

Banca Comercială Română S. A.  
No. CFO Office 10 /16.08.2023  
Supervisory Board

# Semi-Annual Administrators' Report

as at 30 June 2023

This report is prepared in accordance with requirements of ASF Regulation 5/2018.

Report issued: 14 August 2023

Name of legal entity:	<b>Banca Comercială Română S.A.</b>
Headquarters:	<b>159 Calea Plevnei street, Sector 6, Bucharest, postal code 060013</b>
Contact:	
	Tel No. InfoBCR: <b>0800.801.227</b> <b>+4021.407.42.00</b>
	Website <a href="http://www.bcr.ro">www.bcr.ro</a>
	Email: <b>contact.center@bcr.ro</b>
Registration Number in the Trade Register:	<b>J40/90/1991</b>
Banking Register Number:	<b>RB-PJR-40-008/18.02.1999</b>
Notification registered as Personal Data Operator at ANSPDCP under No:	<b>3776 and 3772</b>
Subscribed and paid-up capital:	<b>1,625,341,625.40 lei</b>
The regulated market on which the bonds are issued:	<b>Bucharest Stock Exchange (BVB) (<a href="http://www.bvb.ro">www.bvb.ro</a>)</b> <b>Vienna Stock Exchange (<a href="http://www.wienerbourse.at">www.wienerbourse.at</a>)</b>
The main characteristics of the bonds issued by BCR S.A.	<p>Issuance in amount of RON 600,000,000, ISIN ROEAZVK5DFP8 - listed BVB</p> <p>Issuance in amount of RON 351,500,000, ISIN RO451CMZH2K1 - listed BVB</p> <p>Issuance in amount of EUR 700,000,000, ISIN AT0000A34CN3 - listed Vienna Stock Exchange, BVB</p> <p>Issuance in amount of RON 702,000,000, ISIN ROPC9F84ZSG4 - listed BVB</p> <p>Issuance in amount of RON 1,000,000,000, ISIN RO1AQREPLMW7 – listed BVB</p> <p>Issuance in amount of RON 334,000,000, ISIN ROGJ5KD9L1W9 - listed BVB</p> <p>Issuance in amount of RON 500,000,000, ISIN ROMU2ND4VHC6 - listed Vienna Stock Exchange, BVB</p> <p>Issuance in amount of RON 600,000,000, ISIN ROPQT4NGMLM3 - listed BVB</p> <p>Issuance in amount of EUR 100,000,000, ISIN AT0000A2Z6V6 - unlisted</p> <p>Issuance in amount of USD 20,000,000, ISIN AT0000A32YQ4 - listed Vienna Stock Exchange</p> <p>Issuance in amount of EUR 150,000,000, ISIN AT0000A323A8 - unlisted</p>

## 1. Economic and financial statements

### 1.1 Company presentation

Banca Comerciala Romana (BCR) was established in 1990, when it took over the commercial operations of the National Bank of Romania. Today, BCR Group (member of Erste Group) is one of the most important financial group in Romania, including universal banking operations (retail, corporate & investment banking, treasury and capital markets) as well as leasing companies, private pension and housing banks.

The Bank offers a complete range of financial services and financial solutions dedicated to each stage of the financial cycle in a lifetime, as a "one-stop shop": savings, investment, lending, consulting and advisory, leasing. BCR encourages long-term relationships with its clients belonging to all segments, offers affordable and transparent products, but also personalized consulting services.

#### Network

BCR operates through a network of 20 commercial centres and area centres and 18 mobile offices dedicated to companies and 319 retail units located in the majority cities with a population of over 10,000 inhabitants from across the country.

#### Bank and subsidiaries

During 2023, Banca Comerciala Romana Group ("BCR Group" or "the Group") comprised the parent bank, Banca Comerciala Romana S.A. and its subsidiaries, presented in the following table:

Company's Name	Country of incorporation	Nature of the business	Shareholding	
			30 June 2023	31 December 2022
BCR Chisinau SA	Moldova	Banking	100.00%	100.00%
BCR Leasing IFN SA	Romania	Financial leasing	99.97%	99.97%
BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private SA	Romania	Pension Fund Management	99.99%	99.99%
BCR Banca pentru Locuinte SA	Romania	Housing loans	99.99%	99.99%
Suport Colect SRL	Romania	Workout	99.99%	99.99%
BCR Payments Services SRL	Romania	Payments transactions	99.99%	99.99%
BCR Fleet Management SRL*	Romania	Operational leasing	99.97%	99.97%

\* Company held indirectly by BCR through BCR Leasing SA

During 2022, the Management Board of BCR approved the launch of the sale process of BCR Chisinau. Consequently, in December 2022, based on the assessment that all IFRS 5 criteria have been fulfilled, the investment in BCR Chisinau was classified as held for sale and measured at the lower of its carrying amount and fair value less costs to sell.

In December 2021, the Management Board of BCR decided to declassify BCR Fleet Management from asset held for sale as the criteria for classification under IFRS 5 was no longer met. The Management Board of BCR Fleet Management has evaluated the overall situation of the company and concluded that the appropriate approach is to prepare its financial statements for 2021 on a gone concern basis because it intends to cease concluding new lease contract and consequently to wind down the remaining portfolio.

As at December 2022, the Management Board of BCR Fleet Management has evaluated the overall situation of the company and concluded that the appropriate approach is to maintain the same classification as in the previous year and to prepare its financial statements for 2022 on a gone concern basis because it the largest part of its portfolio was sold and the rest of it is subject to a run down strategy. For remaining assets impairment test was performed at December 31st 2022.

The Management of Suport Colect evaluated the overall situation of the company and concluded that the most appropriate approach is to adopt the gone concern basis in preparing the financial statements as of 31.12.2022.

The main arguments taken into consideration are as follows:

- the entity has no new business and has no intention to acquire any, the only activity relates to receivables acquired in the past (i.e., "cease trading" condition in IAS 10.14 is fulfilled);
- there is an obvious intention of the management to liquidate the company in the future proved by the approved budgets which no longer considered the company from 2024 onwards (IAS 1.25).

Group structure has not changed since 31 December 2022.

## 1. Economic and financial statements (continued)

## 1.2 Financial accounting statements

in RON thousands	Group			Bank		
	30.06.2023	31.12.2022	H1 2023/ 2022 %	30.06.2023	31.12.2022	H1 2023/ 2022 %
<b>Assets</b>						
Cash and cash balances	16,777,148	15,224,576	10.2%	16,730,701	15,224,262	9.9%
Financial assets held for trading	372,560	177,242	>100%	372,560	177,708	>100%
Derivatives financial instruments	197,172	177,213	11.3%	197,172	177,679	11.0%
Other financial assets held for trading	175,388	29	>100%	175,388	29	>100%
Non-trading financial assets mandatorily at fair value through profit or loss	69,809	67,179	3.9%	69,809	67,179	3.9%
Equity instruments	51,293	50,851	0.9%	51,293	50,851	0.9%
Debt securities	18,516	16,328	13.4%	18,516	16,328	13.4%
Financial assets at fair value through other comprehensive income	113,1937	9,664,296	17.0%	113,1937	9,664,296	17.0%
Debt securities	113,1937	9,664,296	17.0%	113,1937	9,664,296	17.0%
Financial assets at amortised cost	70,786,805	68,046,211	4.0%	72,285,766	69,264,841	4.4%
Debt securities	15,165,005	15,215,719	-0.3%	15,048,275	15,132,875	-0.6%
Loans and advances to credit institutions	2,825,429	148,344	>100%	2,862,622	156,699	>100%
Loans and advances with customers	52,796,371	52,682,148	0.2%	54,374,869	53,975,267	0.7%
Finance lease receivables	1945,134	1745,363	11.4%	7,309	8,405	-13.0%
Property and equipment	1003,748	1029,207	-2.5%	818,811	820,797	-0.2%
Investment property	136,000	148,543	-8.4%	136,000	148,543	-8.4%
Intangible assets	410,656	394,847	4.0%	390,722	377,240	3.6%
Investments in joint ventures and associates	26,226	43,336	-39.5%	33,470	33,470	0.0%
Current tax assets	225,647	222,026	1.6%	222,785	219,164	1.7%
Deferred tax assets	153,346	197,778	-22.5%	138,167	184,550	-25.1%
Assets held for sale	736,064	749,318	-18.2%	1620	51499	-96.0%
Trade and other receivables	827,141	901,025	-8.2%	819,241	875,813	-6.5%
Investments in subsidiaries	-	-	-	555,717	500,943	10.9%
Other assets	290,998	239,113	21.7%	137,501	137,497	36.4%
<b>Total assets</b>	<b>105,072,219</b>	<b>98,850,060</b>	<b>6.3%</b>	<b>104,081,119</b>	<b>97,756,207</b>	<b>6.5%</b>
<b>Liabilities and Equity</b>						
Financial liabilities held for trading	167,437	163,579	2.4%	167,437	163,579	2.4%
Derivatives financial instruments	167,437	163,579	2.4%	167,437	163,579	2.4%
Financial liabilities measured at amortised cost	90,884,579	84,713,627	7.3%	91,127,961	84,930,411	7.3%
Deposits by banks	1,165,440	2,079,394	-44.0%	1,481,184	2,315,225	-36.0%
Deposits by customers	78,744,857	75,588,537	4.2%	78,692,904	75,609,053	4.1%
Debt securities issued	9,019,959	5,424,406	66.3%	9,019,959	5,424,406	66.3%
Other financial liabilities	1,954,323	1,621,290	20.5%	1,933,914	1,561,727	22.3%
Lease liabilities	444,108	444,486	-0.1%	442,730	442,538	0.0%
Provisions	975,165	1,000,507	-2.5%	846,389	885,531	-4.4%
Current tax liabilities	117,132	75,162	55.9%	119,215	70,202	65.5%
Deferred tax liabilities	19,928	19,443	2.5%	-	-	-
Liabilities associated with assets held for sale	516,188	568,508	-9.2%	-	-	-
Other liabilities	824,963	809,949	19.9%	381,986	357,525	6.8%
<b>Total equity</b>	<b>11,122,619</b>	<b>11,054,719</b>	<b>0.6%</b>	<b>10,998,401</b>	<b>10,906,421</b>	<b>0.8%</b>
Attributable to non-controlling interest	56	63	-11.1%	-	-	-
Attributable to owners of the parent	11,122,613	11,054,716	0.6%	10,998,401	10,906,421	0.8%
Share capital	2,952,565	2,952,565	0.0%	2,952,565	2,952,565	0.0%
Additional equity instruments	741,555	741,555	0.0%	741,555	741,555	0.0%
Retained earnings	5,751,550	5,904,001	-2.6%	5,621,758	5,745,545	-2.2%
Other reserves	1,676,943	1,456,615	15.1%	1,682,623	1,466,756	14.7%
<b>Total liabilities and equity</b>	<b>105,072,219</b>	<b>98,850,060</b>	<b>6.3%</b>	<b>104,081,119</b>	<b>97,756,207</b>	<b>6.5%</b>

As at 30 June 2023, total assets of the Group increased to RON 105,072,219 thousand versus RON 98,850,060 thousand as at 31st of December 2022. The significant variations are described in section 2.3. "Issuer's performance".

1. Economic and financial statements (*continued*)1.2 Financial accounting statements (*continued*)

## Statement of income

in RON thousands	Group			Bank		
	30.06.2023	30.06.2022	H 1 2023/ H 1 2022 %	30.06.2023	30.06.2022	H 1 2023/ H 1 2022 %
<b>Net interest income</b>	1770,090	1362,474	29.9%	1673,093	1287,072	30.0%
Interest income	2,842,908	1,673,543	69.9%	2,810,746	1,636,498	71.8%
Other similar income	61,464	33,345	84.3%	969	1,649	-41.2%
Interest expense	(1,122,817)	(332,795)	>100%	(1,127,281)	(339,566)	>100%
Other similar expense	(11,465)	(116.9)	-13%	(11,341)	(11,509)	-15%
<b>Net fee and commission income</b>	449,550	451,333	-0.4%	427,283	427,270	0.0%
Fee and commission income	578,319	585,905	-13%	551,226	557,081	-1.1%
Fee and commission expense	(128,769)	(134,572)	-4.3%	(123,943)	(129,811)	-4.5%
Dividend income	5,102	2,403	>100%	65,976	25,408	>100%
Net trading result	284,173	299,759	-5.2%	275,332	290,019	-5.1%
Gains/(losses) from non-trading financial instruments mandatorily measured at fair value through profit or loss	3,216	2,754	16.8%	3,216	2,754	16.8%
Net result from equity method investments	2,354	(120)	<-100%	-	-	-
Rental income from investment properties and other operating leases	22,388	50,923	-56.0%	2,649	2,577	2.8%
Personnel expenses	(54,106.8)	(45,687)	30.2%	(499,614)	(384,755)	29.9%
Other administrative expenses	(345,249)	(359,063)	-3.8%	(335,836)	(352,903)	-4.8%
Depreciation and amortisation	(120,846)	(126,669)	-4.6%	(105,380)	(100,465)	4.9%
Net impairment loss on financial instruments	(128,075)	(209,428)	-38.8%	(104,267)	(201,183)	-48.2%
Other operating result	(92,781)	184,206	<-100%	(67,742)	167,024	<-100%
<b>Profit before tax</b>	<b>1,308,854</b>	<b>1,242,885</b>	<b>5.3%</b>	<b>1,334,710</b>	<b>1,162,818</b>	<b>14.8%</b>
Taxes on income	(198,021)	(200,804)	-14%	(195,221)	(188,717)	3.4%
<b>Net result for the period</b>	<b>1,110,833</b>	<b>1,042,081</b>	<b>6.6%</b>	<b>1,139,489</b>	<b>974,101</b>	<b>17.0%</b>
Attributable to non-controlling interests	7	11	-36.4%	-	-	-
<b>Attributable to owners of the parent</b>	<b>1,110,826</b>	<b>1,042,070</b>	<b>6.6%</b>	<b>1,139,489</b>	<b>974,101</b>	<b>17.0%</b>

1. Economic and financial statements (*continued*)1.2 Financial accounting statements (*continued*)

## Statement of cash flows

in RON thousands	Group			Bank		
	30.06.2023	30.06.2022	H 1 2023/ H 1 2022 %	30.06.2023	30.06.2022	H 1 2023/ H 1 2022 %
<b>Net result for the period</b>	<b>1,110,833</b>	<b>1,042,081</b>	<b>7%</b>	<b>1,139,489</b>	<b>974,101</b>	<b>17%</b>
<b>Non-cash adjustments for items in net profit/(loss) for the year</b>						
Depreciation, amortisation of assets	120,846	126,669	-5%	105,380	100,465	5%
Allocation to and release of impairment of loans	150,070	174,281	-14%	127,440	185,761	-31%
Other provisions	(28,397)	(312,769)	-91%	(39,536)	(292,098)	-86%
Impairment of subsidiaries	-	-	-	10,895	-	-
Interest income received from investing activities	(308,367)	(245,379)	26%	(305,775)	(240,598)	27%
Interest expense paid for financing activities	210,673	91,947	>100%	201,776	89,628	>100%
Dividend income from investing activities	(5,102)	-	-	(65,976)	(23,063)	>100%
Other adjustments	24,156	(5,831)	<-100%	41613	(11,927)	<-100%
<b>Changes in assets and liabilities from operating activities after adjustment for non-cash components</b>						
Financial assets - held for trading	(175,358)	1661557	<-100%	(175,358)	1661557	<-100%
Financial assets at fair value through other comprehensive income	(1,478,357)	(1,095,910)	35%	(1,478,755)	(1,050,355)	41%
<b>Financial assets at amortised cost</b>						
Loans and advances to banks	(2,677,086)	569,791	<-100%	(2,705,923)	576,849	<-100%
Loans and advances to customers	(185,965)	(4,829,999)	-96%	(469,050)	(5,036,669)	-91%
Finance lease receivables	(199,771)	(107,361)	86%	1095	1342	-18%
Other assets from operating activities	42,839	(62,028)	<-100%	(244)	(6,847)	-99%
Deposits from banks	(834,847)	4,348,958	<-100%	(834,041)	4,706,617	<-100%
Deposits from customers	3,156,321	(1,982,059)	<-100%	3,083,851	(1,920,960)	<-100%
Other financial liabilities	382,872	322,630	19%	402,718	320,957	25%
Other liabilities from operating activities	(37,180)	7,329	<-100%	24,461	382	>100%
<b>Cash flow from operating activities</b>	<b>(731,819)</b>	<b>203,907</b>	<b>&lt;-100%</b>	<b>(936,641)</b>	<b>25,142</b>	<b>&lt;-100%</b>
<b>Proceeds of disposal</b>						
Debt securities at amortised cost	1463,706	1658,888	-12%	1463,706	1490,594	-2%
Property and equipment, intangible assets, investment properties and assets held for sale	28,714	49,056	-41%	19,491	16,318	19%
<b>Acquisition of</b>						
Debt securities at amortised cost	(1,504,067)	(868,311)	73%	(1,469,886)	(760,046)	93%
Property and equipment, intangible assets, investment properties and assets held for sale	(90,694)	(248,272)	-63%	(86,890)	(221,916)	-61%
Interest received from investing activities	319,793	276,120	16%	317,201	271,338	17%
Dividends received from investing activities	5,102	-	-	65,976	23,063	>100%
<b>Cash flow from investing activities</b>	<b>222,553</b>	<b>867,481</b>	<b>-74%</b>	<b>309,599</b>	<b>819,351</b>	<b>-62%</b>
Repayment of principal of lease liabilities (IFRS 16)	(50,339)	(45,187)	11%	(50,339)	(45,669)	10%
Dividends paid to equity holders of the parent	(1,144,291)	(963,452)	19%	(1,144,291)	(963,452)	19%
Dividends paid to non-controlling interests	(1271)	(1090)	17%	(1271)	(1090)	17%
AT1 Dividends	(44,168)	-	-	(44,168)	-	-
Debt securities issued	3,565,880	1,053,000	>100%	3,565,880	1,053,000	>100%
Outflows from other financing activities	(82,974)	(768,085)	-89%	(20,228)	(522,940)	-96%
Interest expense paid for financing activities	(180,999)	(91,947)	97%	(172,102)	(89,628)	92%
Other financing activities	(177,132)	(79,216)	>100%	(168,235)	(76,897)	>100%
Subordinated loans	(3,867)	(12,731)	-70%	(3,867)	(12,731)	-70%
<b>Cash flow from financing activities</b>	<b>2,061,838</b>	<b>(816,761)</b>	<b>&lt;-100%</b>	<b>2,133,481</b>	<b>(569,779)</b>	<b>&lt;-100%</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>15,224,576</b>	<b>13,317,439</b>	<b>14%</b>	<b>15,224,262</b>	<b>13,069,516</b>	<b>16%</b>
Cash flow from operating activities	(731,819)	203,907	<-100%	(936,641)	25,142	<-100%
Cash flow from investing activities	222,553	867,481	-74%	309,599	819,351	-62%
Cash flow from financing activities	2,061,838	(816,761)	<-100%	2,133,481	(569,779)	<-100%
<b>Cash and cash equivalents at end of period</b>	<b>16,777,148</b>	<b>13,572,066</b>	<b>24%</b>	<b>16,730,701</b>	<b>13,344,230</b>	<b>25%</b>

## 2. Analysis of the issuer's activity

### 2.1. Outlook on issuer's activity

#### 2023 economic outlook

**Real GDP growth** expected to decelerate to below potential in 2023 (+2.1% y/y, our estimate).

**Investments** are expected to support GDP growth this year, as EU funds inflows from both the Multiannual Financial Framework and Next Generation EU could climb to 4.0-5.0% of GDP in 2023 vs. 3.5% of GDP in 2022.

**Average inflation rate** anticipated to slow down at 10.7% in 2023. Short-term disinflation process is driven by statistical base effects from softer energy and commodities prices.

**Average unemployment rate** is expected virtually unchanged at 5.8% in 2023.

**Real wage growth** expected to be positive this year on the back of decelerating inflation rate.

Slightly lower short-term **interest rates**, with lower average 3M ROBOR due to persistent liquidity surplus in the banking system. We continue to see NBR keeping key rate flat at 7% by mid-2024.

#### Balance Sheet developments

**Retail loans** portfolio is assumed to remain stable in 2023 as growth generated by the own mortgage product and unsecured loans is offset by First House low demand. Micro lending is going to register a robust growth supported by digitalization, governmental programs and EU funds.

**Corporate** is expected to see double-digit increase in lending portfolio, with positive developments in all segments. On the liabilities side, deposits will remain at high levels, as a result of BCR's strategy to focus on increase the number of active customers and on digitalization, supported by new George for Business.

#### Income Statements developments

**Operating income** for H1 2023 is higher versus H1 Budget, supported mainly by net interest income due to higher market rates environment and net trading result coming from trading activity. For year-end, operating income is expected to remain at good level, overrunning the budget.

**Operating expenses** up by 11.7% in H1 2023 vs. H1 2022 on the back of higher personnel expenses generated by the inflationary environment, partly offset by lower contribution to deposit insurance fund in 2023.

As such, **cost-income ratio** improved to 39.7% in H1 2023, versus 41.5% in H1 2022.

Based on improved operating performance, return on equity registered a good evolution in H1 2023, expected to be in line with the budget for YE 2023.

**Risk costs** will bring additional allocations in 2023 given that inflation and interest rates, although on a decreasing trend, are expected to remain relatively high during this year

## 2. Analysis of the issuer's activity (continued)

### 2.2. Issuer's tangible assets

Currently, the Bank has a portfolio of 60 properties, located in 35 counties, of which the largest number of buildings are located in Bucharest - 5 units, and the remaining 55 buildings are located in other counties in Romania.

In 2019, the Bank decided to pursue a strategy of optimizing the network of units and headquarter buildings including selling certain properties. Implementation of strategy continued.

Thus, the Bank's property portfolio is classified for accounting purposes in accordance with IAS 16, IFRS 5 and IAS 40 respectively, depending on the purpose for which the property is held.

During H1 2023, the Bank sold 10 properties (land and buildings), the net book value of which amounted to RON 22,562 thousand.

### 2.3. Issuer's performance<sup>1</sup>

BCR achieved a **net profit of RON 1,110.8 million (EUR 225.1 million) in H1 2023**, up by 6.6% against RON 1,042.1 million (EUR 210.7 million) in H1 2022, driven by improved operating result underpinned by advance in customer business.

**Operating result** improved by 20.6% to **RON 1,529.7 million (EUR 310.1 million) in H1 2023** from RON 1,268.1 million (EUR 256.4 million) in H1 2022, on the back of higher operating income, partly offset by increased operating expenses.

**Net interest income** increased by 29.9% to **RON 1,770.1 million (EUR 358.8 million) in H1 2023**, from RON 1,362.5 million (EUR 275.5 million) in H1 2022, driven by higher business volumes and market rates.

**Net fee and commission income** slightly decreased by 0.4% to **RON 449.6 million (EUR 91.1 million) in H1 2023**, from RON 451.3 million (EUR 91.2 million) in H1 2022, driven by negative base effect from higher fee generation in H1 2022 due to temporary higher cash transactions, partly compensated by increased fee income from corporate lending.

**Net trading result** dropped by 5.0% to **RON 287.4 million (EUR 58.3 million) in H1 2023**, from RON 302.5 million (EUR 61.2 million) in H1 2022, on lower number of foreign exchange transactions.

**Operating income** increased by 16.9% to **RON 2,536.9 million (EUR 514.2 million) in H1 2023**, from RON 2,169.5 million (EUR 438.7 million) in H1 2022, driven by higher net interest income.

**General administrative expenses** reached **RON 1,007.2 million (EUR 204.2 million) in H1 2023**, up by 11.7% in comparison to RON 901.4 million (EUR 182.3 million) in H1 2022, on the back of higher personnel expenses generated by the inflationary environment, partly offset by lower contribution to deposit insurance fund in 2023.

As such, **cost-income ratio** improved to **39.7% in H1 2023**, versus 41.5% in H1 2022.

<sup>1</sup> All the financial data presented constitute the unaudited consolidated results of Banca Comercială Română (BCR) Group for H1 2023, according to IFRS. Unless otherwise specified, the H1 2023 financial results are compared to the H1 2022 results. Also, unless otherwise specified, the exchange rates used to convert amounts into euros are those communicated by the European Central Bank. The profit and loss account is converted using the average exchange rate for H1 2023, i.e. 4.9336 RON/EUR when referring to the H1 2023 results, and using the average exchange rate for H1 2022, i.e. 4.9458 RON/EUR with reference to the H1 2022 results. The balance sheets as of 30 June 2023 and 31 December 2022 are converted using the closing exchange rates on those dates (4.9635 RON/EUR on 30 June 2023 and 4.9495 RON/EUR on 31 December 2022). All the percentage changes refer to the figures expressed in RON.

## 2. Analysis of the issuer's activity (continued)

### 2.3. Issuer's performance (continued)

#### Risk costs and Asset Quality

**Impairment result from financial instruments** recorded a provision allocation of **RON 128.1 million (EUR 26.0 million) in H1 2023**, as compared to an allocation of RON 209.4 million (EUR 42.3 million) in H1 2022. This result mainly consisted of collective provisions booked for the performing portfolio, while the provision releases driven by recoveries and healings in both retail and corporate segments fully offset the allocations for regular new defaults.

**NPL ratio** stood at **2.7% as of June 2023**, lower than 2.8% recorded as of December 2022. This evolution is reflecting the recoveries and healings in both retail and corporate segments which counterbalanced the regular NPL formation. At the same time, the NPL provisioning coverage was **182.6% as of June 2023**.

#### Capital position and funding

**Solvency ratio for BCR Bank standalone**, according to the capital requirements regulations (CRR) stood at **23.4% as of May 2023**, well above the regulatory requirements of the National Bank of Romania. Furthermore, the Tier 1+2 capital ratio of 22.8% (BCR Group, after profit capitalization) as of December 2022 is clearly reflecting BCR's strong capital and funding positions.

**Net loans and advances to customers** increased marginally by 0.4% to **RON 55,568.6 million (EUR 11,195.4 million) as of 30 June 2023** from RON 55,328.5 (EUR 11,178.6 million) as of 31 December 2022, supported by both retail and corporate segments.

**Deposits from customers** increased by 4.2% to **RON 78,744.9 million (EUR 15,864.8 million) as of 30 June 2023** from RON 75,588.5 million (EUR 15,271.9 million) as of 31 December 2022, supported by the increase in both retail and corporate deposits.

#### BCR impact in the economy and society

**In retail banking business**, BCR generated total new loans to individuals and micro businesses of RON 3.7 billion in H1 2023. The stock of standard mortgage loans (Casa Mea) in local currency as well as the stock of unsecured consumer loans (including credit cards and overdrafts) increased by about 5% yoy.

**In corporate banking business**, BCR approved new corporate loans of RON 5.3 billion in H1 2023, of which approximately 30% are aimed for investments.

**The total BCR Leasing financing portfolio** granted to customers amounts RON 3.8 billion (EUR 770 million), with a 32% increase in new financing in H1 2023. With almost 11,000 customers and a strategy aimed to support electromobility through financing solutions that boost electric and hybrid cars purchase, BCR Leasing recorded a 41% increase in H1 2023 in the green financing segment, compared to the same period last year.

In H1 2023, BCR **Social Finance** financed more than 780 micro-enterprises and NGOs, supporting more than 2,250 jobs. At the same, in the first six months of the year, BCR Social Finance IFN S.A. granted 55 StudyUP loans for continuing education through university, master, doctorate, or specialization courses, supporting lifelong learning.



## 2. Analysis of the issuer's activity *(continued)*

### 2.3. Issuer's performance *(continued)*

**INNOVX-BCR**, the technology business initiative, has reached 171 accelerated start-ups out of 2,160 applicants, with the completion of the bootcamp dedicated to the STARTUPS 2023 cohort. In Q2 2023, InnovX-BCR's international scaling strategies generated strategic partnerships with three of the most developed democratic economies - USA, UK, and Japan. We have organized Europe's largest startup delegation to Select USA, with nine InnovX-BCR alumni and over 40 Romanian and CEE entrepreneurs. Moreover, a significant number of InnovX-BCR women in tech were selected to join the 2023 Select Global Women in Tech (SGWIT) Cohort. At London Tech Week, our delegation included 20 people, including seven startups and scaleups, and two emerging venture capital funds from InnovX-BCR's Scaleups and Investors Bootcamp programs.

## 3. Changes affecting the issuer's capital

### 3.1 Description of the cases when the issuer was unable to meet its financial obligations during the reporting period

N/A

### 3.2 Description of any changes in the rights of the holders of debt securities issued

N/A

## 4. Significant transactions

In 2023, BCR issued the first international green Eurobond issue, in amount of EUR 700 mn, the largest senior issue in the history for any financial or corporate issuer in Romania. BCR's new bond issue marks the bank's debut on the international capital markets and consists of 4NC3 senior non-preferred Eurobonds with a maturity of 4 years, with the possibility of early redemption after 3 years. The issue is listed on the Vienna and Bucharest Stock Exchange, being also the first international green Eurobond issued by a Romanian bank. In addition, this issuance is part of BCR's journey in the direction of the ESG (Environmental, Social and Governance) criteria, with the aim to build a sustainable economic development by encouraging environmentally responsible behavior, through better governance and increased social involvement.

## 5. Annexes

The following documents are annexed to this report:

1. Issuer's Management;
2. Statement of Compliance of the members of the Executive Committee who assume responsibility for the preparation of the Financial Statements;
3. Interim Condensed Financial Statements prepared in accordance with IAS 34 and unaudited as at 30 June 2023.

Chairman of the Supervisory Board,



Manfred Wimmer

## **Annex 1- Issuer's Management**

BCR's Supervisory Board and Management Board structure during 01.01 - 30.06.2023 is:

### **Supervisory Board**

- Manfred Wimmer – Chairman;
- Stefan Dörfler – Deputy Chairman;
- Daniela Camelia Nemoianu – member;
- Hildegard Gacek – member;
- Elisabeth Krainer Senger -Weiss – member;
- Iris Bujatti – member;
- Christine Catasta – member.

### **Management Board**

1. Sergiu Cristian Manea - Executive President;
2. Elke Meier - Executive Vice-president;
3. Ilinka Kajgana - Executive Vice-president;
4. Dana Luciana Dima - Executive Vice-president;
5. Thomas Kolarik – Executive Vice-president.

**Banca Comercială Română S.A.**  
**Interim Condensed Financial Statements**  
**Consolidated and Separate**

**30 June 2023**

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

Lei Code: 549300ORLU6LN5YD8X90

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**STATEMENT OF PROFIT OR LOSS**  
**Consolidated and Separate**  
**As of 30 June 2023**

**Statement of profit or loss**

in RON thousands	Notes	Group		Bank	
		30.06.2023	30.06.2022	30.06.2023	30.06.2022
<b>Net interest income</b>	10	<b>1,770,090</b>	<b>1,362,474</b>	<b>1,673,093</b>	<b>1,287,072</b>
Interest income		2,842,908	1,673,543	2,810,746	1,636,498
Other similar income		61,464	33,345	969	1,649
Interest expense		(1,122,817)	(332,795)	(1,127,281)	(339,566)
Other similar expense		(11,465)	(11,619)	(11,341)	(11,509)
<b>Net fee and commission income</b>	11	<b>449,550</b>	<b>451,333</b>	<b>427,283</b>	<b>427,270</b>
Fee and commission income		578,319	585,905	551,226	557,081
Fee and commission expense		(128,769)	(134,572)	(123,943)	(129,811)
Dividend income		5,102	2,403	65,976	25,408
<b>Net trading result</b>	12	<b>284,173</b>	<b>299,759</b>	<b>275,332</b>	<b>290,019</b>
Gains/(losses) from non-trading financial instruments mandatorily measured at fair value through profit or loss		3,216	2,754	3,216	2,754
Net result from equity method investments		2,354	(120)	-	-
Rental income from investment properties and other operating leases		22,388	50,923	2,649	2,577
Personnel expenses	13	(541,068)	(415,687)	(499,614)	(384,755)
Other administrative expenses	13	(345,249)	(359,063)	(335,836)	(352,903)
Depreciation and amortisation	13	(120,846)	(126,669)	(105,380)	(100,465)
Net impairment loss on financial instruments	14	(128,075)	(209,428)	(104,267)	(201,183)
Other operating result	15	(92,781)	184,206	(67,742)	167,024
<b>Pre-tax result from continuing operations</b>		<b>1,308,854</b>	<b>1,242,885</b>	<b>1,334,710</b>	<b>1,162,818</b>
Taxes on income	16	(198,021)	(200,804)	(195,221)	(188,717)
<b>Net result for the period</b>		<b>1,110,833</b>	<b>1,042,081</b>	<b>1,139,489</b>	<b>974,101</b>
Attributable to non-controlling interests		7	11	-	-
<b>Attributable to owners of the parent</b>		<b>1,110,826</b>	<b>1,042,070</b>	<b>1,139,489</b>	<b>974,101</b>

The interim condensed separate and consolidated financial statements were approved by the Supervisory Board on August 14, 2023.

AUTHORISED PERSON

Name and first name

Signature

Executive Vice-President

Elke Meier

**Elke Meier**

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AUTHORISED PERSON

Name and first name

Signature

Executive Director Accounting Division

Gina Badea

**BADEA  
GINA**

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## STATEMENT OF OTHER COMPREHENSIVE INCOME

Consolidated and Separate

As of 30 June 2023

## Statement of other comprehensive income

in RON thousands	Group		Bank	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
<b>Net result for the period</b>	<b>1,110,833</b>	<b>1,042,081</b>	<b>1,139,489</b>	<b>974,101</b>
Actuarial gains/(losses) on defined benefit pension plans	-	-	-	-
Deferred taxes relating to items that may be reclassified	-	-	-	-
<b>Items that cannot be reclassified to profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Items that may be reclassified to profit or loss</b>				
Debt instruments at fair value through other comprehensive income	170,313	(426,519)	169,310	(428,754)
Currency translation reserve	3,677	(145)	-	-
Deferred taxes relating to items that may be reclassified	(27,210)	68,332	(27,090)	68,601
<b>Total items that may be reclassified to profit or loss</b>	<b>146,780</b>	<b>(358,332)</b>	<b>142,220</b>	<b>(360,153)</b>
<b>Total other comprehensive income</b>	<b>146,780</b>	<b>(358,332)</b>	<b>142,220</b>	<b>(360,153)</b>
	-	-	-	-
<b>Total comprehensive income</b>	<b>1,257,613</b>	<b>683,749</b>	<b>1,281,709</b>	<b>613,948</b>
Total comprehensive income attributable to non-controlling interests	7	11	-	-
Total comprehensive income attributable to the parent	1,257,606	683,738	1,281,709	613,948

The interim condensed separate and consolidated financial statements were approved by the Supervisory Board on August 14, 2023.

AUTHORISED PERSON

Name and first name

Signature

Executive Vice-President

Elke Meier

Elke Meier

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AUTHORISED PERSON

Name and first name

Signature

Executive Director Accounting Division

Gina Badea

BADEA

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# STATEMENT OF FINANCIAL POSITION

## Consolidated and Separate

### As of 30 June 2023

#### Statement of financial position

in RON thousands	Notes	Group		Bank	
		30.06.2023	31.12.2022	30.06.2023	31.12.2022
<b>Assets</b>					
Cash and cash balances	3	16,777,148	15,224,576	16,730,701	15,224,262
Financial assets held for trading		372,560	177,242	372,560	177,708
Derivatives financial instruments		197,172	177,213	197,172	177,679
Other financial assets held for trading		175,388	29	175,388	29
Non-trading financial assets mandatorily at fair value through profit or loss		69,809	67,179	69,809	67,179
Equity instruments		51,293	50,851	51,293	50,851
Debt securities		18,516	16,328	18,516	16,328
Financial assets at fair value through other comprehensive income	4	11,310,937	9,664,296	11,310,937	9,664,296
<i>thereof pledged as collateral</i>		27,383	180,325	27,383	180,325
Debt securities		11,310,937	9,664,296	11,310,937	9,664,296
Financial assets at amortised cost	5	70,786,805	68,046,211	72,285,766	69,264,841
Debt securities		15,165,005	15,215,719	15,048,275	15,132,875
<i>thereof pledged as collateral</i>		97,443	386,866	864,736	1,121,147
Loans and advances to credit institutions		2,825,429	148,344	2,862,622	156,699
Loans and advances with customers		52,796,371	52,682,148	54,374,869	53,975,267
Finance lease receivables		1,945,134	1,745,363	7,309	8,405
Property and equipment		1,003,748	1,029,207	818,814	820,797
Investment property		136,000	148,543	136,000	148,543
Intangible assets		410,656	394,847	390,722	377,240
Investments in joint ventures and associates		26,226	43,336	33,470	33,470
Current tax assets		225,647	222,026	222,785	219,164
Deferred tax assets		153,346	197,778	138,167	184,550
Assets held for sale		736,064	749,318	1,620	51,499
Trade and other receivables		827,141	901,025	819,241	875,813
Investments in subsidiaries		-	-	555,717	500,943
Other assets		290,998	239,113	187,501	137,497
<b>Total assets</b>		<b>105,072,219</b>	<b>98,850,060</b>	<b>104,081,119</b>	<b>97,756,207</b>

in RON thousands		Group		Bank	
		30.06.2023	31.12.2022	30.06.2023	31.12.2022
<b>Liabilities and Equity</b>					
Financial liabilities held for trading		167,437	163,579	167,437	163,579
Derivatives financial instruments		167,437	163,579	167,437	163,579
Financial liabilities measured at amortised cost		90,884,579	84,713,627	91,127,961	84,930,411
Deposits by banks	6	1,165,440	2,079,394	1,481,184	2,315,225
Deposits by customers	7	78,744,857	75,588,537	78,692,904	75,609,053
Debt securities issued	8	9,019,959	5,424,406	9,019,959	5,424,406
Other financial liabilities		1,954,323	1,621,290	1,933,914	1,581,727
Lease liabilities		444,108	444,486	442,730	442,538
Provisions	9	975,165	1,000,507	846,389	885,531
Current tax liabilities		117,182	75,162	116,215	70,202
Deferred tax liabilities		19,928	19,443	-	-
Liabilities associated with assets held for sale		516,188	568,508	-	-
Other liabilities		824,963	809,949	381,986	357,525
<b>Total equity</b>		<b>11,122,669</b>	<b>11,054,799</b>	<b>10,998,401</b>	<b>10,906,421</b>
Attributable to non-controlling interest		56	63	-	-
Attributable to owners of the parent		11,122,613	11,054,736	10,998,401	10,906,421
Share capital		2,952,565	2,952,565	2,952,565	2,952,565
Additional equity instruments		741,555	741,555	741,555	741,555
Retained earnings		5,751,550	5,904,001	5,621,758	5,745,545
Other reserves		1,676,943	1,456,615	1,682,523	1,466,756
<b>Total liabilities and equity</b>		<b>105,072,219</b>	<b>98,850,060</b>	<b>104,081,119</b>	<b>97,756,207</b>

The interim condensed separate and consolidated financial statements were approved by the Supervisory Board on August 14, 2023.

AUTHORISED PERSON

Name and first name

Signature

Executive Vice-President

Elke Meier

**Elke Meier**

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AUTHORISED PERSON

Name and first name

Signature

Executive Director Accounting Division

Gina Badea

**BADEA  
GINA**

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by BADEA GINA  
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## STATEMENT OF CHANGES IN EQUITY

### Consolidated and Separate

### As of 30 June 2023

#### Statement of changes in equity

	30.06.2023											Group
in RON thousands	Subscribed capital	Share premium	Additional equity instruments	Retained earnings	Other reserves	Fair value reserves	Currency translation reserve	Actuarial gains/(losses) on defined benefit pension plans	Deferred tax	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total
Total equity as of 01.01.2023	2,952,565	395,483	741,555	5,904,001	1,243,074	(270,328)	(12,711)	68,718	32,379	11,054,736	63	11,054,799
Transfers from RE to other reserves	-	-	-	(73,548)	73,548	-	-	-	-	-	-	-
Dividends paid	-	-	-	(1,189,729)	-	-	-	-	-	(1,189,729)	-	(1,189,729)
Total comprehensive income	-	-	-	1,110,826	-	170,313	3,677	-	(27,210)	1,257,606	(7)	1,257,599
Net result for the period	-	-	-	1,110,826	-	-	-	-	-	1,110,826	(7)	1,110,819
Other comprehensive income	-	-	-	-	-	170,313	3,677	-	(27,210)	146,780	-	146,780
Total equity as of 30.06.2023	2,952,565	395,483	741,555	5,751,550	1,316,622	(100,015)	(9,034)	68,718	5,169	11,122,613	56	11,122,669

	30.06.2022											Group
in RON thousands	Subscribed capital	Share premium	Additional equity instruments	Retained earnings	Other reserves	Fair value reserves	Currency translation reserve	Actuarial gains/(losses) on defined benefit pension plans	Deferred tax	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total
Total equity as of 01.01.2022	2,952,565	395,483	-	5,143,334	1,222,377	(58,778)	(10,264)	78,822	(3,147)	9,720,392	50	9,720,442
Transfers from RE to other reserves	-	-	-	(20,697)	20,697	-	-	-	-	-	-	-
Dividends paid	-	-	-	(964,542)	-	-	-	-	-	(964,542)	-	(964,542)
Total comprehensive income	-	-	-	1,042,070	-	(426,519)	(145)	-	68,332	683,738	11	683,749
Net result for the period	-	-	-	1,042,070	-	-	-	-	-	1,042,070	11	1,042,081
Other comprehensive income	-	-	-	-	-	(426,519)	(145)	-	68,332	(358,332)	-	(358,332)
Total equity as of 30.06.2022	2,952,565	395,483	-	5,200,165	1,243,074	(485,297)	(10,409)	78,822	65,185	9,439,588	61	9,439,649

## STATEMENT OF CHANGES IN EQUITY

Consolidated and Separate  
As of 30 June 2023

### Statement of changes in equity (continued)

									30.06.2023	Bank
in RON thousands	Subscribed capital	Share premium	Additional equity instruments	Retained earnings	Other reserves	Fair value reserves	Actuarial gains/(losses) on defined benefit pension plans	Deferred tax	Total	
Total equity as of 01.01.2023	2,952,565	395,483	741,555	5,745,545	1,243,074	(273,246)	68,718	32,727	10,906,421	
Transfers from RE to other reserves	-	-	-	(73,547)	73,547	-	-	-	-	
Dividends paid	-	-	-	(1,189,729)	-	-	-	-	(1,189,729)	
<b>Total comprehensive income</b>	-	-	-	<b>1,139,489</b>	-	<b>169,310</b>	-	<b>(27,090)</b>	<b>1,281,709</b>	
Net result for the period	-	-	-	1,139,489	-	-	-	-	1,139,489	
Other comprehensive income	-	-	-	-	-	169,310	-	(27,090)	142,220	
<b>Total equity as of 30.06.2023</b>	<b>2,952,565</b>	<b>395,483</b>	<b>741,555</b>	<b>5,621,758</b>	<b>1,316,621</b>	<b>(103,936)</b>	<b>68,718</b>	<b>5,637</b>	<b>10,998,401</b>	

									30.06.2022	Bank
in RON thousands	Subscribed capital	Share premium	Additional equity instruments	Retained earnings	Other reserves	Fair value reserves	Actuarial gains/(losses) on defined benefit pension plans	Deferred tax	Total	
Total equity as of 01.01.2022	2,952,565	395,483	-	4,900,768	1,222,377	(60,179)	78,822	(2,981)	9,486,855	
Transfers from RE to other reserves	-	-	-	(20,697)	20,697	-	-	-	-	
Dividends paid	-	-	-	(964,542)	-	-	-	-	(964,542)	
<b>Total comprehensive income</b>	-	-	-	<b>974,101</b>	-	<b>(428,754)</b>	-	<b>68,601</b>	<b>613,948</b>	
Net result for the period	-	-	-	974,101	-	-	-	-	974,101	
Other comprehensive income	-	-	-	-	-	(428,754)	-	68,601	(360,153)	
<b>Total equity as of 30.06.2022</b>	<b>2,952,565</b>	<b>395,483</b>	<b>-</b>	<b>4,889,630</b>	<b>1,243,074</b>	<b>(488,933)</b>	<b>78,822</b>	<b>65,620</b>	<b>9,136,261</b>	

# STATEMENT OF CASH FLOW

## Consolidated and Separate

### As of 30 June 2023

#### Statement of cash flows

in RON thousands	Group		Bank	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
<b>Net result for the period</b>	<b>1,110,833</b>	<b>1,042,081</b>	<b>1,139,489</b>	<b>974,101</b>
<b>Non-cash adjustments for items in net profit/(loss) for the year</b>				
Depreciation, amortisation of assets	120,846	126,669	105,380	100,465
Allocation to and release of impairment of loans	150,070	174,281	127,440	185,761
Other provisions	(28,397)	(312,769)	(39,536)	(292,098)
Impairment of subsidiaries	-	-	10,195	-
Interest income received from investing activities	(308,367)	(245,379)	(305,775)	(240,598)
Interest expense paid for financing activities	210,673	91,947	201,776	89,628
Dividend income from investing activities	(5,102)	-	(65,976)	(23,063)
Other adjustments	24,156	(5,831)	41,613	(11,927)
<b>Changes in assets and liabilities from operating activities after adjustment for non-cash components</b>				
Financial assets - held for trading	(175,358)	1,661,557	(175,358)	1,661,557
Financial assets at fair value through other comprehensive income	(1,478,357)	(1,095,910)	(1,478,755)	(1,050,355)
<b>Financial assets at amortised cost</b>				
Loans and advances to banks	(2,677,086)	569,791	(2,705,923)	576,849
Loans and advances to customers	(185,965)	(4,829,999)	(469,050)	(5,036,669)
Finance lease receivables	(199,771)	(107,361)	1,095	1,342
Other assets from operating activities	42,838	(62,028)	(244)	(16,847)
Deposits from banks	(834,847)	4,848,958	(834,041)	4,706,617
Deposits from customers	3,156,321	(1,982,059)	3,083,851	(1,920,960)
Other financial liabilities	382,872	322,630	402,718	320,957
Other liabilities from operating activities	(37,180)	7,329	24,461	382
<b>Cash flow from operating activities</b>	<b>(731,819)</b>	<b>203,907</b>	<b>(936,641)</b>	<b>25,142</b>
<b>Proceeds of disposal</b>				
Debt securities at amortised cost	1,463,706	1,658,888	1,463,706	1,490,594
Property and equipment, intangible assets, investment properties and assets held for sale	28,714	49,056	19,491	16,318
<b>Acquisition of</b>				
Debt securities at amortised cost	(1,504,067)	(868,311)	(1,469,886)	(760,046)
Property and equipment, intangible assets and investment properties	(90,694)	(248,272)	(86,890)	(221,916)
Interest received from investing activities	319,793	276,120	317,201	271,338
Dividends received from investing activities	5,102	-	65,976	23,063
<b>Cash flow from investing activities</b>	<b>222,553</b>	<b>867,481</b>	<b>309,599</b>	<b>819,351</b>
Repayment of principal of lease liabilities (IFRS 16)	(50,339)	(45,187)	(50,339)	(45,669)
Dividends paid to equity holders of the parent	(1,144,291)	(963,452)	(1,144,291)	(963,452)
Dividends paid to non-controlling interests	(1,271)	(1,090)	(1,271)	(1,090)
AT1 Dividends	(44,168)	-	(44,168)	-
Debt securities issued	3,565,880	1,053,000	3,565,880	1,053,000
Outflows from other financing activities	(82,974)	(768,085)	(20,228)	(522,940)
Interest expense paid for financing activities	(180,999)	(91,947)	(172,102)	(89,628)
Other financing activities	(177,132)	(79,216)	(168,235)	(76,897)
Subordinated loans	(3,867)	(12,731)	(3,867)	(12,731)
<b>Cash flow from financing activities</b>	<b>2,061,838</b>	<b>(816,761)</b>	<b>2,133,481</b>	<b>(569,779)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>15,224,576</b>	<b>13,317,439</b>	<b>15,224,262</b>	<b>13,069,516</b>
Cash flow from operating activities	(731,819)	203,907	(936,641)	25,142
Cash flow from investing activities	222,553	867,481	309,599	819,351
Cash flow from financing activities	2,061,838	(816,761)	2,133,481	(569,779)
<b>Cash and cash equivalents at end of period</b>	<b>16,777,148</b>	<b>13,572,066</b>	<b>16,730,701</b>	<b>13,344,230</b>

## Notes to Interim Financial Statements

### Consolidated and Separate

### As of 30 June 2023

#### 1. Bank and Group information

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

As a result of the privatization process organized by the government of Romania, Erste Bank der oesterreichischen Sparkassen AG (“Erste Bank”) purchased 61.88% of the share capital of the Bank pursuant to a share purchase agreement dated 21 December 2005. Until June 2023, Erste Bank purchased further 38.0091% from employees and other shareholders of the Bank, adding up to 99.8891%. Erste Bank der oesterreichischen Sparkassen AG („Erste bank”) is owned 100% by Erste Group Bank AG. The ultimate parent of the Group is Erste Group Bank AG.

At 30 June 2023, the Bank’s shareholders were the following:

	30.06.2023		31.12.2022	
	Number of shares	Percentage holding (%)	Number of shares	Percentage holding (%)
Erste Group Bank AG	16,235,397,800	99.8891%	16,235,389,444	99.8891%
Societatea de Investitii Financiare (“SIF”) „Banat Crisana”	1	0.0000%	1	0.0000%
Societatea de Investitii Financiare (“SIF”) „Muntenia”	1	0.0000%	1	0.0000%
SC Actinvest SA	226,802	0.0014%	226,802	0.0014%
FDI Certinvest Dinamic	13,699	0.0001%	13,699	0.0001%
BCR Leasing	109	0.0000%	109	0.0000%
Individuals	17,777,842	0.1094%	17,786,198	0.1094%
<b>Total</b>	<b>16,253,416,254</b>	<b>100.0000%</b>	<b>16,253,416,254</b>	<b>100.0000%</b>

The current registered office is located in Bucharest, Romania, No.159, Calea Plevnei, Business Garden Bucharest, Building A.

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

- Retail including 319 branches;
- Corporate including 20 Commercial Centres and Area Centres, 18 Mobile Teams and International Clients Department that support small and medium-sized customers (SMEs).

The Bank has the following subsidiaries as at 30 June 2023 and 31 December 2022:

Company's name	Country of incorporation	Nature of the business	Shareholding		Gross Book Value	Net Book Value	Impairment
			30.06.2023	31.12.2022			
BCR Chisinau SA	Moldova	Banking	100.00%	100.00%	200,064	54,775	145,289
BCR Leasing IFN SA	Romania	Financial leasing	99.97%	99.97%	269,820	138,742	131,078
BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private SA	Romania	Pension Fund	99.99%	99.99%	389,492	360,300	29,192
BCR Banca pentru Locuinte SA	Romania	Housing loans	99.99%	99.99%	948,578	-	948,578
Suport Colect SRL	Romania	Workout	99.99%	99.99%	983,047	-	983,047
BCR Payments Services SRL	Romania	Cash processing and storing	99.99%	99.99%	1,900	1,900	-
BCR Fleet Management SRL*	Romania	Operational leasing	99.97%	99.97%	-	-	-

\*Company held indirectly by BCR through BCR Leasing SA

During 2022, the Management Board of BCR approved the launch of the sale process of BCR Chisinau. Consequently, in December 2022, based on the assessment that all IFRS 5 criteria have been fulfilled, the investment in BCR Chisinau was classified as held for sale and measured at the lower of its carrying amount and fair value less costs to sell.

In December 2021, the Management Board of BCR decided to declassify BCR Fleet Management from asset held for sale as the criteria for classification under IFRS 5 was no longer met. The Management Board of BCR Fleet Management has evaluated the overall situation of the company and concluded that the appropriate approach is to prepare its financial statements for 2021 on a gone concern basis because it intends to cease concluding new lease contract and consequently to wind down the remaining portfolio.

## Notes to Interim Financial Statements

### Consolidated and Separate

### As of 30 June 2023

#### 1. Bank and Group information (continued)

As at December 2022, the Management Board of BCR Fleet Management has evaluated the overall situation of the company and concluded that the appropriate approach is to maintain the same classification as in the previous year and to prepare its financial statements for 2022 on a gone concern basis because it the largest part of its portfolio was sold and the rest of it is subject to a run down strategy. For remaining assets impairment test was performed at December 31st 2022.

The Management of Suport Colect evaluated the overall situation of the company and concluded that the most appropriate approach is to adopt the gone concern basis in preparing the financial statements as of 31.12.2022.

The main arguments taken into consideration are as follows:

- the entity has no new business and has no intention to acquire any, the only activity relates to receivables acquired in the past (i.e., "cease trading" condition in IAS 10.14 is fulfilled);
- there is an obvious intention of the management to liquidate the company in the future proved by the approved budgets which no longer considered the company from 2024 onwards (IAS 1.25).

#### 2. Basis of preparation and presentation of the financial statements

##### a) Statement of compliance

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

These financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated and separate financial statements as at and for the year ended 31 December 2022.

##### b) Functional and presentation currency

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

The exchange rates of major foreign currencies, published by National Bank of Romania, were:

Currencies		30.06.2023		31.12.2022	Change
Euro (EUR)	1 : RON	4.9634	1 : RON	4.9474	0.32%
US Dollar (USD)	1 : RON	4.5750	1 : RON	4.6346	-1.29%

##### c) Significant accounting policies

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

The accounting policies applied by the Bank and the Group in these interim condensed financial statements are the same as those applied in the annual consolidated financial statements as at 31 December 2022.

##### d) Use of estimates and judgements

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

In preparing the interim condensed separate and consolidated financial statements, the significant judgements made by Management in applying the Bank's accounting policies were the same as those that applied to the separate and consolidated financial statements for the year ended 31.12.2022.

#### 3. Cash and cash equivalents

in RON thousands	Group		Bank	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
Cash on hand	3,664,542	4,753,906	3,664,541	4,753,906
Cash balances at central banks	12,970,800	10,319,035	12,924,120	10,319,033
Other demand deposits to credit institutions	141,806	151,635	142,040	151,323
<b>Cash and cash balances</b>	<b>16,777,148</b>	<b>15,224,576</b>	<b>16,730,701</b>	<b>15,224,262</b>

Mandatory reserve rates at 30 June 2023 were for RON 8% (December 2022: 8%) and for foreign currencies 5% (December 2022: 5%).

**Notes to Interim Financial Statements**  
**Consolidated and Separate**  
**As of 30 June 2023**

**4. Financial assets at fair value through other comprehensive income**

										30.06.2023	Group
in RON thousands	Gross carrying amount				Credit loss allowances				Accumulated other fair value changes	Carrying amount	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total			
<b>Debt securities</b>	<b>11,337,114</b>	<b>91,107</b>	<b>-</b>	<b>11,428,221</b>	<b>(15,238)</b>	<b>(2,031)</b>	<b>-</b>	<b>(17,269)</b>	<b>(100,015)</b>	<b>11,310,937</b>	
General governments	11,181,092	-	-	11,181,092	(14,845)	-	-	(14,845)	(110,500)	11,055,747	
Credit institutions	155,957	85,965	-	241,922	(393)	(1,590)	-	(1,983)	10,109	250,048	
Non-financial corporations	65	5,142	-	5,207	-	(441)	-	(441)	376	5,142	
<b>Total</b>	<b>11,337,114</b>	<b>91,107</b>	<b>-</b>	<b>11,428,221</b>	<b>(15,238)</b>	<b>(2,031)</b>	<b>-</b>	<b>(17,269)</b>	<b>(100,015)</b>	<b>11,310,937</b>	

										31.12.2022	Group
in RON thousands	Gross carrying amount				Credit loss allowances				Accumulated other fair value changes	Carrying amount	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total			
<b>Debt securities</b>	<b>9,861,228</b>	<b>87,971</b>	<b>-</b>	<b>9,949,199</b>	<b>(12,814)</b>	<b>(1,761)</b>	<b>-</b>	<b>(14,575)</b>	<b>(270,328)</b>	<b>9,664,296</b>	
General governments	9,732,318	-	-	9,732,318	(12,385)	-	-	(12,385)	(272,915)	9,447,018	
Credit institutions	123,745	87,971	-	211,716	(333)	(1,761)	-	(2,094)	2,606	212,228	
Non-financial corporations	5,165	-	-	5,165	(96)	-	-	(96)	(19)	5,050	
<b>Total</b>	<b>9,861,228</b>	<b>87,971</b>	<b>-</b>	<b>9,949,199</b>	<b>(12,814)</b>	<b>(1,761)</b>	<b>-</b>	<b>(14,575)</b>	<b>(270,328)</b>	<b>9,664,296</b>	

**Notes to Interim Financial Statements**  
**Consolidated and Separate**  
**As of 30 June 2023**

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

Allowances for financial assets at fair value through other comprehensive income									30.06.2023	Group
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance	
<b>Debt securities</b>										
<b>Stage 1</b>	(12,814)	(6,552)	4,618	(547)	96	-	-	(39)	(15,238)	
General governments	(12,385)	(6,507)	4,618	(533)	-	-	-	(38)	(14,845)	
Credit institutions	(333)	(45)	-	(14)	-	-	-	(1)	(393)	
Non-financial corporations	(96)	-	-	-	96	-	-	-	-	
<b>Stage 2</b>	(1,761)	-	-	171	(441)	-	-	-	(2,031)	
Credit institutions	(1,761)	-	-	171	-	-	-	-	(1,590)	
Non-financial corporations	-	-	-	-	(441)	-	-	-	(441)	
<b>Total</b>	<b>(14,575)</b>	<b>(6,552)</b>	<b>4,618</b>	<b>(376)</b>	<b>(345)</b>	<b>-</b>	<b>-</b>	<b>(39)</b>	<b>(17,269)</b>	

Allowances for financial assets at fair value through other comprehensive income									31.12.2022	Group
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance	
<b>Debt securities</b>										
<b>Stage 1</b>	(8,953)	(8,989)	4,065	(894)	251	-	-	1,706	(12,814)	
Central banks	(1,377)	-	-	-	-	-	-	1,377	-	
General governments	(7,576)	(8,667)	4,065	(536)	-	-	-	329	(12,385)	
Credit institutions	-	(322)	-	(167)	156	-	-	-	(333)	
Non-financial corporations	-	-	-	(191)	95	-	-	-	(96)	
<b>Stage 2</b>	(718)	-	-	1,436	(2,479)	-	-	-	(1,761)	
Credit institutions	-	-	-	-	(1,761)	-	-	-	(1,761)	
Non-financial corporations	(718)	-	-	1,436	(718)	-	-	-	-	
<b>Total</b>	<b>(9,671)</b>	<b>(8,989)</b>	<b>4,065</b>	<b>542</b>	<b>(2,228)</b>	<b>-</b>	<b>-</b>	<b>1,706</b>	<b>(14,575)</b>	

**Notes to Interim Financial Statements**  
**Consolidated and Separate**  
**As of 30 June 2023**

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

		30.06.2023				Bank				
in RON thousands	Gross carrying amount				Credit loss allowances				Accumulated other fair value changes	Carrying amount
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total		
<b>Debt securities</b>	<b>11,337,116</b>	<b>91,106</b>	<b>-</b>	<b>11,428,222</b>	<b>(11,318)</b>	<b>(2,031)</b>	<b>-</b>	<b>(13,349)</b>	<b>(103,936)</b>	<b>11,310,937</b>
General governments	11,181,092	-	-	11,181,092	(10,925)	-	-	(10,925)	(114,419)	11,055,748
Credit institutions	155,957	85,965	-	241,922	(393)	(1,590)	-	(1,983)	10,109	250,048
Non-financial corporations	67	5,141	-	5,208	-	(441)	-	(441)	374	5,141
<b>Total</b>	<b>11,337,116</b>	<b>91,106</b>	<b>-</b>	<b>11,428,222</b>	<b>(11,318)</b>	<b>(2,031)</b>	<b>-</b>	<b>(13,349)</b>	<b>(103,936)</b>	<b>11,310,937</b>

		31.12.2022				Bank				
in RON thousands	Gross carrying amount				Credit loss allowances				Accumulated other fair value changes	Carrying amount
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total		
<b>Debt securities</b>	<b>9,861,273</b>	<b>87,971</b>	<b>-</b>	<b>9,949,244</b>	<b>(9,941)</b>	<b>(1,761)</b>	<b>-</b>	<b>(11,702)</b>	<b>(273,246)</b>	<b>9,664,296</b>
General governments	9,732,318	-	-	9,732,318	(9,512)	-	-	(9,512)	(275,788)	9,447,018
Credit institutions	123,745	87,971	-	211,716	(333)	(1,761)	-	(2,094)	2,606	212,228
Non-financial corporations	5,210	-	-	5,210	(96)	-	-	(96)	(64)	5,050
<b>Total</b>	<b>9,861,273</b>	<b>87,971</b>	<b>-</b>	<b>9,949,244</b>	<b>(9,941)</b>	<b>(1,761)</b>	<b>-</b>	<b>(11,702)</b>	<b>(273,246)</b>	<b>9,664,296</b>



**Notes to Interim Financial Statements**  
**Consolidated and Separate**  
**As of 30 June 2023**

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

**Allowances for financial assets at fair value through other comprehensive income**

	30.06.2023								Bank
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance
<b>Debt securities</b>									
<b>Stage 1</b>	<b>(9,941)</b>	<b>(3,295)</b>	<b>2,677</b>	<b>(840)</b>	<b>96</b>	<b>-</b>	<b>-</b>	<b>(15)</b>	<b>(11,318)</b>
General governments	(9,512)	(3,250)	2,677	(826)	-	-	-	(14)	(10,925)
Credit institutions	(333)	(45)	-	(14)	-	-	-	(1)	(393)
Non-financial corporations	(96)	-	-	-	96	-	-	-	-
<b>Stage 2</b>	<b>(1,761)</b>	<b>-</b>	<b>-</b>	<b>171</b>	<b>(441)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,031)</b>
Credit institutions	(1,761)	-	-	171	-	-	-	-	(1,590)
Non-financial corporations	-	-	-	-	(441)	-	-	-	(441)
<b>Total</b>	<b>(11,702)</b>	<b>(3,295)</b>	<b>2,677</b>	<b>(669)</b>	<b>(345)</b>	<b>-</b>	<b>-</b>	<b>(15)</b>	<b>(13,349)</b>

**Allowances for financial assets at fair value through other comprehensive income**

	31.12.2022								Bank
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance
<b>Debt securities</b>									
<b>Stage 1</b>	<b>(7,548)</b>	<b>(6,173)</b>	<b>4,037</b>	<b>(803)</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>296</b>	<b>(9,941)</b>
General governments	(7,548)	(5,851)	4,037	(446)	-	-	-	296	(9,512)
Credit institutions	-	(322)	-	(167)	156	-	-	-	(333)
Non-financial corporations	-	-	-	(190)	94	-	-	-	(96)
<b>Stage 2</b>	<b>(718)</b>	<b>-</b>	<b>-</b>	<b>1,435</b>	<b>(2,478)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,761)</b>
Credit institutions	-	-	-	-	(1,761)	-	-	-	(1,761)
Non-financial corporations	(718)	-	-	1,435	(717)	-	-	-	-
<b>Total</b>	<b>(8,266)</b>	<b>(6,173)</b>	<b>4,037</b>	<b>632</b>	<b>(2,228)</b>	<b>-</b>	<b>-</b>	<b>296</b>	<b>(11,702)</b>

**Notes to Interim Financial Statements**  
**Consolidated and Separate**  
**As of 30 June 2023**

**5. Financial assets at amortised cost**

in RON thousands	Gross carrying amount					Credit loss allowances					30.06.2023	Group
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount	
	<b>Debt securities</b>	<b>15,150,024</b>	<b>30,052</b>	<b>-</b>	<b>-</b>	<b>15,180,076</b>	<b>(14,892)</b>	<b>(179)</b>	<b>-</b>	<b>-</b>	<b>(15,071)</b>	<b>15,165,005</b>
General governments	15,150,024	30,052	-	-	15,180,076	(14,892)	(179)	-	-	(15,071)	15,165,005	
<b>Loans and advances to banks</b>	<b>2,825,462</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,825,462</b>	<b>(33)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33)</b>	<b>2,825,429</b>	
Central banks	138	-	-	-	138	-	-	-	-	-	138	
Credit institutions	2,825,324	-	-	-	2,825,324	(33)	-	-	-	(33)	2,825,291	
<b>Loans and advances to customers</b>	<b>41,154,587</b>	<b>12,810,347</b>	<b>1,386,342</b>	<b>243,766</b>	<b>55,595,042</b>	<b>(273,110)</b>	<b>(1,430,544)</b>	<b>(1,052,253)</b>	<b>(42,764)</b>	<b>(2,798,671)</b>	<b>52,796,371</b>	
General governments	4,922,487	236,548	3,941	7,580	5,170,556	(5,255)	(6,298)	(3,005)	(45)	(14,603)	5,155,953	
Other financial corporations	620,488	464,464	433	-	1,085,385	(3,399)	(21,088)	(239)	-	(24,726)	1,060,659	
Non-financial corporations	14,200,599	6,139,548	406,671	62,498	20,809,316	(153,081)	(598,223)	(253,040)	(1,444)	(1,005,788)	19,803,528	
Households	21,411,013	5,969,787	975,297	173,688	28,529,785	(111,375)	(804,935)	(795,969)	(41,275)	(1,753,554)	26,776,231	
<b>Total</b>	<b>59,130,073</b>	<b>12,840,399</b>	<b>1,386,342</b>	<b>243,766</b>	<b>73,600,580</b>	<b>(288,035)</b>	<b>(1,430,723)</b>	<b>(1,052,253)</b>	<b>(42,764)</b>	<b>(2,813,775)</b>	<b>70,786,805</b>	

in RON thousands	Gross carrying amount					Credit loss allowances					31.12.2022	Group
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount	
	<b>Debt securities</b>	<b>15,200,064</b>	<b>30,895</b>	<b>-</b>	<b>-</b>	<b>15,230,959</b>	<b>(15,001)</b>	<b>(239)</b>	<b>-</b>	<b>-</b>	<b>(15,240)</b>	<b>15,215,719</b>
General governments	15,200,064	30,895	-	-	15,230,959	(15,001)	(239)	-	-	(15,240)	15,215,719	
<b>Loans and advances to banks</b>	<b>148,606</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148,606</b>	<b>(262)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(262)</b>	<b>148,344</b>	
Central banks	831	-	-	-	831	-	-	-	-	-	831	
Credit institutions	147,775	-	-	-	147,775	(262)	-	-	-	(262)	147,513	
<b>Loans and advances to customers</b>	<b>41,321,455</b>	<b>12,353,756</b>	<b>1,386,420</b>	<b>268,622</b>	<b>55,330,253</b>	<b>(236,621)</b>	<b>(1,301,973)</b>	<b>(1,062,712)</b>	<b>(46,799)</b>	<b>(2,648,105)</b>	<b>52,682,148</b>	
General governments	5,717,684	366,079	3,121	8,473	6,095,357	(4,308)	(7,933)	(2,824)	(51)	(15,116)	6,080,241	
Other financial corporations	552,820	611,251	8,243	-	1,172,314	(2,438)	(33,582)	(8,174)	-	(44,194)	1,128,120	
Non-financial corporations	13,448,825	4,955,548	446,241	77,152	18,927,766	(120,364)	(410,438)	(288,961)	(1,966)	(821,729)	18,106,037	
Households	21,602,126	6,420,878	928,815	182,997	29,134,816	(109,511)	(850,020)	(762,753)	(44,782)	(1,767,066)	27,367,750	
<b>Total</b>	<b>56,670,125</b>	<b>12,384,651</b>	<b>1,386,420</b>	<b>268,622</b>	<b>70,709,818</b>	<b>(251,884)</b>	<b>(1,302,212)</b>	<b>(1,062,712)</b>	<b>(46,799)</b>	<b>(2,663,607)</b>	<b>68,046,211</b>	

**Notes to Interim Financial Statements**  
**Consolidated and Separate**  
**As of 30 June 2023**

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

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

									30.06.2023	Group
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance	
<b>Debt securities</b>										
<b>Stage 1</b>	(15,001)	(7,952)	4,825	812	-	-	-	2,424	(14,892)	
Central banks	-	(2,211)	-	-	-	-	-	2,211	-	
General governments	(15,001)	(5,741)	4,825	812	-	-	-	213	(14,892)	
<b>Stage 2</b>	(239)	-	-	60	-	-	-	-	(179)	
General governments	(239)	-	-	60	-	-	-	-	(179)	
<b>Total</b>	<b>(15,240)</b>	<b>(7,952)</b>	<b>4,825</b>	<b>872</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,424</b>	<b>(15,071)</b>	

									31.12.2022	Group
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance	
<b>Debt securities</b>										
<b>Stage 1</b>	(20,395)	(13,694)	13,786	1,667	10	-	-	3,625	(15,001)	
General governments	(20,395)	(13,694)	13,786	1,667	10	-	-	3,625	(15,001)	
<b>Stage 2</b>	-	-	-	-	(239)	-	-	-	(239)	
General governments	-	-	-	-	(239)	-	-	-	(239)	
<b>Total</b>	<b>(20,395)</b>	<b>(13,694)</b>	<b>13,786</b>	<b>1,667</b>	<b>(229)</b>	<b>-</b>	<b>-</b>	<b>3,625</b>	<b>(15,240)</b>	

**Notes to Interim Financial Statements**  
**Consolidated and Separate**  
**As of 30 June 2023**

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

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

								30.06.2023	Group
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance
<b>Loans and advances to banks</b>									
<b>Stage 1</b>	(262)	(10,890)	10,328	783	-	-	-	8	(33)
Credit institutions	(262)	(10,890)	10,328	783	-	-	-	8	(33)
<b>Stage 2</b>	-	(15)	15	5	-	-	-	(5)	-
Credit institutions	-	(15)	15	5	-	-	-	(5)	-
<b>Total</b>	(262)	(10,905)	10,343	788	-	-	-	3	(33)

								31.12.2022	Group
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance
<b>Loans and advances to banks</b>									
<b>Stage 1</b>	(878)	(7,621)	5,569	2,661	1	-	-	6	(262)
Central banks	(657)	1	-	656	-	-	-	-	-
Credit institutions	(221)	(7,622)	5,569	2,005	1	-	-	6	(262)
<b>Stage 2</b>	(2)	-	3	101	(20)	-	-	(82)	-
Credit institutions	(2)	-	3	101	(20)	-	-	(82)	-
<b>Total</b>	(880)	(7,621)	5,572	2,762	(19)	-	-	(76)	(262)

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**Consolidated and Separate**  
**As of 30 June 2023**

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

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

	30.06.2023								Group
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance
<b>Loans and advances to customers</b>									
<b>Stage 1</b>	<b>(236,621)</b>	<b>(75,226)</b>	<b>31,865</b>	<b>(19,413)</b>	<b>26,807</b>	<b>3</b>	<b>6</b>	<b>(531)</b>	<b>(273,110)</b>
General governments	(4,308)	(16)	979	(5,761)	3,852	-	-	(1)	(5,255)
Other financial corporations	(2,438)	(734)	431	(644)	18	-	-	(32)	(3,399)
Non-financial corporations	(120,364)	(47,658)	23,484	(25,780)	17,664	-	-	(427)	(153,081)
Households	(109,511)	(26,818)	6,971	12,772	5,273	3	6	(71)	(111,375)
<b>Stage 2</b>	<b>(1,301,973)</b>	<b>(26,646)</b>	<b>63,062</b>	<b>(29,123)</b>	<b>(134,289)</b>	<b>(1,711)</b>	<b>306</b>	<b>(170)</b>	<b>(1,430,544)</b>
General governments	(7,933)	-	2	7,860	(1,884)	(4,343)	-	-	(6,298)
Other financial corporations	(33,582)	-	2	12,736	(185)	-	-	(59)	(21,088)
Non-financial corporations	(410,438)	(19,763)	29,008	(101,944)	(99,476)	4,393	-	(3)	(598,223)
Households	(850,020)	(6,883)	34,050	52,225	(32,744)	(1,761)	306	(108)	(804,935)
<b>Stage 3</b>	<b>(1,062,712)</b>	<b>-</b>	<b>49,605</b>	<b>52,490</b>	<b>(131,022)</b>	<b>(446)</b>	<b>41,334</b>	<b>(1,502)</b>	<b>(1,052,253)</b>
General governments	(2,824)	-	-	(61)	(606)	-	486	-	(3,005)
Other financial corporations	(8,174)	-	-	(71)	(34)	-	8,040	-	(239)
Non-financial corporations	(288,961)	-	29,168	17,704	(18,260)	3	8,087	(781)	(253,040)
Households	(762,753)	-	20,437	34,918	(112,122)	(449)	24,721	(721)	(795,969)
<b>POCI</b>	<b>(46,799)</b>	<b>-</b>	<b>973</b>	<b>2,161</b>	<b>-</b>	<b>(52)</b>	<b>1,030</b>	<b>(77)</b>	<b>(42,764)</b>
General governments	(51)	-	-	6	-	-	-	-	(45)
Non-financial corporations	(1,966)	-	55	468	-	(2)	-	1	(1,444)
Households	(44,782)	-	918	1,687	-	(50)	1,030	(78)	(41,275)
<b>Total</b>	<b>(2,648,105)</b>	<b>(101,872)</b>	<b>145,505</b>	<b>6,115</b>	<b>(238,504)</b>	<b>(2,206)</b>	<b>42,676</b>	<b>(2,280)</b>	<b>(2,798,671)</b>

**Notes to Interim Financial Statements**  
**Consolidated and Separate**  
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**5. Financial assets at amortised cost (continued)**

	31.12.2022								Group
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance
<b>Loans and advances to customers</b>									
<b>Stage 1</b>	<b>(238,303)</b>	<b>(174,402)</b>	<b>63,557</b>	<b>43,236</b>	<b>67,124</b>	<b>18</b>	<b>13</b>	<b>2,136</b>	<b>(236,621)</b>
General governments	(2,775)	(1,239)	179	(666)	192	-	-	1	(4,308)
Other financial corporations	(2,484)	(1,620)	1	1,642	2,569	-	-	(2,546)	(2,438)
Non-financial corporations	(125,615)	(112,405)	52,150	13,990	47,093	-	-	4,423	(120,364)
Households	(107,429)	(59,138)	11,227	28,270	17,270	18	13	258	(109,511)
<b>Stage 2</b>	<b>(965,758)</b>	<b>(47,551)</b>	<b>147,157</b>	<b>51,652</b>	<b>(493,818)</b>	<b>2,389</b>	<b>186</b>	<b>3,770</b>	<b>(1,301,973)</b>
General governments	(9,220)	-	260	1,136	(216)	107	-	-	(7,933)
Other financial corporations	(2,583)	-	-	2,542	(29,305)	-	-	(4,236)	(33,582)
Non-financial corporations	(409,680)	(30,337)	81,921	84,889	(145,512)	177	-	8,104	(410,438)
Households	(544,275)	(17,214)	64,976	(36,915)	(318,785)	2,105	186	(98)	(850,020)
<b>Stage 3</b>	<b>(1,348,009)</b>	<b>-</b>	<b>81,197</b>	<b>39,165</b>	<b>(235,907)</b>	<b>(1,054)</b>	<b>401,637</b>	<b>259</b>	<b>(1,062,712)</b>
General governments	(8,908)	-	2,224	860	-	-	3,000	-	(2,824)
Other financial corporations	(8,141)	-	-	(34)	-	-	-	1	(8,174)
Non-financial corporations	(582,485)	-	34,852	29,963	(85,711)	(159)	314,588	(9)	(288,961)
Households	(748,475)	-	44,121	8,376	(150,196)	(895)	84,049	267	(762,753)
<b>POCI</b>	<b>(65,674)</b>	<b>-</b>	<b>2,538</b>	<b>14,915</b>	<b>-</b>	<b>(521)</b>	<b>2,054</b>	<b>(111)</b>	<b>(46,799)</b>
General governments	(2,161)	-	-	2,240	-	-	-	(130)	(51)
Non-financial corporations	(10,985)	-	491	8,438	-	16	31	43	(1,966)
Households	(52,528)	-	2,047	4,237	-	(537)	2,023	(24)	(44,782)
<b>Total</b>	<b>(2,617,744)</b>	<b>(221,953)</b>	<b>294,449</b>	<b>148,968</b>	<b>(662,601)</b>	<b>832</b>	<b>403,890</b>	<b>6,054</b>	<b>(2,648,105)</b>

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

											30.06.2023	Bank
in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount	
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total		
	<b>Debt securities</b>	<b>15,033,180</b>	<b>30,052</b>	-	-	<b>15,063,232</b>	<b>(14,779)</b>	<b>(179)</b>	-	-		<b>(14,958)</b>
General governments	15,033,180	30,052	-	-	15,063,232	(14,779)	(179)	-	-	(14,958)	15,048,275	
<b>Loans and advances to banks</b>	<b>2,865,177</b>	-	<b>66,878</b>	-	<b>2,932,055</b>	<b>(2,555)</b>	-	<b>(66,878)</b>	-	<b>(69,433)</b>	<b>2,862,622</b>	
Central banks	138	-	-	-	138	-	-	-	-	-	138	
Credit institutions	2,865,039	-	66,878	-	2,931,917	(2,555)	-	(66,878)	-	(69,433)	2,862,484	
<b>Loans and advances to customers</b>	<b>42,803,359</b>	<b>12,736,408</b>	<b>1,324,948</b>	<b>243,766</b>	<b>57,108,481</b>	<b>(250,365)</b>	<b>(1,425,277)</b>	<b>(1,015,207)</b>	<b>(42,764)</b>	<b>(2,733,613)</b>	<b>54,374,869</b>	
General governments	4,922,487	236,548	3,941	7,580	5,170,556	(5,255)	(6,298)	(3,005)	(45)	(14,603)	5,155,953	
Other financial corporations	3,859,360	463,740	121	-	4,323,221	(7,487)	(21,059)	(118)	-	(28,664)	4,294,558	
Non-financial corporations	12,660,915	6,075,227	360,496	62,498	19,159,136	(126,822)	(594,018)	(230,861)	(1,444)	(953,145)	18,205,991	
Households	21,360,597	5,960,893	960,390	173,688	28,455,568	(110,801)	(803,902)	(781,223)	(41,275)	(1,737,201)	26,718,367	
<b>Total</b>	<b>60,701,716</b>	<b>12,766,460</b>	<b>1,391,826</b>	<b>243,766</b>	<b>75,103,768</b>	<b>(267,699)</b>	<b>(1,425,456)</b>	<b>(1,082,085)</b>	<b>(42,764)</b>	<b>(2,818,004)</b>	<b>72,285,766</b>	

											31.12.2022	Bank
in RON thousands	Gross carrying amount					Credit loss allowances					Carrying amount	
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total		
<b>Debt securities</b>	<b>15,117,138</b>	<b>30,896</b>	-	-	<b>15,148,034</b>	<b>(14,920)</b>	<b>(239)</b>	-	-	<b>(15,159)</b>	<b>15,132,875</b>	
General governments	15,117,138	30,896	-	-	15,148,034	(14,920)	(239)	-	-	(15,159)	15,132,875	
<b>Loans and advances to banks</b>	<b>158,772</b>	-	<b>66,938</b>	-	<b>225,710</b>	<b>(2,073)</b>	-	<b>(66,938)</b>	-	<b>(69,011)</b>	<b>156,699</b>	
Central banks	831	-	-	-	831	-	-	-	-	-	831	
Credit institutions	157,941	-	66,938	-	224,879	(2,073)	-	(66,938)	-	(69,011)	155,868	
<b>Loans and advances to customers</b>	<b>42,679,881</b>	<b>12,278,394</b>	<b>1,341,422</b>	<b>268,622</b>	<b>56,568,319</b>	<b>(217,828)</b>	<b>(1,296,995)</b>	<b>(1,031,430)</b>	<b>(46,799)</b>	<b>(2,593,052)</b>	<b>53,975,267</b>	
General governments	5,717,684	366,079	3,121	8,473	6,095,357	(4,308)	(7,933)	(2,824)	(51)	(15,116)	6,080,241	
Other financial corporations	3,249,116	610,839	8,134	-	3,868,089	(5,779)	(33,565)	(8,131)	-	(47,475)	3,820,614	
Non-financial corporations	12,163,653	4,889,203	418,727	77,152	17,548,735	(98,786)	(406,327)	(274,984)	(1,966)	(782,063)	16,766,672	
Households	21,549,428	6,412,273	911,440	182,997	29,056,138	(108,955)	(849,170)	(745,491)	(44,782)	(1,748,398)	27,307,740	
<b>Total</b>	<b>57,955,791</b>	<b>12,309,290</b>	<b>1,408,360</b>	<b>268,622</b>	<b>71,942,063</b>	<b>(234,821)</b>	<b>(1,297,234)</b>	<b>(1,098,368)</b>	<b>(46,799)</b>	<b>(2,677,222)</b>	<b>69,264,841</b>	

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

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

									30.06.2023	Bank
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance	
<b>Debt securities</b>										
<b>Stage 1</b>	(14,920)	(2,758)	2,749	161	-	-	-	(11)	(14,779)	
General governments	(14,920)	(2,758)	2,749	161	-	-	-	(11)	(14,779)	
<b>Stage 2</b>	(239)	-	-	60	-	-	-	-	(179)	
General governments	(239)	-	-	60	-	-	-	-	(179)	
<b>Total</b>	(15,159)	(2,758)	2,749	221	-	-	-	(11)	(14,958)	

									31.12.2022	Bank
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance	
<b>Debt securities</b>										
<b>Stage 1</b>	(14,865)	(10,125)	8,314	1,746	10	-	-	-	(14,920)	
General governments	(14,865)	(10,125)	8,314	1,746	10	-	-	-	(14,920)	
<b>Stage 2</b>	-	-	-	-	(239)	-	-	-	(239)	
General governments	-	-	-	-	(239)	-	-	-	(239)	
<b>Total</b>	(14,865)	(10,125)	8,314	1,746	(229)	-	-	-	(15,159)	



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

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

									30.06.2023	Bank
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance	
<b>Loans and advances to banks</b>										
<b>Stage 1</b>	(2,073)	(10,890)	10,328	72	-	-	-	8	(2,555)	
Credit institutions	(2,073)	(10,890)	10,328	72	-	-	-	8	(2,555)	
<b>Stage 2</b>	-	(15)	15	5	-	-	-	(5)	-	
Credit institutions	-	(15)	15	5	-	-	-	(5)	-	
<b>Stage 3</b>	(66,938)	-	-	60	-	-	-	-	(66,878)	
Credit institutions	(66,938)	-	-	60	-	-	-	-	(66,878)	
<b>Total</b>	<b>(69,011)</b>	<b>(10,905)</b>	<b>10,343</b>	<b>137</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>(69,433)</b>	

									31.12.2022	Bank
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance	
<b>Loans and advances to banks</b>										
<b>Stage 1</b>	(878)	(7,622)	5,569	851	1	-	-	6	(2,073)	
Central banks	(657)	-	-	657	-	-	-	-	-	
Credit institutions	(221)	(7,622)	5,569	194	1	-	-	6	(2,073)	
<b>Stage 2</b>	(165)	-	3	264	(20)	-	-	(82)	-	
Credit institutions	(165)	-	3	264	(20)	-	-	(82)	-	
<b>Stage 3</b>	(68,336)	-	5,130	(3,732)	-	-	-	-	(66,938)	
Credit institutions	(68,336)	-	5,130	(3,732)	-	-	-	-	(66,938)	
<b>Total</b>	<b>(69,379)</b>	<b>(7,622)</b>	<b>10,702</b>	<b>(2,617)</b>	<b>(19)</b>	<b>-</b>	<b>-</b>	<b>(76)</b>	<b>(69,011)</b>	

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

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

	30.06.2023								Bank
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance
<b>Loans and advances to customers</b>									
<b>Stage 1</b>	<b>(217,828)</b>	<b>(66,834)</b>	<b>31,577</b>	<b>(22,988)</b>	<b>26,066</b>	<b>-</b>	<b>6</b>	<b>(364)</b>	<b>(250,365)</b>
General governments	(4,308)	(16)	979	(5,761)	3,852	-	-	(1)	(5,255)
Other financial corporations	(5,779)	(679)	431	(1,444)	16	-	-	(32)	(7,487)
Non-financial corporations	(98,786)	(39,538)	23,252	(28,424)	16,945	-	-	(271)	(126,822)
Households	(108,955)	(26,601)	6,915	12,641	5,253	-	6	(60)	(110,801)
<b>Stage 2</b>	<b>(1,296,995)</b>	<b>(26,400)</b>	<b>62,637</b>	<b>(30,617)</b>	<b>(131,806)</b>	<b>(1,714)</b>	<b>306</b>	<b>(688)</b>	<b>(1,425,277)</b>
General governments	(7,933)	-	2	7,860	(1,884)	(4,343)	-	-	(6,298)
Other financial corporations	(33,565)	-	2	12,734	(171)	-	-	(59)	(21,059)
Non-financial corporations	(406,327)	(19,517)	28,594	(103,434)	(97,497)	4,393	-	(230)	(594,018)
Households	(849,170)	(6,883)	34,039	52,223	(32,254)	(1,764)	306	(399)	(803,902)
<b>Stage 3</b>	<b>(1,031,430)</b>	<b>-</b>	<b>49,598</b>	<b>59,770</b>	<b>(127,299)</b>	<b>(446)</b>	<b>35,094</b>	<b>(494)</b>	<b>(1,015,207)</b>
General governments	(2,824)	-	-	(61)	(606)	-	486	-	(3,005)
Other financial corporations	(8,131)	-	-	(27)	-	-	8,040	-	(118)
Non-financial corporations	(274,984)	-	29,168	26,330	(14,674)	3	3,212	84	(230,861)
Households	(745,491)	-	20,430	33,528	(112,019)	(449)	23,356	(578)	(781,223)
<b>POCI</b>	<b>(46,799)</b>	<b>-</b>	<b>973</b>	<b>2,161</b>	<b>-</b>	<b>(52)</b>	<b>1,030</b>	<b>(77)</b>	<b>(42,764)</b>
General governments	(51)	-	-	6	-	-	-	-	(45)
Non-financial corporations	(1,966)	-	55	468	-	(2)	-	1	(1,444)
Households	(44,782)	-	918	1,687	-	(50)	1,030	(78)	(41,275)
<b>Total</b>	<b>(2,593,052)</b>	<b>(93,234)</b>	<b>144,785</b>	<b>8,326</b>	<b>(233,039)</b>	<b>(2,212)</b>	<b>36,436</b>	<b>(1,623)</b>	<b>(2,733,613)</b>

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

	31.12.2022								Bank
in RON thousands	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between Stage 1 and Stages 2/3	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Exchange-rate and other changes (+/-)	Closing balance
<b>Loans and advances to customers</b>									
<b>Stage 1</b>	<b>(223,947)</b>	<b>(159,672)</b>	<b>62,904</b>	<b>37,885</b>	<b>65,345</b>	<b>-</b>	<b>13</b>	<b>(356)</b>	<b>(217,828)</b>
General governments	(2,775)	(1,239)	179	(666)	192	-	-	1	(4,308)
Other financial corporations	(7,410)	(1,420)	1	3,039	2,557	-	-	(2,546)	(5,779)
Non-financial corporations	(107,419)	(98,466)	51,865	7,438	45,681	-	-	2,115	(98,786)
Households	(106,343)	(58,547)	10,859	28,074	16,915	-	13	74	(108,955)
<b>Stage 2</b>	<b>(958,529)</b>	<b>(47,413)</b>	<b>145,143</b>	<b>49,841</b>	<b>(487,965)</b>	<b>2,400</b>	<b>186</b>	<b>(658)</b>	<b>(1,296,995)</b>
General governments	(9,219)	-	260	1,135	(216)	107	-	-	(7,933)
Other financial corporations	(2,500)	-	-	2,456	(29,285)	-	-	(4,236)	(33,565)
Non-financial corporations	(405,208)	(30,235)	81,609	83,642	(140,299)	177	-	3,987	(406,327)
Households	(541,602)	(17,178)	63,274	(37,392)	(318,165)	2,116	186	(409)	(849,170)
<b>Stage 3</b>	<b>(1,299,068)</b>	<b>-</b>	<b>79,087</b>	<b>52,175</b>	<b>(234,980)</b>	<b>(998)</b>	<b>378,061</b>	<b>(5,707)</b>	<b>(1,031,430)</b>
General governments	(8,908)	-	2,224	860	-	-	3,000	-	(2,824)
Other financial corporations	(8,141)	-	-	9	-	-	-	1	(8,131)
Non-financial corporations	(559,838)	-	34,848	44,766	(84,864)	(159)	296,067	(5,804)	(274,984)
Households	(722,181)	-	42,015	6,540	(150,116)	(839)	78,994	96	(745,491)
<b>POCI</b>	<b>(65,674)</b>	<b>-</b>	<b>2,538</b>	<b>14,915</b>	<b>-</b>	<b>(521)</b>	<b>2,054</b>	<b>(111)</b>	<b>(46,799)</b>
General governments	(2,161)	-	-	2,240	-	-	-	(130)	(51)
Non-financial corporations	(10,985)	-	491	8,438	-	16	31	43	(1,966)
Households	(52,528)	-	2,047	4,237	-	(537)	2,023	(24)	(44,782)
<b>Total</b>	<b>(2,547,218)</b>	<b>(207,085)</b>	<b>289,672</b>	<b>154,816</b>	<b>(657,600)</b>	<b>881</b>	<b>380,314</b>	<b>(6,832)</b>	<b>(2,593,052)</b>

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#### 6. Deposits from banks

in RON thousands	Group		Bank	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
Current accounts / overnight deposits	428,659	437,342	426,900	470,760
Term deposits from other banks	621,056	1,462,256	232,281	1,006,657
Repurchase agreements	115,725	179,796	822,003	837,808
<b>Total</b>	<b>1,165,440</b>	<b>2,079,394</b>	<b>1,481,184</b>	<b>2,315,225</b>

#### 7. Deposits from customers

in RON thousands	Group		Bank	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
Overnight deposits	43,497,522	47,891,724	43,536,366	47,937,741
Savings deposits	2,448,177	2,407,488	2,447,037	2,406,733
Other financial corporations	17,938	20,509	17,938	20,509
Non-financial corporations	509,423	480,314	509,423	480,314
Households	1,920,816	1,906,665	1,919,676	1,905,910
Recoveries on written-off loans and sale of loans	41,049,345	45,484,236	41,089,329	45,531,008
General governments	4,663,095	4,861,448	4,663,095	4,861,448
Other financial corporations	1,833,090	1,252,891	1,839,327	1,289,551
Non-financial corporations	13,240,446	14,959,028	13,264,977	14,969,141
Households	21,312,714	24,410,869	21,321,930	24,410,868
Term deposits	35,247,335	27,696,813	35,156,538	27,671,312
Savings deposits	466,535	411,135	207,254	196,964
Households	466,535	411,135	207,254	196,964
Non-savings deposits	34,780,800	27,285,678	34,949,284	27,474,348
General governments	4,136,290	4,111,924	4,136,290	4,111,924
Other financial corporations	1,905,918	2,447,717	1,974,084	2,524,424
Non-financial corporations	12,215,334	8,731,637	12,324,868	8,843,599
Households	16,523,258	11,984,400	16,514,042	11,994,401
<b>Deposits from customers</b>	<b>78,744,857</b>	<b>75,588,537</b>	<b>78,692,904</b>	<b>75,609,053</b>
General governments	8,799,385	8,973,372	8,799,385	8,973,372
Other financial corporations	3,756,946	3,721,117	3,831,349	3,834,484
Non-financial corporations	25,965,203	24,170,979	26,099,268	24,293,054
Households	40,223,323	38,723,069	39,962,902	38,508,143

#### 8. Debt securities issued

in RON thousands	Group		Bank	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
Subordinated debt securities issued	1,249,036	1,243,102	1,249,036	1,243,102
Senior non-preferred bonds	7,161,318	3,675,893	7,161,318	3,675,893
Other debt securities issued	609,605	505,411	609,605	505,411
<b>Other debt securities issued</b>	<b>9,019,959</b>	<b>5,424,406</b>	<b>9,019,959</b>	<b>5,424,406</b>

During 2023 the Bank issued bonds in amount of USD 20,000,000 and EUR 700,000,000 in accordance with the approved strategy.

#### 9. Provisions

in RON thousands	Group		Bank	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
Long-term employee provisions	63,575	60,012	63,575	60,012
Pending legal issues	394,548	422,730	377,956	407,084
Commitments and guarantees given	292,819	304,347	291,033	305,793
Provisions for commitments and financial guarantees in Stage 1	46,239	38,812	43,468	38,305
Provisions for commitments and financial guarantees in Stage 2	217,322	231,653	218,287	233,586
Provisions for commitments and financial guarantees - Defaulted	29,258	33,882	29,278	33,902
Provisions for commitments and financial guarantees in Stage 3	25,593	26,168	25,613	26,188
Provisions for commitments and financial guarantees - POCI	3,665	7,714	3,665	7,714
Other provisions	224,223	213,418	113,825	112,642
<b>Total</b>	<b>975,165</b>	<b>1,000,507</b>	<b>846,389</b>	<b>885,531</b>

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#### 10. Net interest income

in RON thousands	Group		Bank	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
<b>Interest and other similar income</b>				
Financial assets at amortised cost	2,645,068	1,567,116	2,618,981	1,534,213
Financial assets measured at fair value through other comprehensive income	197,840	106,427	191,765	102,285
<b>Interest income</b>	<b>2,842,908</b>	<b>1,673,543</b>	<b>2,810,746</b>	<b>1,636,498</b>
Other assets and negative interest from financial liabilities	61,464	33,345	969	1,649
<b>Other similar income</b>	<b>61,464</b>	<b>33,345</b>	<b>969</b>	<b>1,649</b>
<b>Total interest and other similar income</b>	<b>2,904,372</b>	<b>1,706,888</b>	<b>2,811,715</b>	<b>1,638,147</b>
<b>Interest and other similar expense</b>				
Financial liabilities measured at amortised cost	(1,122,817)	(332,795)	(1,127,280)	(339,566)
<b>Interest expenses</b>	<b>(1,122,817)</b>	<b>(332,795)</b>	<b>(1,127,280)</b>	<b>(339,566)</b>
Other liabilities	(11,457)	(8,852)	(11,334)	(8,742)
Negative Interest from financial assets	(8)	(2,767)	(8)	(2,767)
<b>Other similar expenses</b>	<b>(11,465)</b>	<b>(11,619)</b>	<b>(11,342)</b>	<b>(11,509)</b>
<b>Total Interest and other similar expense</b>	<b>(1,134,282)</b>	<b>(344,414)</b>	<b>(1,138,622)</b>	<b>(351,075)</b>
<b>Net interest income</b>	<b>1,770,090</b>	<b>1,362,474</b>	<b>1,673,093</b>	<b>1,287,072</b>
<b>Thereof: interest-income on credit impaired financial assets</b>	<b>25,098</b>	<b>18,878</b>	<b>20,221</b>	<b>14,942</b>

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

#### 11. Net fees and commissions income

in RON thousands	Group				Bank			
	30.06.2023		30.06.2022		30.06.2023		30.06.2022	
	Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses
Securities	28,217	(2,447)	37,959	(5,061)	28,217	(2,447)	37,959	(5,061)
Transfer orders	28,217	(2,447)	37,959	(5,061)	28,217	(2,447)	37,959	(5,061)
Clearing and settlement	4,364	(2,174)	4,518	(10,221)	4,368	(2,061)	4,529	(10,171)
Asset management	15,149	-	19,274	-	-	-	-	-
Custody	9,683	(2,780)	9,240	(2,692)	9,683	(1,434)	9,240	(1,505)
Payment services	374,131	(109,657)	357,715	(95,376)	371,203	(107,971)	354,851	(94,024)
Card business	152,777	(72,966)	125,594	(69,106)	151,032	(71,614)	123,822	(68,170)
Other	221,354	(36,691)	232,121	(26,270)	220,171	(36,357)	231,029	(25,854)
Customer resources distributed but not managed	69,511	(2,810)	93,816	(1,925)	63,123	(2,810)	89,643	(1,925)
Collective investment	15,693	-	23,242	-	15,693	-	23,242	-
Insurance products	52,866	(50)	49,994	-	44,871	(50)	44,458	-
Foreign exchange transactions	-	(2,760)	19,893	(1,925)	-	(2,760)	19,894	(1,925)
Other	952	-	687	-	2,559	-	2,049	-
Structured finance	1,051	-	1,407	-	1,051	-	1,407	-
Lending business	69,331	(7,468)	38,486	(17,893)	69,145	(6,880)	38,213	(16,792)
Guarantees given, guarantees received	15,183	(170)	12,841	(405)	15,103	(39)	12,747	(10)
Loan commitments given, loan commitments received	15,612	-	11,753	-	15,617	-	11,753	-
Other lending business	38,536	(7,298)	13,892	(17,488)	38,425	(6,841)	13,713	(16,782)
Other	6,882	(1,433)	23,490	(1,404)	4,436	(340)	21,239	(333)
<b>Net fee and commission income</b>	<b>578,319</b>	<b>(128,769)</b>	<b>585,905</b>	<b>(134,572)</b>	<b>551,226</b>	<b>(123,943)</b>	<b>557,081</b>	<b>(129,811)</b>

#### 12. Net trading result

in RON thousands	Group		Bank	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Securities and derivatives trading	75,142	89,673	75,142	89,673
Foreign exchange transactions	209,031	210,086	200,190	200,346
<b>Net Trading Result</b>	<b>284,173</b>	<b>299,759</b>	<b>275,332</b>	<b>290,019</b>

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**13. General administrative expenses**

in RON thousands	Group		Bank	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
<b>Personnel expenses</b>	<b>(541,068)</b>	<b>(415,687)</b>	<b>(499,614)</b>	<b>(384,756)</b>
Wages and salaries	(502,126)	(395,336)	(464,049)	(365,826)
Compulsory social security	(14,715)	(11,613)	(12,260)	(9,924)
Long-term employee provisions	(2,276)	(2,357)	(2,276)	(2,357)
Other personnel expenses	(21,951)	(6,381)	(21,029)	(6,649)
<b>Other administrative expenses</b>	<b>(345,249)</b>	<b>(359,063)</b>	<b>(335,836)</b>	<b>(352,904)</b>
Deposit insurance contribution	(23,069)	(45,890)	(20,152)	(44,927)
IT expenses	(150,345)	(145,367)	(146,068)	(142,415)
Expenses for office space	(49,980)	(49,849)	(48,570)	(48,755)
Office operating expenses	(73,881)	(70,211)	(76,855)	(72,842)
Advertising/marketing	(21,747)	(23,906)	(21,055)	(23,308)
Legal and consulting costs	(11,744)	(14,886)	(10,051)	(12,985)
Sundry administrative expenses	(14,483)	(8,954)	(13,085)	(7,672)
<b>Depreciation and amortisation</b>	<b>(120,846)</b>	<b>(126,669)</b>	<b>(105,380)</b>	<b>(100,463)</b>
Software and other intangible assets	(30,404)	(34,761)	(28,566)	(33,186)
Owner occupied real estate	(44,541)	(43,079)	(43,392)	(41,354)
Investment properties	(2,758)	(2,694)	(2,758)	(2,694)
Office furniture and equipment and sundry property and equipment	(43,143)	(46,135)	(30,664)	(23,229)
<b>General administrative expenses</b>	<b>(1,007,163)</b>	<b>(901,419)</b>	<b>(940,830)</b>	<b>(838,123)</b>

The Group number of employees at 30 June 2022 was 5,505 (31 December 2022: 5,430).

**14. Net impairment loss on financial instruments**

in RON thousands	Group		Bank	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Financial assets at fair value through other comprehensive income	(2,236)	(3,034)	(1,632)	(802)
Financial assets at amortised cost	(130,541)	(146,869)	(118,251)	(152,186)
Net allocation to risk provisions	(147,834)	(175,731)	(125,808)	(161,404)
Direct write-offs	(3,478)	(4,742)	(3,478)	(4,742)
Recoveries recorded directly to the income statement	18,560	35,066	8,823	15,422
Modification gains or losses	2,211	(1,462)	2,212	(1,462)
Finance leases	(7,420)	(12,498)	428	510
Net allocation of provisions for commitments and guarantees given	12,122	(47,027)	15,188	(48,705)
<b>Net impairment loss on financial instruments</b>	<b>(128,075)</b>	<b>(209,428)</b>	<b>(104,267)</b>	<b>(201,183)</b>

Impairment result from financial instruments recorded a net allocation of RON 128.1 million in H1 2023, as compared to a net allocation of RON 209.4 million in H1 2022.

This result has been mainly influenced by :

- Updated risk parameters estimates (PDs) due to re-calibration of the macroeconomic model for the Standard Corporate portfolio (resulted in a net allocation of RON 125.1 million in June 2023);
- The PDs with updated forward looking information (FLI) have not been applied yet in credit loss allowance calculation in H1 2023 (they will be applied in H2 2023), comparing to 2022 when they were applied in H1 2022 (resulting in a net allocation of RON 46.2 million).

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#### 15. Other operating results

in RON thousands	Group		Bank	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
<b>Other income, of which:</b>	<b>125,291</b>	<b>549,687</b>	<b>115,298</b>	<b>438,366</b>
Other provisions - release	72,072	405,918	71,600	383,414
Gains on other assets	34,968	90,364	26,014	31,026
Other income	18,251	53,405	17,684	23,926
<b>Other expense, of which:</b>	<b>(218,072)</b>	<b>(365,481)</b>	<b>(183,040)</b>	<b>(271,342)</b>
Other provisions - allocation	(43,675)	(93,149)	(42,259)	(91,316)
Losses on other assets	(30,523)	(83,144)	(21,995)	(23,830)
Impairment of tangible and intangible assets	(6,949)	(3,202)	6,875	(3,214)
Recovery and resolution fund	(47,095)	(58,180)	(46,815)	(57,877)
Other taxes	(10,027)	(18,293)	(8,076)	(16,308)
Other expenses	(78,803)	(109,513)	(70,770)	(78,997)
<b>Total</b>	<b>(92,781)</b>	<b>184,206</b>	<b>(67,742)</b>	<b>167,024</b>

#### 16. Taxes on income

in RON thousands	Group		Bank	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
<b>Current tax expense/income</b>	<b>183,772</b>	<b>152,738</b>	<b>179,549</b>	<b>141,367</b>
Current period	183,772	152,738	179,549	141,367
<b>Deferred tax expense/income</b>	<b>14,249</b>	<b>48,066</b>	<b>15,672</b>	<b>47,350</b>
Current period	14,249	48,066	15,672	47,350
<b>Taxes on income</b>	<b>198,021</b>	<b>200,804</b>	<b>195,221</b>	<b>188,717</b>

in RON thousands	Group		Bank	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
<b>Pre-tax profit/(loss)</b>	<b>1,308,854</b>	<b>1,242,885</b>	<b>1,334,710</b>	<b>1,162,818</b>
Income tax expense for the financial year at the domestic statutory tax rate (16%)	(209,417)	(198,862)	(213,554)	(186,051)
Impact of tax-exempt earnings of investments and other tax-exempt income	129,842	188,671	128,560	107,828
Tax increases due to non-deductible expenses, additional business tax and similar elements	(118,446)	(190,613)	(110,227)	(110,494)
<b>Income tax (expense) / release reported in the income statement</b>	<b>(198,021)</b>	<b>(200,804)</b>	<b>(195,221)</b>	<b>(188,717)</b>

<b>The effective tax rate</b>	<b>15.13%</b>	<b>16.16%</b>	<b>14.63%</b>	<b>16.23%</b>
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#### 17. Dividends paid

Following the Decision of the Ordinary General Meeting of shareholders, BCR distributed for financial year 2022: dividends related to AT1 instruments in amount of EUR 8,940,740 and dividends related to ordinary shares in amount of RON 1,145,561,239.

#### 18. Segment reporting

An operating segment is a component of the Group:

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

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

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

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

## Notes to Interim Financial Statements

### Consolidated and Separate

### As of 30 June 2023

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#### 18. Segment reporting (continued)

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

##### A. Retail

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

##### B. Corporate

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

The main Corporate segments are:

##### a. Small and Medium Enterprises (SME), comprising:

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

##### b. Public Sector (PS):

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

Public sector includes the following institutions:

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

Public Corporations include:

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

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

- Central authorities of churches (archbishops, bishops, patriarchs, etc.);
- Country-wide labour unions;
- Political parties;
- Social Banking Customers who have social impact.



## Notes to Interim Financial Statements

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#### 18. Segment reporting (continued)

##### c. Local Large Corporates (LLC)

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

##### d. Commercial Real Estate (CRE)

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

Other banking segments:

##### C. ALM & Local Corporate Center:

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

##### D. Group Markets:

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

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

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

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

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

In order to split the Group results on business lines the following subsidiaries are allocated entirely on Retail segment: BCR Pensii SAFPP, Banca pentru Locuinte, Suport Colect and some of the consolidation adjustments; BCR Chisinau is allocated on Corporate segment; starting 2023, BCR Leasing is mainly allocated on Retail and Corporate segments in accordance with clients' profit centers. Intragroup eliminations and the rest of the consolidation adjustments are allocated on Corporate Center.

In geographical segmentation Erste Group shows BCR entirely under geographical area Romania. Furthermore, the only business done outside Romania is performed by BCR Chisinau, but the contribution to Balance Sheet and P&L is not material. There is no other geographical steering information used by BCR management.

## Notes to Interim Financial Statements

### Consolidated and Separate

### As of 30 June 2023

#### 18. Segment reporting (continued)

Throughout the following tables related to Segment Reporting the net trading result includes the following positions presented in the statement of income:

- Net trading result;
- Result from financial assets and liabilities designated at fair value through profit or loss;
- Foreign currency translation.

Statement of income	Group	Retail	Corporates	ALM & Local Corporate Center	GM
<b>in RON thousands</b>					
<b>30.06.2023</b>					
Net interest income	1,770,090	985,388	560,236	223,335	1,131
Net fee and commission income	449,550	289,578	145,733	(6,109)	20,348
Dividend income	5,102	-	86	5,016	-
Net trading result	284,173	77,350	76,259	22,528	108,036
Gains/(losses) from non-trading financial instruments mandatorily measured at fair value through profit or loss	3,216	(883)	-	4,099	-
Net result from equity method investments	2,354	-	-	2,354	-
Rental income from investment properties and other operating leases	22,388	-	18,147	4,241	-
General administrative expenses	(1,007,163)	(758,070)	(203,566)	(24,192)	(21,335)
Net impairment loss on financial instruments	(128,075)	(74,287)	(54,830)	1,243	(201)
Other operating result	(92,781)	1,956	(17,513)	(74,336)	(2,888)
<b>Profit before tax</b>	<b>1,308,854</b>	<b>521,032</b>	<b>524,552</b>	<b>158,179</b>	<b>105,091</b>
Taxes on income	(198,021)	(83,271)	(83,096)	(14,840)	(16,814)
<b>Net result for the period</b>	<b>1,110,833</b>	<b>437,761</b>	<b>441,456</b>	<b>143,339</b>	<b>88,277</b>
Attributable to non-controlling interests	7	-	-	7	-
<b>Attributable to owners of the parent</b>	<b>1,110,826</b>	<b>437,761</b>	<b>441,456</b>	<b>143,332</b>	<b>88,277</b>
Operating income	2,536,873	1,351,433	800,461	255,464	129,515
Operating expenses	(1,007,163)	(758,070)	(203,566)	(24,192)	(21,335)
<b>Operating result</b>	<b>1,529,710</b>	<b>593,363</b>	<b>596,895</b>	<b>231,272</b>	<b>108,180</b>
<b>Cost income ratio</b>	<b>39.7%</b>	<b>56.1%</b>	<b>25.4%</b>	<b>9.5%</b>	<b>16.5%</b>

Statement of income*	Group	Retail	Corporates	ALM & Local Corporate Center	GM
<b>in RON thousands</b>					
<b>30.06.2022</b>					
Net interest income	1,362,474	873,201	380,823	87,908	20,542
Net fee and commission income	451,333	305,614	127,528	(7,956)	26,147
Dividend income	2,403	-	58	2,345	-
Net trading result	299,759	96,366	69,685	(7,707)	141,415
Gains/(losses) from non-trading financial instruments mandatorily measured at fair value through profit or loss	2,754	2,807	-	(53)	-
Net result from equity method investments	(120)	-	-	(120)	-
Rental income from investment properties and other operating leases	50,923	-	49,913	1,010	-
General administrative expenses	(901,419)	(689,409)	(163,771)	(31,336)	(16,903)
Net impairment loss on financial instruments	(209,428)	(167,214)	(38,407)	(2,735)	(1,072)
Other operating result	184,206	208,335	38,610	(59,437)	(3,302)
<b>Profit before tax</b>	<b>1,242,885</b>	<b>629,700</b>	<b>464,439</b>	<b>(18,081)</b>	<b>166,827</b>
Taxes on income	(200,804)	(98,304)	(73,520)	(2,287)	(26,692)
<b>Net result for the period</b>	<b>1,042,081</b>	<b>531,396</b>	<b>390,919</b>	<b>(20,368)</b>	<b>140,135</b>
Attributable to non-controlling interests	11	-	-	11	-
<b>Attributable to owners of the parent</b>	<b>1,042,070</b>	<b>531,396</b>	<b>390,919</b>	<b>(20,379)</b>	<b>140,135</b>
Operating income	2,169,526	1,277,988	628,007	75,427	188,104
Operating expenses	(901,419)	(689,409)	(163,771)	(31,336)	(16,903)
<b>Operating result</b>	<b>1,268,107</b>	<b>588,579</b>	<b>464,236</b>	<b>44,091</b>	<b>171,201</b>
<b>Cost income ratio</b>	<b>41.5%</b>	<b>53.9%</b>	<b>26.1%</b>	<b>41.5%</b>	<b>9.0%</b>

\* Comparative figures includes BCR Leasing split on Retail and Corporate segments in accordance with clients' profit centers

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**18. Segment reporting (continued)**

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

Statement of income*	Bank	Retail	Corporates	ALM & Local Corporate Center	GM
<b>in RON thousands</b>					
<b>30.06.2022</b>					
Net interest income	1,287,072	842,063	341,639	82,828	20,542
Net fee and commission income	427,270	285,812	121,870	(6,559)	26,147
Dividend income	25,408	-	-	25,408	-
Net trading result	290,019	96,384	62,533	(10,313)	141,415
Gains/(losses) from non-trading financial instruments mandatorily measured at fair value through profit or loss	2,754	2,807	-	(53)	-
Rental income from investment properties and other operating leases	2,577	-	-	2,577	-
General administrative expenses	(838,123)	(662,157)	(122,358)	(36,705)	(16,903)
Net impairment loss on financial instruments	(201,183)	(169,368)	(31,681)	938	(1,072)
Other operating result	167,024	191,241	39,632	(60,547)	(3,302)
<b>Profit before tax</b>	<b>1,162,818</b>	<b>586,782</b>	<b>411,635</b>	<b>(2,426)</b>	<b>166,827</b>
Profit from discontinued operations net of tax	(188,717)	(93,885)	(65,862)	(2,278)	(26,692)
<b>Net profit of the year</b>	<b>974,101</b>	<b>492,897</b>	<b>345,773</b>	<b>(4,704)</b>	<b>140,135</b>
Operating income	2,035,100	1,227,066	526,042	93,888	188,104
Operating expenses	(838,123)	(662,157)	(122,358)	(36,705)	(16,903)
<b>Operating result</b>	<b>1,196,977</b>	<b>564,909</b>	<b>403,684</b>	<b>57,183</b>	<b>171,201</b>
<b>Cost income ratio</b>	<b>41.2%</b>	<b>54.0%</b>	<b>23.3%</b>	<b>39.1%</b>	<b>9.0%</b>

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**18. Segment reporting (continued)**

						30.06.2023
in RON thousands	Group	Retail	Corporates	ALM & Local Corporate Center	GM	
<b>Assets</b>						
Cash and cash balances	16,777,148	3,477,647	243,847	13,055,654	-	-
Financial assets held for trading	372,560	-	-	37,421	335,139	-
Derivatives financial instruments	197,172	-	-	37,421	159,751	-
Other financial assets held for trading	175,388	-	-	-	175,388	-
Non-trading financial assets mandatorily at fair value through profit or loss	69,809	28,497	253	41,059	-	-
Equity instruments	51,293	28,497	253	22,543	-	-
Debt securities	18,516	-	-	18,516	-	-
Financial assets at fair value through other comprehensive income	11,310,937	-	80,728	11,230,209	-	-
Debt securities	11,310,937	-	80,728	11,230,209	-	-
Financial assets at amortised cost	70,786,805	29,290,153	24,715,960	15,656,666	1,124,026	-
Debt securities	15,165,005	116,730	265,761	14,782,514	-	-
Loans and advances to credit institutions	2,825,429	875,726	373	1,109,283	840,047	-
Loans and advances with customers	52,796,371	28,297,697	24,449,826	(235,131)	283,979	-
Finance lease receivables	1,945,134	-	791,465	1,153,669	-	-
Property and equipment	1,003,748	2,247	188,290	813,211	-	-
Investment property	136,000	-	-	136,000	-	-
Intangible assets	410,656	5,256	759	404,641	-	-
Investments in joint ventures and associates	26,226	-	-	26,226	-	-
Current tax assets	225,647	2,862	16	222,769	-	-
Deferred tax assets	153,346	-	53	153,293	-	-
Assets held for sale	736,064	-	-	736,064	-	-
Trade and other receivables	827,141	13,158	499,487	234,237	80,259	-
Other assets	290,998	56,838	14,039	219,719	402	-
<b>Total assets</b>	<b>105,072,219</b>	<b>32,876,658</b>	<b>26,534,897</b>	<b>44,120,838</b>	<b>1,539,826</b>	<b>-</b>
<b>Liabilities and Equity</b>						
Financial liabilities held for trading	167,437	-	-	21,315	146,122	-
Derivatives financial instruments	167,437	-	-	21,315	146,122	-
Financial liabilities measured at amortised cost	90,884,579	46,999,465	33,441,232	6,378,577	4,065,305	-
Deposits by banks	1,165,440	1,286,243	2,604,542	(3,211,316)	485,971	-
Deposits by customers	78,744,857	45,039,812	30,767,171	(396,221)	3,334,095	-
Debt securities issued	9,019,959	-	-	9,019,959	-	-
Other financial liabilities	1,954,323	673,410	69,519	966,155	245,239	-
Lease liabilities	444,108	-	-	444,108	-	-
Provisions	975,165	415,991	323,896	230,812	4,466	-
Current tax liabilities	117,182	667	2,273	114,242	-	-
Deferred tax liabilities	19,928	-	-	19,928	-	-
Liabilities associated with assets held for sale	516,188	-	-	516,188	-	-
Other liabilities	824,963	405,839	45,837	370,180	3,107	-
<b>Total equity</b>	<b>11,122,669</b>	<b>2,501,386</b>	<b>2,959,817</b>	<b>5,514,212</b>	<b>147,254</b>	<b>-</b>
<b>Total liabilities and equity</b>	<b>105,072,219</b>	<b>50,323,348</b>	<b>36,773,055</b>	<b>13,609,562</b>	<b>4,366,254</b>	<b>-</b>

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**18. Segment reporting (continued)**

31.12.2022

in RON thousands*	Group	Retail	Corporates	ALM & Local Corporate Center	GM
<b>Assets</b>					
Cash and cash balances	15,224,576	4,317,629	347,953	10,558,994	-
Financial assets held for trading	177,242	-	-	6,803	170,439
Derivatives financial instruments	177,213	-	-	6,803	170,410
Other financial assets held for trading	29	-	-	-	29
Non-trading financial assets mandatorily at fair value through profit or loss	67,179	29,880	247	37,052	-
Equity instruments	50,851	29,880	247	20,724	-
Debt securities	16,328	-	-	16,328	-
Financial assets at fair value through other comprehensive income	9,664,296	-	66,286	9,598,010	-
Debt securities	9,664,296	-	66,286	9,598,010	-
Financial assets at amortised cost	68,046,211	29,511,204	23,425,788	13,876,353	1,232,866
Debt securities	15,215,719	82,844	227,908	14,904,967	-
Loans and advances to credit institutions	148,344	850,846	-	(791,622)	89,120
Loans and advances with customers	52,682,148	28,577,514	23,197,880	(236,992)	1,143,746
Finance lease receivables	1,745,363	635,406	1,175,769	(65,812)	-
Property and equipment	1,029,207	4,603	210,588	814,016	-
Investment property	148,543	-	-	148,543	-
Intangible assets	394,847	5,136	862	388,849	-
Investments in joint ventures and associates	43,336	-	-	43,336	-
Current tax assets	222,026	2,862	4,550	214,614	-
Deferred tax assets	197,778	1	169	197,608	-
Assets held for sale	749,318	-	-	749,318	-
Trade and other receivables	901,025	15,415	496,693	300,235	88,682
Other assets	239,113	55,033	12,206	171,556	318
<b>Total assets</b>	<b>98,850,060</b>	<b>34,577,169</b>	<b>25,741,111</b>	<b>37,039,475</b>	<b>1,492,305</b>

in RON thousands	Group	Retail	Corporates	ALM & Local Corporate Center	GM
<b>Liabilities and Equity</b>					
Financial liabilities held for trading	163,579	-	-	11,731	151,848
Derivatives financial instruments	163,579	-	-	11,731	151,848
Financial liabilities measured at amortised cost	84,713,627	45,067,688	31,157,425	3,739,148	4,749,366
Deposits by banks	2,079,394	1,178,127	2,243,170	(2,570,456)	1,228,553
Deposits by customers	75,588,537	43,753,607	28,847,438	(443,812)	3,431,304
Debt securities issued	5,424,406	-	-	5,424,406	-
Other financial liabilities	1,621,290	135,954	66,817	1,329,010	89,509
Lease liabilities	444,486	4,429	68,959	371,098	-
Provisions	1,000,507	437,485	341,075	219,155	2,792
Current tax liabilities	75,162	144	6,629	68,389	-
Deferred tax liabilities	19,443	17,402	2,041	-	-
Liabilities associated with assets held for sale	568,508	-	-	568,508	-
Other liabilities	809,949	406,444	39,327	361,205	2,973
<b>Total equity</b>	<b>11,054,799</b>	<b>2,907,030</b>	<b>3,146,020</b>	<b>4,876,320</b>	<b>125,429</b>
<b>Total liabilities and equity</b>	<b>98,850,060</b>	<b>48,840,622</b>	<b>34,761,476</b>	<b>10,215,554</b>	<b>5,032,408</b>

\* Comparative figures includes BCR Leasing split on Retail and Corporate segments in accordance with clients' profit centers

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**18. Segment reporting (continued)**

30.06.2023

in RON thousands	Bank	Retail	Corporates	ALM & Local Corporate Center	GM
<b>Assets</b>					
Cash and cash balances	16,730,701	3,424,872	-	13,305,829	-
Financial assets held for trading	372,560	-	-	37,422	335,138
Derivatives financial instruments	197,172	-	-	37,421	159,751
Other financial assets held for trading	175,388	-	-	1	175,387
Non-trading financial assets mandatorily at fair value through profit or loss	69,809	28,497	-	41,312	-
Equity instruments	51,293	28,497	-	22,796	-
Debt securities	18,516	-	-	18,516	-
Financial assets at fair value through other comprehensive income	11,310,937	-	5,141	11,305,796	-
Debt securities	11,310,937	-	5,141	11,305,796	-
Financial assets at amortised cost	72,285,766	27,582,804	23,236,688	20,342,248	1,124,026
Debt securities	15,048,275	-	143,434	14,904,841	-
Loans and advances to credit institutions	2,862,622	-	-	2,022,575	840,047
Loans and advances with customers	54,374,869	27,582,804	23,093,254	3,414,832	283,979
Finance lease receivables	7,309	-	-	7,309	-
Property and equipment	818,814	-	-	818,814	-
Investment property	136,000	-	-	136,000	-
Intangible assets	390,722	-	-	390,722	-
Investments in joint ventures and associates	33,470	-	(555,716)	589,186	-
Current tax assets	222,785	-	-	222,785	-
Deferred tax assets	138,167	-	-	138,167	-
Assets held for sale	1,620	-	-	1,620	-
Trade and other receivables	819,241	6,624	491,822	240,536	80,259
Investments in subsidiaries	555,717	-	555,717	-	-
Other assets	187,501	29,358	277	157,464	402
<b>Total assets</b>	<b>104,081,119</b>	<b>31,072,155</b>	<b>23,733,929</b>	<b>47,735,210</b>	<b>1,539,825</b>

in RON thousands	Bank	Retail	Corporates	ALM & Local Corporate Center	GM
<b>Liabilities and Equity</b>					
Financial liabilities held for trading	167,437	-	-	21,315	146,122
Derivatives financial instruments	167,437	-	-	21,315	146,122
Financial liabilities measured at amortised cost	91,127,961	45,446,170	30,367,504	11,248,982	4,065,305
Deposits by banks	1,481,184	34	251	994,928	485,971
Deposits by customers	78,692,904	44,779,391	30,299,508	279,910	3,334,095
Debt securities issued	9,019,959	-	-	9,019,959	-
Other financial liabilities	1,933,914	666,745	67,745	954,185	245,239
Lease liabilities	442,730	-	-	442,730	-
Provisions	846,389	400,638	323,643	117,642	4,466
Current tax liabilities	116,215	-	-	116,215	-
Other liabilities	381,986	3,021	38,240	337,618	3,107
<b>Total equity</b>	<b>10,998,401</b>	<b>2,299,004</b>	<b>2,506,834</b>	<b>6,045,309</b>	<b>147,254</b>
<b>Total liabilities and equity</b>	<b>104,081,119</b>	<b>48,148,833</b>	<b>33,236,221</b>	<b>18,329,811</b>	<b>4,366,254</b>

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18. Segment reporting (continued)

31.12.2022

in RON thousands	Bank	Retail	Corporates	ALM & Local Corporate Center	GM
<b>Assets</b>					
Cash and cash balances	15,224,262	4,279,053	-	10,945,209	-
Financial assets held for trading	177,708	-	-	7,269	170,439
Derivatives financial instruments	177,679	-	-	7,269	170,410
Other financial assets held for trading	29	-	-	-	29
Non-trading financial assets mandatorily at fair value through profit or loss	67,179	29,880	-	37,299	-
Equity instruments	50,851	29,880	-	20,971	-
Debt securities	16,328	-	-	16,328	-
Financial assets at fair value through other comprehensive income	9,664,296	-	5,051	9,659,245	-
Debt securities	9,664,296	-	5,051	9,659,245	-
Financial assets at amortised cost	69,264,841	28,025,738	22,094,991	17,911,246	1,232,866
Debt securities	15,132,875	-	155,854	14,977,021	-
Loans and advances to credit institutions	156,699	-	-	67,579	89,120
Loans and advances with customers	53,975,267	28,025,738	21,939,137	2,866,646	1,143,746
Finance lease receivables	8,405	-	-	8,405	-
Property and equipment	820,797	-	-	820,797	-
Investment property	148,543	-	-	148,543	-
Intangible assets	377,240	-	-	377,240	-
Investments in joint ventures and associates	33,470	-	-	33,470	-
Current tax assets	219,164	-	-	219,164	-
Deferred tax assets	184,550	-	-	184,550	-
Assets held for sale	51,499	-	-	51,499	-
Trade and other receivables	875,813	6,466	473,189	307,476	88,682
Investments in subsidiaries	500,943	-	-	500,943	-
Other assets	137,497	27,609	277	109,293	318
<b>Total assets</b>	<b>97,756,207</b>	<b>32,368,746</b>	<b>22,573,508</b>	<b>41,321,648</b>	<b>1,492,305</b>

in RON thousands	Bank	Retail	Corporates	ALM & Local Corporate Center	GM
<b>Liabilities and Equity</b>					
Financial liabilities held for trading	163,579	-	-	11,731	151,848
Derivatives financial instruments	163,579	-	-	11,731	151,848
Financial liabilities measured at amortised cost	84,930,411	43,672,753	28,396,779	8,111,513	4,749,366
Deposits by banks	2,315,225	34	228	1,086,410	1,228,553
Deposits by customers	75,609,053	43,538,680	28,333,832	305,237	3,431,304
Debt securities issued	5,424,406	-	-	5,424,406	-
Other financial liabilities	1,581,727	134,039	62,719	1,295,460	89,509
Lease liabilities	442,538	-	-	442,538	-
Provisions	885,531	422,557	340,661	119,521	2,792
Current tax liabilities	70,202	-	-	70,202	-
Other liabilities	357,525	2,637	31,108	320,807	2,973
<b>Total equity</b>	<b>10,906,421</b>	<b>2,692,236</b>	<b>2,728,744</b>	<b>5,360,012</b>	<b>125,429</b>
<b>Total liabilities and equity</b>	<b>97,756,207</b>	<b>46,790,183</b>	<b>31,497,292</b>	<b>14,436,324</b>	<b>5,032,408</b>

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#### 19. Related-party transactions and principal shareholders

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

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 30 June 2023 and 31 December 2022 are detailed below. Transactions were entered into with related parties during the course of business at market rates.

##### Transactions with parent

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

##### Transactions with management

The Group entered into a number of banking transactions with the management in the normal course of business.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. This includes the members of the Supervisory Board, Executive Committee and executive management. These transactions were carried out on commercial terms and conditions and at market rates.

##### Transactions with subsidiaries

The Bank holds investments in subsidiaries with whom it entered into a number of banking transactions in the normal course of business. These transactions were carried out on commercial terms and conditions and at market rates.

The following transactions were carried out with related parties:



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

##### Balances and off-balance exposures with related parties

in RON thousands	30.06.2023				31.12.2022				Group
	Parent	Associates	Key management personnel	Other related parties	Parent	Associates	Key management personnel	Other related parties	
<b>Total assets</b>	<b>542,111</b>	<b>35,949</b>	<b>6,177</b>	<b>58,710</b>	<b>273,282</b>	<b>85,525</b>	<b>6,596</b>	<b>98,159</b>	
Cash and cash balances	79,883	-	-	-	43,850	-	-	1,322	
Derivatives financial instruments	170,286	-	-	-	146,637	-	-	-	
Equity instruments*	-	33,470	-	28,497	-	33,470	-	28,473	
<b>Financial assets at amortised cost</b>	<b>249,182</b>	<b>1,173</b>	<b>6,177</b>	<b>19,173</b>	<b>-</b>	<b>50,437</b>	<b>6,276</b>	<b>46,183</b>	
Loans and advances to credit institutions	249,182	-	-	-	-	-	-	-	
Loans and advances with customers	-	1,173	6,177	19,173	-	50,437	6,276	46,183	
Trade and other receivables	42,760	1,295	-	3,710	82,795	837	-	3,177	
Finance lease receivables	-	-	-	2,166	-	770	320	2,297	
Other assets	-	11	-	5,164	-	11	-	16,707	
<b>Total Liabilities</b>	<b>1,696,999</b>	<b>95,735</b>	<b>9,771</b>	<b>176,646</b>	<b>1,728,091</b>	<b>14,588</b>	<b>6,949</b>	<b>216,781</b>	
<b>Financial liabilities measured at amortised cost</b>	<b>1,526,932</b>	<b>95,734</b>	<b>9,760</b>	<b>134,374</b>	<b>1,576,576</b>	<b>14,563</b>	<b>6,862</b>	<b>171,276</b>	
Deposits by banks	111,636	-	-	2,675	117,037	-	-	2,497	
Deposits by customers	-	95,734	9,760	131,699	-	14,563	6,862	168,779	
Borrowings and financing lines	172,097	-	-	-	216,437	-	-	-	
Debt securities issued	1,243,199	-	-	-	1,243,102	-	-	-	
Lease liabilities	12,615	-	-	-	6,424	-	-	-	
Other liabilities	157,452	1	11	42,272	145,091	25	87	45,505	
Loans commitments, financial guarantees and other commitments given -Irrevocable [notional amount]	16,611	14,890	355	54,258	17,464	14,842	-	54,457	
Loans commitments, financial guarantees and other commitments given -Revocable [notional amount]	80,600	-	-	204,694	25,558	72,348	433	194,034	
Loan commitments, financial guarantees and other commitments received	248,170	-	-	-	247,370	-	-	-	
<b>Derivatives [notional amount]</b>	<b>7,150,533</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,546,068</b>	<b>-</b>	<b>-</b>	<b>-</b>	

##### Expenses and income generated by transactions with related parties

in RON thousands	30.06.2023				30.06.2022				Group
	Parent	Associates	Key management personnel	Other related parties	Parent	Associates	Key management personnel	Other related parties	
Interest income	39,508	70	148	1,629	9,631	988	98	1,591	
Interest expense	(58,971)	(1,427)	(139)	(3,140)	(19,349)	(10)	(9)	(1,528)	
Dividend income	-	-	-	3,376	-	-	-	1,022	
Fee and commission income	1,391	150	24	27,767	1,809	184	24	31,503	
Fee and commission expense	(1,977)	-	-	(1,291)	(2,821)	-	-	(862)	
<b>Profit before tax income/(expense)</b>	<b>(20,049)</b>	<b>(1,207)</b>	<b>33</b>	<b>28,341</b>	<b>(10,731)</b>	<b>1,162</b>	<b>113</b>	<b>31,726</b>	

\*Amounts includes investments in entities reclassified as "Assets held for sale"

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

<b>Balances and off-balance exposures with related parties</b>											<b>Bank</b>
	<b>30.06.2023</b>					<b>31.12.2022</b>					
in RON thousands	Parent	Subsidiaries	Associates	Key management personnel	Other related parties	Parent	Subsidiaries	Associates	Key management personnel	Other related parties	
<b>Total assets</b>	<b>516,327</b>	<b>3,943,621</b>	<b>35,949</b>	<b>6,177</b>	<b>54,165</b>	<b>253,739</b>	<b>3,400,607</b>	<b>85,525</b>	<b>6,276</b>	<b>80,136</b>	
Cash and cash balances	54,099	437	-	-	-	24,307	71	-	-	-	
Derivatives financial instruments	170,286	-	-	-	-	146,637	466	-	-	-	
Equity instruments*	-	555,717	33,470	-	28,497	-	545,522	33,470	-	28,473	
<b>Financial assets at amortised cost</b>	<b>249,182</b>	<b>3,381,115</b>	<b>1,173</b>	<b>6,177</b>	<b>19,173</b>	<b>-</b>	<b>2,847,261</b>	<b>50,437</b>	<b>6,276</b>	<b>46,183</b>	
Loans and advances to credit institutions	249,182	39,544	-	-	-	-	28,404	-	-	-	
Loans and advances with customers	-	3,341,571	1,173	6,177	19,173	-	2,818,857	50,437	6,276	46,183	
Trade and other receivables	42,760	5	1,295	-	3,710	82,795	4	837	-	3,177	
Finance lease receivables	-	4,460	-	-	2,166	-	5,338	770	-	2,297	
Right of use assets	-	-	-	-	-	-	-	-	-	-	
Other assets	-	1,887	11	-	619	-	1,945	11	-	6	
<b>Total Liabilities</b>	<b>1,681,956</b>	<b>920,589</b>	<b>95,735</b>	<b>9,771</b>	<b>169,201</b>	<b>1,677,248</b>	<b>930,896</b>	<b>14,588</b>	<b>6,862</b>	<b>210,396</b>	
<b>Financial liabilities measured at amortised cost</b>	<b>1,511,889</b>	<b>920,469</b>	<b>95,734</b>	<b>9,760</b>	<b>134,374</b>	<b>1,525,733</b>	<b>930,891</b>	<b>14,563</b>	<b>6,862</b>	<b>171,276</b>	
Deposits by banks	109,804	711,925	-	-	2,675	114,349	694,758	-	-	2,497	
Deposits by customers	-	208,544	95,734	9,760	131,699	-	236,133	14,563	6,862	168,779	
Borrowings and financing lines	158,886	-	-	-	-	168,282	-	-	-	-	
Debt securities issued	1,243,199	-	-	-	-	1,243,102	-	-	-	-	
Lease liabilities	12,615	-	-	-	-	6,424	-	-	-	-	
Other liabilities	157,452	120	1	11	34,827	145,091	5	25	-	39,120	
<b>Loans commitments, financial guarantees and other commitments given - Irrevocable [notional amount]</b>	<b>16,611</b>	<b>21,326</b>	<b>14,890</b>	<b>355</b>	<b>54,258</b>	<b>17,464</b>	<b>79,194</b>	<b>14,842</b>	<b>-</b>	<b>54,457</b>	
<b>Loans commitments, financial guarantees and other commitments given - Revocable [notional amount]</b>	<b>80,600</b>	<b>944,351</b>	<b>-</b>	<b>-</b>	<b>204,694</b>	<b>25,558</b>	<b>306,513</b>	<b>72,348</b>	<b>433</b>	<b>194,034</b>	
<b>Loan commitments, financial guarantees and other commitments received</b>	<b>248,170</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>247,370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Derivatives [notional amount]</b>	<b>7,150,533</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,546,068</b>	<b>133,580</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Accumulated impairment, accumulated changes in fair value due to credit risk and provisions on non-performing exposures</b>	<b>-</b>	<b>69,389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,449</b>	<b>-</b>	<b>-</b>	<b>-</b>	

  

<b>Expenses and income generated by transactions with related parties</b>											<b>Bank</b>
	<b>30.06.2023</b>					<b>30.06.2022</b>					
in RON thousands	Parent	Subsidiaries	Associates	Key management personnel	Other related parties	Parent	Subsidiaries	Associates	Key management personnel	Other related parties	
Interest income	39,222	65,697	70	148	1,578	9,631	20,228	988	98	1,541	
Interest expense	(58,541)	(25,684)	(1,427)	(139)	(3,140)	(18,120)	(15,074)	(10)	(9)	(1,528)	
Dividend income	-	60,961	-	-	3,376	-	23,063	-	-	1,022	
Fee and commission income	1,391	313	150	24	26,024	1,808	315	184	24	30,973	
Fee and commission expense	(1,977)	(3)	-	-	(1,291)	(1,724)	(3)	-	-	(861)	
Net impairment loss on financial instruments	-	(60)	-	-	-	-	1,188	-	-	-	
<b>Profit before tax income/(expense)</b>	<b>(19,905)</b>	<b>101,224</b>	<b>(1,207)</b>	<b>33</b>	<b>26,547</b>	<b>(8,405)</b>	<b>29,717</b>	<b>1,162</b>	<b>113</b>	<b>31,147</b>	

\*Amounts includes investments in entities reclassified as "Assets held for sale"

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#### 20. Fair value of financial assets and liabilities

The fair value for financial instruments traded in active markets at the statement of financial position date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

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

The fair value is best evidenced by a quoted market price, if such exists. Credit Value Adjustment/Debt Value Adjustment is included in the fair value of derivatives, not representing a significant amount both at 31 December 2022 and 30 June 2023.

##### Level 1 of the fair value hierarchy

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

##### Level 2 of the fair value hierarchy

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

##### Level 3 of the fair value hierarchy

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

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

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

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

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

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

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

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

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### Consolidated and Separate

### As of 30 June 2023

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

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

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

in RON thousands	Group						Bank					
	Carrying amount	Fair value	Fair value hierarchy			Carrying amount	Fair value	Fair value hierarchy				
			Level 1	Level 2	Level 3			Level 1	Level 2	Level 3		
<b>30.06.2023</b>												
<b>Assets</b>												
Cash and cash balances	16,777,148	16,777,148	16,777,148	-	-	16,730,701	16,730,701	16,730,701	-	-	-	
Financial assets at amortised cost	70,786,805	69,950,815	13,982,513	114,435	55,853,867	72,285,766	71,545,487	13,866,897	114,435	57,564,155	-	
Loans and advances to credit institutions	2,825,429	2,777,808	-	-	2,777,808	2,862,622	2,861,225	-	-	2,861,225	-	
Loans and advances with customers	52,796,371	53,028,928	-	-	53,028,928	54,374,869	54,655,799	-	-	54,655,799	-	
Debt securities	15,165,005	14,144,079	13,982,513	114,435	47,131	15,048,275	14,028,463	13,866,897	114,435	47,131	-	
Finance lease receivables	1,945,134	1,945,134	-	-	1,945,134	7,309	7,309	-	-	7,309	-	
Trade and other receivables	827,141	831,181	-	-	831,181	819,241	822,748	-	-	822,748	-	
<b>Liabilities</b>												
Financial liabilities measured at amortised cost	90,884,579	90,524,468	3,588,265	5,519,669	81,416,534	91,127,961	90,767,919	3,588,265	5,519,669	81,659,985	-	
Deposits by banks	1,165,440	1,166,453	-	-	1,166,453	1,481,184	1,480,160	-	-	1,480,160	-	
Deposits by customers	78,744,857	78,295,758	-	-	78,295,758	78,692,904	78,245,911	-	-	78,245,911	-	
Debt securities issued	9,019,959	9,107,934	3,588,265	5,519,669	-	9,019,959	9,107,934	3,588,265	5,519,669	-	-	
Other financial liabilities	1,954,323	1,954,323	-	-	1,954,323	1,933,914	1,933,914	-	-	1,933,914	-	
Lease liabilities	444,108	444,108	-	-	444,108	442,730	442,730	-	-	442,730	-	
<b>Financial guarantees and commitments</b>												
Financial guarantees	205,981	(154)	-	-	(154)	205,981	(127)	-	-	(127)	-	
Irrevocable commitments	16,606,203	232,285	-	-	232,285	17,304,163	230,811	-	-	230,811	-	
<b>31.12.2022</b>												
<b>Assets</b>												
Cash and cash balances	15,224,576	15,224,576	15,224,576	-	-	15,224,262	15,224,262	15,224,262	-	-	-	
Financial assets at amortised cost	68,046,211	66,175,352	12,548,024	985,310	52,642,018	69,264,841	67,435,674	12,478,007	977,590	53,980,077	-	
Loans and advances to credit institutions	148,344	148,911	-	-	148,911	156,699	156,585	-	-	156,585	-	
Loans and advances with customers	52,682,148	52,476,957	-	-	52,476,957	53,975,267	53,807,342	-	-	53,807,342	-	
Debt securities	15,215,719	13,549,484	12,548,024	985,310	16,150	15,132,875	13,471,747	12,478,007	977,590	16,150	-	
Finance lease receivables	1,745,363	1,745,363	-	-	1,745,363	8,405	8,405	-	-	8,405	-	
Trade and other receivables	901,025	899,067	-	-	899,067	875,813	873,766	-	-	873,766	-	
<b>Liabilities</b>												
Financial liabilities measured at amortised cost	84,713,627	83,893,273	-	5,345,178	78,548,095	84,930,411	84,110,773	-	5,345,178	78,765,595	-	
Deposits by banks	2,079,394	2,079,988	-	-	2,079,988	2,315,225	2,315,732	-	-	2,315,732	-	
Deposits by customers	75,588,537	74,846,817	-	-	74,846,817	75,609,053	74,868,136	-	-	74,868,136	-	
Debt securities issued	5,424,406	5,345,178	-	5,345,178	-	5,424,406	5,345,178	-	5,345,178	-	-	
Other financial liabilities	1,621,290	1,621,290	-	-	1,621,290	1,581,727	1,581,727	-	-	1,581,727	-	
Lease liabilities	444,486	444,486	-	-	444,486	442,538	442,538	-	-	442,538	-	
<b>Financial guarantees and commitments</b>												
Financial guarantees	-	172,853	-	-	172,853	-	170,626	-	-	170,626	-	
Irrevocable commitments	-	(14)	-	-	(14)	-	(14)	-	-	(14)	-	
	-	172,867	-	-	172,867	-	170,640	-	-	170,640	-	

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### As of 30 June 2023

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

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

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

The fair values of financial assets held to maturity are either taken directly from the market or they are determined by directly observable input parameters (i.e. yield curves).

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

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

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

								Group	
in RON thousands	Quoted market prices in active markets Level 1		Marked to model based on observable market data Level 2		Marked to model based on non-observable inputs Level 3		Total		
	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	
<b>Assets</b>									
<b>Financial assets held for trading</b>	<b>132,878</b>	<b>29</b>	<b>239,682</b>	<b>177,213</b>	-	-	<b>372,560</b>	<b>177,242</b>	
Derivatives financial instruments	-	-	197,172	177,213	-	-	197,172	177,213	
Other financial assets held for trading	132,878	29	42,510	-	-	-	175,388	29	
<b>Non-trading financial assets mandatorily at fair value through profit or loss</b>	<b>6,714</b>	<b>4,034</b>	-	-	<b>63,095</b>	<b>63,145</b>	<b>69,809</b>	<b>67,179</b>	
Equity instruments	6,714	4,034	-	-	44,579	46,817	51,293	50,851	
Debt securities	-	-	-	-	18,516	16,328	18,516	16,328	
<b>Financial assets at fair value through other comprehensive income</b>	<b>10,868,956</b>	<b>8,059,029</b>	<b>436,840</b>	<b>1,550,411</b>	<b>5,141</b>	<b>54,856</b>	<b>11,310,937</b>	<b>9,664,296</b>	
Debt securities issued	10,868,956	8,059,029	436,840	1,550,411	5,141	54,856	11,310,937	9,664,296	
<b>Total assets</b>	<b>11,008,548</b>	<b>8,063,092</b>	<b>676,522</b>	<b>1,727,624</b>	<b>68,236</b>	<b>118,001</b>	<b>11,753,306</b>	<b>9,908,717</b>	
<b>Liabilities</b>									
Financial liabilities held for trading	-	-	167,437	163,579	-	-	167,437	163,579	
Derivatives financial instruments	-	-	167,437	163,579	-	-	167,437	163,579	
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>167,437</b>	<b>163,579</b>	<b>-</b>	<b>-</b>	<b>167,437</b>	<b>163,579</b>	
								Bank	
in RON thousands	Quoted market prices in active markets Level 1		Marked to model based on observable market data Level 2		Marked to model based on non-observable inputs Level 3		Total		
	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	
<b>Assets</b>									
<b>Financial assets held for trading</b>	<b>132,878</b>	<b>29</b>	<b>239,682</b>	<b>177,679</b>	-	-	<b>372,560</b>	<b>177,708</b>	
Derivatives financial instruments	-	-	197,172	177,679	-	-	197,172	177,679	
Other financial assets held for trading	132,878	29	42,510	-	-	-	175,388	29	
<b>Non-trading financial assets mandatorily at fair value through profit or loss</b>	<b>6,714</b>	<b>4,034</b>	-	-	<b>63,095</b>	<b>63,145</b>	<b>69,809</b>	<b>67,179</b>	
Equity instruments	6,714	4,034	-	-	44,579	46,817	51,293	50,851	
Debt securities	-	-	-	-	18,516	16,328	18,516	16,328	
<b>Financial assets at fair value through other comprehensive income</b>	<b>10,868,956</b>	<b>8,059,029</b>	<b>436,840</b>	<b>1,550,411</b>	<b>5,141</b>	<b>54,856</b>	<b>11,310,937</b>	<b>9,664,296</b>	
Debt securities issued	10,868,956	8,059,029	436,840	1,550,411	5,141	54,856	11,310,937	9,664,296	
<b>Total assets</b>	<b>11,008,548</b>	<b>8,063,092</b>	<b>676,522</b>	<b>1,728,090</b>	<b>68,236</b>	<b>118,001</b>	<b>11,753,306</b>	<b>9,909,183</b>	
<b>Liabilities</b>									
Financial liabilities held for trading	-	-	167,437	163,579	-	-	167,437	163,579	
Derivatives financial instruments	-	-	167,437	163,579	-	-	167,437	163,579	
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>167,437</b>	<b>163,579</b>	<b>-</b>	<b>-</b>	<b>167,437</b>	<b>163,579</b>	

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### Consolidated and Separate

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

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

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

- loans and advances to customers classified at fair value through profit and loss according to IFRS 9 due to failure to pass the SPPI (solely payments of principal and interest) test. The methodology to compute the fair value of these assets corresponds to the basic present value technique where expected cash flows of assets are discounted by the full rate including credit risk, market risk and cost components. The credit risk is incorporated in the assessment of cash flows in order to come to expected cash flows accounting for customer's probability of default. These cash flows are then adjusted with the discount rate;
- equity instruments, in principal minority interests classified as level 3 instruments for which the fair value is determined based on internal assessment. The most common valuation methods used in the evaluation of minority interest are: Quoted price in active markets, Expert opinion or Recent transaction value, Discounted Cash Flow Method / Dividend Discount Model, the adjusted Net Asset Value, Simplified income approach;
- Visa Inc Preferred Share equity for which fair value is computed based on internal assessment for class C.

Financial assets at fair value through other comprehensive income include:

- Debt securities issued by Ministry of Finance which are actively traded classified on level 1 and 2.
- One corporative bond, as well as two debt securities issued by the Ministry of Finance which are theoretically priced presented on level 3.

##### 20.3. Valuation of level 3 financial instruments

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

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

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

As at June 2023, the fair valuation of VISA Inc class C preferred shares was based on reasonable assumptions and estimations and was consequently classified in level 3. The sale of shares is limited to certain conditions which may restrict the conversion of preferred shares into tradable VISA Inc shares. Due to these limiting conditions, and in order to reflect the potential price volatility of Class A common shares and the limited liquidity of preferred shares the fair value of the preferred shares was capped based on assumptions compared to free tradable VISA Inc. class A common shares. The price of class C preferred shares was determined based on the conversion ratio of 1: 3,645 and an additional haircut of 27.07% was applied.

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

#### 20.3. Valuation of level 3 financial instruments (continued)

#### Movements in Level 3 of financial instruments carried at fair value

Group									
in RON thousands	Balance	Gain/loss in profit or loss	Gain/loss in other comprehensive income	Purchases	Settlements	Sales	Transfers out of Level 3	Currency translation	Balance
<b>Assets</b>	<b>01.01.2023</b>	-	-	-	-	-	-	-	<b>30.06.2023</b>
Non-trading financial assets mandatorily at fair value through profit or loss	63,145	950	-	-	-	-	(1,000)	-	63,095
Equity instruments	46,817	(1,238)	-	-	-	-	(1,000)	-	44,579
Debt securities	16,328	2,188	-	-	-	-	-	-	18,516
Financial assets at fair value through other comprehensive income	54,856	(4)	94	-	-	-	(49,805)	-	5,141
Debt securities issued	54,856	(4)	94	-	-	-	(49,805)	-	5,141
<b>Total assets</b>	<b>118,001</b>	<b>946</b>	<b>94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(50,805)</b>	<b>-</b>	<b>68,236</b>

Group									
in RON thousands	Balance	Gain/loss in profit or loss	Gain/loss in other comprehensive income	Purchases	Settlements	Sales	Transfers out of Level 3	Currency translation	Balance
<b>Assets</b>	<b>01.01.2022</b>	-	-	-	-	-	-	-	<b>31.12.2022</b>
Financial assets held for trading	900	454	-	-	-	-	(1,354)	-	-
Derivatives financial instruments	900	454	-	-	-	-	(1,354)	-	-
Non-trading financial assets mandatorily at fair value through profit or loss	62,839	21,373	-	-	-	-	(21,039)	(28)	63,145
Equity instruments	32,207	14,861	-	-	-	-	(253)	2	46,817
Debt securities	30,632	6,512	-	-	-	-	(20,786)	(30)	16,328
Financial assets at fair value through other comprehensive income	28,326	-	(139)	49,803	-	-	(23,134)	-	54,856
Debt securities issued	28,326	-	(139)	49,803	-	-	(23,134)	-	54,856
<b>Total assets</b>	<b>92,065</b>	<b>21,827</b>	<b>(139)</b>	<b>49,803</b>	<b>-</b>	<b>-</b>	<b>(45,527)</b>	<b>(28)</b>	<b>118,001</b>

Bank									
in RON thousands	Balance	Gain/loss in profit or loss	Gain/loss in other comprehensive income	Purchases	Settlements	Sales	Transfers out of Level 3	Currency translation	Balance
<b>Assets</b>	<b>01.01.2023</b>	-	-	-	-	-	-	-	<b>30.06.2023</b>
Non-trading financial assets mandatorily at fair value through profit or loss	63,145	950	-	-	-	-	(1,000)	-	63,095
Equity instruments	46,817	(1,238)	-	-	-	-	(1,000)	-	44,579
Debt securities	16,328	2,188	-	-	-	-	-	-	18,516
Financial assets at fair value through other comprehensive income	54,856	(4)	94	-	-	-	(49,805)	-	5,141
Debt securities issued	54,856	(4)	94	-	-	-	(49,805)	-	5,141
<b>Total assets</b>	<b>118,001</b>	<b>946</b>	<b>94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(50,805)</b>	<b>-</b>	<b>68,236</b>

Bank									
in RON thousands	Balance	Gain/loss in profit or loss	Gain/loss in other comprehensive income	Purchases	Settlements	Sales	Transfers out of Level 3	Currency translation	Balance
<b>Assets</b>	<b>01.01.2022</b>	-	-	-	-	-	-	-	<b>31.12.2022</b>
Financial assets held for trading	900	454	-	-	-	-	(1,354)	-	-
Derivatives financial instruments	900	454	-	-	-	-	(1,354)	-	-
Non-trading financial assets mandatorily at fair value through profit or loss	62,588	21,373	-	-	-	-	(20,786)	(30)	63,145
Equity instruments	31,856	14,861	-	-	-	-	-	-	46,817
Debt securities	30,632	6,512	-	-	-	-	(20,786)	(30)	16,328
Financial assets at fair value through other comprehensive income	28,326	-	(139)	49,803	-	-	(23,134)	-	54,856
Debt securities issued	28,326	-	(139)	49,803	-	-	(23,134)	-	54,856
<b>Total assets</b>	<b>91,814</b>	<b>21,827</b>	<b>(139)</b>	<b>49,803</b>	<b>-</b>	<b>-</b>	<b>(45,274)</b>	<b>(30)</b>	<b>118,001</b>



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### As of 30 June 2023

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#### 21. Legal claims and contingent liabilities

##### Legal claims

As of June 30, 2023, the Bank was involved in the normal course of its business in a number of 1,670 litigations as defendant (December 31st, 2022: 1,731)

In the opinion of management, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amount provided at June 30, 2023.

##### The audit mission of the Romanian Court of Accounts – BCR Banca pentru Locuinte SA (BpL)

In 2015, the Romanian Court of Accounts (hereinafter referred to as 'the CoA') conducted a control at the BpL. Following the mission, the CoA claims that several deficiencies were identified, the vast majority grounded on a different interpretation of the applicable legal provisions. On 15 December 2015, the CoA issued the Decision no. 17 ("Decision 17"), maintaining all the claims included in their initial report and requested BpL to establish exactly the amount of the prejudice. On 23 December 2015, BpL appealed the Decision no. 17 of the CoA, appeal that was rejected by the Commission for Solving Claims of the CoA through Decision No 2/29 February 2016, maintaining as such the Decision 17.

Court of Appeal pronounced its resolution on March 1st 2017 and decided in favor of BpL for 5 out of 8 claims. Both BpL and CoA filed second appeal against this decision and, on June 21, 2019 High Court of Cassation and Justice ("HCCJ") decided as follows:

- Both second appeals were admitted and the decision of the first court was annulled; as a consequence, the HCCJ re-judged the request of BpL and annulled only two measures, maintaining 6 of them;
- The maintained measures relate to the incorrect calculation of state premium by BpL.

BpL received on 18th of July 2019, the motivation of HCCJ decision.

From 17 to 31 August 2021, CoA carried out a follow-up audit at BpL on the implementation of the measures ordered to BpL by Decision 17.

Following this control mission, the CCR confirmed:

- The fulfilment of the following measures: I, and II: II.1 (the opening fees related to the savings contracts were legally incorrectly included in the calculation basis of the state premium), II. 3 (the contractual interest related to the undue state premium granted and collected in the clients' savings accounts, not returned to the Ministry of Development, Public Works and Administration ("MDPWA") together with the undue state premium) and II.4 ("Other fees" were included in the basis of calculation of the state premium or were deducted (collected) from the amounts representing the state premium received by clients);
- Partial fulfilment of measures: II.2 (no supporting documents were requested for the use of state premiums (collected) for housing purposes from clients who terminated savings contracts after the minimum savings period of 5 years), II.5 (minors assessed by the JRC as ineligible clients, clients under 18 years of age at the date of signing the contract, who have benefited from the subsidy/state premium) and II.6 (elderly persons assessed by the CoA as ineligible clients, clients over 65 years of age at the date of signing the contract, who have benefited from the subsidy/state premium).

On 21 January 2022, BpL also fully implemented measures II.2, II.5 and II.6, evaluated by the CCR as partially implemented, by paying the state premiums related to these measures, considered as damage, in the amount of 432,699 thousand lei.

Thus, following the payment made on 21 January 2022, BpL has fully complied with the measures ordered by Decision 17 of the CCR, and upheld by the HCCJ Decision of 21 June 2019, but continues to take legal action at European level against these decisions of the Romanian State.

BpL has also initiated legal actions in order to benefit from the cancellation of the accessory obligations, following the payment on 21 January 2022 of the principal obligation, according to the special provisions of GEO no. 69/2020, actions described below:

- On January 28, 2022, BpL submitted to MDPWA the request for discharge for the accessory budgetary obligations related to the above-mentioned principal obligations, in the amount of 388,919 thousand lei. In accordance with the applicable legal provisions (GEO 69/2020) in case the main budgetary obligation is paid in full and certain specific legal criteria are met, the debtor will benefit from the cancellation of accessory obligations;

## Notes to Interim Financial Statements

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#### 21. Legal claims and contingent liabilities (continued)

- On February 23, 2022, in accordance with the provisions of GEO 69/2020, ANAF - General Directorate for the Administration of Large Taxpayers, granted the cancellation of the tax accessories in the amount of 40,467 thousand lei, related to the withholding tax ("WHT") calculated and paid by BpL on January 25, 2022, tax associated with state premiums granted to customers and subsequently considered undue, as well as the related contractual interest (related to measures II.2, II.5 and II.6 of Decision 17);
- On 18 March 2022, BpL received a letter from MDPWA, stating that the Ministry has initiated the steps to determine how to apply the provisions of GEO 69/2020 in the case of housing banks, regarding the amounts representing accessory budgetary obligations, related to the undue state premiums representing the main budgetary obligation.

On 22 July 2022, BpL received from MDPWA a reply to the Bank's addresses of 28 January 2022 and 8 March 2022, by which BpL formulated, within the legal deadline, the request for cancellation of the accessory budgetary obligations, based on the provisions of Chapter II, Articles IX, XIII, XV, referring to Article XVIII of GEO 69/2020.

In this response, MDPWA rejected BpL's request because, in its interpretation, the main budgetary claim represented by undue state premiums was not certain, liquid and payable, so that the main budgetary claim for which the cancellation of the accessory claims is requested would not meet the conditions set out in GEO 69/2020. According to the assessment made by BpL's legal advisors, there is no legal basis for MDPWA to reject BpL's request for amnesty.

Considering the refusal of MDPWA to grant amnesty on the basis of GEO 69/2020 as unjustified, BpL took legal action to obtain the cancellation of the accessories. On April 20, 2023, the Bucharest Court of Appeal partially admitted the claim and ordered the annulment of the letters issued by MDPWA refusing to solve the amnesty application. It ordered the Ministry to settle the amnesty application on the merits. This decision is neither final nor enforceable. Towards this first Court decision MDPWA has formulated appeal, which will be judged by the High Court of Cassation and Justice (HCCJ).

On 5 December 2022: MDPWA communicated to BpL the decision ("MDPWA Decision") to pay the accessory obligations, which were set in the amount of 388,919 thousand lei. According to the MDPWA Decision, BpL has the obligation to pay this amount within 30 days of receipt of the MDPWA Decision, i.e. by 5 January 2023. Failure to pay the amount within the deadline is likely to lead to the initiation of enforcement by ANAF - General Division for the Administration of Large Taxpayers.

BpL filed an appeal to the MDPWA against the MDPWA Decision and submitted to the Bucharest Court of Appeal a formal application requesting the court to suspend the execution of the MDLPA Decision for the payment of the accessory budgetary obligations - calculated for the amount representing undue state premiums, which was paid to MDPWA by BpL. The Bucharest Court of Appeal rejected BpL's request for suspension of execution. BpL has appealed against this first instance decision, which will be judged by the HCCJ. HCCJ set the first hearing on November 07, 2023

Therefore, the value of the tax obligation, communicated by the MDPWA Decision in the amount of 388,919 thousand lei is reflected in the accounting records of BpL as a definite liability.

#### BFP Litigation

On 23 December 2016, the BFP has received a request made by City Hall Bucharest to International Court of Arbitration of the International Chamber of Commerce, consisting of amounts due under the joint venture contract for the period from 2001 to 2013.

In November 2019, The International Court of Arbitration rejected the request of City Hall. Against this decision, the claimant filed an action for annulment which was rejected on October 12, 2020. Against this decision the claimant filed second appeal. The High Court of Justice suspended the judgement of the case until the final solution of the Constitutional Court on exception of non-constitutionality invoked by City Hall.

Up to the date of publishing these financial statements, there were no other significant updates related to the cases presented in the financial statements for the end of June 2022 and there have been no changes in the proceedings as of June 30, 2023.

#### Tax related litigations

The tax litigations initiated by the Bank following the results of the tax audits are still in progress, there have been no significant changes compared to the financial statements for 2022.

**Notes to Interim Financial Statements**  
**Consolidated and Separate**  
**As of 30 June 2023**

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**22. Subsequent events**

No subsequent events occurred after the balance sheet date.

AUTHORISED PERSON

Name and first name

Signature

Executive Vice-President

Elke Meier

**Elke Meier**

Digitally signed by Elke Meier  
Date: 2023.08.16 16:22:54 +02'00'



AUTHORISED PERSON

Name and first name

Signature

Executive Director Accounting Division

Gina Badea

**BADEA  
GINA**

Digitally signed  
by BADEA GINA

Date:  
2023.08.16  
16:53:45 +03'00'



**Banca Comercială Română S.A.**  
**Company with two-tier management board**

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InfoBCR: \*2227 number available  
in the Vodafone, Orange, RCS  
RDS, Telekom networks;

+4021.407.42.00, number available  
in any network in Romania or  
abroad

Trade Register Number: J40/90/1991

Registered with the Credit Institution  
Register: RB-PJR-40-008/18.02.1999

Taxpayer identification number:  
RO 361757

Share capital: 1,625,341,625.40  
lei

SWIFT: RNCB RO BU



## STATEMENT

### regarding the Administrators Report for the first semester of 2023

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

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

Executive President,

Sergiu Manea

Sergiu-Cristian  
Manea

Digitally signed by Sergiu-Cristian Manea  
Date: 2023.08.17 09:04:10  
+03'00'

Executive Vice-President,

Elke Meier

Elke Meier

Digitally signed by Elke Meier  
Date: 2023.08.16 16:23:21  
+02'00'