818
Liabilities and Equity					
Deposits from customers	21	10,827,475,936	9,460,439,836	10,827,475,936	9,460,439,836
Deposits from other banks	20	853,213	49,016,014	853,213	49,016,014
Loans from financial institutions	22	6,260,852	9,413,200	6,260,852	9,413,200
Issued bonds	22	242,558,835	242,122,561	242,558,835	242,122,561
Subordinated loan	22	74,259,371	39,618,772	74,259,371	39,618,772
Provisions	23	45,662,759	39,861,820	45,662,759	39,861,820
Current tax liability		-	6,824,786	-	6,824,786
Other liabilities	24	87,455,036	81,285,059	87,455,036	81,285,059
Total liabilities		11,284,526,002	9,928,582,048	11,284,526,002	9,928,582,048
Share capital	25	556,171,200	506,165,200	556,171,200	506,165,200
Reserves	26	319,313,597	353,409,075	319,313,597	353,409,075
Retained earnings		557,398,586	401,390,862	554,642,819	400,331,495
Total equity		1,432,883,383	1,260,965,137	1,430,127,616	1,259,905,770
Total liabilities and equity		12,717,409,383	11,189,547,185	12,714,653,618	11,188,487,818

The financial statements were authorized for issue by the Board of Directors on 22 April 2025.

Lucian Claudiu Anghel,
Deputy General Manager



Cepi Melinda,
Head of Finance Division



The notes attached are an integral part of these standalone and separate financial statements.

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

LIBRA INTERNET BANK SA

STANDALONE STATEMENT OF CHANGES IN EQUITY

In RON	Note	Share capital	Legal reserve	Other reserves	Retained earnings	Total
Balance as of 1 January 2023		506,165,200	47,564,555	263,045,469	225,914,920	1,042,690,144
Profit for the year		-	-	-	318,274,992	318,274,992
<i>Other comprehensive income, net of tax</i>		-	-	-	-	-
Total comprehensive income	26	-	-	-	318,274,992	318,274,992
Transfer to legal reserves	26	-	18,360,571	-	-18,360,571	-
Profit distribution to reserves	26	-	-	124,438,479	-124,438,479	-
Dividends distribution	26	-	-	-100,000,000	-	-100,000,000
Total distributions and contributions		-	18,360,571	24,438,479	-142,799,050	-100,000,000
Balance as of 31 December 2023		506,165,200	65,925,126	287,483,949	401,390,862	1,260,965,137
Balance as of 1 January 2024		506,165,200	65,925,126	287,483,949	401,390,862	1,260,965,137
Profit for the year		-	-	-	271,918,247	271,918,247
<i>Other comprehensive income, net of tax</i>		-	-	-	-	-
Total comprehensive income	26	-	-	-	271,918,247	271,918,247
Transfer to legal reserves	26	-	15,910,522	-	-15,910,522	-
Profit distribution to reserves	26	-	-	-	-100,000,000	-100,000,000
Dividends distribution	26	-	-	-50,006,000	-	-
Share capital increase	26	50,006,000	15,910,522	-50,006,000	156,007,728	171,918,247
Total distributions and contributions		50,006,000	15,910,522	-50,006,000	156,007,728	171,918,247
Balance as of 31 December 2024		556,171,200	81,835,648	237,477,949	557,398,587	1,432,883,383

The financial statements were authorized for issue by the Board of Directors on 22 April 2025.

Lucian Claudiu Anghel,

Deputy General Manager

Cepi Melinda,

Head of Finance Division

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LIBRA INTERNET BANK SA

SEPARATE STATEMENT OF CHANGES IN EQUITY

In RON	Note	Share capital	Legal reserve	Other reserves	Retained earnings	Total
Balance as of 1 January 2023		506,165,200	47,564,555	263,045,469	225,838,676	1,042,613,900
Profit for the year		-	-	-	317,291,869	317,291,869
<i>Other comprehensive income, net of tax</i>		-	-	-	-	-
Total comprehensive income	26	-	-	-	317,291,869	317,291,869
Transfer to legal reserves	26	-	18,360,571	-	-18,360,571	-
Profit distribution to reserves	26	-	-	124,438,479	-124,438,479	-
Dividends distribution	26	-	-	-100,000,000	-	-100,000,000
Total distributions and contributions		-	18,360,571	24,438,479	-142,799,050	-100,000,000
Balance as of 31 December 2023		506,165,200	65,925,126	287,483,479	400,331,495	1,259,905,770
Balance as of 1 January 2024		506,165,200	65,925,126	287,483,949	400,331,495	1,259,905,770
Profit for the year		-	-	-	270,221,847	270,221,847
<i>Other comprehensive income, net of tax</i>		-	-	-	-	-
Total comprehensive income	26	-	-	-	270,221,847	270,221,847
Transfer to legal reserves	26	-	15,910,522	-	-15,910,522	-
Profit distribution to reserves	26	-	-	-	-	-
Dividends distribution	26	-	-	-	-	-
Share capital increase	26	50,006,000	-	-50,006,000	-100,000,000	-100,000,000
Total distributions and contributions		50,006,000	15,910,522	-50,006,000	154,311,325	170,221,847
Balance as of 31 December 2024		556,171,200	81,835,648	237,477,949	554,642,820	1,430,127,616

The financial statements were authorized for issue by the Board of Directors on 22 April 2025.

Lucian Claudiu Anghel,

Deputy General Manager



Cepi Melinda,

Head of Finance Division



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LIBRA INTERNET BANK SA

STANDALONE AND SEPARATE STATEMENT OF CASH FLOWS

For the year ended 31 December

In RON	Note	Standalone		Separate	
		2024	2023	2024	2023
Cash flows from operating activities:					
Net profit		271,918,247	318,274,992	270,221,847	317,291,869
Adjustments for non-cash items:					
Depreciation and amortization	10	19,032,650	18,008,907	19,059,171	18,008,907
Loss from disposal of intangible assets and fixed assets		2,780	1,549	2,780	1,549
Net loss on sale of repossessed assets	10	-467,335	-	-467,335	-
Net (income)/ expenses with provisions	10	5,889,413	9,487,030	5,889,413	9,487,030
Fair value increase for financial instruments at FVTPL		-3,278,965	-3,146,251	-3,278,965	-3,146,251
Net (income)/ expenses with impairment of financial instruments	11	112,285,799	46,741,208	112,285,799	46,741,208
Dividends	9	-1,456,207	-1,146,063	-1,456,207	-1,146,063
Interest expenses	6	296,533,618	269,452,225	296,533,618	269,452,225
Income from interest calculated using the effective interest method	6	-914,795,542	-843,315,442	-914,795,542	-843,315,442
Share of (gain)/loss from associates	12	-1,696,400	-983,123	-	-
Income tax expenses		47,988,593	49,919,581	47,988,593	49,919,581
Other adjustments		273,709	-521,133	273,709	-521,133
Total adjustments		-439,661,366	-455,501,512	-437,964,966	-454,518,389
Changes in:					
(Increase)/ Decrease of other assets		-7,314,269	-27,812,029	-7,314,269	-27,812,029
Increase/ (Decrease) of other liabilities		9,459,562	4,895,106	9,459,562	4,895,106
Increase/ (Decrease) of deposits from clients		1,368,306,478	1,163,616,997	1,368,306,478	1,163,616,997
Increase/ (Decrease) of deposits from other banks		-48,162,801	30,345,773	-48,162,801	30,345,773
(Increase)/ Decrease of loans and advances to clients		- 708,822,190	-628,998,260	- 708,822,190	-628,998,260
Total changes		613,466,779	542,047,587	613,466,779	542,047,587
Tax paid		-61,327,362	-54,611,337	-61,327,362	-54,611,337
Contract assignment		5,336,294	-	5,336,294	-
Interest paid		-280,004,144	-205,549,852	-280,004,144	-205,549,852
Interest received		790,769,274	744,408,603	790,769,274	744,408,603

The notes attached are an integral part of these standalone and separate financial statements.

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LIBRA INTERNET BANK SA

STANDALONE AND SEPARATE STATEMENT OF CASH FLOWS

<i>In RON</i>	Note	Standalone		Separate	
		2024	2023	2024	2023
Net cash used in operating activities		900,497,721	889,068,481	900,497,721	889,068,481
Net cash from investment activities:					
Purchases of intangible assets	18	-1,018,874	-1,511,241	-1,018,874	-1,511,241
Purchases of property, plant and equipment	18	-3,296,459	-2,652,855	-3,296,459	-2,652,855
Sales of property, plant and equipment		218,162	857,118	218,162	857,118
Purchases of interests in shareholders		-	-1,960,000	-	-1,960,000
Purchases of securities		-525,098,422	1,388,691,991	-525,098,422	-1,388,691,991
Sales of securities		272,857,755	766,182,435	272,857,755	766,182,435
Dividends received	9	1,456,207	1,146,063	1,456,207	1,146,063
Sale of assets held for sale	10	467,335	-	467,335	-
Interest received on securities		101,851,729	104,918,859	101,851,729	104,918,859
Net cash used in investment activities		-152,562,566	-521,711,608	-152,562,566	-521,711,608
Cash flow from financing activities:					
Proceeds from subordinated loan	13 (iii)	34,818,700	-	34,818,700	-
Payment of subordinated loan	13 (iii)	-4,005,662	-3,082,019	-4,005,662	-3,082,019
Proceeds from bonds issued	13 (iii)	-	-	-	-
Payments with bonds issued	13 (iii)	-11,050,515	-11,021,062	-11,050,515	-11,021,062
Repayments from loans from financial institutions	13 (iii)	-3,610,006	-3,613,244	-3,610,006	-3,613,244
Lease payments	13 (iii)	-17,643,475	-16,050,072	-17,643,475	-16,050,072
Dividends paid	26	-100,026,200	-100,000,000	-100,026,250	-100,000,000
Net cash from financing activities		-101,517,208	-133,766,397	-101,517,208	-133,766,397
Net increase/(decrease) in cash and cash equivalents		646,417,948	233,590,476	646,417,948	233,590,476
Cash and cash equivalents, as of 1 January	13 (ii)	2,710,837,612	2,477,247,136	2,710,837,612	2,477,247,136
Effect of exchange rate fluctuations on cash and cash equivalents held		-	-	-	-
Cash and cash equivalents, as of 31 December	13 (ii)	3,357,255,561	2,710,837,612	3,357,255,561	2,710,837,612

The financial statements were authorized for issue by the Board of Directors on 22 April 2025.

Lucian Claudiu Anghel,
Deputy General Manager

Cepi Melinda,
Head of Finance Division

The notes attached are an integral part of these standalone and separate financial statements.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

1. Reporting entity

Libra Internet Bank SA ("the Bank") was incorporated in Romania in 1996 and is licensed by the National Bank of Romania to conduct all commercial banking activities.

Standalone financial statements (equity accounting)

In 2020, the Bank participated at the set-up of an associated entity, namely LIBRA DEVELOPMENT I.F.N. SA; the associate's object of activity is lending and the Bank holds 49% of its share capital as of 31 December 2024.

The Bank's corporate banking activities consist of: deposits taking, cards, cash management and lending. The Bank offers standard banking services and products related to foreign trade transactions, including payment orders, issuance of letters of credit and guarantees. The Bank offers individuals a comprehensive range of banking services comprising current and term deposits, loans, domestic and international money transfers and payment orders, cards, electronic payment.

As the Bank's operations have different risks and returns, and taking into account that the regulatory environment, the nature of the services rendered, the business process, as well as the types of customers and the methods used for providing services, the Bank operates as five business segments unit and its activities are exclusively carried out in Romania. The reporting by its business segments: Retail, Small Companies, Large Companies, Treasury and Others and GM (General Management) is presented in Note 30.

The Bank operates through the head office located in Bucharest and through its network of 59 branches (2023: 57 branches).

The Bank is managed by a Board of Directors, made up of 4 members and by a Board of Administrators made up of 8 members, 8 nonexecutives and 4 executives.

The Bank's registered head office is located in Calea Vitan no. 6-6A, Phoenix Tower, and Bucharest, Romania.

2. Basis of preparation

(a) Statement of compliance

The Standalone financial statements of the Bank and its associate have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union (EU).

The separate financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union (EU).

(b) Functional and presentation currency

The accounts of the Bank and of its associate are maintained in RON which is the Bank's functional currency in accordance with Romanian accounting law and National Bank of Romania banking regulations. The financial statements are presented in RON, rounded to the nearest "leu".

(c) Basis of measurement

The standalone and separate financial statements of the Bank are prepared a historical cost basis except for the financial assets classified at fair value through profit or loss. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortized cost or, in the case of assets held for sale, at the lower of the carrying amount and fair value less costs to sell.

(d) Use of estimates and judgments

The preparation of the standalone and separate financial statements in conformity with IFRS as adopted by the European Union requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

— Note 3. II. (d)(vi): establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL and assessment of post model adjustments.

— Notes 3.II (d)(ii): classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

2. Basis of preparation (continued)

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2024 is included in the following notes:

— Notes 3.II.(d)(vi), 4 (a) and 5: impairment of financial instruments: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information, all in the context of the recent unfavourable economic developments arising from the increase in energy prices and resulting inflationary pressures and disruptions in the global supply chain.

— Note 5 and 28: measurement of the fair value of financial instruments with significant unobservable inputs.

3. Material accounting policies

These accounting policies adopted and applied by the Bank as set out below have been applied consistently to all periods presented in these standalone and separate financial statements, unless otherwise stated.

The Bank also adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* as of 1 January 2024. The amendments require the disclosure of 'material', rather than 'significant' accounting policies.

Changes in material accounting policies

The Bank also adopted Amendments to IAS 1 and IFRS Practice Statement 2 from 1st January 2023.

Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The Bank reviewed the accounting policies and made updates to the information disclosed in Note 3 Material Accounting Policies in certain instances in line with the amendments.

1. Investments in associates

Standalone financial statements (equity accounting)

In 2020, the Bank participated in the establishment of an associate, namely LIBRA DEVELOPMENT IFN SA. The associated entity's activity is lending, and the Bank owns 49% of its share capital as of 31 December 2023. Libra Development I.F.N. started its activity on July 14, 2020.

An associate is an entity over which the Bank exercises significant influence in terms of financial and operating policy decision making, but without controlling the entity. The bank's investment in the associated entity is accounted for using the equity method. Significant influence is determined by the 49% ownership for exercising the voting rights and the impact of the potential rights that are currently enforceable or convertible.

At present, the Bank also exercises its significant influence through the presence of a member in the Board of Directors.

In accordance with the equity method, the standalone financial statements include the bank's share of the associated entity's result from the date the bank began to exercise significant influence until the date this influence ceases.

The Bank recognizes its share of the associated entity's profit or loss, including any impairment losses recognized by the associated entity.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

Thus, the Bank performs the limited "consolidation" and fair value adjustments required by IAS 28 for the elimination of unrealized gains and adjusts amortization and impairment losses when the fair value of the associated entity is higher or lower than the accounting value in the associated entity's own financial statements.

The resulting carrying amount of the investment is then tested for impairment as a whole.

The goodwill generated by the acquisition of the associate is included in the investment book value. Since goodwill is not reported separately, it is not tested for impairment. In fact, the whole investment accounted based on the equity method is tested for impairment at the end of the reporting period and anytime there is an impairment indication.

Separate financial statements (cost accounting)

In the separate financial statements, the Bank has elected to measure the investment in associates at cost and to test it for impairment anytime there is an impairment indication. As of 31 December 2024, and 31 December 2023 there were no impairment indications.

II. Accounting policies

a) Foreign currency

Transactions denominated in foreign currency are translated to RON at the exchange rate ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are retranslated to the functional currency at the closing exchange rate. Exchange differences resulting from the settlement of transactions denominated in foreign currency are included in the income statement at the date of settlement using the exchange rate ruling on that date. Monetary assets and liabilities denominated in foreign currency are expressed in RON at the balance sheet date.

The exchange rates of major foreign currencies were:

Currencies	31 December 2024	31 December 2023	%
Euro (EUR)	1: RON 4.9741	1: RON 4.9746	0.557%
US Dollar (USD)	1: RON 4.7768	1: RON 4.4958	-2.997%

Unrealized foreign currency gains/ (losses) arising from the translation of monetary assets and liabilities and realized gains/ (losses) from dealing transactions in foreign currencies are reported in the income statement in line 'Net gain from foreign exchange transactions and revaluation'.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are translated in the functional currency by using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the exchange rate valid at the date when the fair value is determined.

b) Interest income and expenses

Income and expenses from fees and commissions that are an integral part of the effective interest rate of a financial asset or financial liability are included in the calculation of the effective interest rate.

Income from fees, commissions and other operating income are accounted for in the profit and loss account to the extent that the Bank fulfils the performance obligation stipulated in the contract, according to *IFRS 15 Revenue from contracts with customers*. In particular:

- if the performance obligation is satisfied at a point in time, the related revenues are recognized in the profit and loss account when the service is provided;
- if the performance obligation is satisfied over time, the related revenues are recognized in the profit and loss account to reflect the progress of satisfying such an obligation.

3. Material accounting policies (*continued*)

The Bank provides banking services to retail and corporate customers, including account management, provision of overdraft facilities, foreign exchange transactions, credit card and fee-based services on behalf of customers. The commissions for the administration of the current account are calculated monthly and charged from the client's account. Transaction-based fees for exchanges, foreign exchange transactions and overdrafts are charged to the customer's account when the transaction occurs. Commissions for services provided on behalf of customers are charged monthly and are based on fixed rates revised annually by the Bank. Revenues from services and service commissions are recognized over time as the services are provided. Revenues related to transactions are recognized when the transaction takes place. The Bank's investment banking segment offers various finance-related services, including loan administration and agency services, administration of a syndicated loan, execution of customer swaps and securities underwriting. However, if a customer terminates the contract before 31 December, then the fee for the services provided up to that time is charged upon termination. Transaction-based fees for administering a loan syndication, executing transactions and underwriting securities are charged over the term of the transaction, in accordance with the terms of the facility agreement.

If the collection calendar is not aligned with how the performance obligation is satisfied, the Bank records a contractual asset or a contractual liability for the part of the revenues accumulated in the period or to be postponed in the following periods.

The amount of revenues from commissions and other operating income is measured based on contractual provisions. If the contractual amount is subject, in whole or in part, to variability, a revenue must be recorded based on the most probable amount that the Bank expects to receive. Such amount is determined on the basis of all the facts and circumstances considered relevant for the evaluation, which depend on the type of service provided and, in particular, on the assumption that it is not very likely that the recognized revenue will not be significantly reversed. Note, however, that no such variability is usually provided for services provided by the bank.

"Accrued income" includes contractual assets recognized in accordance with IFRS 15. In this context, the accrued income represents the portion of the performance obligation already satisfied through the services provided by the Bank and which will be settled in future periods in accordance with the contractual provisions.

"Deferred income" includes contractual liabilities recognized in accordance with IFRS 15. Deferred income represents the part of the performance obligations that has not yet been satisfied through the services provided by the Group, but which has already been settled in the respective period or in previous periods. The majority of this amount refers to performance obligations that are expected to be fulfilled by the reporting date at the end of the following year.

3. Material accounting policies (continued)**c) Fees and commission income and expenses**

Fee and commission income and expenses include fees other than those that are an integral part of EIR (see above). The fees included in this part of the Bank's income statement include:

- commissions related to customers' payment modality (cheques, cards, promissory notes, etc.), interbank transactions (commissions for account transactions),
- receipts and payments (current accounts, business banking, others);
- loan commitments and letters of guarantee issued;
- commissions related to the lending activity that are not an integral part of the EIR, such as fees for non-use of commitments or fees for early repayment of loans or commissions that do not lead to the granting of the loan.

If the performance obligation is fulfilled at a point in time, the related income is recognized in the profit and loss account when the service is provided.

If the performance obligation is fulfilled over time, the related income is recognized in the profit and loss account to reflect the progress of fulfilling such obligation.

The commissions for managing the accounts are charged to the client's account monthly and are based on fixed rates periodically reviewed by the Bank. Transaction-based fees (exchange, currency transactions and overdrafts) are charged to the customer's account when the transaction takes place.

d) Financial assets and liabilities

Financial assets and financial liabilities recorded in the balance sheet include cash and cash equivalents, debt and equity securities, loans to customers, trade and other accounts receivable and payable, long-term loans, deposits, bonds issued and investments. The accounting principles for these items are disclosed in the respective accounting policies.

i. Recognition and initial measurement

The Bank recognizes the financial assets and liabilities in its balance sheet when, and only when, it becomes a part of the contractual provisions of the instrument (e.g. upon the settlement date and/or acquisition date).

The Bank initially recognizes loans and advances, deposits, bonds issued, borrowings received at fair value, on the date that they are originated. Regular transactions with debt and equity instruments are accounted for at the date when they are transferred (settlement date). All other financial assets and liabilities are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument, at fair value less transaction costs that are directly attributable to the acquisition or issue.

If a financial asset or financial liability is recognized initially, the Bank measures it at its fair value plus or minus, in the case of a financial asset or financial liability, not at fair value through profit or loss, transaction costs that may be directly attributed to the acquisition or issue of the financial asset or financial liability.

ii. Classification

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of both:

- The Bank's business model for managing the financial assets and
- Their characteristics regarding contractual cash flow (hereinafter referred to as the "SPPI test").

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3. Material accounting policies (continued)

A financial asset measures at amortized cost if both of the following conditions are met and is not designated As of FVTPL:

- (a) The asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated As of FVTPL:

- a) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. All other financial assets are classified as measured at FVTPL.

Business model

The business model reflects how the Bank manages a group of assets to generate cash flows and determines whether the cash flows will result from the collection of contractual treasury flows, sales or both. Consequently, the Bank has identified the following business models:

- Held to Collect;
- Held to Collect and Sale; and
- Other business models.

To classify a financial asset in the "Held to Collect" model, the Bank will have to assess whether the sales are compatible with this category:

- a) there is no limitation on sales made due to the increase in credit risk. Near-maturity sales are allowed if certain criteria are met.
- b) for all other sales, the Bank will have to assess whether these sales have significant value and the frequency level.

As part of this sales valuation, the Bank has established the following policy criteria and thresholds:

- When there was an increase in credit risk;
- When sales are considered close to maturity;
- When sales are considered significant for loans and bonds;
- When sales are considered frequent.

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI Test)

With regard to the initial recognition of a financial instrument, the Bank assesses whether the cash flows represent Solely Payments of Principal and Interest (SPPI) which compensate for the time value of money, credit risk and other core lending risks (for example, liquidity risk, administrative costs and reasonable profit margin). Characteristics that are not related to

the core lending arrangements will most likely fail at the test. All loans and debt securities that do not meet the SPPI criteria are measured at Fair Value through profit or loss (FVTPL).

The notes attached are an integral part of these standalone and separate financial statements.

The Bank classifies financial liabilities, other than financial guarantees and credit commitments, at amortized cost (AC) or at fair value through profit or loss (FVTPL).

Reclassifications

Reclassifications between measurement categories will be allowed only when the Bank changes its business model for a group of assets. These changes are expected to be very rare.

Financial liabilities

The Bank classified its financial liabilities as measured at amortized cost (i.e. Deposits from banks, Deposits from customers, Borrowings, Bonds issued).

iii. Derecognition

The Bank derecognizes a financial asset when:

- the contractual rights to receive cash flows from that financial asset expire, or
 - it transfers the financial asset and the transfer cumulatively fulfills the following 2 conditions:
1. transfers the contractual rights to receive cash flows from the financial asset, or
 2. retains the contractual rights to receive cash flows from the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients under a contract that meets the following conditions:
 - ✓ The Bank has no obligation to pay amounts to prospective beneficiaries, unless the Bank collects equivalent amounts from the transferred asset;
 - ✓ The Bank is prohibited under the terms of the asset transfer contract to sell or pledge the initial asset, for reasons other than guaranteeing the obligation to pay cash flows to prospective beneficiaries;
 - ✓ The Bank transfers any cash flows it collects on behalf of the beneficiaries, without significant delays.

The Bank will derecognize a financial liability when it is extinguished - e.g. when the obligation specified in the contract has been fulfilled, it is cancelled or has expired.

iv. Offsetting

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

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

v. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date.

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

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If there is no quoted price in an active market, then the Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

vi. Impairment

The Bank holds financial assets at amortized cost (“AC”) in the form of loans and advances to customers, loans and advances to banks and debt securities. For financial assets measured at AC, the expected loss from impairment reduces their gross carrying amount and is recognized in profit or loss.

The Bank uses the three-stage expected credit loss (“ECL”) approach that reflects credit quality changes from initial recognition.

1. Stage 1 covers instruments that did not significantly deteriorate in terms of credit quality from initial recognition or instruments with low credit risk;
2. Stage 2 covers financial instruments that have deteriorated significantly in terms of credit quality since initial recognition but for which there is no objective evidence of an impairment event;
3. Stage 3 covers financial assets that have objective evidence of impairment at the time reporting.

Financial instruments in Stage 1 have their expected credit loss measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months.

Instruments in Stages 2 or 3 have their expected credit losses measured based on expected credit losses on a lifetime basis.

The Bank recognizes loss allowances at an amount equal to lifetime ECLs, except in the following cases, for which the amount recognized will be 12-month ECLs:

- Debt investment securities that are determined to have low credit risk at the reporting date. The Bank considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment-grade'; and
- Other financial instruments for which credit risk has not increased significantly since initial recognition.

The impairment assessment require management judgments, estimates and assumptions, particularly in the following areas, which are discussed in detail below:

- Estimating the future cash-flows expected from loans and advances classified in Stage 3 and the probability of reasonable scenarios;
- Assessing whether the credit risk of an instrument has increased significantly since initial recognition; and
- Incorporating forward-looking information into the measurement of ECLs.

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3. Material accounting policies (continued)**II. Accounting policies (continued)****d) Financial assets and liabilities (continued)****Measurement of ECLs**

Expected credit losses are the difference between the total contractual cash flows due to the Bank and the total cash flows the Bank expects to receive (i.e. the total amounts not to be collected), updated to the effective interest rate at the time of the calculation. For unused credit commitments (revocable and irrevocable), credit loss is the present value of the difference between the contractual cash flows due to the (estimated using a CCF conversion factor representing a modelled assumption, meaning a proportion of any unused exposure that is expected to be used prior to the occurrence of the default event) and the cash flows the bank expects to receive if the loan is drawn.

In order to measure the expected credit loss, the Bank estimates future cash flows taking into account all terms and conditions of the financial instrument (e.g., spread, early maturity and similar options) over the estimated lifetime, including cash flows of the performance of the guarantee.

Predicted credit losses are an estimate of loan losses (i.e. the present value of the total cash deficit) over the estimated life of a financial instrument, based on a probability weighted-value.

The ECL is determined separate for individually analyzed exposures and for collective analyzed exposures.

The individual credit exposures analysis in the ECL calculation process is applied to the following groups of exposures:

Significant individual exposures:

1. stage 3 exposures of the following categories:

- individually significant exposures – over 1% of own funds;
- exposures of debtors in insolvency, bankruptcy or other post-bankruptcy status;
- customer exposures with more than 180 days overdue without eligible guarantees in the calculation of collective provisions;
- assets that register a debt service of more than 360 days and for which no legal proceedings have been initiated;
- exposures identified at individual level by internal decisions or NBR orders;
- non-performing restructured exposures;
- all exposures exposed to the risk of exercising the debtor's legal option to apply the *datio in solutum* to the mortgaged property.

2. stage 1 or 2 exposures identified on an individual level by internal decisions or NBR orders:

- the criteria considered for establishing the individual analysis within the monitoring process refer to the default history, the reasons for inclusion in the watchlist, other identified risk elements.

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3. Material accounting policies (continued)

II. Accounting policies (continued)

d) Financial assets and liabilities (continued)

vi. Impairment (continued)

Collective Analysis

Under IFRS 9, customers are classified in stages according to the associated risk as follows:

Stage 1 - Clients with debt service less than 30 days and no information as to the increase in credit risk;

Stage 2 - Clients with increased credit risk identified by:

- Debt service higher than 30 days;
- Forborne status;
- Debtors restructured during the probation period;
- Clients on watch list;

Stage 3 - Defaulted clients as identified by the criteria listed under the Non-Performing Exposure Procedure ("the Procedure").

Default status

The Bank uses the following default definition, as described in the Procedure:

- More than 90 days overdue amounts above the materiality threshold of 1% of total exposure and either 150 RON for Retail or 1.000 RON for Corporate;
- Unlikelihood to pay based on result of client monitoring;
- Court proceedings having been initiated against the debtor in order to recover the outstanding;
- Debtors in bankruptcy, insolvency, preventive conciliation, and similar status;
- Borrowers who have benefited from restructuring operations with financial difficulties and are classified as non-performing restructuring.

The Bank applies the principle of contamination: if one client has a defaulted exposures, all the other exposures of the client will be considered in default.

POCI exposures (impaired on purchase or origin)

Credit exposures classified as impaired at acquisition or origination (POCI) are those exposures showing evidence of impairment from origination, either at the time of acquisition or at the time of origination if the exposure resulted from a derecognition process of another exposure was depreciated.

Significant increase in credit risk

When determining whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis based on the Bank's historical experience, expert credit assessment and forward-looking information.

The Bank has established a framework that incorporates both quantitative and qualitative information to determine whether the credit risk on a particular financial instrument has increased significantly since initial recognition. The framework is aligned with the Bank's internal credit risk management process.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

- The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:
- The criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- The criteria do not overlap with the same point in time when an asset becomes 30 days past due;
- The average time between the identification of a significant increase in credit risk and default appears reasonable;
- Exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- There is no unwarranted volatility in loss allowance from transfers between 12-month ECL and lifetime ECL measurements.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

3. Material accounting policies (continued)**II. Accounting policies (continued)****vii. Modification of financial assets**

The Bank primarily identifies whether a significant increase in credit risk occurred since the initial recognition based on the information held by the Bank that allow a realistic assessment of the client's reimbursement capacity. Also are considered relevant data regarding the market value evolution of the collaterals supporting the obligation, changes in the quality of the guarantees by guarantors, changes in the payment status of borrowers in the group, etc.

The Bank may determine that an exposure has undergone a significant increase in credit risk if particular qualitative factors indicate so and those indicators may not be fully captured by its quantitative analysis on a timely basis.

The criteria for determining whether credit risk has increased significantly varies by portfolio and include a backstop based on delinquency. As a backstop the Bank presumptively consider that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. The Bank determines days past due by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received.

If the terms of a financial assets are modified, the Bank evaluates whether the cash-flows of the modified asset are substantially different like: -10% change in the value as a result of changes due to rescheduling of loans, reassignment of loans, reduction of credit costs, other changes (e.g. granting grace periods, reducing costs, changing conditions of use, changing repayment schedules). If the cash-flows are substantially different, then the contractual rights to the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized (see 3 d) *iii*) and a new financial asset is recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- Fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- Other fees are included in profit or loss as part of the gain or loss on derecognition.

If the cash flows are modified as a result of financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual terms than to originate an asset with substantially different terms. If the Bank plans to modify an asset in a way that would result in forgiveness of cash-flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below the write-off policy). In these cases, the derecognition criteria are not met but the assessment is taken into account in the measurement of expected credit losses.

viii. Write off policy

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash-flows to repay the amounts subject to write-off. This assessment is carried out at the individual asset level. Recoveries of amounts previously written off are included in "Impairment losses on financial instruments" in the income statement. Financial assets written off could still be subject to enforcement activities in order to comply with the Bank's procedure for recovery of amounts due.

ix. Taking possession of collateral

In the course of enforcement procedures for defaulted exposures, the Bank may take possession of the collateral underlying the impaired exposure and settle the debt. Repossessed collateral is recognized at fair value and subsequently measured according to its classification. The Bank has classified repossessed collaterals as "assets held for sale". An asset is considered as being held-for-sale if the following conditions are met: the asset value is recovered through sale and not by its continuous use, the asset must be available for immediate sale and the sale of the asset must be likely to happen. The probability of sale is justified by means of a sales plan at the level of the Bank's management and by the active involvement of the Bank in identifying a buyer. The valuation of the asset classified as available-for-sale shall consider the lower value between the book value and the fair value, minus the sales-related costs.

e) Cash and cash equivalents

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

Cash and cash equivalents include cash on hand, balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of its short term commitments. Cash and cash equivalents are carried at amortized cost in the statement of financial position. For the purpose of the cash flow statement, the minimum reserve deposit required by the National Bank of Romania is not included as a cash equivalent due to restrictions on its availability.

f) Loans and advances

Loans and advances' captions in the statement of financial position include loans and advances measured at amortized cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortized cost using the effective interest method.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

3. Material accounting policies (continued)**II. Accounting policies (continued)****g) Investment securities**

The investment securities of the Bank comprise of:

- Debt securities measured at amortized cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortized cost using the effective interest method;
- Financial assets (equity securities) measured at FVTPL; these are held at fair value with changes recognized immediately in profit or loss.

h) Fixed tangible and intangible assets

Tangible and intangible assets are stated at their historical cost less accumulated depreciation and impairment.

The Bank recognizes in the carrying amount of tangible assets the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the Bank and the cost of the item can be measured reliably. All other expenditures are recognized in the statement of profit or loss as an expense as incurred.

Depreciation and amortization is provided on a straight-line basis over the estimated useful lives of each item of the tangible and intangible assets category, as follows:

Buildings	2%
Equipment, fixtures and fittings	5 - 20%
Vehicles	20%
Others	6.67%-3.34%
Software	33.33%

Depreciation methods and useful lives are reassessed at each reporting date. Gains and/or losses from de-recognition of tangible and intangible assets are determined as difference between revenues from sales of tangible assets and the expenses with their disposal and /or their retirement and are recognized in profit or loss for the year (within other operating income or expenses).

i) Impairment of non-financial assets

The carrying amounts of the Bank's assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

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An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

j) Leases

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into (or changed) on or after 1 January 2019.

Bank acting as a lessee

At commencement or on modification of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

For leases of branches and office premises the Bank has elected to separate nonlease components and account for them in other operating expenses.

The Bank recognizes a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

The Bank determines its incremental borrowing rate by analyzing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as of the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

3. Material accounting policies (continued)

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II. Accounting policies (continued)

j) Leases (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Bank presents right-of-use assets in 'property and equipment' and lease liabilities in 'other liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets

The Bank has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of IT equipment. The Bank recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

k) Deposits from customers

Deposits from customers are initially measured at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest method.

l) Bonds issued, borrowings and loans from financial institutions

Borrowings such as loans from banks and other financial institutions and bonds issued are recognized initially at fair value, net of transaction costs occurred. Bonds issued and Loans from financial institutions are subsequently stated at amortized cost.

m) Provisions

A provision is recognized in the statement of financial position when the Bank has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

n) Financial guarantees and loan commitments

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value and the initial fair value is amortized over the life of the guarantee or the commitment. Subsequently, they are measured at the higher of this amortized amount and the amount of loss allowance.

The Bank has issued no loan commitments that are measured at FVTPL. Also, the Bank has issued no loan commitments to provide loans at a below-market interest rate.

For other loan commitments, the Bank recognizes impairment allowance in accordance with IFRS9, refer to accounting policy 3.II.d) vi.

Liabilities arising from financial guarantees and loan commitments are included within provisions.

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3. Material accounting policies (continued)**II. Accounting policies (continued)****o) Employee benefits**

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

The Bank, in the normal course of business makes payments to the Romanian State funds on behalf of its employees for pension, health care and unemployment benefit. All employees of the Bank are members and are also legally obliged to make defined contributions (included in the social security contributions) to the Romanian State pension plan (a State defined contribution plan). All relevant contributions to the Romanian State pension plan are recognized as an expense in the income statement as incurred. The Bank does not have any further obligations. The Bank does not operate any independent pension scheme and, consequently, has no obligation in respect of pensions. The Bank does not operate any other postretirement benefit plan. The Bank has no obligation to provide further services to current or former employees.

p) Income tax

Income tax comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the statement of financial position date, and any adjustment to tax payable in respect of prior periods.

Deferred tax is provided using the balance-sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance-sheet date. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

The deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the tax related benefit will be realized. Current and deferred tax receivables and payables are offset only when they are related to the same tax entity, they are related to the same tax authority and when there is a legal right to set off. The tax rate used to calculate the current and deferred tax position as of 31 December 2024 is 16% (31 December 2023: 16%). Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

3. Material accounting policies (continued)**II. Accounting policies (continued)****q) Segment Reporting**

The Bank discloses information at segment level to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. An operating segment is a component of the Bank that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. Segment reporting is based on the following business lines of the Bank: Individuals, Small companies (clients as micro companies, professionals, agriculture), Large companies (clients with turnover over 4 mil EUR), Treasury and Others and GM (other clients and other operations allocated to General Management not being allocated on the specific segments).

r) New standards and amendments to existing standards issued by the IASB and adopted by the EU**A. Standards that became effective in the current period**

In 2024, the Bank applied all the interpretations of the new standards revised or issued by the International Accounting Standards Board (IASB) and the IFRS Interpretation Committee, adopted by the UE which are relevant for the activity carried out by the Bank.

Initial application of new amendments to the existing standards effective for the current reporting period

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

- Amendments to IAS 1 Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements
- Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

The adoption of amendments to the existing standards has not led to any material changes in the Bank's financial statements.

B. Standards and amendments to the existing standards issued by IASB and adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the following amendments to the existing standards were issued by IASB and adopted by the EU and which are not yet effective:

- Amendments to IAS 21 - Lack of Exchangeability

C. New standards and amendments to the existing standards issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from IFRS adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not adopted by the EU As of the date of authorization of these financial statements:

- **IFRS 18 Presentation and Disclosures in Financial Statements** issued by IASB on 9 April 2024 will replace IAS 1 Presentation of Financial Statements. Standard introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies. The main changes in the new standard compared with IAS 1 comprise: (a) The introduction of categories (operating, investing, financing, income tax and discontinued operations) and defined subtotals in the statement of profit or loss; (b) the introduction of requirements to improve aggregation and disaggregation; (c) The introduction of disclosures on Management-defined Performance Measures (MPMs) in the notes to the financial statements.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** issued by IASB on 9 May 2024. Standard permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS

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19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

- **Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback** issued by IASB on 22 September 2022. Amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.
- **Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current** issued by IASB on 23 January 2020 and **Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants** issued by IASB on 31 October 2022. Amendments issued on January 2020 provide more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments issued on October 2022 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability and set the effective date for both amendments to annual periods beginning on or after 1 January 2024.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

3. Material accounting policies (*continued*)II. Accounting policies (*continued*)C. New standards and amendments to the existing standards issued by IASB but not yet adopted by the EU (*continued*)

- **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements** issued by IASB on 25 May 2023. Amendments add disclosure requirements, and 'signposts' within existing disclosure requirements to provide qualitative and quantitative information about supplier finance arrangements.
- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability** issued by IASB on 15 August 2023. Amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.
- **Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments** issued by IASB on 30 May 2024. Amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features. Amendments also clarify the date on which a financial asset or financial liability is derecognised and introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.
- **Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity** issued by IASB on 18 December 2024. The own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent. The hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met and to measure the hedged item using the same volume assumptions as those used for the hedging instrument. Amendments to IFRS 7 and IFRS 19 to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics
- **Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 - Annual Improvements to IFRS Accounting Standards - Volume 11** issued by IASB on 18 July 2024. These amendments include clarifications, simplifications, corrections and changes in the following areas: (a) hedge accounting by a first-time adopter (IFRS 1); (b) gain or loss on derecognition (IFRS 7); (c) disclosure of deferred difference between fair value and transaction price (IFRS 7); (d) introduction and credit risk disclosures (IFRS 7); (e) lessee derecognition of lease liabilities (IFRS 9); (f) transaction price (IFRS 9); (g) determination of a 'de facto agent' (IFRS 10); (h) cost method (IAS 7).
- **IFRS 14 Regulatory Deferral Accounts** issued by IASB on 30 January 2014. This standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.
- **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** issued by IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

s) Comparatives

Where necessary, the comparative amounts were adjusted and reclassified to reflect the changes in presentation from the current period in accordance with NBR Order no. 27/2010 for the approval of the accounting regulations in accordance with the International Financial Reporting Standards applicable to credit institutions, as revised ("Order 27/2010") and with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with the interpretations adopted by the International Accounting Standards Board ("IASB"), on the basis of which the standalone financial statements were

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drawn up as of 31 December 2023. For the financial year ended 31 December 2023, this was not the case.

4. Financial risk management

This note presents information about the Bank's exposure to financial risks and the Bank's management of capital.

The Bank has exposure to the following risks from financial instruments:

- a. credit risk;
- b. liquidity risk;
- c. market risks (interest rate risk, foreign currency risk and price risk)

a. Credit risk

The exposure to credit risk is managed through a regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits when appropriate. Exposure to credit risk is also managed in part by obtaining mortgage collaterals and also corporate and personal guarantees.

The Bank's strategy regarding credit risk management includes in particular:

- Limiting and decreasing the concentration risk: achieved through monitoring of particular categories of customers, monitoring of exposures to individual debtors and groups of connected debtors, monitoring of exposures to geographical segments, monitoring of exposures to economic sectors, monitoring of exposures to specific lending products and risk diversification;
- Increasing the quality of collaterals;
- Limiting the credit risk per types of collaterals accepted;
- Credit risk control: through loans preapproval process and subsequent credit control procedures
- Ensuring the adequate management of the credit risk by preparation and analysis of specific reports;
- Developing and maintaining the internal process of early warning and recovering of outstanding receivables;
- Regular monitoring of loans including monitoring of debt service rating of the borrowers;
- Portfolio review based on a system of credit risk indicators with predefined alert thresholds

Collaterals received from customers

As part of its credit risk management policy the Bank calls for adequate collateral on approving loans to customers. In accordance with the internal regulations the Bank accepts as collaterals the following types of assets:

- Real estate mortgage and production facilities;
- Merchandise stock and equipment;
- Securities;
- Cash collaterals and deposits;
- Liens over receivables;
- Insurance policies;
- Financial guarantees

With respect to the above-mentioned types of collaterals the Bank's policy is that the ratios of the collaterals values to the loans approved shall be as follows:

- Real estate mortgages and guarantee funds: between 110/120% and 120/150% depending on customer risk grading (exception from this rule: loans to professional customers that have a coverage degree of minimum 100%);
- Cash collaterals, deposits, securities and financial guarantees: minimum 100%.

The following statements set out information about the credit quality of financial assets measured at amortized cost (2024 and 2023). Unless specifically indicated, for financial assets, the amounts represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts represent the amounts committed or guaranteed, respectively. Explanation of the terms 'Stage 1', 'Stage 2' and 'Stage 3' is included in Note 3.II. (d) (iv).

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The customers are classified into 4 risk categories representing the following:

- Financial assets measured at amortized cost included in Stage 3.

i. Credit quality analysis

The loans and advances granted to banks and investment securities are presented below depending on credit risk quality as of 31 December 2024 and 31 December 2023:

	2024			
RON	Stage 1	Stage 2	Stage 3	Total
Loans and advances to Banks				
Standard	3,242,924,475	-	-	3,242,924,475
Loss Allowance	-408,339	-	-	-408,339
Carrying amount	3,242,516,136	-	-	3,242,516,136
Investment securities	1,970,430,533			1,970,430,533
Standard		-	-	
Loss Allowance	-3,039,574	-	-	-3,039,574
Carrying amount	1,967,390,959	-	-	1,967,390,959

	2023			
RON	Stage 1	Stage 2	Stage 3	Total
Loans and advances to Banks				
Standard	2,573,781,682	-	-	2,573,781,682
Loss Allowance	-326,112	-	-	-326,112
Carrying amount	2,573,455,570	-	-	2,573,455,570
Investment securities	1,696,392,537			1,696,392,537
Standard		-	-	
Loss Allowance	-240,077	-	-	-240,077
Carrying amount	1,696,152,460	-	-	1,696,152,460

The loans and advances granted to customers at gross carrying amount and at amortised cost are presented below depending on credit risk quality as of 31 December 2024 and 31 December 2023:

	2024			
RON	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers at amortized cost - gross carrying amount				
Standard	6,713,313,831	-	-	6,713,313,831
> 30 days ¹	-	196,290	-	196,290
Watch list ²	-	513,667,623	-	513,667,623
Loss	-	-	222,038,256	222,038,256
Total gross amount	6,713,313,831	513,863,913	222,038,256	7,449,216,001

¹ The number of days of delay is contaminated at customer level on off-balance sheet exposure and balance sheet exposure.

² Customers on the watch list may register more than 30 days of delay.

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Impairment allowance	-59,798,915	41,104,667	-151,810,539	-252,714,120
Carrying amount	6,653,514,916	472,759,246	70,227,718	7,196,501,880

	2023			
RON	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers at amortized cost - gross carrying amount				
Standard	5,989,464,859	-	-	5,989,464,859
> 30 days ¹	-	44,015	-	44,015
Watch list	-	683,613,041	-	683,613,041
Loss	-	-	143,989,821	143,989,821
Total gross amount	5,989,464,859	683,657,056	143,989,821	6,817,111,736
Impairment allowance	-64,842,913	-50,362,383	-99,561,631	-214,766,927
Carrying amount	5,924,621,946	633,294,673	44,428,190	6,602,344,809

The loan commitments and financial guarantee contracts at gross carrying amount and at amortised cost are presented below depending on credit risk quality as of 31 December 2024 and 31 December 2023:

	2024			
RON	Stage 1	Stage 2	Stage 3	Total
Loan commitments and financial guarantee contracts				
Standard	2,714,058,931	-	-	2,714,058,931
>30 Days ¹	-	-	-	-
Watchlist	-	77,634,576	-	77,634,576
Loss			45,319,514	45,319,514
Total gross amount	2,714,058,931	77,634,575	45,319,514	2,837,013,021
Impairment allowance	-3,596,946	-786,449	1,018,413	-5,401,809

	2023			
RON	Stage 1	Stage 2	Stage 3	Total
Loan commitments and financial guarantee contracts				
Standard	1,681,854,736	-	-	1,681,854,736
>30 Days ¹	-	-	-	-
Watchlist	-	236,545,735	-	236,545,735
Loss	-	-	2,680,059	2,680,059
Total gross amount	1,681,854,736	236,545,735	2,680,059	1,921,080,530
Impairment allowance	-3,906,436	-1,799,295	-135,321	-5,841,052

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

4. Financial risk management (continued)

i. Credit quality analysis (continued)

The Bank contaminates the debt service at client level and monitors the related off-balance sheet commitments using the same criteria. Considering the days of delay parameter, loans and advances to customers at gross carrying amount and amortised cost are further broken down as follows:

	2024			
RON	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers				
Current	6,503,214,321	365,473,280	123,227,957	6,991,915,558
<=30 days	210,099,510	95,106,673	15,703,520	320,909,703
<=90 days	-	53,279,051	40,334,833	93,613,884
<= 180 days	-	4,910	20,828,699	20,833,608
> 180 days	-	-	21,943,248	21,943,247
Total	6,713,313,831	513,863,913	222,038,256	7,449,216,001
Loss allowance	-59,798,915	- 41,104,667	-151,810,539	-252,714,120
Carrying amount	6,653,514,916	472,759,246	70,227,718	7,196,501,880

	2023			
RON	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers				
Current	5,748,118,101	515,856,319	35,570,120	6,299,544,540
<=30 days	241,346,758	130,292,106	48,937,765	420,576,629
<=90 days	-	37,508,631	16,584,599	54,093,230
<= 180 days	-	-	19,281,542	19,281,542
> 180 days	-	-	23,615,795	23,615,795
Total	5,989,464,859	683,657,056	143,989,821	6,817,111,736
Loss allowance	-64,842,913	-50,362,383	-99,561,631	-214,766,927
Carrying amount	5,924,621,946	633,294,673	44,428,190	6,602,344,809

Considering the portfolio split by credit risk concentration category for the determination of historical probabilities of default, loans and advances to customers are further broken down as follows:

	2024			
RON	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers at amortized cost - gross carrying amount				
Agri	1,092,839,530	216,056,061	66,677,039	1,375,572,630
Real Estate	1,414,501,554	131,869,575	103,621,941	1,649,993,070
Corporate	1,789,541,989	94,336,816	29,683,628	1,913,562,432
Territorial Administrative Units (UATs)	573,240,794	-	-	573,240,794
Professionals	1,071,990,917	57,366,743	13,645,269	1,143,002,928
Individuals	771,199,048	14,234,718	8,410,380	793,844,146
Total	6,713,313,831	513,863,913	222,038,256	7,449,216,001
Loss allowance	- 59,798,915	- 41,104,667	- 151,810,539	- 252,714,120
Carrying amount	6,653,514,916	472,759,246	70,227,718	7,196,501,880

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	2023			
RON	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers at amortized cost - gross carrying amount				
Agri	1,259,391,769	84,410,279	21,120,042	1,364,922,090
Real Estate	1,468,107,414	376,516,595	47,540,113	1,892,164,122
Corporate	1,466,291,292	132,759,945	55,761,520	1,654,812,757
Territorial Administrative Units (UATs)	314,920,021	-	-	314,920,021
Professionals	982,574,291	73,403,615	15,636,283	1,071,614,189
Individuals	498,180,072	16,566,622	3,931,863	518,678,557
Total	5,989,464,859	683,657,056	143,989,821	6,817,111,736
Loss allowance	-64,842,913	-50,362,383	-99,561,631	-214,766,927
Carrying amount	5,924,621,946	633,294,673	44,428,190	6,602,344,809

The Bank holds loans and advances to banks of RON 3,243,089,957 As of 31 December 2024 (31 December 2023: RON 2,573,781,682). The loans and advances with the National Bank in amount of RON 2,282,980,518 (31 December 2023: RON 1,970,710,014), fall under the rating BBB-, based on the ratings issued by Fitch, Moody's or Standard & Poor's.

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4. Financial risk management (continued)

i. Credit quality analysis (continued)

Loans and advances to banks can be analysed on rating as follows:

In RON	31 December 2024	31 December 2023
No rating	-	-
AA-	8,525,902	16,277,843
B+	-	99,523,920
BB-	132,885,974	-
BB	348,392,873	89,574,195
BB+	-	184,687,897
BBB-	2,384,889,039	2,076,077,290
BBB	25,751	27,879,746
BBB+	368,544,965	79,760,791
Total	3,243,264,505	2,573,781,682

The investments securities at amortized cost As of 31 December 2024 and 31 December 2023 include treasury bills and bonds issued by the Romanian Ministry of Public Finances (with Standard & Poor's rating of BBB-), by CEC Bank, by the Cluj County Council and the Bucharest City Hall.

ii. Additional collateral held

The Bank holds collateral against certain of its credit exposures. The following tables stratify credit exposures split by loans to retail customers (private individuals) and loans and advances to non-retail customers (legal entities) by ranges of loan-to-value (LTV) ratio.

LTV is calculated as the ratio of the gross amount of the loan – or the amount committed for loan commitments – to the value of the collateral. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. The value of the collateral is based on the most recent appraisals. The Bank's policy is to revalue residential mortgage every three years and commercial mortgage every year.

RON	Gross carrying amounts					
RETAIL	31 December 2024			31 December 2023		
LTV	Not impaired loans and advances to customers	Impaired loans and advances to customers	TOTAL	Not impaired loans and advances to customers	Impaired loans and advances to customers	TOTAL
Less than 50%	440,866,538	982,490	441,849,028	133,661,378	536,516	134,197,894
51-70%	137,119,511	1,391,531	138,511,042	132,188,443	457,408	132,645,851
71-90%	248,208,336	2,563,569	250,771,905	300,255,621	1,770,162	302,025,783
91-100%	107,519,248	2,702,521	110,221,769	121,277,551	666,734	121,944,285
More than 100%	26,491,733	993,167	27,484,900	15,008,736	595,040	15,603,776
Grand Total	960,205,365	8,633,277	968,838,642	702,391,729	4,025,860	706,417,589

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RON	Gross carrying amounts					
NON-RETAIL	31 December 2024			31 December 2023		
LTV	Not impaired loans and advances to customers	Impaired loans and advances to customers	TOTAL	Not impaired loans and advances to customers	Impaired loans and advances to customers	TOTAL
Less than 50%	2,633,510,761	139,070,199	2,772,580,960	2,560,757,554	92,693,019	2,653,450,573
51-70%	1,465,166,265	19,766,360	1,484,932,625	1,593,793,823	15,337,816	1,609,131,639
71-90%	1,429,568,537	25,411,212	1,454,979,749	1,035,182,149	14,748,625	1,049,930,774
91-100%	353,292,862	3,901,263	357,194,125	341,888,116	3,353,076	345,241,192
More than 100%	385,433,954	25,255,945	410,689,899	439,108,544	13,831,425	452,939,969
Grand Total	6,266,972,379	213,404,979	6,480,377,358	5,970,730,186	139,963,961	6,110,694,147

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4. Financial risk management (*continued*)ii) Collateral held (*continued*)

The table below sets out the carrying amount and the value of identifiable collateral (mainly real estate and cash collateral) held against loans and advances to customers. For each loan, the value of disclosed collateral is capped at the carrying amount of the loan that it is held against.

RON	2024		2023	
	Carrying amount	Collateral	Carrying amount	Collateral
Stages 1 and 2	7,126,274,162	5,071,271,035	6,557,916,620	5,087,707,719
Stage 3	70,227,718	184,806,865	44,428,190	124,594,959

Inputs, assumptions and techniques used for estimating impairment

For a description of the Bank's policy related to impairment of financial assets, please refer to 3. II. (d) (vi). The key inputs into the measurement of ECLs include the following variables:

- Probabilities of default ("PD");
- Loss given default ("LGD");
- Exposure at default ("EAD"); and
- Forward looking information ("FLI").

For purpose of estimating PDs the Bank collects performance and default information about its credit risk exposures analyzed by borrower and by type of product. The Bank employs statistical models to analyze the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time. This includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors – gross domestic product ("GDP").

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The scope of LGD calculation is to reflect the cash flows arising from the various ways that the loans may be recovered, not only throughout foreclosure. Therefore, the following two components are determined: LGD secured reflecting Bank's collaterals recoverability experience at guarantee type; LGD unsecured reflects the recoverability of the unsecured exposure for each of the homogeneous portfolios. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortization. The EAD of a financial asset is the gross carrying amount at default. For lending commitments and financial guarantees, the EAD considers the amount drawn, as well as potential future amounts that may be drawn or repaid under the contract using credit conversion factors.

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

Subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Bank measures ECLs considering a tenor computed as the maximum between 12-month and the actual contractual period over which the Bank it is exposed to credit risk.

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and

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- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include type of counterparty and type of products. The grouping is subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous. The current groups are: Private Individuals, Corporate, Agribusiness, Professionals, Real Estate, Banks, Treasury bills and bonds.

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4. Financial risk management (*continued*)

iii. Amounts arising from expected credit losses ("ECL")

The credit risk is deemed to have increased significantly since initial recognition based on quantitative and qualitative factors linked to the Bank's credit risk management processes. This will be the case for exposures that meet certain heightened risk criteria that lead to placement on a watch list. Such factors are based on its expert judgment and relevant historical experiences:

- debt service of loans at other financial institutions
- performing forbearance in probation
- financial difficulties of the client as identified by the Bank
- depreciation of the client's rating
- clients with request for insolvency from third parties; this is not automatically a trigger to classify as "default" but may become a "default" criteria if the individual analysis of the Bank, considering other criteria as well, arrives at this conclusion;
- other qualitative criteria, depending of the severity, such us: decrease of the turnover throughout Bank's account, CIP payment incidents, breaching of the contractual covenants, garnishments measured as percentage from the turnover, PAR 90 (debt service over 90 days past due) for the last 12 months, etc)

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL.

The Bank incorporates forward-looking information into the measurement of ECL. The Bank formulates three economic scenarios: a baseline case, which is the median scenario, and two less likely scenarios, a best-case and a worst-case scenario.

The Bank uses at least three macroeconomic scenarios to achieve the objective of measuring expected credit losses in a way that reflects an unbiased and weighted probability result. The scenarios are reflected in the risk parameters for the next 3 years and the weights are assigned to each scenario, which represents the probability of occurrence for each of these scenarios.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The macroeconomic forward-looking indicators of the ECL IFRS 9 model are: the Unemployment rate (UR), long term interest rate (IR), gross domestic product (GDP), consumer price index (CPI) and housing price index (HPI). These are the parameters for which was identified an adequate correlation with the historic PD of the Bank. The choice of these indicators for the FLI component also has a qualitative dimension, with the following aspects: although there are several indicators that statistically seem to be correlated with the evolution of the default rate, those for which the correlation has no economic basis were avoided (for example Government Consolidated Gross Debt, M1 Cash) or those that are correlated between them.

	2024			2023		
As of 31 December	Baseline scenario	Best-case scenario	Worst case scenario	Baseline scenario	Best-case scenario	Worst case scenario
Scenario probability weighting	30%	30%	40%	30%	40%	30%

External information considered includes economic data and forecasts published by governmental bodies and monetary authorities, supranational organizations such as the International Monetary Fund, World Bank, European Commission, etc.

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The forward-looking scenarios are reviewed whenever relevant significant forecasts become available. A comprehensive review is performed at least annually on the design of the scenarios with the closely involvement of the Bank's senior management.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

4. Financial risk management (*continued*)a. Credit risk (*continued*)iii. Amounts arising from expected credit losses ("ECL") (*continued*)

The Bank used the following macroeconomic scenarios in its calculation of expected credit losses for December 2024:

GDP:

Year of forecast	AVERAGE MACRO SCENARIO	Baseline scenario	Best-case scenario	Worst-case scenario
2024	-0.56%	0.9%	1.1%	-2.9%
2025	-1.45%	1.0%	1.5%	-5.5%
2026	1.86%	2.0%	2.2%	1.5%
2027	1.86%	-	-	-

Unemployment:

Year of forecast	AVERAGE MACRO SCENARIO	Baseline scenario	Best-case scenario	Worst-case scenario
2024	7.90%	7.0%	6.0%	10.0%
2025	8.60%	7.5%	6.5%	11.0%
2026	9.15%	8.0%	6.5%	12.0%
2027	9.15%	-	-	-

Consumer price index:

Year of forecast	AVERAGE MACRO SCENARIO	Baseline scenario	Best-case scenario	Worst-case scenario
2024	7.3%	6.0%	6.3%	10.0%
2025	5.3%	4.0%	3.9%	8.6%
2026	4.1%	3.5%	3.2%	6.0%
2027	3.5%	-	-	-

House price index:

Year of forecast	AVERAGE MACRO SCENARIO	Baseline scenario	Best-case scenario	Worst-case scenario
2024	-2.1%	-2.0%	0.5%	-4.0%
2025	-3.1%	-1.5%	0.5%	-7.0%
2026	-0.4%	-1.0%	0.5%	-0.6%
2027	0.2%	-	-	-

Long term interest rate:

Year of forecast	AVERAGE MACRO SCENARIO	Baseline scenario	Best-case scenario	Worst-case scenario
2024	8.59%	7.00%	6.50%	11.34%
2025	7.86%	6.50%	6.00%	10.27%
2026	7.40%	6.00%	6.00%	9.50%
2027	6.80%	-	-	-

Note: for 2027, the data was not available.

The Bank used the following macroeconomic scenarios in its calculation of expected credit losses for December 2023:

GDP:

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

Year of forecast	AVERAGE MACRO SCENARIO	Baseline scenario	Best-case scenario	Worst-case scenario
2023	0.55%	1.8%	2.2%	-2.9%
2024	0.66%	3.7%	3.0%	-5.5%
2025	3.65%	3.9%	3.5%	3.6%
2026	3.80%	-	-	-

Unemployment:

Year of forecast	AVERAGE MACRO SCENARIO	Baseline scenario	Best-case scenario	Worst-case scenario
2023	6.00%	5.6%	5.4%	7.2%
2024	6.75%	5.4%	5.1%	10.3%
2025	6.77%	5.1%	5.0%	10.8%
2026	7%	-	-	-

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

4. Financial risk management (*continued*)a. Credit risk (*continued*)iii. Amounts arising from expected credit losses ("ECL") (*continued*)

Consumer price index:

Year of forecast	AVERAGE MACRO SCENARIO	Baseline scenario	Best-case scenario	Worst-case scenario
2023	11.9%	10.7%	10.1%	15.4%
2024	6.5%	5.8%	5.4%	8.6%
2025	3.8%	4.6%	4.2%	2.3%
2026	3.5%	-	-	-

House price index:

Year of forecast	AVERAGE MACRO SCENARIO	Baseline scenario	Best-case scenario	Worst-case scenario
2023	-0.5%	-1.5%	2.8%	-4.0%
2024	-1.8%	-1.0%	1.6%	-7.0%
2025	0.1%	-0.5%	1.1%	-0.6%
2026	0.3%	-	-	-

Long term interest rate:

Year of forecast	AVERAGE MACRO SCENARIO	Baseline scenario	Best-case scenario	Worst-case scenario
2022	8.97%	8.7%	8.54%	9.5%
2023	8.61%	6.20%	7.00%	13.15%
2024	7.80%	6.00%	6.50%	11.34%
2025	7.19%	5.70%	6.00%	10.27%
2026	6.80%	-	-	-

Note: for 2026, the data was not available.

The Bank has performed a sensitivity analysis on the value of 12-month expected credit losses based on the data as of 31 December 2024, using the assumptions from macro scenario 3 (worst case scenario). The impact for this scenario amounts to an ECL increase of RON 57.01 million. Based on the December 2023 data, the impact was an ECL increase of RON 107.7.

Modified financial assets

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of the credit risk at the reporting date based on the modified terms with the credit risk at initial recognition and the original contractual terms. When modification results in derecognition, a new loan is recognized and allocated to Stage 1 (assuming it is not credit-impaired at that time). The Bank renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities') to maximize collection opportunities and minimize the risk of default. Under the Bank's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms. The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans may be subject to the forbearance transactions. The Bank's Credit Committee regularly reviews reports on forbearance activities.

For financial assets modified as part of the Bank's forbearance policy, the borrower's payment performance is evaluated against the modified contractual terms and considers various behavioural indicators. Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired (see Note 3.II.d), vi). A customer needs to demonstrate consistently good payment behaviour (e.g. no payments over 60 days past due) over a period of time (minimum 12 months) before the exposure is no longer considered

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to be credit-impaired/in default such that the loss allowance reverts to being measured at an amount equal to Stage 2 during a 24-month probation period and afterwards in Stage 1 if good payment behaviour is proven.

The gross carrying amount of loans with renegotiated terms (and related allowance for impairment) is as follows:

31 December 2024 In RON				
	Stage 1	Stage 2	Stage 3	Total
Gross amount	6,774,277	2,982,219	144,736,793	154,493,289
Allowance for impairment	-239,489	-199,794	-103,015,501	-103,454,784
Carrying amount	6,534,788	2,782,425	41,721,292	51,038,505

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

4. Financial risk management (continued)

a. Credit risk (continued)

iii. Amounts arising from expected credit losses ("ECL") (continued)

31 December 2023 <i>In RON</i>	Stage 1	Stage 2	Stage 3	Total
Gross amount	10,061,337	20,186,043	19,542,911	49,790,291
Allowance for impairment	-299,209	-1,793,106	-15,036,365	-17,128,680
Carrying amount	9,762,128	18,392,937	4,506,546	32,661,611

Restructured exposures are loan contracts for which restructuring measures have been applied and which are still under closed monitoring

ECL changes and impact in 2024

In Q2 and Q4 2024, the forecasts of the indicators used in the macroeconomic scenarios were updated. Also, in Q4 2024, the methodology for calculating the risk parameters and macroeconomic components was updated.

For the Agri, Corporate, Retail, Professionals and Real Estate segments, at December 31, 2024, new PD curves were implemented, differentiated by the major rating classes (A, B, C, D), ensuring a more precise calibration of the risk for each segment and reflecting the specifics of the default behaviour by rating classes. Rating class E is associated with stage 3. In the case of the Real Estate segment, due to the limited number of defaults, two curves were defined: one for A+B ratings, having a similar behaviour and comparable risks, and the second for C+D ratings, reflecting the higher risk associated with these ratings. For the other segments, the PD curves are distinct for A, B ratings. This granularity allows for a more precise capture of the differences in risk behaviour and a single common curve for C+D ratings, considering the similarity in risk behaviour.

Impairment allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

Changes and impact in expected credit loss and advances granted to banks in 2024 and 2023.

<i>In RON</i>	2024			
	Stage 1	Stage 2	Stage 3	Total
Loans and advances to banks				
Balance as of 1 January	326,112	-	-	326,112
Transfer to Stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	82,227	-	-	82,227
Balance as of 31 December	408,339	-	-	408,339

<i>In RON</i>	2023			
	Stage 1	Stage 2	Stage 3	Total
Loans and advances to banks				
Balance as of 1 January	492,304	-	-	492,304
Transfer to Stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	-166,192	-	-	-166,192
Balance as of 31 December	326,112	-	-	326,112

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

Changes and impact in expected losses related to investment securities at amortised cost in 2024 and 2023

	2024			
<i>In RON</i>	Stage 1	Stage 2	Stage 3	Total
Investment securities				
Balance as of 1 January	240,077	-	-	240,077
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	2,799,497	-	-	2,799,497
Balance as of 31 December 2024	3,039,574	-	-	3,039,574

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

4. Financial risk management (continued)

a. Credit risk (continued)

iii. Amounts arising from expected credit losses ("ECL") (continued)

	2023			
In RON	Stage 1	Stage 2	Stage 3	Total
Investment securities				
Balance as of 1 January	82,401	-	-	82,401
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	157,676	-	-	157,676
Balance as of 31 December 2023	240,077	-	-	240,077

Changes and impact in expected credit losses related to loans and advances granted to customers in 2024 and 2023:

	2024			
In RON	Stage 1	Stage 2	Stage 3	Total
Expected losses – Loans and advances to customers				
Balance as of 1 January	64,842,913	50,362,383	99,561,631	214,766,927
Transfer to Stage 1	18,659,578	-9,816,907	-8,842,671	-
Transfer to Stage 2	-2,394,368	26,629,834	-24,235,466	-
Transfer to Stage 3	-582,407	-11,024,752	11,607,159	-
Net remeasurement of expected credit losses due to changes in credit risk	-37,502,942	-13,437,012	99,539,806	48,599,852
Expected losses for new financial assets	26,770,990	14,023,733	2,903,021	43,697,745
Expected losses for derecognized assets	-9,994,849	-15,632,612	42,910,306	17,282,844
Correction of interest income	-	-	1,908,242	1,908,242
Expected losses of loans written off	-	-	-73,541,490	-73,541,490
Balance as of 31 December 2024	59,798,915	41,104,667	151,810,538	252,714,120
		2023		
In RON	Stage 1	Stage 2	Stage 3	Total
Expected losses – Loans and advances to customers				
Balance as of 1 January	56,889,835	49,281,880	66,970,953	173,142,668
Transfer to Stage 1	14,860,604	-13,176,643	-1,683,961	-
Transfer to Stage 2	-3,945,970	11,455,002	-7,509,032	-
Transfer to Stage 3	-353,315	-10,077,147	10,430,462	-
Net remeasurement of expected credit losses due to changes in credit risk	-23,722,892	12,534,585	41,556,009	30,367,702
Expected losses for new financial assets	28,589,232	7,950,792	1,445,399	37,985,423
Expected losses for derecognized assets	-7,474,581	-7,606,086	-6,945,021	-22,025,688
Correction of interest income	-	-	2,000,649	2,000,649
Expected losses of loans written off	-	-	-6,703,827	-6,703,827
Balance as of 31 December 2023	64,842,913	50,362,383	99,561,631	214,766,927

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

4. Financial risk management (continued)

a. Credit risk (continued)

iii. Amounts arising from expected credit losses ("ECL") (continued)

Changes and impact in expected credit losses related to loan commitments, letters of credit and financial guarantees in 2024 and 2023:

		2024		
In RON	Stage 1	Stage 2	Stage 3	Total
loan commitments, letters of credit and financial guarantees				
Balance as of 1 January	3,906,436	1,799,295	135,321	5,841,052
Transfer to Stage 1	364,620	-364,620	-	-
Transfer to Stage 2	-25,271	25,271	-	-
Transfer to Stage 3	-262	-3,837	4,099	-
Net remeasurement of expected credit losses due to changes in credit risk	-2,175,646	-647,860	673,132	-2,150,374
Expected losses for new financial assets	2,915,520	453,634	311,320	3,680,474
Expected losses for derecognized assets	-1,388,448	-475,435	-105,459	-1,969,343
Balance as of 31 December 2024	3,596,947	786,449	1,018,413	5,401,809
		2023		
In RON	Stage 1	Stage 2	Stage 3	Total
loan commitments, letters of credit and financial guarantees				
Balance as of 1 January	3,223,743	871,965	825,580	4,921,288
Transfer to Stage 1	1,160,657	-371,576	-789,081	-
Transfer to Stage 2	-328,293	352,661	-24,368	-
Transfer to Stage 3	-2,881	-13,106	15,987	-
Net remeasurement of expected credit losses due to changes in credit risk	-1,892,483	837,476	107,211	-947,796
Expected losses for new financial assets	2,821,981	503,107	1	3,325,089
Expected losses for derecognized assets	-1,076,288	-381,232	-9	-1,457,529
Balance as of 31 December 2023	3,906,436	1,799,295	135,321	5,841,052

Total loans and advances granted to customers in 2024 and 2023 – gross amount

		2023		
In RON	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers				
Balance as of 1 January	5,989,464,859	683,657,056	143,989,821	6,817,111,736
Transfer to Stage 1	148,503,942	-138,327,258	-10,176,684	-
Transfer to Stage 2	-253,289,356	287,749,597	-34,460,242	-
Transfer to Stage 3	-47,634,235	-131,417,886	179,052,121	-
Changes that did not result in derecognition ³	-926,310,013	-129,833,729	-19,731,767	-1,075,875,509
New financial assets	2,621,140,834	137,543,693	4,846,706	2,763,531,233
Financial assets derecognized ⁴	-818,562,200	-195,507,559	32,059,790	-982,009,969
Loans written off	-	-	-73,541,490	-73,541,490
Balance as of 31 December 2024	6,713,313,831	513,863,913	222,038,256	7,449,216,001

³ Include draw-downs and repayments for loans outstanding at 1 January, not closed at 31 December.

⁴ Loans fully derecognized from the bank's balance sheet which the bank considers they meet the derecognition criteria and loan derecognition from normal or early repayments.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

4. Financial risk management (continued)

a. Credit risk (continued)

iii. Amounts arising from expected credit losses ("ECL") (continued)

The overdue contractual amount of financial assets that were derecognised in 2024 amounts to RON 76,701,312 (2023: RON 6,703,827).

		2023		
In RON	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers				
Balance as of 1 January	5,430,649,039	654,694,765	99,730,803	6,185,074,607
Transfer to Stage 1	181,026,814	-178,607,999	-2,418,815	-
Transfer to Stage 2	-399,795,786	411,936,964	-12,141,178	-
Transfer to Stage 3	-29,076,693	-105,626,394	134,703,087	-
Changes that did not result in derecognition ⁵	-598,537,148	71,164,767	-62,513,500	-732,215,415
New financial assets	2,152,984,418	92,707,067	1,989,491	2,247,680,976
Financial assets derecognized ⁶	-747,785,785	-120,282,580	-8,656,240	-876,724,605
Loans written off	-	-	-6,703,827	-6,703,827
Balance as of 31 December 2023	5,989,464,859	683,657,056	143,989,821	6,817,111,736

Loan commitments and financial guarantee agreements in 2024 and 2023 – off-balance sheet gross amount

		2024		
In RON	Stage 1	Stage 2	Stage 3	Total
Balance as of 1 January	1,681,854,736	236,545,735	2,680,059	1,921,080,530
Transfer to Stage 1	27,271,372	-27,271,372	-	-
Transfer to Stage 2	-9,670,458	9,670,458	-	-
Transfer to Stage 3	-153,432	-91,937,828	92,091,261	-
Changes that did not result in derecognition ²	-381,171,294	-15,346,070	-48,781,411	-445,298,775
New financial assets	2,018,126,229	15,821,410	1,001,457	2,034,949,096
Financial assets derecognized ³	-622,198,222	-49,847,757	-1,671,851	-673,717,830
Balance as of 31 December 2024	2,714,058,931	77,634,576	45,319,515	2,837,013,021
		2023		
In RON	Stage 1	Stage 2	Stage 3	Total
Balance as of 1 January	1,849,872,763	84,403,432	5,881,357	1,940,157,553
Transfer to Stage 1	33,166,076	-28,165,519	-5,000,557	-
Transfer to Stage 2	-215,701,809	216,283,874	-582,065	-
Transfer to Stage 3	-1,146,630	-4,300,179	5,446,809	-
Changes that did not result in derecognition ²	-571,453,973	-29,489,370	-3,065,437	-604,008,780
New financial assets	1,166,498,487	40,097,405	11	1,206,595,903
Financial assets derecognized ³	-579,380,178	-42,283,908	-59	-621,664,145
Balance as of 31 December 2023	1,681,854,736	236,545,735	2,680,059	1,921,080,530

⁵ Include draw-downs and repayments for loans outstanding at 1 January, not closed at 31 December.

⁶ Loans fully derecognized from the bank's balance sheet which the bank considers they meet the derecognition criteria and loan derecognition from normal or early repayments.

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In 2024, similar to 2023, there were no transfers between stages for investment securities or deposits and current accounts to other banks.

Deposits and current accounts at other banks and at National Bank of Romania and securities owned by the Bank are classified in Stage 1.

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4. Financial risk management (continued)

a. Credit risk (continued)

iii. Amounts arising from expected credit losses ("ECL") (continued)

The Bank's maximum exposure to credit risk is as follows:

In RON	31 December 2024	31 December 2023
Cash and cash equivalents	89,282,554	101,127,160
Loans and advances to the National Bank of Romania	2,282,980,518	1,970,710,014
Loans and advances to banks	959,943,957	602,745,556
Loans and advances to customers	7,196,501,880	6,602,344,809
Investment securities at amortized cost	1,967,390,959	1,696,152,460
Loan commitments and financial guarantee contracts	2,831,611,214	1,915,239,478
Total	15,327,711,082	12,888,319,477

iv. Concentration risk

The Bank monitors concentration risk by geographical regions and by Industry/sector

Analysis by geographical sector 2023

Indicator	Bucharest-Ilfov	South (Muntenia)	Centre-North-West (Transylvania)	South-East	North-East	Total
% exposure	61.19	5.36	15.05	8.46	9.93	100
% NPL	2.38	2.40	1.07	2.32	1.70	2.11
% stage 2	12.00	5.30	6.23	6.35	9.34	10.03

Analysis by geographical sector – 2024

Indicator	Bucharest-Ilfov	South (Muntenia)	Centre-North-West (Transylvania)	South-East	North-East	Total
% exposure	61.94	5.04	13.78	8.87	10.37	100
% NPL	3.19	4.13	1.59	3.92	2.24	2.98
% stage 2	6.43	5.40	5.07	14.87	6.01	6.90

Analysis by industry	31 December 2024	31 December 2023
Construction	1,475,236,905	1,554,977,919
Wholesale and retail trade	550,525,210	558,178,557
Agriculture, forestry and fishing	1,330,975,780	1,260,177,027
Real estate transactions	606,960,342	578,033,854
Manufacturing industry	148,912,346	187,254,999
Professional, scientific and technical activities	386,077,900	356,290,180
Hotels and restaurants	264,891,550	246,709,286
Financial intermediation and insurance	152,588,979	144,904,702
Health and social care	451,546,487	408,612,120
Information and communications	108,429,816	82,923,167
Production and supply of electric and thermal energy, gas, hot water and air conditioning	181,157,834	162,702,689
Transport and storage	95,903,012	85,883,269
Other service activities	23,999,564	30,878,892

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

Water distribution; sanitation, waste management, decontamination activities	15,012,387	19,402,200
Administrative support activities and support activities	34,905,775	45,048,120
Performing, cultural and recreational activities	34,462,062	27,860,976
Extractive industry	6,933,224	3,768,757
Education	13,130,469	17,433,084
Public administration and defence; social insurance in the public system	573,240,794	315,140,477
Individuals	994,325,565	730,931,460
TOTAL	7,449,216,001	6,817,111,736

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

4. Financial risk management (*continued*)

b. Liquidity risk

Liquidity risk refers to the availability of sufficient funds to meet deposit withdrawals and other financial commitments associated with financial instruments as they actually fall due.

The Bank controls these types of risks by means of maturity analysis, determining the Bank's strategy for the next financial period.

In order to monitor and manage the liquidity risk the Bank calculates the following liquidity ratios:

- Immediate liquidity: this liquidity indicator is calculated as the ratio of highly liquid assets to total borrowed funds and is used for daily liquidity monitoring by the Bank's management and the Treasury Division. The minimum limit established by the Bank's management for this indicator in 2024 was 43%. As of 31 December 2023, the liquidity indicator was 46.5%.
- Liquidity indicator depending on maturity bands: this liquidity indicator is calculated by dividing the assets of the Bank by its liabilities as adjusted by their remaining maturities. This indicator is calculated monthly and is monitored by the Bank's management and the Treasury Division. The minimum limit established by the Bank's management for this indicator is 100%.
- Resources concentration degree: this indicator is calculated to measure the dependence of the Bank on a single deponent or a group of related deponents and is calculated as the total funds from single deponents divided by the total borrowed funds. This indicator is calculated regularly and its maximum limit is established by the Bank's management at 40%.
- Loans to total assets and loans to borrowed funds ratios: these liquidity indicators are regularly calculated to determine if the strategic directions of the liquidity risk management policies are being followed within the credit policy of the Bank. The maximum limits established by the Bank's management for these indicators are around 65% and 75%, respectively.

Maturity analysis of assets and liabilities as of 31 December 2024 and 31 December 2023 is disclosed in below. The assets and liabilities remaining maturities are presented therein, as established in contracts concluded by Bank. However, current accounts and deposits from customers have a historically proven stickiness, which means they will not be reimbursed as contractually stated, but rather prolonged, therefore the liquidity gap as presented in these financial statements does not represent any imminent risk for the Bank.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

4. Financial risk management (continued)

b. Liquidity risk (continued)

ANALYSIS OF MATURITY OF FINANCIAL LIABILITIES BASED ON UNDISCOUNTED CASH FLOWS

The following tables detail the Bank's remaining contractual maturities for its financial liabilities. This analysis has been drawn up based on the undiscounted cash flows of financial liabilities and the earliest date on which the Bank can be required to settle its liabilities and includes both interest and principal cash flows.

31 December 2024	Up to 1 month	1-3 Months	3 Months – 1 year	1-5 years	Over 5 years	Total
Deposits from other banks	853,213	-	-	-	-	853,213
Customer deposits and savings accounts (incl. interests)	6,240,587,364	1,782,101,655	2,533,315,479	373,511,695	45,933	10,929,562,127
Bonds issued	1,486,478	1,988,470	10,188,490	230,846,003	46,169,158	290,678,599
Loans from financial institutions	24,595	1,678,947	1,694,696	3,170,789	-	6,569,026
Subordinated loan	495,338	941,881	4,653,246	62,297,812	40,432,255	108,820,532
Lease liabilities	4,346,935	12,549,080	14,510,400	12,719,823	10,751,859	54,878,097
Total financial liabilities	6,247,793,924	1,799,260,032	2,564,362,311	682,546,121	97,399,205	11,391,361,593
Off Balance sheet commitments	2,837,013,021	-	-	-	-	2,837,013,021

31 December 2023	Up to 1 month	1-3 Months	3 Months – 1 year	1-5 years	Over 5 years	Total
Deposits from other banks	49,016,014	-	-	-	-	49,016,014
Customer deposits and savings accounts (incl. interests)	5,540,755,368	1,445,911,592	2,221,686,856	252,278,420	7,601	9,460,436,837
Bonds issued	1,002,462	3,043,272	8,685,876	241,968,221	48,576,353	303,276,185
Loans from financial institutions	45,625	1,642,762	1,865,818	6,553,668	-	10,107,873
Subordinated loan	294,151	569,631	2,610,020	15,030,137	41,412,520	59,916,460
Lease liabilities	1,465,355	2,913,880	12,515,111	42,652,484	455,176	60,002,006
Total financial liabilities	5,592,578,975	1,145,081,137	2,247,363,681	558,482,930	90,451,650	9,942,758,375
Off Balance sheet commitments	1,921,080,530	-	-	-	-	1,921,080,530

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

4. Financial risk management (continued)

b. Liquidity risk (continued)

ANALYSIS OF ASSETS AND LIABILITIES BY REMAINING MATURITY (DISCOUNTED CASH-FLOWS)

	Up to one month	From 1 to 3 months	From 3 months to 1 year	From 1year to 5 years	Over 5 years	Non-defined maturity	TOTAL
31 December 2024							
ASSETS							
Petty cash	89,282,554	-	-	-	-	-	89,282,554
Financial assets at fair value through profit or loss	-	-	-	-	-	20,453,208	20,453,208
Loans and advances to the National Bank of Romania	2,282,950,518	-	-	-	-	-	2,282,980,518
Loans and advances to banks	860,684,175	30,091,833	-	-	-	69,167,948	959,943,957
Loans and advances to customers	55,342,686	92,652,839	486,472,921	2,277,916,135	4,284,117,299	-	7,196,501,880
Investment securities at amortised cost	-	140,143,693	439,496,574	1,387,750,692	-	-	1,967,390,959
Investment in associates	-	-	-	-	-	9,800,000	9,800,000
Other financial assets	49,901,205	-	-	-	-	39,775,053	89,676,258
Total assets	3,338,161,138	262,888,365	925,969,495	3,665,666,827	4,284,117,299	139,196,209	12,615,994,113
Liabilities							
Customer deposits	6,294,583,524	1,720,963,190	2,506,025,875	266,850,905	45,933	39,006,509	10,827,475,936
Customer deposits and savings accounts	853,213	-	-	-	-	-	853,213
Loans from financial institutions	-1,651	1,628,997	1,539,550	3,093,956	-	-	6,260,852
Bonds issued	-38,405	207,163	2,474,730	197,540,862	42,374,485	-	242,558,835
Subordinated loans	-8,890	-17,781	180,234	39,380,358	34,725,450	-	74,259,371
Other financial liabilities	49,991,521	-	-	-	-	-	49,991,521
Total liabilities	6,345,379,312	1,722,781,569	2,510,220,389	506,866,081	77,145,868	39,006,509	11,201,399,728
Liquidity risk as of 31 December 2024	-3,007,218,174	-1,459,893,204	-1,584,250,894	3,158,800,746	4,206,971,431	100,189,700	-
Cumulative liquidity gap	-3,007,218,174	-4,467,111,378	-6,051,362,272	-2,892,561,526	1,314,409,905	1,414,599,605	-

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

4. Financial risk management (continued)

b. Liquidity risk (continued)

	Up to one month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Non-defined maturity	TOTAL
31 December 2023							
ASSETS							
Petty cash	101,127,160	-	-	-	-	-	101,127,160
Financial assets at fair value through profit or loss	-	-	-	-	-	17,413,749	17,413,749
Loans and advances to the National Bank of Romania	1,970,710,014	-	-	-	-	-	1,970,710,014
Loans and advances to banks	603,071,668	-	-	-	-	-326,112	602,745,556
Loans and advances to customers	54,491,917	62,534,901	566,684,703	2,264,153,045	3,654,480,243	-	6,602,344,809
Investment securities at amortised cost	-	-	156,674,782	1,539,477,678	-	-	1,696,152,460
Investment in associates	-	-	-	-	-	9,800,000	9,800,000
Other financial assets	35,928,770	-	67,045,172	-	-	-	102,973,942
Total assets	2,765,329,529	62,534,901	723,359,485	3,803,630,723	3,654,480,243	93,932,809	11,103,267,690
Liabilities							
Customer deposits	5,540,755,368	1,445,911,592	2,221,686,856	252,078,420	7,601	-	9,460,439,837
Customer deposits and savings accounts	49,016,014	-	-	-	-	-	49,016,014
Loans from financial institutions	85,826	1,554,563	1,554,563	6,218,248	-	-	9,413,200
Bonds issued	834,598	2,154,869	-378,153	197,243,637	42,267,610	-	242,122,561
Subordinated loans	-4,746	-9,492	106,659	39,526,351	-	-	39,618,772
Other financial liabilities	1,193,198	3,419,321	9,231,429	38,747,194	443,291	-	53,034,433
Total liabilities	5,591,880,258	1,453,030,853	2,232,201,354	533,813,850	42,718,502	20,475,786	9,853,644,817
Liquidity risk as of 31 December 2023	-2,806,074,943	-1,390,495,952	-1,508,841,869	3,269,816,873	3,611,761,741	73,457,023	-
Cumulative liquidity gap	-2,806,074,943	4,196,570,895	-5,705,412,764	-2,435,595,891	1,176,165,850	1,249,622,873	-

The short-term refinancing of the Bank is assured by the possibility of refinancing with other banks as well as by the availability of loan facility in amount of USD 60 million concluded with Broadhurst Investments Limited and by adoption of adequate interest policy which would allow for attracting higher volume of resources. The Bank has assets pledged as collateral amounting RON 56.9 mil for daily settlement activity with Visa, Mastercard and SENT. The liquidity gap risk could further be mitigated by short term operations of reverse repo with NBR using T-Bills. In addition to this, the majority of customer deposits with maturities less than 3 months are rollover deposits.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

4. Financial risk management (continued)

c. Market risk

Market risk represents the current or prospective risk to earnings and capital arising from adverse market movements in equities prices and interest rates, as well as from movements in foreign exchange rate and commodities prices for the whole business of the credit institution. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Foreign currency risk

The Bank enters into transactions in both Romanian Lei (RON) and foreign currencies. Hence, exposures to foreign exchange rates fluctuations arise. The Bank is mainly exposed to a risk of exchange rate change for monetary assets and liabilities denominated in USD and EUR, which constitute the most part of its foreign currency denominated assets and liabilities.

In order to manage the foreign currency risk the Bank maintains open currency exposure within the following limits as required by the National Bank of Romania:

- Net exposure in single foreign currency – no more than 10% of total own funds calculated in accordance with the requirements of the National Bank of Romania.
- Net aggregated exposure in foreign currencies – no more than 20% of total own funds calculated in accordance with the requirement of the National Bank of Romania.

As of 31 December 2024 and 2023, the net exposure of the Bank to foreign currency risk is as follows:

Currency	31 December 2024	31 December 2023
EUR	3,655,849	14,210,124
USD	328,166	742,090
GBP	-216,801	-71,245
CHF	-10,999	294,562
SEK	-16,276	161,900
CAD	127,317	-3,564
HUF	-	1,015,199
JPY	-	598,496
Other	691,939	326,015
Total exposure	4,559,195	17,273,577

All amounts are in RON equivalent.

Foreign currency sensitivity analysis

The following information reflects the Bank's sensitivity to depreciation and appreciation of the domestic currency against EUR, USD, GBP, CHF, SEK, CAD, JPY and HUF in case of a 5% variation. Such rate is the sensitivity rate which has been used by the Bank for reporting trading exposure risk for purposes of internal risk management purposes and represents the Bank's assessment of the reasonably possible change in foreign exchange rates in future. The sensitivity analysis includes only outstanding foreign currency denominated monetary assets and liabilities and adjusts their translation at the period end for a 5% change in foreign currency rates.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

4. Financial risk management (continued)

c. Market risk (continued)

In RON Currency	31 December 2024		31 December 2023	
	+5%	-5%	+5%	-5%
EUR	182,792	-182,792	710,506	-710,506
USD	16,408	-16,408	37,105	-37,105
GBP	-10,840	10,840	-3,562	3,562
CHF	-550	550	14,728	-14,728
SEK	-814	814	8,095	-8,095
CAD	6,366	-6,366	-178	178
HUF			50,760	-50,760
JPY			29,925	-29,925
Other currencies	34,597	-34,597	16,301	-16,301
TOTAL	227,960	-227,960	863,680	-863,680

Interest Rate Risk

Interest rate risk includes interest rate price risk and interest rate cash flow risk. Interest rate price risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates relative to the interest rates that apply to the financial instrument. Interest rate cash flow risk is the risk that the interest cost and the associated cash flows will fluctuate over time. Financial instruments of the Bank mainly carry both variable and fixed interest rates. As a result the Bank is exposed to both interest rate cash flow risk and interest rate price risk. Interest rates applicable to various financial assets and liabilities are disclosed in respective notes to these financial statements.

Interest rate risk management is realized by the Bank through the following measures:

- Insuring maximum possible correlation of the maturities of fixed interest rate bearing funds attracted with those of the fixed interest rate bearing assets;
- Limitation of the interest rate gap by originating interest rate bearing assets having similar interest rate structure (in terms of maturity, type of interest rates and repricing period) as that of the funds attracted;
- Establishment of interest rate level on Bank's assets and liabilities;
- Determination of interest rates characteristics (floating or fixed);
- Analysis of maturity differences in assets and liabilities, sensible to interest rate change and maintaining an adequate structure of assets and liabilities;
- Providing interest rate flexibility, periodical change of rates on bank's financial instruments;
- Evaluation of working assets structure and structure of paid liabilities, taking measures oriented to decrease the ratio of working assets to paid liabilities;
- Examination of information on interest rate risk by the committee ALCO and Bank's management with further adjustment of bank's policy on attraction and placement of means;
- Projection of perspective interest rate level on the basis of factors which may have influence on its increase or decrease, etc.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

4. Financial risk management (continued)

c. Market risk (continued)

Interest rate sensitivity analysis

The sensitivity analysis below has been prepared based on the exposure to changes in interest rates for interest bearing assets and liabilities outstanding as of 31 December 2024 and 2023. The balances in the table below represent the effect of the increase or decrease of interest rates by 200 bp.

The balances in the table below represent an effect of increase in interest rates on profit and loss account.

In RON	31 December 2024		31 December 2023	
	+2%	-2%	+2%	-2%
Equity Tier 1	1,325,810,003		1,086,153,415	
Change of economic value (200 bps shock)	-66,953,651	66,953,651	-62,772,260	62,772,260
% of Equity Tier 1	5.05%		5.78%	

Price risk

The Bank's exposure to the market price risk arises from the financial instruments at fair value through profit and loss evaluated at market price and the table below represent an effect of increase market price on profit and loss account.

In RON	31 December 2024		31 December 2023	
	+1%	-1%	+1%	-1%
Financial instruments at fair value sensitive to market price	146,267	-146,267	125,403	-125,403

d. Capital management

The Bank is in compliance with the regulatory capital requirements as of 31 December 2024.

Libra Internet Bank calculates the regulatory capital requirement in order to satisfy the following requirements:

- for the credit risk and the dilution risk, with the exception of operations from the trading portfolio → 8% of the total risk-weighted values of the exposures, calculated according to EU Regulation no. 575/2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) no. 648/2012 and according to NBR Regulation no. 5/2013 on prudential requirements for credit institutions;
- for market risk → The Bank applies the standard approach for market risk, in accordance with the provisions of EU Regulation 575/2013 for the calculation of the minimum capital requirements according to Pillar 1. The Bank does not calculate capital requirements for the interest rate risk in the trading portfolio for the purposes of Pillar 1 because it does not hold a trading portfolio according to the regulated definition.

The Bank calculates the minimum capital requirements for currency risk determined according to EU Regulation no. 575/2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) no. 648/2012.

- for the operational risk related to the entire activity → capital requirements determined according to EU Regulation no. 575/2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) no. 648/2012.

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4. Financial risk management (continued)

d. Capital management (continued)

The Bank's objective is to ensure compliance with regulatory requirements and to assure shareholders that the Bank has integrated, solid and efficient strategies and processes to assess and permanently maintain an adequate level, type and process of capital in order to cover risks to which the Bank is exposed.

In this regard, the Bank has implemented the ICAAP framework, which includes aspects such as the organization of the risk management function within the Bank, the description of the risk management process, the approach to capital management, the presentation of some approaches for determining the internal capital related to Pillar 2 requirements, practices for crisis scenarios, practices regarding the internal control system, ICAAP reports.

ICAAP is integrated in the decision-making process by using the results in defining the business strategy and the risk management strategy.

Economic capital is an estimate of the value of expected and unexpected losses and is defined as the amount of capital that a bank must hold (for example, shareholders must invest) considering the entire risk and profit structure, in order to limit the probability of bankruptcy for a specified time horizon.

The management of the Bank's capital has two main purposes:

- To ensure that the available capital base is in accordance with the general level of risk assumed, as well as with the exogenous constraints imposed by the capital requirements, the external rating that the bank wants to achieve (if applicable), and its development plans; and
- To optimize the capital structure by selecting a combination of financial instruments that minimizes the required capital according to regulatory limits.

The table below summarizes the structure of regulatory capital and the indicators for the financial years ended 31 December 2024 and 31 December 2023.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

4. Financial risk management (continued)

d. Capital management (continued)

	Dec 2024 – estimated after audit and approval of financial statements	Dec 2024 – no audited profit	Dec. 2023
EQUITY TIER 1	1,439,761,062	1,325,810,003	1,295,301,553
COMMON EQUITY TIER 1	1,439,761,062	1,325,810,003	1,295,301,553
Capital instruments eligible as common equity tier 1	556,171,200	556,171,200	506,165,200
Retained earnings	562,922,961	448,971,902	411,061,687
Other accumulated comprehensive income	66,584,589	66,584,589	48,224,016
Other reserves	236,818,486	236,818,486	286,824,486
Adjustments of common equity tier 1 due to prudential filters	(30,253)	(30,253)	(27,214)
Other intangible assets	(2,611,783)	(2,611,783)	(3,285,911)
Other transient adjustments to common equity tier 1	19,905,862	19,905,862	46,339,289
EQUITY TIER 2	114,850,555	114,850,555	82,371,914
TOTAL EQUITY	1,554,611,617	1,440,660,558	1,377,673,467
Own funds requirements, of which	6,911,315,386	6,692,430,298	6,422,204,900
Credit risk	5,634,526,748	5,648,983,685	5,378,758,287
Market risk	-	-	-
Operational risk	1,276,788,638	1,043,446,613	1,043,446,613
CET1 ratio	20.83%	19.81%	20.17%
Equity tier 1 ratio	20.83%	19.81%	20.17%
Total equity ratio	22.49%	21.53%	21.45%
Leverage ratio	10.91%	10.04%	11.14%

In the Solvency calculation above (December 2024 – no audited profit), the National Bank of Romania imposes the grouping of capital elements as follows:

- Retained earnings - the interim profit as of June and September 2024 in amount of RON 156,270,788 approved by the NBR, adjusted with the retained earnings from previous years and with the 16% tax on the retained earnings resulting from the transition to IFRS 9. The total net value of the net profit adjustment with the retained earnings is RON 292,701,115 (RON -7,630,380 + RON 300,331,495).
- Other comprehensive income includes the legal reserves less the allocation from the current year to the legal reserve and the reserves for credit risk.
- The Other Reserves position includes other reserves from profit and Other Reserves for the fund of property, plant and equipment.

The value of retained earnings resulting from the transition to IFRS 9 is RON 47,689,876, and the related tax that is prudentially deducted in the solvency calculation is RON 7,630,380, which is the difference between the total equity taken into account in the solvency and equity calculation.

In the Solvency calculation above (December 2024 - estimated after audit and approval of financial statements), the National Bank of Romania imposes the grouping of capital elements as follows:

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

4. Financial risk management (continued)

d. Capital management (continued)

- Retained earnings – the 2024 profit in amount of RON 270,221,847 adjusted with the retained earnings from previous years and with the 16% tax on the retained earnings resulting from the transition to IFRS 9. The total net value of the net profit adjustment with the retained earnings is RON 292,701,115 (RON -7,630,380 + RON 300,331,495).
- Other comprehensive income includes the legal reserves less the allocation from the current year to the legal reserve and the reserves for credit risk.
- The Other Reserves position includes other reserves from profit and Other Reserves for the fund of property, plant and equipment.

Other risks management

Taxation risk

The Romanian tax legislation provides for detailed and complex rules and has suffered various changes in the recent years. Interpretation of the text and practical implementation procedures of tax legislation could vary and there is a risk that certain transactions, for example, could be viewed differently by the tax authorities as compared to the Bank's treatment.

The Romanian Government has a number of agencies that are authorized to conduct audits of companies operating in Romania. These audits are similar in nature to tax audits performed by tax authorities in many countries, but may extend not only to tax matters but to other legal and regulatory matters in which the applicable agency may be interested. It is likely that the Bank will continue to be subject to regular controls as new laws and regulations are issued.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

4. Financial risk management (continued)

d. Capital management (continued)

Operational risk

In case of increase or decrease of net banking income by +/- 10% the impact on capital requirements is calculated below

	31 December 2024		31 December 2023	
In RON	+10%	-10%	+10%	-10%
Capital requirement for Operational risk sensitive to net banking income	4,489,167	-4,489,167	8,341,843	-8,341,843

5. Use of estimates and judgments

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment losses on loans and advances

The Bank assesses and measures credit risk on all lending exposures. The measurements of allowances are built upon IFRS 9 requirements and result in the appropriate and timely recognition of ECL in accordance with the applicable accounting framework. ECL measurement occurs at the individual lending exposure level and also at the collective portfolio level by grouping exposures based on identified shared credit risk characteristics.

ECL post-model adjustments

On top of the results obtained from modelling of risk parameters used in ECL calculation, the bank uses additional post-model (PMA") adjustments. PMAs are used in circumstances where existing inputs, assumptions and modelling techniques do not capture all relevant risk factors. The occurrence of new macroeconomic, microeconomic or political events, together with expected changes in parameters, models or data that are not incorporated in current parameters, or forward-looking information are examples of such circumstances.

Current conditions require such adjustments, due to:

- the uncertainty and instability of the macroeconomic environment
- rising interest rates and inflation
- low values for adjusted "R-squared" due to economic conditions

As such, PMAs used are:

- for the calculation of the PDs used, a number of 1 standard deviation for all portfolios were added to the values predicted by the models.

o Estimated default rate calculated using the model before PMA +2 standard deviation calculated from the last 12 historical quarters (3 years of data).

At the same time, additional coefficients are used to multiply PDs in Stage 2, based on the historical migration rates of exposures from Stage 2 to Stage 3.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

5. Use of estimates and judgments (continued)

ECL post-model adjustments (continued)

Allowances assessment take into account relevant factors and expectations at the reporting date that may affect the collectability of remaining cash flows over the life of a group of lending exposures or a single lending exposure. The Bank considers information which goes beyond historical and current data, and takes into account reasonable and supportable forward-looking information, including macroeconomic factors, which are relevant to the exposures being evaluated in accordance with the applicable accounting framework.

Under the general approach the loss allowances are recognized based on either 12M ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The simplified approach does not require the track of the changes in credit risk, but instead requires the recognition of a loss allowance based on lifetime ECLs right from origination.

The total value of the additional model adjustment for expected credit losses is approximately RON 57.1 million.

The Bank uses general approach for credit portfolio and for banks and sovereign (low credit risk simplification) and the simplified approach for other assets than loans depending on the quality of the assets, they are classified in 3 stages. In the Stage 1 are included the performing loans, in Stage 2 the performing portfolio with significant increase in credit risk and in the Stage 3 the defaulted financial assets. The Bank considers exposures to banks and sovereigns as having low credit risk (Stage 1) if the external ratings of these exposures at the reporting date are in the "investment grade" range.

Collective assessment

Stage 1 and 2 exposures are subject to collective assessment. For the purpose of determining a loss allowance on a collective basis, the financial instruments are grouped on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The loans portfolio was split in 5 groups, the exposures on sovereigns and those to banks and the rest of the exposures have each dedicated groups as follows:

- Corporate – Legal entities that are not included the Professionals or Agriculture categories
- Agriculture – customers working in the agricultural or related sectors
- Real Estate – Customers who are financed for real estate purpose, defined under the Credit Policy as loans granted to real estate developers who, as a result of their funding, earn revenues either from the sale of buildings or from renting them
- Retail (Individuals) – individual clients
- Professionals – Clients in the category of liberal professions and other companies without legal form
- TAUs (Territorial Administrative Units) – city halls, councils, municipalities, cities, communes

The Bank monitors that exposures within the groups remain homogeneous in terms of their response to credit risk drivers relevant and credit risk characteristics. The grouping of exposures are re-evaluated and exposures are re-segmented when significant change in the credit portfolio or changes in the Bank's risk profile occurs.

Stage 1 and 2 ECL diverge due to the maximum residual maturity considered: in case of exposures classified in Stage 1, 12 month horizon is considered as ceiling, while in case of transactions classified in Stage 2, lifetime horizon is considered. The key inputs into the measurement of ECLs include the following variables: probability of default (PD), LGD (loss given default) and exposure at default (EAD). PDs and LGDs are involved in collective computation of the Stage 1 and 2 ECLs (only LGDs are used for Stage 3 ECLs).

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

5. Use of estimates and judgments (continued)

Standalone assessment of impairment losses on loans and advances to customers

The purpose of estimating expected credit losses is neither to estimate a worst-case scenario nor to estimate the best-case scenario. Instead, an estimate of expected credit losses reflect the possibility that a credit loss occurs and the possibility that no credit loss occurs even if the most likely outcome is no credit loss. It is required the estimate of expected credit losses to reflect an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes without the need for a large number of detailed simulations of scenarios. The expected credit losses reflect at least three outcomes. The scenarios and their probability occurrence for each of the scenarios are properly supported and documented and reflect the recovery stage and the recovery strategy at client level. The scenarios are updated whenever significant evolutions occur, in order to maintain their relevance. Refer also to the disclosures under Note 3d, 3f and 4a for more information regarding significant judgments related to impairment of financial assets.

Fair value of financial instruments at FVTPL

The Bank has a small portfolio of shares not kept for trading, which are accounted through profit and loss at fair value. These shares have been evaluated considering:

- The market price for listed companies (Elvila, Swift, Visa);
- Dividend discount model for those shares where the companies are not listed but they are providing dividends yearly (Transfond, Biroul de credit)

As of 31 December 2024, the Bank had a small portfolio of assets repossessed resulted from the foreclosure process, in amount of RON 613,302, while as of 31 December 2023 they totalled RON 699,637.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

6. Net interest income

<i>In RON</i>	2024	2023
Interest income calculated using the effective interest method:		
Loans and advances to banks	87,982,094	85,293,229
Loans and advances to customers	703,129,449	666,791,770
Investment securities at amortized cost	123,683,999	91,230,443
Total interest income	914,795,542	843,315,442
Interest expense:	2023	2022
Deposits from other banks	-1,614,577	-553,084
Customers deposits and current accounts	-277,119,187	-251,694,888
Interest on loans from financial institutions	-460,330	-633,837
Debenture loan	-11,387,977	-11,225,346
Interest on subordinated loan	-3,682,168	-3,085,634
Lease interest	-2,269,379	-2,259,436
Total interest expenses	-296,533,618	-269,452,225
Net interest income	618,261,924	573,863,217

The interest income presented above explain in the same manner both the separate and the standalone financial statements. Interest income on loans and advances to customers includes RON 24,372,591 (2023: RON 16,560,237) representing interest income on impaired financial assets.

7. Net fee and commission income

<i>In RON</i>	2024	2023
Commission from collections and payments from customers operations	45,975,763	47,166,873
Commission from ATM and card transactions	77,122,540	46,769,840
Other commissions	589,789	559,901
Total commissions from contracts with customers	123,688,092	94,496,614
Commissions related to lending business	25,991,751	9,323,276
Total commission income	149,679,843	103,819,890
Commission expenses		
Expenses with commissions from interbank operations	-17,999,502	-13,225,552
Expenses related to payment operations	-47,555,342	-23,843,908
Other commissions	-466,384	5,237,158
Total commission expenses	-66,021,228	-31,832,302
Net fee commission income	83,658,615	71,987,588

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

7. Net fee and commission income (continued)

Fee and commission income represents income from contracts with customers and is accounted for in accordance with IFRS 15. Revenue recognized from contracts with customers comes from the following categories:

- fees and commissions related to payment modalities: such fees are charged when the transaction takes place; this category includes all fees and commissions that refer to direct debit agreements, payment orders and other payment modalities;
- fees and commissions based on some transactions (for example: cash withdrawal at the cash desk, payment orders, etc.); the commissions are collected immediately after the transaction or monthly. Such commissions are established as a percentage of the transaction with a fixed minimum amount;
- Customer collections and payment commissions: applies to a wide range of standard banking services, related services (SMS alert, internet banking, monthly administration fee, opening current accounts, escrow accounts, significant guarantee account and closing accounts etc.). These commissions are considered one-off commissions related to a specific service that is provided by the Bank and, therefore, are accounted for when the service is provided, but they can also be charged monthly for the services provided in the previous month.

The Bank did not provide information on the allocation of the transaction price to the remaining performance obligations in the contracts and this is due to the fact that the contract periods are usually less than one year.

Fees and commissions from credit commitments and letters of guarantee issued: although fee and commission income from financial guarantee contracts and loan commitments is recognized in accordance with IFRS 15, the financial guarantee contract falls within the scope of IFRS 9 and fee income therefrom is not revenue from contracts with customers. The bank presents fee and commission income from financial guarantees as part of total fee and commission income. The commissions for financial and credit guarantees are amortized on a straight-line basis over the lifetime of the instruments.

The income from charges and commissions presented above explains both the standalone and the separate financial statements in the same way.

8. Net gains on foreign exchange transactions and revaluation

<i>In RON</i>	2024	2023
Gain/(Loss) on foreign exchange transactions	54,107,998	47,131,113
Gain/(Loss) on revaluation	-42,003	106,563
Total net gains on foreign exchange transactions and revaluation	54,065,995	47,237,676

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

9. Other operating income

<i>In RON</i>	2024	2023
Dividend income	1,456,207	1,146,063
Income from insurance policies	3,526,040	4,387,926
Income from penalties	33,020	511,238
Net gains from sales of tangible and intangible assets	215,382	-
Other income	1,808,472	1,439,565
Total other operating income	7,039,121	7,484,792

Dividend income comes from investments accounted for at market value through profit or loss and the structure thereof is presented in the table below:

<i>In RON</i>	2024	2023
Dividends from Visa	66,954	50,979
Dividends from Transfond	1,372,078	1,082,516
Dividends from the Credit Office	17,175	12,568
Total dividend income	1,456,207	1,146,063

10. Operating expenses

<i>In RON</i>	2024	2023
Personnel expenses (i)	-233,341,771	-191,077,467
Professional fees, rent and insurance	-43,746,544	-35,008,860
Repairs, maintenance and utilities	-7,567,993	-6,856,756
Other taxes	-40,921,215	-20,046,551
Amortization and depreciation expenses (ii)	-19,059,171	-18,008,907
Other expenses with services rendered (v)	-5,219,235	-4,162,335
Net loss on the sale of repossessed assets (iv)	-467,335	-
Other expenses with third parties	-45,511,691	-3,165,649
Other provisions (Note 23)	-5,889,413	-9,487,030
Other expenses (iii)	-8,596,233	-7,236,731
Total operating expenses	-370,320,601	-295,050,286

(i) The Bank had 1,314 employees as of 31 December 2024 and 1,000 employees as of 31 December 2023. The average number of employees was 1,200 as of 31 December 2024 and 948 as of 31 December 2023.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

10. Operating expenses (continued)

- (ii) The amortization and depreciation expenses of tangible and intangible assets also include the amortisation of right-of-use assets for operating lease and rental agreements, which is presented in the table below:

	31 December 2024		31 December 2023	
<i>In RON</i>	No. of employees	Salary costs	No. of employees	Salary costs
Operating personnel	1,146	168,331,949	953	130,565,914
Management personnel	168	65,009,822	147	60,511,553
	1,314	233,341,771	1,100	191,077,467

- (iii) The amortization and depreciation expenses of tangible and intangible assets also include the amortisation of right-of-use assets for operating lease, which is presented in the table below:

<i>In RON</i>	2024	2023
Amortization and depreciation expenses for tangible and intangible assets	4,061,016	3,721,781
Amortisation expenses for car leases	1,489,338	1,038,113
Amortisation expenses for land and building leases	13,508,817	13,249,013
Total amortization and depreciation expenses	19,059,171	18,008,907

- (iv) In 2024, there were sales of repossessed assets. The apartment located on Str. Sf. Vineri no. 10 worth RON 447,853 was sold.

- (v) In 2024, other operating expenses presented above in amount of RON 8,279,576 represented the Bank's sponsorships to support not for profit entities, for which the Bank was granted tax incentives.

- (vi) Expenses with audit and non-audit services provided by audit and consultancy firms in 2024 were RON 1,925 thousand, compared to RON 815.5 thousand in 2023.

Out of the total of such expenses, RON 517.34 thousand represented statutory audit services and RON 842.26 thousand represented other audit services and 565.4 other consultancy services. In 2023, the statutory audit services totalled RON 477.3 thousand, and other audit services totalled RON 388.1 thousand.

11. Impairment losses on financial instruments

<i>In RON</i>	2024	2023
Net charge/(release) of expected losses for loans and advances granted to banks	-80,752	161,951
Net charge of expected losses for investment securities	-2,799,497	-153,886
Net charge of expected losses for loans and advances to customers	-109,405,550	-46,749,273
Revenues from loans previously written-off	34,512,220	5,283,420
Total impairment loss on financial instruments	-77,773,579	-41,457,788

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

11. Impairment losses on financial instruments (continued)

The movement in the expected loss accounts is presented below:

<i>In RON</i>	Expected losses for nostro accounts	Expected losses for investment securities	Expected losses for loans and advances to customers	Total
1 January 2023	492,304	82,401	173,142,668	173,740,600
Net impairment expense/(income)	-161,951	153,886	46,749,273	46,741,208
Expected losses of loans written off	-	-	-6,703,827	-6,703,827
E/R differences	-4,241	3,790	-421,836	422,287
Adjustment of interest income	-	-	2,000,649	2,000,649
31 December 2023	326,112	240,077	214,766,928	215,333,117
Net impairment expense/(income)	80,752	2,799,497	109,405,550	112,285,799
Expected losses of loans written off	-	-	-73,541,490	-73,541,490
E/R differences	1,475	-	174,891	176,366
Adjustment of interest income	-	-	1,908,242	1,908,242
31 December 2024	408,339	3,039,574	252,714,120	256,162,033

12. Income tax expenses

Income tax comprises:

<i>In RON</i>	2024	2023
Current tax	-49,446,746	-51,417,523
Deferred tax	1,458,152	1,497,942
Total income tax expense	-47,988,593	-49,919,581

Reconciliation of income tax expense and the product of gross profit and tax rate applicable is presented below:

	2024	2023
Gross profit before tax	318,210,440	367,211,450
Taxation at statutory rate of 16%	50,913,670	58,753,832
Non-deductible expenses	18,944,677	8,602,178
Non-taxable revenues	-12,132,031	-11,697,640
Adjustments of income tax recognized in the current period relating to prior periods (i)	-	-
Deferred income (expense)/income	-1,458,152	1,497,942
Corporate income tax before fiscal credit	56,268,168	57,156,312
Fiscal credit from sponsorship and fiscal credit	-8,279,575	-7,236,731
Total income tax expense	47,988,593	49,919,581

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

12. Income tax expenses (continued)

The main non-taxable income comes from the reversal of non-deductible provisions and from dividends received. The main non-deductible expenses come from provisions, and other non-deductible expenses according to the Fiscal Code.

The main sources of tax recognition of temporary differences are presented below:

<i>In RON</i>	2024	2023
Taxable/(deductible) temporary differences:		
Operational provisions	-49,133,897	-40,451,234
Tangible and intangible assets	-836,298	-405,508
Total temporary differences	-49,970,195	-40,856,742
Deferred tax assets at 16%	-7,995,231	- 6,537,079

The provisions that are not deductible and generate deferred tax mainly comprise litigation provisions, provisions for postponed bonuses and provisions for undrawn loan commitments and financial guarantees and other operating provisions (see Note 23).

For associate LIBRA DEVELOPMENT IFN, as of 31 December 2024 the Bank did not set impairment allowances and the investment in such associate did not generate temporary differences, as the associate obtained profit in 2024.

The change in deferred tax is presented in the table below:

<i>In RON</i>	2023	Charge in 2024 or reversal to reserves	2024
Provisions	-6,472,198	-1,389,225	-7,861,423
Tangible and intangibles assets	-64,881	-68,927	-133,808
Total	-6,537,079	-1,458,152	-7,995,231

13. Financial assets and liabilities

(i) Classification of financial assets and liabilities

The bank classifies financial assets according to its business model and the characteristics of the financial asset's contractual cash flows. The bank's business model is that of collecting contractual cash flows.

Financial assets or liabilities held in order to collect cash flows by collecting contractual payments over the lifetime of the instrument (includes assets such as loans, government securities and bonds that are not held for trading) are accounted for at amortized cost if these assets/liabilities also meet the criterion of cash flows representing exclusively principal and interest (SPPI test). These assets are included in the periodic calculation of expected loss allowances.

Financial assets and liabilities measured at fair value through profit or loss are those financial assets/liabilities that do not meet the criterion of cash flows that are exclusively principal and interest payments or if they are held for trading. The Bank does not have a trading portfolio and includes in this category only its minority holdings in other entities.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

13. Financial assets and liabilities (continued)

(i) Classification of financial assets and liabilities (continued)

The rest of the financial assets that are not classified at amortized cost or at fair value through profit or loss are measured at cost.

Associate Libra Development IFN is measured at cost in the separate financial statements and using the equity method in the standalone financial statements.

The table below presents the measurement categories for financial instruments (in the Separate Financial Statements):

31 December 2024	At FVTPL market value	At amortised cost	At cost	Total carrying amount	Total fair value
Assets					
Cash and cash equivalents	-	3,332,207,029	-	3,332,207,029	3,332,207,029
Financial assets at fair value through profit or loss	20,453,208	-	-	20,453,208	20,453,208
Loans and advances to customers	-	7,196,501,880	-	7,196,501,880	7,333,523,888
Investment securities at amortised cost	-	1,967,390,959	-	1,967,390,959	1,983,846,717
Investment in associates	-	-	12,555,767	12,555,767	12,555,767
Assets held for sale	-	-	613,302	613,302	613,302
Property, plant and equipment	-	-	51,341,936	51,341,936	51,341,936
Intangible assets	-	-	2,611,783	2,611,783	2,611,783
Current tax assets	-	-	5,055,830	5,055,830	5,055,830
Deferred tax assets	-	-	7,995,231	7,995,231	7,995,231
Other assets	-	89,676,258	31,006,202	120,682,460	120,682,460
Total assets	20,453,208	12,585,776,126	111,180,051	12,717,409,385	12,870,887,151
Liabilities					
Customer deposits	-	10,827,475,936	-	10,827,475,936	10,647,665,188
Deposits from other banks	-	853,213	-	853,213	853,213
Loans from financial institutions	-	6,260,852	-	6,260,852	6,260,852
Bonds issued	-	242,558,835	-	242,558,835	242,558,835
Subordinated loan	-	74,259,371	-	74,259,371	74,259,371
Provisions	-	5,401,808	40,260,951	45,662,759	45,662,759
Current tax liabilities	-	-	-	-	-
Other liabilities	-	50,781,683	36,673,353	87,455,036	87,455,036
Total liabilities	-	11,207,591,698	76,934,304	11,284,526,002	11,717,754,227

For comparability, assets and liabilities that are not classified as financial instruments have also been included in the table above, in order to match the disclosure with the statement of financial position.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

13. Financial assets and liabilities (continued)

(i) Classification of financial assets and liabilities (continued)

31 December 2023	At FVTPL market value	At amortised cost	At cost	Total carrying amount	Total fair value
Assets					
Cash and cash equivalents	-	2,674,582,730	-	2,674,582,730	2,674,582,730
Financial assets at fair value through profit or loss	17,413,749	-	-	17,413,749	17,413,749
Loans and advances to customers	-	6,602,344,809	-	6,602,344,809	6,661,195,954
Investment securities at amortised cost	-	1,696,152,460	-	1,696,152,460	1,754,921,767
Investment in associates	-	-	10,859,367	10,859,367	10,859,367
Assets held for sale	-	-	699,637	699,637	699,637
Property, plant and equipment	-	-	53,423,017	53,423,017	53,423,017
Intangible assets	-	-	3,285,911	3,285,911	3,285,911
Current tax assets	-	-	-	-	-
Deferred tax assets	-	-	6,537,079	6,537,079	6,537,079
Other assets	-	102,973,942	21,274,484	124,248,426	124,248,426
Total assets	17,413,749	11,076,053,941	96,079,495	11,189,547,185	11,307,167,637
Liabilities					
Customer deposits	-	9,460,439,836	-	9,460,439,836	9,149,550,741
Deposits from other banks	-	49,016,014	-	49,016,014	49,016,014
Loans from financial institutions	-	9,413,200	-	9,413,200	9,413,200
Bonds issued	-	242,122,561	-	242,122,561	242,122,561
Subordinated loan	-	39,618,772	-	39,618,772	39,618,772
Provisions	-	5,841,052	34,020,768	39,861,820	39,861,820
Current tax liabilities	-	-	6,824,786	6,824,786	6,824,786
Other liabilities	-	53,034,433	28,250,626	81,285,059	81,285,059
Total liabilities	-	9,859,485,868	69,096,180	9,928,582,048	9,617,692,953

For comparability, assets and liabilities that are not classified as financial instruments have also been included in the table above, in order to match the disclosure with the statement of financial position.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

13. Financial assets and liabilities (continued)

(ii) Cash and cash equivalents

Cash and cash equivalents comprise petty cash, the current account with banks, bank deposits with initial maturity of less than 3 months, the current account at the National Bank of Romania and the cash in the EURONET ATMs.

<i>In RON</i>	31 December 2024	31 December 2023
Cash on hand	89,282,554	101,127,160
Loans and advances to banks, of which	959,943,957	603,071,668
<i>Nostro accounts with banks</i>	105,105,955	98,689,336
<i>Term deposits with banks</i>	854,838,002	504,382,332
NBR current account	2,282,980,518	1,970,710,014
Cash in EURONET ATMs	25,048,533	35,928,770
Total gross	3,357,255,561	2,710,837,612
Expected loss on loans and advances to customers	-408,339	-326,112
Total net	3,356,847,222	2,710,511,500

(iii) Cash from financing activities

The net cash from the financing activity for 2024 is presented in the table below:

RON	Balance as of 1 January 2024	Net cash from 2024 financing activity		Accrued interest	Other changes**	Balance as of 31 December 2024
		Draw-downs/Collections	Repayments/ Payments*			
Loans from banks and other financial institutions at amortised cost	9,413,200	-	-3,610,006	460,330	-2,673	6,260,852
Bonds issued	242,122,561	-	11,050,515	11,387,977	98,811	242,558,835
Subordinated loan	39,618,772	34,818,700	-4,005,662	3,682,168	145,392	74,259,371
Lease liabilities	53,034,433	-	-17,643,475	2,269,379	13,121,346	50,781,683
Total	344,188,966	34,818,700	-36,309,658	17,799,855	13,362,877	373,860,741

(*) Repayments/Payments also include interest paid.

(**) Other changes mean the effect of the exchange rate on the revaluation of balances, the amounts to amortise and the effect of new rental agreements signed/extended in 2024.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

13. Financial assets and liabilities (continued)

(iii) Cash from financing activities (continued)

The net cash from the financing activity for 2023 is presented in the table below:

RON	Balance as of 1 January 2023	Net cash from 2023 financing activity		Accrued interest	Other changes**	Balance as of 31 December 2023
		Draw-downs/Collections	Repayments/ Payments*			
Loans from banks and other financial institutions at amortised cost	12,408,661	-	-3,613,244	633,837	-16,054	9,413,200
Bonds issued	243,326,012	-	11,021,062	11,225,346	-1,407,735	242,122,561
Subordinated loan	39,329,678	-	-3,082,019	3,085,634	285,479	39,618,772
Lease liabilities	47,069,840	-	16,050,072	2,259,436	19,755,229	53,034,433
		-	-	-	-	-
Total	342,134,191	-	33,766,397	17,204,253	18,616,919	344,188,966

(*) Repayments/Payments also include interest paid.

(**) Other changes mean the effect of the exchange rate on the revaluation of balances, the amounts to amortise and the effect of new rental agreements signed/extended in 2023.

As of 31 December 2024 and 2023 term deposits with banks included deposits with banks in Romania in RON, EUR and USD with remaining maturities of up to 1 month.

As of 31 December 2024 and 2023, the interest rates on term deposits with banks were as follows:

Initial currency	31 December 2024	31 December 2023
EUR	0.4% - 3.60%	0.35% - 4%
RON	0.4% - 3.85%	1.75% - 8.70%
USD	1.25% - 8%	0.35% - 4%

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

13. Financial assets and liabilities (continued)

(iv) Current account with the National Bank of Romania

Current accounts with the National Bank of Romania in amount of RON 2,282,980,518 (31 December 2023: 1,970,710,014) include balances in RON, USD and EUR and are used for domestic payments (Settlement account Target 2) and for maintaining minimum mandatory reserves (RMO).

The structure of the Loans and advances to National Bank of Romania are presented in the table below

	31 December 2024	31 December 2023
Current account with NBR for RMO (RON)	556,402,730	164,065,574
Sight deposits at NBR	900,137,500	1,550,775,000
Current account with NBR for RMO (foreign currency)	491,503,058	217,729,310
Settlement Account Target 2	334,937,230	38,140,130
Total current accounts with NBR	2,282,980,518	1,970,710,014

The National Bank of Romania requires commercial banks to maintain an amount calculated as a percentage of their funding other than local inter-bank originated for achieving the monetary policy targets. As of 31 December 2024, the required rate for RON and foreign currency compulsory reserves was 8% for ON and 5% for foreign currency, while in 2023 it was the same. As of 31 December 2024 and 2023, the interest rates on current accounts balances with the National Bank of Romania were as follows:

Initial currency	31 December 2024	31 December 2023
RON	0.78%	0.82%
USD	0.58%	0.35%
EUR	0.14%	0.10%

14. Loans and advances to customers

<i>In RON</i>	31 December 2024	31 December 2023
Loans and advances to customers	7,449,216,001	6,817,111,736
Allowance for expected credit losses (Note 11)	-252,714,120	-214,766,927
Total	7,196,501,880	6,602,344,809

As of 31 December 2024 and 2023 loan interest rates were as follows:

Initial currency	31 December 2024	31 December 2023
RON	0% - 22.9%	0% - 23.2%
EUR	0% - 14.3%	0% - 15.4%
USD	0% - 9.6%	0% - 10.9%

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

15. Other assets

The tables below present the breakdown of other assets by nature and quality:

<i>In RON</i>	31 December 2024	31 December 2023
Prepayments	7,256,888	4,356,137
Cash in transit (from ATM network supplier)	25,048,533	35,928,770
Warranty deposits paid	39,800,255	25,190,073
Suspense accounts	25,011,865	19,805,654
Sundry debtors	11,861,737	16,918,347
Interest receivable for subsidies	11,703,182	22,049,445
Total	120,682,460	124,248,426

The table below presents the breakdown of other assets by quality:

<i>In RON</i>	31 December 2024	31 December 2023
Financial assets	89,676,258	102,973,942
Non-financial assets	31,006,202	21,274,484
Total	120,682,460	124,248,426

Suspense accounts include suspense amounts recoverable in the form of cash, checks and promissory notes, from the card activity and sundry debtors.

<i>In RON</i>	31 December 2024	31 December 2023
Other current assets	79,188,976	99,058,353
Other non-current assets	41,493,483	25,190,073
Total	120,682,460	124,248,426

16. Investments

<i>In RON</i>	31 December 2024	31 December 2023
Financial assets amortized cost		
Government securities at amortised cost	1,806,005,120	1,511,551,186
Debt securities at CEC Bank	-	20,478,080
Debt securities at municipalities	164,425,413	164,363,271
Allowance for expected credit losses	-3,039,574	-240,077
Financial assets at amortised cost (net)	1,967,390,959	1,696,152,460
Financial assets fair value through P&L		
Total financial assets at fair value through profit or loss	20,453,208	17,413,749
Financial assets at cost		
Investment in associate (separate financial statements)	9,800,000	9,800,000
Total investments in financial assets	1,997,644,167	1,723,366,209

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

16. Investments (continued)

As of 31 December 2024, the investments include state bonds denominated in RON and EUR with monthly returns of 3.9% - 9.2% p.a. for RON and 0.81% - 5.90% p.a. for EUR and municipal bonds denominated in RON with a return of 8.89% and municipal bonds denominated in EUR with a return of 5.98% p.a.

Additionally, the Bank's investments also include a share portfolio of RON 20,453,207 accounted for at market value through profit or loss and an associate worth RON 9,800,000 accounted for at cost in the separate financial statements and using the equity method in the standalone financial statements.

As of 31 December 2024, part of the portfolio of government bonds at a nominal amount of RON 56,896,522.96 (31 December 2023: RON 55,609,290) is pledged in favour of the National Bank of Romania.

Details of equity securities are as follows:

Investments in minority interests classified at fair value through profit or loss

Company name	Business	Place of establishment	Ownership	Carrying amount (RON)	
				31 December 2024	31 December 2023
Transfond SA	Money transfer	Romania	2,56%	5,655,758	4,757,439
Biroul de Credit	Banking information services	Romania	0,18%	170,740	115,969
SWIFT	Money transfer	Belgium	34 shares	1,359,720	2,161,762
Elvila S.A.	Furniture, trade and manufacturing	Romania	1,88%	334,890	347,386
Visa		USA	650 type C preferential shares and 64 type A preferential shares	12,932,100	10,031,194
Total securities at fair value				20,453,208	17,413,749

17. Investments in associates

In 2020, the Bank invested in its associate LIBRA DEVELOPMENT IFN an amount of RON 7,840,000 in the form of capital contribution of 49%. In 2023, the Bank put another RON 1,960,000 in the share capital increase carried out by the shareholder to keep its 49% ownership. The total investment in shareholder Libra Development IFN is RON 9,800,000. LIBRA Development IFN SA is non-banking financial institution established on 14 July 2020 under the supervision of the National Bank of Romania, whose object of activity is lending. The registered office of LIBRA DEVELOPMENT IFN is in Bucharest, Calea Vitan no. 6-6A, 4th floor, Romania.

Name of shareholder	Business	Place of establishment	Ownership and voting right	
			31 December 2024	31 December 2023
Libra Development IFN	Lending	Romania, Bucharest	49%	49%
Net assets of shareholder (not audited)			25,624,015	22,161,974
Bank's ownership in shareholder			49%	49%
Value of ownership in shareholder (capital method)			12,555,767	10,859,367

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

17. Investments in associates (continued)

The tables below present the unaudited financial statement of associate Libra development IFN:

Statement of profit or loss	31 December 2024	31 December 2023
Interest revenue	16,232,630	14,956,061
Interest expenses	-7,828,498	-8,407,976
Net interest income	8,404,132	6,548,085
Commission income	470,382	351,042
Commission expenses	-190,876	-85,045
Net commission income	279,506	265,997
Net impairment on financial assets and commitments	-641,387	-833,593
Other operating income	-	-
Net operating income	-641,387	-833,593
Personnel expenses	-2,960,525	-2,644,157
Amortization expenses	-329,538	-406,543
Other operating expenses	-776,564	-608,985
FX differences	-8,419	-1,056
Total operating expenses	-4,075,047	-3,660,741
Profit/(loss) before tax	3,967,205	2,319,748
(Expense)/Income with income tax	-509,362	-313,375
Net profit/(loss) for the financial year	3,457,843	2,006,373
Statement of financial position	31 December 2024	31 December 2023
Cash and cash equivalents	6,510,420	5,368,168
Loans and advances to customers	107,373,928	110,566,905
Property plant and equipment	616,231	663,699
Intangible assets	160,515	201,744
Deferred tax assets	12,334	8,251
Other assets	242,462	192,694
Total assets	114,915,890	117,001,461
Equity and liabilities		
Financial liabilities		
Borrowings from banks	81,832,878	87,109,655
Lease liabilities	680,962	714,561
Current tax payables	63,669	102,514
Term subordinated loan	6,045,455	6,049,432
Other payables	665,263	799,128
Provisions	3,648	64,197
Total liabilities	89,291,875	94,839,487
Equity		
Issued capital	20,000,000	20,000,000
Other reserves	368,659	169,692
Retained earnings	5,255,356	1,992,282
Total equity	25,624,015	22,161,974
Total equity and liabilities	114,915,890	117,001,461

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

18. Property, plant and equipment and intangible assets

a. Property plant and equipment

<i>In RON</i>	Land and buildings	Office equipment	Vehicles	Fix assets in progress	Right of use asset	Total
COST						
As of 31 December 2021	7,918,111	15,650,810	7,157,125	159,706	77,614,694	108,500,446
Additions	-	828,609	-	1,894,984	2,397,794	5,121,387
Disposals/Changes	-	-3,586	-2,691,632	-818,830	-4,147,074	-7,661,122
As of 31 December 2022	7,918,111	16,475,833	4,465,493	1,235,860	75,865,414	105,960,711
Additions	284,530	2,762,468	-	2,652,855	3,742,933	9,442,786
Disposals/Changes	-61,908	-866,708	-1,925,670	-3,167,128	6,691,488	670,074
As of 31 December 2023	8,140,733	18,371,593	2,539,823	721,587	86,299,835	116,073,571
Additions	227,884	2,046,015	363,676	3,296,459	2,957,433	8,891,468
Disposals/Changes	-	-1,116,456	-506,722	-2,649,923	3,201,305	-1,071,796
As of 31 December 2024	8,368,617	19,301,153	2,396,778	1,368,124	92,458,572	123,893,244

ACCUMULATED DEPRECIATION

<i>In RON</i>	Land and buildings	Office equipment	Vehicles	Fix assets in progress	Right of use asset	Total
As of 31 December 2021	-5,586,847	-11,892,609	-6,160,461	-	-32,882,390	-56,522,307
Charge for the year	-311,356	-1,559,201	-729,679	-	-11,628,407	-14,228,643
Disposals/Changes	-	2,291	2,691,632	-	11,790,795	14,487,684
As of 31 December 2022	-5,898,203	-13,449,519	-4,198,508	-	-32,720,002	-56,266,232
Charge for the year	-345,786	-1,867,802	-230,593	-	-14,287,126	-16,731,307
Disposals/Changes	61,908	865,037	1,925,670	-	7,494,370	10,346,985
As of 31 December 2023	-6,182,081	-14,452,284	-2,503,431	-	-39,512,878	-62,650,554
Expenses during the year	-333,791	-1,975,058	-59,165	-	-14,998,155	-17,366,169
Disposals/Changes	-	1,377,316	243,080	-	5,845,015	7,465,411
As of 31 December 2024	-6,515,872	-15,050,026	-2,319,516	-	-48,666,018	-72,551,308

NET BOOK VALUE OF PROPERTY, PLANT AND EQUIPMENT

As of 31 December 2022	2,019,908	3,026,314	266,985	1,235,860	43,145,412	49,694,479
As of 31 December 2023	1,958,652	3,919,309	36,392	721,586	46,787,077	53,423,017
As of 31 December 2024	1,852,870	4,251,127	77,262	1,368,123	43,792,553	51,341,936

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

18. Property, plant and equipment and intangible assets (continued)

b. Intangible assets

<i>In RON</i>	Intangible assets	Intangible assets in progress	Total
COST			
As of 31 December 2021	21,830,121	358,249	22,188,370
Additions	427,268	1,833,033	2,260,301
Disposals	-	-356,059	-356,059
As of 31 December 2022	22,257,389	1,835,223	24,092,612
Additions	3,057,521	1,511,241	4,568,762
Disposals	-	-3,064,975	-3,064,975
As of 31 December 2023	25,314,910	281,489	25,596,399
Additions	1,257,875	1,018,874	2,276,749
Disposals	-408,606	-1,257,875	-1,666,481
As of 31 December 2024	26,164,179	42,488	26,206,667
ACCUMULATED DEPRECIATION			
As of 31 December 2021	-19,685,574	-	-19,685,574
Charge for the year	-1,347,314	-	-1,347,314
Disposals	-	-	-
As of 31 December 2022	-21,032,888	-	-21,032,888
Charge for the year	-1,277,600	-	-1,277,600
Disposals	-	-	-
As of 31 December 2023	-22,310,488	-	-22,310,488
Charge for the year	-1,693,002		1,693,002
Disposals	408,606		408,606
As of 31 December 2024	-23,594,884		-23,594,884
NET BOOK VALUE			
As of 31 December 2022	1,224,502	1,835,223	3,059,725
As of 31 December 2023	3,004,422	281,489	3,285,911
As of 31 December 2024	2,569,295	42,488	2,611,783

The tables below present the changes in rights of use related to leases governed by IFRS 16 in 2024:

RON	Vehicles	Land and buildings	Total
Gross Balance as of 1 January 2024	4,055,266	82,244,568	86,299,835
New contracts	653,177	2,304,256	2,957,433
Contractual amendments	-644,726	3,846,031	3,201,305
Gross Balance as of 31 December 2024	4,063,717	88,394,855	92,458,572
Accumulated amortization as of 1 January 2023	-1,422,165	-38,090,593	-39,512,758
Contractual amendments	642,292	5,202,603	5,844,895
Amortisation for the period (-)	-1,489,338	-13,508,817	-14,998,155
Net Balance as of 31 December 2024	1,794,506	41,998,048	43,792,554

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

18. Property, plant and equipment and intangible assets (continued)

The tables below present the changes in rights of use related to leases governed by IFRS 16 in 2023:

RON	Vehicles	Land and buildings	Total
Gross Balance as of 1 January 2023	2,366,809	73,498,604	75,865,414
New contracts	1,583,365	2,159,568	3,742,933
Contractual amendments	105,092	6,586,396	6,691,488
Gross Balance as of 31 December 2023	4,055,266	82,244,568	86,299,835
Accumulated amortization as of 1 January 2023	-401,222	-32,318,780	-32,720,002
Contractual amendments	17,170	7,477,200	7,494,370
Amortisation for the period (-)	-1,038,113	-13,249,013	-14,287,126
Net Balance as of 31 December 2023	2,633,101	44,153,975	46,787,077

19. Assets held for sale

As of 31 December 2024, the Bank had in its portfolio two repossessed assets resulting from the foreclosure process, totalling RON 613,302.

In RON	31 December 2024	31 December 2023
Building and land in Bihor county	232,302	232,302
Apartment in Bucharest, Sos. Colentina	381,000	467,335
Balance as of 31 December	613,302	699,637

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

20. Bank deposits

<i>In RON</i>	31 December 2024		
	RON	Other currencies	Total
LORO accounts	853,213	-	853,213
Total	853,213	-	853,213

<i>In RON</i>	31 December 2023		
	RON	Other currencies	Total
LORO accounts	49,016,014	-	49,016,014
Total	49,016,014	-	49,016,014

21. Deposits from customers

<i>In RON</i>	31 December 2024		
	RON	Other currencies	Total
On demand	3,254,912,391	1,024,831,735	4,279,744,127
Term deposits	4,477,607,917	2,070,123,890	6,547,731,809
Total	7,732,520,308	3,094,955,626	10,827,475,936
<i>In RON</i>	31 December 2023		
	RON	Other currencies	Total
On demand	2,966,940,769	830,386,137	3,797,326,907
Term deposits	3,764,038,870	1,899,074,059	5,663,112,931
Total	6,730,979,638	2,729,460,198	9,460,439,836

As of 31 December 2024 and 2023, the interest rates on term deposits were as follows:

Initial currency	31 December 2024	31 December 2023
RON	0%-8%	0%-8.7%
EUR	0%-3.60%	0%-4%
USD	0%-3.85%	0%-4%

As of 31 December 2024, the interest payable on current accounts balances were between 0% - 4.89% p.a. on current accounts in RON, 0% p.a. on current accounts in EUR and 0% p.a. on current accounts in USD.

The Bank had significant balances held by the entities – members of Broadhurst Group NCH, the ultimate shareholder, on current accounts and term deposits amounting to RON 314,927,961 as of 31 December 2024 and RON 298,731,440 as of 31 December 2023. As of 31 December 2024, the amount exceeded 22% of the Bank's equity. The average interest rate at deposits attracted from related parties is of 3.91% RON equivalent.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

22. Loans from financial institutions and bonds issued

The Bank contracted a subordinated loan in November 2024 in amount of EUR 7,000,000 from Andrei Siminel Cristian spanning 7 years.

The Bank has signed one facility agreement with European Investment Fund. The disbursable amount in EUR at 31.12.2024 was 1,250,000 EUR having an interest rate of 4.902% (EUR 1,875,000 with an interest rate of 5.89% as of 31 December 2023).

During 2022, an issue of subordinated, nominative, dematerialized, non-secured and non-convertible bonds, for ten years, in amount of EUR 4,262,000 million, with a yield of 6.5%/year, was successfully completed.

Also in 2022, the Bank contracted a subordinated loan in amount of EUR 8,000,000, from the EFSE Investment Fund for a period of 7 years with an interest of (4.5% + EURIBOR 6M) p.a.

In 2021, the issue of nominative, dematerialized, non-secured and non-convertible, senior MREL-eligible bonds with a total nominal value of EUR 40,000,000 for 7 years with an interest rate of 4.25%/year was successfully completed.

In 2020, the issuance of subordinated, registered, dematerialized, non-secured and non-convertible bonds for ten years, in amount of EUR 4,296,500 for 10 years at an interest rate of 5%/year, was successfully completed.

The structure of loans and bonds issued by the Bank is presented in the table below:

	31 December 2024	31 December 2023	Maturity
Loans from FEI	6,260,852	9,413,200	September 2026
Issue of subordinated bonds (in 2020)	21,372,701	21,321,069	March 2030
Issue of senior bonds (in 2021)	199,934,470	199,618,436	September 2028
Issue of subordinated bonds (in 2022)	21,251,664	21,183,056	July 2032
Subordinated loan from EFSE (in 2022)	39,648,937	39,618,772	September 2029
Subordinated loan (in 2024)	34,610,434		November 2031
Total loans and bonds issued	323,079,058	291,154,533	

The total balance of the bonds issued by the Bank as of 31 December 2024 is EUR 48.56 million representing principal amount.

23. Provisions

<i>In RON</i>	Provisions for credit commitments and financial guarantees given	Provision for litigation	Other provisions	Total
As of 31 December 2022	4,921,288	1,121,964	24,465,884	30,509,136
Net expense/income from provision	1,054,117	153,159	8,586,072	9,793,348
E/R differences	-134,353	-	7	-134,346
As of 31 December 2023	5,841,052	968,805	33,051,963	39,861,820
Net expense/income from provision	-350,748	-72,095	6,312,256	5,889,413
E/R differences	-88,495		21	-88,475
As of 31 December 2024	5,401,809	896,710	39,364,240	45,662,759

The notes attached are an integral part of these standalone and separate financial statements.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

23. Other provisions (continued)

During 2024, the total other provisions increased by RON 6,312,256 (compared to the RON 8,586,079 in 2023), mainly because of the planned payment of employee and management benefits to the 2024 profit.

In 2024, the provision set up for untaken leave grew by RON 341,277 in 2023, the provision for the bonus of the sales force grew by RON 1,203,143, and the bonus with the entire staff grew by RON 2,567,116. The RON 2,200,741 difference up to the total net expenses with other provisions comes from the management provision (by RON 2,789,729), the reversal of the provision set up in 2023 for identified personnel (by RON 697,004) and other provisions (by RON 108,016).

The management bonuses consist of 50% cash, payable in one year for performance realized in last year and 50% postponed at the management member's exit time- minimum three years. In the case of Libra Internet Bank SA, this component represents an adjusted part of the profit realized by the Bank's shareholders following the sale of the bank under certain favourable conditions for making this sale (exit securities), under the conditions established contractually with each of the members of management.

Some of these provisions will be reversed in 2025, once the bonus payments are made, which are presented in the table below depending on the recovery period, where we have assumed a short term of less than one year and a long term of more than one year.

31 December 2024

Provisions	Long term	Short term	Total
Provisions for lending commitments and financial guarantees granted	4,346,864	1,054,945	5,401,809
Litigation provisions	896,710	-	896,710
Other provisions	26,598,353	12,765,887	39,364,240
Total	31,841,927	13,820,832	45,662,759

The breakdown of other provisions by recovery period for 2023 is presented in the table below:

31 December 2023

Provisions	Long term	Short term	Total
Provisions for lending commitments and financial guarantees granted	4,595,066	1,245,986	5,841,052
Litigation provisions	968,805	-	968,805
Other provisions	22,150,161	10,901,802	33,051,963
Total	27,714,032	12,147,788	39,861,820

24. Other liabilities

In RON	31 December 2024			31 December 2023		
	Short term	Long term	Total	Short term	Long term	Total
Social security, payroll and other taxes payable (i)	14,777,700	-	14,777,700	6,911,613	-	6,911,613
Lease liability (ii)	15,176,069	35,605,614	50,781,683	13,843,948	39,190,485	53,034,433
Other creditors	4,031,038	17,864,615	21,895,653	19,762,454	1,576,559	21,339,013
Total	33,984,807	53,470,229	87,455,036	40,518,015	40,767,044	81,285,059

(i) Such expenses include amounts owed to the State budget for social contributions, VAT payable and various employees' salary retainers.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

24. Other liabilities (continued)

The table below presents an analysis of liabilities by quality:

<i>In RON</i>		
	31 Dec 2024	31 Dec 2023
Other financial liabilities	50,781,683	53,034,433
Other non-financial liabilities	36,673,353	28,250,626
Total	87,455,036	81,285,059

(ii) IFRS 16 – Leases (Bank as lessee)

The Bank acts as lessee in leases for vehicles and space rentals. The leases are denominated in EUR, and signed for a period of 1 to 5 years.

The tables below present changes in lease liabilities in 2024:

RON	Vehicles	Land and buildings	Total
Balance as of 1 January 2024	2,918,411	50,116,022	53,034,433
Interest expenses	108,671	2,160,708	2,269,379
Lease payments – principal	-1,981,394	-13,633,647	-15,615,041
Lease payments – interest	-107,677	-1,920,757	-2,028,434
New leases	653,176	2,304,256	2,957,432
Contractual amendments	285,679	9,878,234	10,163,913
Balance as of 31 December 2024	1,876,866	48,904,817	50,781,683

The tables below present changes in lease liabilities in 2023:

RON	Vehicles	Land and buildings	Total
Balance as of 1 January 2023	1,942,526	45,127,314	47,069,840
Interest expenses	88,267	2,171,169	2,259,436
Lease payments – principal	-1,143,276	-13,214,524	-14,357,800
Lease payments – interest	-80,701	-1,611,571	-1,692,272
New leases	1,583,365	2,159,568	3,742,933
Contractual amendments	528,230	15,484,066	16,012,296
Balance as of 31 December 2023	2,918,411	50,116,022	53,034,433

The table below shows the amounts recognized in the statement of comprehensive income for the IFRS 16 items and for the amounts related to leases not included in the IFRS 16 items (short-term rent expenses and rent expenses for low-value assets).

31 December 2024			
RON	Vehicles	Land and buildings	Total
Expenses with impairment of right of use	1,489,338	13,508,817	14,998,155
Expenses with interest on lease liabilities	108,670	2,160,709	2,269,379
Expenses with short-term rentals in IFRS 16 items	114,268	133,112	247,380
Total	1,712,276	18,802,638	17,514,914

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

24. Other liabilities (continued)

31 December 2023			
RON	Vehicles	Land and buildings	Total
Expenses with impairment of right of use	1,038,113	13,249,013	14,287,126
Expenses with interest on lease liabilities	88,267	2,171,169	2,259,436
Expenses with short-term rentals in IFRS 16 items	-	209,098	209,098
Total	1,126,380	15,629,280	16,755,660

The table below presents the maturity of lease liabilities (undiscounted) as of 31 December 2024:

RON	Vehicles	Land and buildings	Total
Within 3 months	368,017	3,978,918	4,346,935
3 months - 1 year	886,566	11,662,514	12,549,080
1 - 2 years	620,866	13,889,534	14,510,400
2 - 3 years	79,096	12,640,727	12,719,823
More than 3 years	-	10,751,859	10,751,859
Total	1,954,545	52,923,552	54,878,097

The table below presents the maturity of lease liabilities (undiscounted) as of 31 December 2023:

RON	Vehicles	Land and buildings	Total
Within 3 months	746,855	3,632,381	4,379,236
3 months - 1 year	2,221,629	10,293,482	12,515,111
1 - 2 years	2,698,351	23,955,884	26,654,235
2 - 3 years	-	9,889,673	9,889,673
More than 3 years	-	6,563,752	6,563,752
Total	5,666,835	54,335,171	60,002,006

25. Share capital

In RON	31 December 2024	31 December 2023
Share capital at nominal value	512,622,000	462,616,000
Effect of hyperinflation adjustments up to 31 December 2003	43,549,200	43,549,200
Total share capital	556,171,200	506,165,200

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

25. Share capital (continued)

In December 2023, the General Meeting of Shareholders approved the share capital increase by adding the retained earnings in amount of RON 50,006,000, by issuing 2,273 new shares with a nominal value of RON 22,000 each. The registration occurred after the legal steps were taken. The shareholders structure as of 31 December 2024 and 2023 is as follows:

Shareholder	31 December 2024			31 December 2023		
	No. of shares	Nominal value	%	No. of shares	Nominal value	%
Broadhurst Investments Ltd.	15,536	22,000	66.68%	14,021	22,000	66.68%
Romarta SA	6,423	22,000	27.56%	5,796	22,000	27.56%
Andrei Siminel Cristian	1,335	22,000	5.73%	1,205	22,000	5.73%
Other	7	22,000	0.03%	6	22,000	0.03%
TOTAL	23,301		100%	21,028		100%

26. Reserves and dividends allocated

Other reserves consist of legal reserves, general risk reserve established in accordance with Romanian legislation and other reserves from the unallocated profit in the form of dividends.

	31 December 2024	31 December 2023
Legal reserve	81,835,648	65,925,126
General reserve for credit risk	418,133	418,133
General risk reserve	241,330	241,330
Other reserves from profit	236,818,486	286,824,486
Total	319,313,597	353,409,075

The legal reserve is established in accordance with Romanian law through allocation of 5% from the gross profit until the reserve reaches 20% from share capital. This reserve is allocated from gross profit and is deductible for income tax purposes. In 2024, the Bank has allocated to the legal reserve the amount of RON 15,910,522 representing 5% of the gross profit recorded in 2024. The remaining amount of 2024 profit amounting to RON 254,311,324 represents unallocated profit.

Other reserves from profit consist of the profit of previous years that was not distributed in the form of dividends.

In 2024, dividends totalling RON 100,000,000 were distributed, representing unappropriated profit related to 2023.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

26. Other reserves and dividends allocated (continued)

The general risk reserve is established in accordance with Romanian law and is equal to a minimum 1% of risk bearing assets. This reserve cannot be distributed to the shareholders. Any release of this reserve is transferred to the profit and loss account. The credit risk reserve was established historical according to Romanian Law and if it will be used for other reasons than credit risk, than a tax of 16% will be paid.

Other reserves from profit consist of the profit of previous years that was not distributed in the form of dividends.

The distribution of dividends during 2024 is presented in the table below:

	Gross dividend paid
BROADHURST INVESTMENTS LIMITED	66,677,763
ROMARTA S.A.	27,563,249
ANDREI SIMINEL CRISTIAN	5,730,455
STANCA BOGDAN	28,533
Total	100,000,000

27. Commitments and contingencies**Letters of guarantee**

The aggregate amounts of outstanding letters of guarantee as of 31 December 2024 and 31 December 2023 are:

	31 December 2024	31 December 2023
Letters of guarantee in RON		
secured by mortgage	139,038,990	43,069,834
secured by cash	166,807,135	74,128,546
secured by other instruments	89,264	298,409
Total	305,935,389	117,496,789
Letters of guarantee in foreign currency (RON equivalent)		
secured by cash	21,385,918	3,480,457
secured by mortgage	7,059,269	6,856,664
secured by other instruments	-	-
Total	28,445,187	10,337,121
Total letters of guarantee	334,380,576	127,833,910
In RON	31 December 2024	31 December 2023
Undrawn loan commitments - irrevocable	382,503,610	350,223,603
Undrawn loan commitments - revocable	2,120,128,834	1,443,023,017
Letters of guarantees	334,380,576	127,833,910
Total undrawn loan commitments and letters of guarantee	2,837,013,021	1,921,080,530

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

27. Commitments and contingencies (continued)**Undrawn loan commitments and letters of guarantee:**

As of 31 December 2024, Bank has a funding commitment from Broadhurst Investments Limited amounting to RON 286.6 mil (USD 60,000,000) due on 15 October 2025.

As of 31 December 2023, Bank has a funding commitment from Broadhurst Investments Limited amounting to RON 269.7 mil (USD 60,000,000) due on 15 October 2025.

This funding commitment is unconditional, irrevocable and can be used at any time to protect the Bank Liquidity Management related to contingencies.

For both letters of guarantee and letters of credit issued in RON, the following arrangement was in place: the Bank granted credit line facilities to its customers, mainly secured by mortgage and cash collateral, and subsequently it issued such letters of guarantee and letters of credit within the limits initially approved for the credit lines.

28. Fair value of financial instruments

Fair value of financial instruments is the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at transaction date where available. Fair value is based on quoted market prices. However, no readily available market prices exist for a part of the Bank's financial instruments. In circumstances where the quoted market prices are not readily available, the fair value is estimated using discounted cash flow models or other pricing techniques as appropriate. Changes in underlying assumptions, including discount rates and estimated future cash flows, significantly affect the estimates.

(a) Cash and balances with central banks

The carrying values of cash and balances with the central bank are generally deemed to approximate their fair value.

(b) Due from banks

Amounts due from banks include balances on Nostro accounts and short-term or term deposits with maturity up to one month. The carrying amount approximates the fair value.

(c) Loans and advances to customers

The fair value of variable-yield loans that regularly change their prices without any significant change in credit risk, generally approximates the value reported. As of 31 December 2024, the loans at fixed interest rates amount to RON 90,520,163 of the total RON 7,196,501,880 and their fair value is RON 227,542,171 of the total loans at fair value of RON 7,333,523,888. As of 31 December 2023, the loans at fixed interest rates amounted to RON 42,866,468 of the total of RON 6,602,344,809 and their fair value was RON 106,978,780 out of total loans at fair value of RON 6,661,195,954.

(d) Amounts due to banks, borrowings and customers deposits

The amounts due to banks include short term deposits with maturity of up to one month. The estimated fair value of amounts due to banks approximates the amounts reported. The fair value of deposits payable on demand equals the carrying value of the amounts payable on demand As of the balance sheet date. The fair value of term deposits at variable interest rates approximates their reported values As of the balance sheet date.

As of 31 December 2024, the fixed interest rates deposits amounted to RON 6,547,719,611 out of the total RON 10,827,475,936 and their fair value amounted to RON 6,367,908,863 out of the total of RON 10,647,665,186. As of 31 December 2023 the fixed interest rates deposits amounted to RON 5,662,787,972 out of the total of RON 9,460,439,836 and their fair value amounted to RON 5,351,898,877 out of the total RON 9,149,550,741.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

28. Fair value of financial instruments (continued)

Upon the classification of the fair value of the financial instruments, the fair value hierarchy is used to reflect the significance of the data input used to make the respective valuations.

The fair value hierarchy comprises the following three levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- inputs, other than quoted prices, included within level 1, that are observable for the assets or liabilities, either directly (that is as prices), or indirectly (that is derived from prices) (level 2).
- inputs for assets or liabilities that are not based on observable market data (unobservable inputs) (level 3).

The classification of the fair value of the financial assets of the Bank on the three levels is presented as follows:

	31 December 2024				
<i>In RON</i>	Carrying amount	Level 1	Level 2	Level 3	Total
Petty cash	89,282,554	89,282,554	-	-	89,282,554
Loans and advances to the National Bank of Romania	2,282,980,518	2,282,980,518	-	-	2,282,980,518
Loans and advances to banks	959,943,957	959,943,957	-	-	959,943,957
Loans and advances to customers	7,196,501,880	-	-	7,333,523,888	7,333,523,888
Investment securities at amortised cost	1,967,390,959	1,819,421,304	-	164,425,413	1,983,846,717
Financial assets at fair value through profit or loss	20,453,207	-	-	20,453,207	20,453,208
Other financial assets	89,676,258	-	-	89,676,258	89,676,258
Total assets	12,606,229,333	5,062,345,779	89,282,554	7,608,078,766	12,759,707,099
Customer deposits	10,827,475,936	-	-	10,647,665,186	10,647,665,186
Deposits from other banks	853,213	853,213	-	-	853,213
Loans from financial institutions	6,260,852	6,260,852	-	-	6,260,852
Bonds issued	242,558,835	-	-	242,558,835	242,558,835
Subordinated loan	74,259,371	-	-	74,259,371	74,259,371
Other financial liabilities	50,781,683	-	-	50,781,683	50,781,683
Total liabilities	11,202,189,890	7,114,065	-	11,015,265,077	11,022,379,142

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

28. Fair value of financial instruments (continued)

Loans and deposits with fix rates have been discounted at market prices and it was calculated their fair values.

In RON	31 December 2023				
	Carrying amount	Level 1	Level 2	Level 3	Total
Petty cash	101,127,160	101,127,160	-	-	101,127,160
Loans and advances to the National Bank of Romania	1,970,710,014	1,970,710,014	-	-	1,970,710,014
Loans and advances to banks	602,745,556	602,745,556	-	-	602,745,556
Loans and advances to customers	6,602,344,809	-	-	6,661,195,954	6,661,195,954
Investment securities at amortised cost	1,696,152,460	1,570,080,416	-	184,841,351	1,754,921,767
Financial assets at fair value through profit or loss	17,413,749	-	-	17,413,749	17,413,749
Other financial assets	102,973,942	-	-	102,973,942	102,973,942
Total assets	11,093,467,690	4,244,663,146	-	6,966,424,996	11,211,088,142
Customer deposits	9,460,439,836	-	-	9,149,550,741	9,149,550,741
Deposits from other banks	49,016,014	49,016,014	-	-	49,016,014
Loans from financial institutions	9,413,200	9,413,200	-	-	9,413,200
Bonds issued	242,122,561	-	-	242,122,561	242,122,561
Subordinated loan	39,618,772	-	-	39,618,772	39,618,772
Other financial liabilities	53,034,433	-	-	53,034,433	53,034,433
Total liabilities	9,853,644,816	58,429,214	-	9,484,326,507	9,542,755,721

29. Related party transactions

Entities are considered related parties if one of them has the ability to control the other directly or indirectly or to exercise a significant influence on the other entity when making financial or operational decisions. The Bank engages in operations with its affiliates, shareholders and key management personnel.

All these operations were carried out under conditions, including those regarding interest rates and conditions regarding guarantees, similar to the terms for similar operations with third parties. Transactions with other related parties include transactions with the most important shareholders, family members of key management personnel and companies where they are shareholders and have a relationship with the Bank.

As of 31 December 2024 and 31 December 2023, the Bank was owned by Broadhurst Investment Ltd (part of the NCH Balkan Fund LP group) which owned 66.68% of the total shares, by Romarta SA with a 27.56% share, by Andrei Siminel Cristian with a 5.73% share and other entities with a 0.03% share.

- LIBRA DEVELOPMENT I.F.N. SA – shareholder, 49% owned by the Bank
- TRADEVILLE SA - owned by one of the shareholders
- BIL TERNURI SA - owned by one of the shareholders
- ANDREI SIMINEL CRISTIAN – shareholder and member of the Board
- ANNALIESSE INVESTMENTS LIMITED - owned by one of the shareholders

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

29. Related party transactions (continued)

The Bank has transactions with entities – members of NCH Balkan Fund LP, the ultimate shareholder, as well as with key members of the management, which are summarized below:

31 December 2024	Parent	Associate	Key personnel	Other group interest	Total
Loans or advances to customers	-	60,465,973	3,295,519	5,907,089	69,668,581
TOTAL ASSETS	-	60,465,973	3,295,519	5,907,089	69,668,581
Deposits from customers	-	4,452,228	43,098,824	302,848,190	350,399,241
Bonds issued	9,948,200	-	14,598,984	-	24,547,184
TOTAL LIABILITIES	9,948,200	4,452,228	57,697,807	302,848,190	374,946,425
Interest income calculated using the effective interest rate	-	5,632,605	195,960	591,320	6,419,884
Interest expenses	-130,360	-2,096	-614,586	-11,557,193	-12,304,235
Other operating income	-	-	-	-	-
Fee and commission income	-	33,282	25,106	20,905,282	20,963,671
Fee and commission expenses	-	-	-	-	-
Employee-related expenses	-	-	- 10,592,958	-	- 10,592,958
Other operating expenses	-	-	-3,295,868	-	-3,295,868
Lending commitments	-	393,353	481,708	1,880,085	2,755,146
Commitments received	286,608,000	-	-	-	286,608,000

31 December 2023	Parent	Associate	Key personnel	Other group interest	Total
Loans or advances to customers	-	72,725,096	2,918,108	4,822,898	80,466,102
TOTAL ASSETS	-	72,725,096	2,918,108	4,822,898	80,466,102
Deposits from customers	-	5,053,052	48,285,594	298,731,440	352,070,086
Subordinated bonds	9,889,200	-	13,523,481	-	23,412,681
TOTAL LIABILITIES	9,889,200	5,053,052	61,809,075	298,731,440	375,482,767
Interest income calculated using the effective interest rate	-	7,698,926	185,254	652,537	8,536,717
Interest expenses	-	-31,547	-863,195	-10,248,141	-11,142,883
Other operating income	-	-	-	-	-
Fee and commission income	-	30,364	9,531	4,014,834	4,054,729
Income from sales of loans	-	-	-	-	-
Employee-related expenses	-	-	-12,146,546	-	-12,146,546
Other operating expenses	-	-	-2,946,025	-	-2,946,025
Lending commitments	-	518,722	475,952	2,150,826	3,145,500
Commitments received	269,748,000	-	-	-	269,748,000

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

29. Related party transactions (continued)

The amount presented as management remuneration represents the Bank's total costs with salaries (fixed and variable), social contributions, medical insurance, rental expenses, trainings and flight tickets for management members.

The Bank does not offer other benefits to the management. Management's remuneration is represented by salary expenses.

Key management personnel compensation is as follows:

<i>In RON</i>	31 December 2024	31 December 2023
Expense/income with short-term benefits (employee-related expenses)	10,592,958	12,162,654
Expense (income) with Long-term benefits deferred (other operating expenses)	3,295,868	2,946,025
Total	13,888,826	15,108,679

30. Segment reporting

The products and services offered by the Bank are addressed to both individuals and legal entities, focusing on five main areas of activity in terms of landing and attracting resources:

- Individuals;
- Small companies, comprising clients from: professionals, agriculture and companies with turnover less than 4 mil EUR;
- Treasury comprising activity of dealing, foreign exchange, placements of liquidity excess.
- Big companies, comprising companies with turnover over 4 mil EUR;
- Other and General Management where there are all other activities not allocated on the business lines described above.

The net interest income is calculated as interest income minus interest expenses and there result is not adjusted with any in-house adjustment related to surplus or deficit of resources by business lines.

The Bank concludes loan agreements with customers resident in Romania, all revenues being obtained from internal customers. All the Bank's assets are located in Romania.

Regarding the concentration of revenues obtained by Libra Internet Bank at counterparty level, we do not have a significant concentration that represents more than 10% of the Bank's revenues.

The separate statements of profit and loss and other comprehensive income by segments and Statement of financial position by segments are presented below:

The notes attached are an integral part of these standalone and separate financial statements.

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

30. Segment reporting (continued)

Separate statement of financial position by segments 2024

	Individuals	Small companies	Big companies	Treasury	Others and GM	TOTAL
Assets						
Cash at hand	-	-	-	-	89,282,554	89,282,554
Financial assets at fair value through profit and loss	-	-	-	-	20,453,208	20,453,208
Loans and advances to National Bank of Romania	-	-	-	2,282,980,518		2,282,980,518
Loans and advances to banks	-	-	-	959,943,957	-	959,943,957
Loans and advances to customers	771,602,521	2,420,747,536	4,004,151,823	-	-	7,196,501,880
Investments securities at amortized cost	-	-	-	1,967,390,959	-	1,967,390,959
Investment in associates	-	-	-	9,800,000	-	9,800,000
Assets held for sale	-	-	-		613,302	613,302
Property and equipment	-	-	-	-	51,341,936	51,341,936
Intangible assets	-	-	-	-	2,611,783	2,611,783
Deferred tax asset	-	-	-	-	7,995,231	7,995,231
					5,055,830	
Other assets	-	-	-	-		5,055,830
Total assets	-	-	-	-	120,682,460	120,682,460
Liabilities and Equity	771,602,521	2,420,747,536	4,004,151,823	5,220,115,434	298,036,304	12,714,653,618
Deposits from customers	3,622,791,169	3,298,038,294	3,816,708,969	-	89,937,504	10,827,475,936
				853,213		853,213
Deposits from other banks	-	-	-		-	
Loans from financial institutions	-	-	-	6,260,852		6,260,852
Bonds issued	-	-	-	242,558,835	-	242,558,835
Subordinated loans	-	-	-	74,259,371	-	74,259,371
Provisions	-	-	-	-	45,662,759	45,662,759
Current tax liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	87,455,036	87,455,036
Total liabilities	3,622,791,169	3,298,038,294	3,816,708,969	323,932,271	223,055,299	11,284,526,002
Equity						
Share capital	-	-	-	-	556,171,200	556,171,200
Reserves	-	-	-	-	319,313,597	319,313,597
Retained earnings	-	-	-	-	554,642,819	554,642,819
Total equity	-	-	-	-	1,430,127,616	1,430,127,616
Total liabilities and equity	3,622,791,169	3,298,038,294	3,816,708,969	323,932,271	1,653,182,915	12,714,653,618

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

30. Segment reporting (continued)

Separate statement of financial position by segments 2023

	Individuals	Small companies	Big companies	Treasury	Others and GM	TOTAL
Assets						
Cash at hand	-	-	-	-	101,127,160	101,127,160
Financial assets at fair value through profit and loss	-	-	-	-	17,413,749	17,413,749
Loans and advances to National Bank of Romania	-	-	-	1,970,710,014		1,970,710,014
Loans and advances to banks	-	-	-	602,745,556	-	602,745,556
Loans and advances to customers	507,130,027	2,234,831,271	3,860,383,511	-	-	6,602,344,809
Investments securities at amortized cost	-	-	-	1,696,152,460	-	1,696,152,460
Investment in associates	-	-	-	9,800,000	-	9,800,000
Assets held for sale	-	-	-		699,637	699,637
Property and equipment	-	-	-	-	53,423,017	53,423,017
Intangible assets	-	-	-	-	3,285,911	3,285,911
Deferred tax asset	-	-	-	-	6,537,079	6,537,079
Other assets	-	-	-	-	124,248,426	124,248,426
Total assets	507,130,027	2,234,831,271	3,860,383,511	4,269,608,030	316,534,979	11,188,487,818
Liabilities and Equity						
Deposits from customers	3,166,887,482	2,890,633,888	3,305,518,190	-	97,400,276	9,460,439,836
Deposits from other banks	-	-	-	49,016,014	-	49,016,014
Loans from financial institutions	-	-	-	9,413,200	-	9,413,200
Bonds issued	-	-	-	242,122,561	-	242,122,561
Subordinated loans	-	-	-	39,618,772	-	39,618,772
Provisions	-	-	-	-	39,861,820	39,861,820
Current tax liability	-	-	-	-	6,824,786	6,824,786
Other liabilities	-	-	-	-	81,285,059	81,285,059
Total liabilities	3,166,887,482	2,890,633,888	3,305,518,190	340,170,547	225,371,941	9,928,582,048
Equity						
Share capital	-	-	-	-	506,165,200	506,165,200
Reserves	-	-	-	-	353,409,075	353,409,075
Retained earnings	-	-	-	-	400,331,495	400,331,495
Total equity	-	-	-	-	1,259,905,770	1,259,905,770
Total liabilities and equity	3,166,887,482	2,890,633,888	3,305,518,190	340,170,547	1,485,277,711	11,188,487,818

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

30. Segment reporting (continued)

Separate Statement of Profit and Loss and other comprehensive income by segments 2024

	Individuals	Small companies	Big companies	Treasury	Others and GM	TOTAL
Interest income calculated using the effective interest method	57,648,541	245,381,907	400,099,012	211,666,082		914,795,542
Interest expenses	-112,964,072	-73,110,000	-83,955,953	-23,494,991	-3,008,602	-296,533,618
Net interest income	-55,315,531	172,271,907	316,143,059	188,171,091	-3,008,602	618,261,924
Fee and commission income	4,887,441	50,722,922	48,667,402	589,789	44,812,289	149,679,843
Fee and commission expense	-	-	-	-17,999,502	-48,021,726	-66,021,228
Net fee and commission income	4,887,441	50,722,922	48,667,402	-17,409,713	-3,209,437	83,658,615
Net income from financial instruments at FVTPL	-	-	953,090	-	2,325,875	3,278,965
Share of loss from shareholders	-	-	-	-	-	-
Net gain from foreign exchange transactions and revaluation	-	-	-	54,065,995	-	54,065,995
Other operating income	23,224	80,708	136,964		6,798,226	7,039,121
Total operating income	-50,404,866	223,075,537	365,900,515	224,827,373	2,906,061	766,304,620
Personnel expenses	-	-	-	-	-233,341,771	-233,341,771
Amortization and depreciation	-	-	-	-	-19,059,171	-19,059,171
Other operating expenses	-	-	-	-	-117,919,660	-117,919,660
Total operating expenses	-	-	-	-	-370,320,601	-370,320,601
Profit before impairments and tax	-50,404,866	223,075,537	365,900,515	224,827,374	-367,414,540	395,984,019
Net income/(expenses) from impairment of financial instruments	7,815,895	16,307,500	53,971,777		-155,868,751	-77,773,579
Profit before tax	-42,588,971	239,383,037	419,872,292	224,827,374	-523,283,291	318,210,440
Income tax expenses	-	-	-	-	-47,988,593	-47,988,593
Net profit for the year	-42,588,971	239,383,037	419,872,292	224,827,374	-571,271,884	270,221,847
Other comprehensive income						
Total comprehensive income	-42,588,971	239,383,037	419,872,292	224,827,374	-571,271,884	270,221,847

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

30. Segment reporting (continued)

Separate Statement of Profit and Loss and other comprehensive income by segments 2023

	Individuals	Small companies	Big companies	Treasury	Others and GM	TOTAL
Interest income calculated using the effective interest method	42,086,102	235,077,262	389,628,407	176,523,671	-	843,315,442
Interest expenses	-102,507,806	-68,312,692	-80,868,062	-14,864,064	-2,899,601	-269,452,225
Net interest income	-60,421,704	166,764,570	308,760,345	161,659,607	-2,899,601	573,863,217
Fee and commission income	3,328,262	39,029,670	39,023,621	595,483	21,842,854	103,819,890
Fee and commission expense	-	-	-	-13,225,552	-18,606,750	-31,832,302
Net fee and commission income	3,328,262	39,029,670	39,023,621	-12,630,069	3,236,104	71,987,588
Net income from financial instruments at FVTPL	-	-	1,021,207	-	2,125,044	3,146,251
Share of loss from Associates	-	-	-	-	-	-
Net gain from foreign exchange transactions and revaluation	-	-	-	47,237,676	-	47,237,676
Other operating income	34,814	72,208	58,174	-	7,319,596	7,484,792
Total operating income	-57,058,628	205,866,448	348,863,347	196,267,214	9,781,143	703,719,524
Personnel expenses	-	-	-	-	-191,077,467	-191,077,467
Amortization and depreciation	-	-	-	-	-18,008,907	-18,008,907
Other operating expenses	-75,080	368,947	418,158	-	-86,675,937	-85,963,912
Total operating expenses	-75,080	368,947	418,158	-	-295,762,311	-295,050,286
Profit before impairments and tax	-57,133,708	206,235,395	349,281,505	196,267,214	-285,981,168	408,669,238
Net income/(expenses) from impairment of financial instruments	3,736,682	13,012,886	46,678,287	-	-104,885,643	-41,457,788
Profit before tax	-53,397,026	219,248,281	395,959,792	196,267,214	-390,866,811	367,211,450
Income tax expenses	-	-	-	-	-49,919,581	-49,919,581
Net profit for the year	-53,397,026	219,248,281	395,959,792	196,267,214	440,786,392	317,291,869
Other comprehensive income						
Total comprehensive income	-53,397,026	219,248,281	395,959,792	196,267,214	440,786,392	317,291,869

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NOTES TO THE STANDALONE AND SEPARATE FINANCIAL STATEMENTS

31. Evolution of economy

Regarding economic growth in 2025, we envisage a possible advance of 1.6%, given a favourable base effect compared to 2024, when modest economic growth was recorded. Also, a better agricultural year, the sustained resumption of investments based on attracting European funds and the positive inertia of household consumption as a result of income growth well above inflation in the previous year may contribute to a slight acceleration of economic growth in 2025. However, there still remains uncertainty regarding a possible impact of fiscal consolidation on economic growth, in a context in which domestic and international developments could force the government to implement a set of fiscal measures in order to bring the budget deficit closer to the ambitious target of 7% of GDP in 2025.

Inflation will fluctuate during 2025 above the upper 3.5% of the NBR's inflation target range (2.5%±1pp). Inflation risks remain elevated for the period ahead, and these generally stem from the evolution of energy prices, the fiscal consolidation process and the effect of wage and pension increases in 2024, especially in the first part of this year, against the backdrop of reduced supply. We see a first window of opportunity for the central bank to cut interest rates only in the second part of this year, but this will depend on the impact of fiscal consolidation measures on inflation, as well as the extent of depreciation pressures on the leu.

2025 will be marked by the beginning of the downward correction of the budget deficit, and the measures proposed so far only aim at adjustments to the level of expenditure and a significant increase in revenues from European funds. Since achieving the deficit target on a cash basis in 2025 (7% of GDP) is based on an optimistic scenario of absorption of European funds – after a year 2024 with more than modest results – in the context in which the performance of tax revenues measured as a percentage of GDP is weak, and the capacity to improve revenue collection is limited, it is quite possible that the magnitude of the budget deficit correction as a percentage of GDP in 2025 will be lower than the target assumed in the budget. Adjusting the budget deficit will reduce to a certain extent the pressure on the current account deficit, another element of vulnerability of the Romanian economy.

Within the labour market, the growth rate of the average number of employees in 2024 halved compared to the previous year, with industry even reporting a decrease in employees. For 2025, managers expect a decrease in job supply in areas such as the automotive sector, which is affected by the crisis at European level, light industry, which is showing long-term declines, telecommunications, or information technology, a field marked by less favourable trends worldwide and a decrease in the number of projects.

32. Subsequent events

In March 2025, the National Bank of Romania authorized the appointment of Mr. Andrei-Liviu Stamatian as member of the Board of Directors of Libra Internet Bank and the mention regarding his mandate was registered with the National Trade Registry Office.

The financial statements were authorized for issue by the Board of Directors on 22 April 2025.

Lucian Claudiu Anghel,

Deputy General Manager



Cepi Melinda,

Head of Finance Division



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