

## **RAIFFEISEN BANK SA**

### **UNAUDITED INTERIM CONDENSED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

Prepared in accordance with International Financial Reporting Standards as endorsed by the European Union

**30 JUNE 2023**

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**RAIFFEISEN BANK SA**  
**INTERIM CONDENSED CONSOLIDATED AND SEPARATE**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED**  
**30 JUNE 2023**



| <i>In RON thousand</i>  | Note  | Group            |                  | Bank             |                  |
|---|-------|------------------|------------------|------------------|------------------|
|   |       | 30 June 2023     | 30 June 2022     | 30 June 2023     | 30 June 2022     |
|   |       | Unaudited        | Unaudited        | Unaudited        | Unaudited        |
| Interest income according to effective interest method  |       | 1,849,272        | 1,201,267        | 1,857,924        | 1,199,460        |
| Interest income other   |       | 103,283          | 28,042           | 67,081           | 7,485            |
| Interest expense  |       | (572,606)        | (156,719)        | (566,730)        | (155,427)        |
| <b>Net interest income</b>  | 8     | <b>1,379,949</b> | <b>1,072,590</b> | <b>1,358,275</b> | <b>1,051,518</b> |
| Fees and commissions income   |       | 403,474          | 405,239          | 385,278          | 382,928          |
| Fees and commissions expense  |       | (152,569)        | (131,656)        | (149,683)        | (131,206)        |
| <b>Net fee and commission income</b>  | 9     | <b>250,905</b>   | <b>273,583</b>   | <b>235,595</b>   | <b>251,722</b>   |
| Net trading income  | 10    | 199,704          | 148,050          | 200,016          | 148,519          |
| Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net         | 26    | 18,577           | (31,583)         | 18,082           | (30,741)         |
| Net gains/(losses) on derecognition of financial assets measured at fair value through other comprehensive income |       | -                | (1,657)          | -                | -                |
| Gains or (-) losses from hedge accounting, net  | 27    | 654              | 487              | 654              | 487              |
| Other operating income  | 11    | 25,564           | 63,861           | 23,680           | 89,995           |
| <b>Operating income</b>   |       | <b>1,875,353</b> | <b>1,525,331</b> | <b>1,836,302</b> | <b>1,511,500</b> |
| Operating expenses  | 12    | (465,929)        | (426,419)        | (456,752)        | (415,434)        |
| Personnel expenses  | 13    | (407,171)        | (353,734)        | (390,210)        | (337,369)        |
| Impairment losses   | 14    | 87,020           | (30,714)         | 83,758           | (41,638)         |
| Share of gain from associates and joint ventures  | 25    | 3,823            | 521              | -                | -                |
| <b>Profit before income tax</b>   |       | <b>1,093,096</b> | <b>714,985</b>   | <b>1,073,098</b> | <b>717,059</b>   |
| Income tax expense  | 15,16 | (203,233)        | (118,633)        | (199,565)        | (114,897)        |
| <b>Net profit for the year</b>  |       | <b>889,863</b>   | <b>596,352</b>   | <b>873,533</b>   | <b>602,162</b>   |
| Profit is attributable to:  |       |                  |                  |                  |                  |
| Profit attributable to parent   |       | 889,862          | 596,351          | -                | -                |
| Profit attributable to non-controlling interests  |       | 1                | 1                | -                | -                |
|   |       | <b>889,863</b>   | <b>596,352</b>   | <b>873,533</b>   | <b>602,162</b>   |

| <i>In RON thousand</i>  | Note | Group           |                  | Bank            |                  |
|---|------|-----------------|------------------|-----------------|------------------|
|   |      | 30 June<br>2023 | 30 June<br>2022  | 30 June<br>2023 | 30 June<br>2022  |
|   |      | Unaudited       | Unaudited        | Unaudited       | Unaudited        |
| <b>Net profit for the year</b>  |      | <b>889,863</b>  | <b>596,352</b>   | <b>873,533</b>  | <b>602,162</b>   |
| <b>Items that may be reclassified subsequently to profit or loss</b>                          |      |                 |                  |                 |                  |
| Net gains (losses) on financial assets at fair value through other comprehensive income       |      | 105,709         | (287,979)        | 105,399         | (288,133)        |
| Related tax for above positions   |      | (16,863)        | 46,291           | (16,863)        | 46,101           |
| <b>Items that may not be reclassified subsequently to profit or loss</b>                      |      |                 |                  |                 |                  |
| Actuarial gains or (-) losses on defined benefit pension plans                                |      | (3,638)         | -                | (3,638)         | -                |
| Fair value changes of the equity instruments at fair value through other comprehensive income |      | 7,066           | (220)            | 7,066           | (220)            |
| Related tax for above positions   |      | (549)           | (601)            | (549)           | (601)            |
| <b>Other comprehensive income for the year, net of income tax</b>                             |      | <b>91,725</b>   | <b>(242,509)</b> | <b>91,415</b>   | <b>(242,853)</b> |
| <b>Total comprehensive income for the year, net of income tax</b>                             |      | <b>981,588</b>  | <b>353,843</b>   | <b>964,948</b>  | <b>359,309</b>   |
| <b>Total comprehensive income for the year, net of income tax is attributable to:</b>         |      |                 |                  |                 |                  |
| Parent  |      | 981,587         | 353,842          | -               | -                |
| Non controlling interest  |      | 1               | 1                | -               | -                |
|   |      | <b>981,588</b>  | <b>353,843</b>   | -               | -                |

The interim condensed consolidated and separate statement of comprehensive income is to be read in conjunction with the notes forming part of the consolidated and separate financial statements set out on following pages.

The interim condensed consolidated and separate financial statements were approved by the Management Board on 12 September 2023 and were signed on its behalf by:

Alina Rus  
 Vice-president & Chief Financial Officer



Monica Curea  
 Accounting Director



**RAIFFEISEN BANK SA**  
**INTERIM CONDENSED CONSOLIDATED AND SEPARATE**  
**STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED**  
**30 JUNE 2023**



| <i>In RON thousand</i>   | Note | Group             |                   | Bank              |                   |
|--|------|-------------------|-------------------|-------------------|-------------------|
|  |      | 30 June 2023      | 31 December 2022  | 30 June 2023      | 31 December 2022  |
|  |      | Unaudited         | Audited           | Unaudited         | Audited           |
| <b>Assets</b>  |      |                   |                   |                   |                   |
| Cash and cash with Central Bank  | 17   | 7,412,280         | 8,281,451         | 7,411,903         | 8,280,853         |
| Loans and advances to banks at amortised cost                          | 20   | 1,426,438         | 323,543           | 1,397,752         | 286,851           |
| Derivative assets held for risk management                             | 19   | 34,055            | 13,781            | 34,055            | 13,781            |
| Trading assets   | 18   | 189,311           | 93,302            | 189,308           | 93,302            |
| Financial assets mandatorily at fair value through profit or loss      | 26   | 192,093           | 184,458           | 175,070           | 170,413           |
| Investment securities at fair value through other comprehensive income | 22   | 3,365,195         | 3,105,398         | 3,296,346         | 3,095,506         |
| Equity instruments at fair value through other comprehensive income    | 23   | 78,554            | 71,488            | 78,554            | 71,488            |
| Investment in subsidiaries, associates and joint ventures              | 25   | 36,714            | 32,891            | 106,871           | 106,871           |
| Loans and advances to customers at amortised cost                      | 21   | 41,470,564        | 39,851,569        | 40,960,477        | 39,367,515        |
| Derivative Assets- Hedge accounting                                    | 27   | 6,008             | 8,355             | 6,008             | 8,355             |
| Investment securities at amortised cost                                | 24   | 11,271,024        | 9,200,854         | 11,253,217        | 9,129,802         |
| Income tax receivable  | 15   | 74,219            | 74,015            | 73,849            | 73,849            |
| Other assets   | 28   | 343,722           | 427,091           | 319,454           | 400,269           |
| Deferred tax assets  | 29   | 41,021            | 93,235            | 38,500            | 89,715            |
| Property, equipment and right-of-use assets                            | 30   | 435,445           | 434,821           | 431,477           | 433,973           |
| Intangible assets  | 31   | 404,839           | 393,504           | 400,870           | 390,206           |
| <b>Total assets</b>  |      | <b>66,781,482</b> | <b>62,589,756</b> | <b>66,173,711</b> | <b>62,012,749</b> |
| <b>Liabilities</b>   |      |                   |                   |                   |                   |
| Trading liabilities  | 18   | 35,958            | 27,715            | 35,958            | 27,715            |
| Derivative liabilities held for risk management                        | 19   | 4,959             | 5,860             | 4,959             | 5,860             |
| Deposits from banks  | 32   | 406,971           | 578,106           | 406,971           | 578,106           |
| Deposits from customers  | 33   | 52,770,120        | 49,233,568        | 52,817,318        | 49,281,318        |
| Loans from banks and other financial institutions                      | 34   | 404,534           | 390,285           | 2,532             | 3,943             |
| Fair value changes of the hedged items-liability                       | 27   | 7,818             | 11,398            | 7,818             | 11,398            |
| Current tax liabilities  |      | 99,372            | 20,991            | 98,807            | 20,509            |
| Other liabilities  | 35   | 1,180,762         | 1,422,869         | 1,126,252         | 1,366,361         |
| Debt securities issued   | 34   | 4,013,917         | 3,887,808         | 4,013,917         | 3,887,808         |
| Subordinated loans   | 34   | 325,175           | 323,726           | 325,091           | 323,678           |
| Provisions   | 36   | 160,799           | 233,402           | 157,739           | 230,076           |
| Deferred tax liabilities   |      | 113               | 56                | -                 | -                 |
| <b>Total liabilities</b>   |      | <b>59,410,498</b> | <b>56,135,784</b> | <b>58,997,362</b> | <b>55,736,772</b> |
| <b>Equity</b>  |      |                   |                   |                   |                   |
| Share capital  | 37   | 1,200,000         | 1,200,000         | 1,200,000         | 1,200,000         |
| Other equity instruments   | 38   | 609,322           | 609,440           | 609,322           | 609,440           |
| Retained earnings  |      | 5,445,150         | 4,619,746         | 5,251,287         | 4,442,212         |
| Other reserves   | 39   | 116,486           | 24,761            | 115,740           | 24,325            |
| <b>Total equity attributable to parent</b>                             |      | <b>7,370,958</b>  | <b>6,453,947</b>  | <b>7,176,349</b>  | <b>6,275,977</b>  |
| Non-controlling interests  |      | 26                | 25                | -                 | -                 |
| <b>Total equity</b>  |      | <b>7,370,984</b>  | <b>6,453,972</b>  | <b>7,176,349</b>  | <b>6,275,977</b>  |
| <b>Total liabilities and equity</b>                                    |      | <b>66,781,482</b> | <b>62,589,756</b> | <b>66,173,711</b> | <b>62,012,749</b> |

The interim condensed consolidated and separate statement of financial position is to be read in conjunction with the notes forming part of the consolidated and separate financial statements set out on following pages.

The interim condensed consolidated and separate financial statements were approved by the Management Board on 12 September 2023 and were signed on its behalf by:

Alina Rus  
Vice-president & Chief Financial Officer

Monica Curea  
Accounting Director

RAIFFEISEN BANK SA  
 INTERIM CONDENSED CONSOLIDATED AND SEPARATE  
 STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED  
 30 JUNE 2023



**Group**

*In RON thousand*

|   | <u>Share capital</u> | <u>Other equity instruments</u> | <u>Other reserves</u> | <u>Retained earnings</u> | <u>Non controlling interest</u> | <u>Total</u>     |
|---|----------------------|---------------------------------|-----------------------|--------------------------|---------------------------------|------------------|
| <b>Balance at 1 January 2022</b>                                    | <b>1,200,000</b>     | <b>238,599</b>                  | <b>137,917</b>        | <b>3,778,260</b>         | <b>23</b>                       | <b>5,354,799</b> |
| Net profit for the year   | -                    | -                               | -                     | 596,351                  | 1                               | 596,352          |
| Other comprehensive income, net of income tax                       | -                    | -                               | (242,509)             | -                        | -                               | (242,509)        |
| <b>Total comprehensive income for the period, net of income tax</b> | <b>-</b>             | <b>-</b>                        | <b>(242,509)</b>      | <b>596,351</b>           | <b>1</b>                        | <b>353,843</b>   |
| Issue Additional Tier 1 instrument                                  | -                    | 370,905                         | -                     | -                        | -                               | 370,905          |
| Distribution related to AT1 instruments                             | -                    | -                               | -                     | (18,742)                 | -                               | (18,742)         |
| <b>Balance at 30 June 2022*</b>                                     | <b>1,200,000</b>     | <b>609,504</b>                  | <b>(104,592)</b>      | <b>4,355,869</b>         | <b>24</b>                       | <b>6,060,805</b> |
| <b>Balance at 1 January 2023</b>                                    | <b>1,200,000</b>     | <b>609,440</b>                  | <b>24,761</b>         | <b>4,619,746</b>         | <b>25</b>                       | <b>6,453,972</b> |
| Net profit for the year   | -                    | -                               | -                     | 889,862                  | 1                               | 889,863          |
| Other comprehensive income, net of income tax                       | -                    | -                               | 91,725                | -                        | -                               | 91,725           |
| <b>Total comprehensive income for the period, net of income tax</b> | <b>-</b>             | <b>-</b>                        | <b>91,725</b>         | <b>889,862</b>           | <b>1</b>                        | <b>981,588</b>   |
| Issue Additional Tier 1 instrument                                  | -                    | (118)                           | -                     | -                        | -                               | (118)            |
| Distribution related to AT1 instruments                             | -                    | -                               | -                     | (64,458)                 | -                               | (64,458)         |
| <b>Balance at 30 June 2023*</b>                                     | <b>1,200,000</b>     | <b>609,322</b>                  | <b>116,486</b>        | <b>5,445,150</b>         | <b>26</b>                       | <b>7,370,984</b> |

\*Unaudited

RAIFFEISEN BANK SA  
 INTERIM CONDENSED CONSOLIDATED AND SEPARATE  
 STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED  
 30 JUNE 2023



Bank

*In RON thousand*

|   | Share capital    | Other equity instruments | Other reserves   | Retained earnings | Total            |
|---|------------------|--------------------------|------------------|-------------------|------------------|
| <b>Balance at 1 January 2022</b>                                    | <b>1,200,000</b> | <b>238,599</b>           | <b>138,057</b>   | <b>3,622,259</b>  | <b>5,198,915</b> |
| Net profit for the year   | -                | -                        | -                | 602,162           | 602,162          |
| Other comprehensive income, net of income tax                       | -                | -                        | (242,853)        | -                 | (242,853)        |
| <b>Total comprehensive income for the period, net of income tax</b> | <b>-</b>         | <b>-</b>                 | <b>(242,853)</b> | <b>602,162</b>    | <b>359,309</b>   |
| Issue Additional Tier 1 instrument                                  | -                | 370,905                  | -                | -                 | 370,905          |
| Distribution related to AT1 instruments                             | -                | -                        | -                | (18,742)          | (18,742)         |
| <b>Balance at 30 June 2022*</b>                                     | <b>1,200,000</b> | <b>609,504</b>           | <b>(104,796)</b> | <b>4,205,679</b>  | <b>5,910,387</b> |
| <b>Balance at 1 January 2023</b>                                    | <b>1,200,000</b> | <b>609,440</b>           | <b>24,325</b>    | <b>4,442,212</b>  | <b>6,275,977</b> |
| Net profit for the year   | -                | -                        | -                | 873,533           | 873,533          |
| Other comprehensive income, net of income tax                       | -                | -                        | 91,415           | -                 | 91,415           |
| <b>Total comprehensive income for the period, net of income tax</b> | <b>-</b>         | <b>-</b>                 | <b>91,415</b>    | <b>873,533</b>    | <b>964,948</b>   |
| Issue Additional Tier 1 instrument                                  | -                | (118)                    | -                | -                 | (118)            |
| Distribution related to AT1 instruments                             | -                | -                        | -                | (64,458)          | (64,458)         |
| <b>Balance at 30 June 2023*</b>                                     | <b>1,200,000</b> | <b>609,322</b>           | <b>115,740</b>   | <b>5,251,287</b>  | <b>7,176,349</b> |

\*Unaudited

The interim condensed consolidated and separate statement of changes in shareholders' equity is to be read in conjunction with the notes forming part of the interim condensed consolidated and separate financial statements set out on following pages.

| <i>In RON thousand</i>  | Note  | Group            |                    | Bank             |                    |
|---|-------|------------------|--------------------|------------------|--------------------|
|   |       | 30 June 2023     | 30 June 2022       | 30 June 2023     | 30 June 2022       |
|   |       | Unaudited        | Unaudited          | Unaudited        | Unaudited          |
| <b>Cash flows from operating activities</b>   |       |                  |                    |                  |                    |
| Net profit for the year   |       | <b>889,863</b>   | <b>596,352</b>     | <b>873,533</b>   | <b>602,162</b>     |
| <b>Adjustments for non-cash items:</b>  |       |                  |                    |                  |                    |
| Depreciation and amortization   | 12    | 123,705          | 112,667            | 122,252          | 111,259            |
| Net impairment loss (release from recoveries is not included)   | 14    | 4,452            | 78,723             | 7,470            | 89,362             |
| Group share of gain from associates and joint ventures  | 25    | (3,823)          | (521)              | -                | -                  |
| Loss on the sale of property, plant and equipment and of intangible assets  |       | 11,499           | 1,363              | 5,560            | 1,518              |
| Net charge of provisions for litigation and other provisions  | 11,12 | 9,690            | (42,613)           | 9,969            | (43,948)           |
| Income tax expense  | 15,16 | 203,233          | 118,633            | 199,565          | 114,897            |
| Net gains on non-trading financial assets mandatorily at fair value through profit or loss                        | 26    | (18,577)         | 31,583             | (18,082)         | 30,741             |
| Other fair value adjustments  |       | (21,175)         | (4,872)            | (21,175)         | (4,872)            |
| Net interest income   | 8     | (1,379,949)      | (1,072,590)        | (1,358,275)      | (1,051,518)        |
| Unrealized foreign exchange losses  |       | (193)            | (6,509)            | (193)            | (6,509)            |
| Income from dividends   | 11    | (2,896)          | (2,119)            | (2,896)          | (28,881)           |
| <b>Operating profit before changes in operating assets and liabilities</b>  |       | <b>(184,171)</b> | <b>(189,903)</b>   | <b>(182,272)</b> | <b>(185,789)</b>   |
| <b>Change in operating assets:</b>  |       |                  |                    |                  |                    |
| (Increase)/Decrease in trading assets and derivatives held for risk management                                    |       | (96,009)         | 26,291             | (96,006)         | 26,291             |
| (Increase)/Decrease in loans and advances to banks at amortised cost  |       | 764              | 744                | 805              | 747                |
| (Increase)/Decrease in loans and advances to customers at amortised cost and at fair value through profit or loss |       | (1,763,925)      | (5,026,577)        | (1,738,183)      | (4,998,981)        |
| (Increase)/Decrease in investment securities at fair value through other comprehensive income                     |       | (142,597)        | 7,892              | (83,950)         | (79,594)           |
| (Increase)/Decrease in investment securities at amortised cost  |       | (1,973,813)      | (499,469)          | (2,027,058)      | (526,204)          |
| (Increase)/Decrease in other assets   |       | 33,278           | (94,337)           | 30,711           | 439                |
| Proceeds from sale of loans and recoveries from write-offs  | 14    | 91,472           | 48,010             | 91,228           | 47,725             |
| <b>Change in operating liabilities:</b>   |       |                  |                    |                  |                    |
| Increase/(Decrease) in trading liabilities  |       | 8,243            | (5,815)            | 8,243            | (5,815)            |
| Increase/(Decrease) in deposits from banks  |       | (171,135)        | 611,818            | (171,135)        | 611,818            |
| Increase/(Decrease) in deposits from customers  |       | 3,433,067        | (801,972)          | 3,432,515        | (740,726)          |
| Increase/(Decrease) in other liabilities  |       | (264,428)        | 200,416            | (252,945)        | 200,208            |
| Taxation paid   |       | (90,197)         | (87,745)           | (87,464)         | (83,952)           |
| Interest paid   |       | (461,778)        | (184,125)          | (455,938)        | (182,889)          |
| Interest received   |       | 1,868,594        | 1,245,847          | 1,841,044        | 1,223,483          |
| <b>Cash flows from operating activities</b>   |       | <b>287,365</b>   | <b>(4,748,925)</b> | <b>309,595</b>   | <b>(4,693,239)</b> |
| <b>Investing activities:</b>  |       |                  |                    |                  |                    |
| Proceeds from sale of property, plant and equipment   |       | 221              | 938                | 221              | 938                |
| Acquisition of property, plant and equipment  | 30    | (17,106)         | (17,815)           | (16,532)         | (16,962)           |
| Acquisition of intangible assets  | 31    | (62,593)         | (38,308)           | (61,469)         | (37,759)           |
| Acquisition of investment in subsidiaries   | 25    | -                | -                  | -                | (6,999)            |
| Dividends received  |       | 2,896            | 2,119              | 2,896            | 28,881             |
| <b>Cash flows used in investing activities</b>  |       | <b>(76,582)</b>  | <b>(53,066)</b>    | <b>(74,884)</b>  | <b>(31,901)</b>    |



RAIFFEISEN BANK SA  
 INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENT  
 OF CASH FLOWS FOR THE PERIOD ENDED  
 30 JUNE 2023



| <i>In RON thousand</i>                                      | Note | Group            |                   | Bank             |                   |
|---|------|------------------|-------------------|------------------|-------------------|
|   |      | 30 June 2023     | 30 June 2022      | 30 June 2023     | 30 June 2022      |
|   |      | Unaudited        | Unaudited         | Unaudited        | Unaudited         |
| <b>Financing activities</b>                                 |      |                  |                   |                  |                   |
| Cash from loans from banks and subordinated liabilities     |      | 134,012          | 74,181            | -                | -                 |
| Proceeds from debt securities issued                        |      | 119,175          | 525,000           | 119,175          | 525,000           |
| Repayments of loans from banks and subordinated liabilities |      | (119,763)        | (21,339)          | (1,411)          | (2,639)           |
| Proceeds from issue of additional Tier I instruments        |      | (118)            | 370,905           | (118)            | 370,905           |
| Distribution related to AT1 instruments                     | 37   | (64,458)         | (18,742)          | (64,458)         | (18,742)          |
| Repayment of principal portion of lease liability           | 30   | (45,143)         | (44,190)          | (45,143)         | (44,190)          |
| <b>Cash flows from financing activities</b>                 |      | <b>23,705</b>    | <b>885,815</b>    | <b>8,045</b>     | <b>830,334</b>    |
| Net increase/(decrease) in cash and cash equivalents        |      | 234,488          | (3,916,176)       | 242,756          | (3,894,806)       |
| <b>Cash and cash equivalents at 1 January</b>               |      | <b>8,404,501</b> | <b>12,751,338</b> | <b>8,355,111</b> | <b>12,722,651</b> |
| <b>Cash and cash equivalents at 30 June</b>                 |      | <b>8,638,989</b> | <b>8,835,162</b>  | <b>8,597,867</b> | <b>8,827,845</b>  |

**Analysis of cash and cash equivalents**

| <i>In RON thousand</i>                                       | Note | Group            |                  | Bank             |                  |
|--|------|------------------|------------------|------------------|------------------|
|  |      | 30 June 2023     | 30 June 2022     | 30 June 2023     | 30 June 2022     |
|  |      | Unaudited        | Unaudited        | Unaudited        | Unaudited        |
| <b>Cash and cash equivalents comprise:</b>                   |      |                  |                  |                  |                  |
| Cash on hand   |      | 1,555,765        | 3,775,035        | 1,555,388        | 3,769,135        |
| Cash with Central Bank                                       |      | 5,856,515        | 4,083,286        | 5,856,515        | 4,083,286        |
|  | 17   | <b>7,412,280</b> | <b>7,858,321</b> | <b>7,411,903</b> | <b>7,852,421</b> |
| Loans and advances to banks – less than 3 months             |      | 1,226,709        | 976,841          | 1,185,964        | 975,424          |
| <b>Cash and cash equivalents in the cash flows statement</b> |      | <b>8,638,989</b> | <b>8,835,162</b> | <b>8,597,867</b> | <b>8,827,845</b> |

The interim condensed consolidated and separate statement of cash flows is to be read in conjunction with the notes forming part of the consolidated and separate financial statements set out on following pages.

## **1. REPORTING ENTITY**

Raiffeisen Bank SA (the "Bank") started its operations on 1 July 2002 upon the merger by acquisition of RaiffeisenBank Romania by Banca Agricola Raiffeisen SA through issue of shares. The merger between the two banks was finalized on 30 June 2002 with the purpose of streamlining the operations of the Raiffeisen Group in Romania.

The Bank is licensed by the National Bank of Romania to conduct banking activities. The current registered office is located at Sky Tower Building, Calea Floreasca, no 246 C, district 1, Bucharest, Romania.

The interim condensed consolidated and separate financial statements of the Bank for the year ended 30 June 2023 comprise the Bank and its subsidiaries (together referred to as the "Group").

The Group is primarily involved in corporate and retail banking, investment services, leasing and asset management services.

The main activity of the Bank is to provide day-to-day banking services to corporate and individual clients. These include: accounts opening, domestic and international payments, foreign exchange transactions, working capital finance, medium term facilities, bank guarantees and letters of credit. The Group also provides financial leasing services, home saving loan services and asset management services. The Group operates through the Head Office located in Bucharest and through its network of 291 branches as at 30.06.2023 (31.12.2022: 291 branches).

The Bank is managed in accordance with the dual management system by a Supervisory Board made up of 9 members and a Management Board made up of 7 members.

The members of the Supervisory Board as of June 30, 2023 are as follows:

- Johann Strobl – Chairman;
- Hannes Mösenbacher – Deputy Chairman;
- Andreas Gschwenter – Member;
- Peter Lennkh – Member;
- Ana Maria Mihaescu – Independent Member;
- Łukasz Janusz Januszewski – Member;
- Andrii Stepanenko – Member;
- Pedro Miguel Weiss – Independent Member;
- Claudia Patricia Pendred – Independent Member.

The structure of the Management Board as of June 30, 2023 is as follows:

- Zdenek Romanek – President;
- Cristian Sporiş – Vice-president, coordinating the Corporate Division;
- Bogdan Popa – Vice-president, coordinating the Operations and IT Division;
- Vladimir Kalinov – Vice-president, coordinating the Retail Division;
- Mircea Busuioceanu – Vice-president, coordinating the Risk Division;
- Mihail Ion – Vice-president, coordinating the Markets, Investment Banking and Personal Financial Planning Division;
- Alina Rus – Vice-president, coordinating the Accounting and Financial Controlling Division.

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## **2. BASIS OF PREPARATION**

### **a) Basis of preparation**

The interim financial statements for the six months period ended June 30, 2023 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated and separate financial statements. The bank prepares consolidated and separate financial statements in accordance with Order no. 27/2010 of the National Bank of Romania and subsequent amendments, which require that these consolidated and separate financial statements are prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS").

### **b) Functional and presentation currency**

The elements included in the financial statements of each Group entity are evaluated by using the currency of the primary economic environment in which the entity operates ("functional currency"). These consolidated and separate financial statements are presented in Romanian Lei ("RON"), which is the functional and presentation currency of the Bank, rounded to the nearest thousand.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **a) Accounting policies**

The accounting policies applied in these interim condensed consolidated and separate financial statements are consistent with those presented in the prior year, except for the amendments to published International Financial Reporting Standards presented in Note 4 below.

### **b) Basis of consolidation**

#### **(i) Subsidiaries**

Subsidiaries are entities controlled by the Bank. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Bank holds:

- 99.99% (2022: 99.99%) interest and voting rights in Raiffeisen Leasing IFN S.A.;
- 99.99% (2022: 99.99%) interest and voting rights in Aedificium Banca Pentru Locuinte S.A.;
- 99.99% (2022: 99.99%) investment and voting rights in Raiffeisen Asset Management S.A., an asset management company with the purpose of funds administration.

The Bank has consolidated the financial statements of its subsidiaries in accordance with IFRS 10 "Consolidated Financial Statements".

Raiffeisen Leasing IFN S.A. has been representing the Raiffeisen Group on the Romanian Leasing Market since 2002. The company share capital is RON 14,935,400 and offers a wide range of products for SMEs, corporations and, in a small part, for individuals. The company provides customized financing solutions in RON or EUR, offering fixed or variable interest finance for various types of projects and assets, such as vehicles and equipment. Raiffeisen Leasing offer is also available in Raiffeisen Bank network units.

Aedificium Banca pentru Locuinte S.A. offers a product denominated in RON that is based on the combination of the saving and the lending phase (Bauspar) and offers to customers the financing of housing domain improvements by affordable RON denominated loans with fixed interest rates.

S.A.I. Raiffeisen Asset Management S.A. (RAM) is the asset management specialized company for the investment funds of the Group in Romania. RAM's objective is to develop a large range of products to best serve our clients' financial purposes.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (ii) Associates

The Bank holds:

- 33.33% (2022: 33.33%) interest in Fondul de Garantare a Creditului Rural – IFN S.A.
- 33.33% (2022: 33.33%) interest in CIT One S.R.L.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

The Group accounts proportionately for the share of gain or loss from its associates in accordance with IAS 28 "Investments in Associates and Joint Ventures". The consolidated financial statements include the Group's share of the total recognized gains and losses of associates and joint ventures on an equity accounting basis, from the date that significant influence commences until the date that significant influence ceases (see Note 25). When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate. After application of the equity method, including recognizing the associate's losses, the investor determines whether it is necessary to recognize any additional impairment loss with respect to the investor's net investment in the associate.

### 4. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED INTERNATIONAL FINANCIAL REPORTING STANDARDS

#### ***New and amended IFRS Accounting Standards that are effective for the current year***

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective for reporting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements

| Standard             | Title  |
|----------------------|--|
| IFRS 17              | New standard IFRS 17 "Insurance Contracts" including the June 2020 and December 2021 Amendments to IFRS 17 |
| Amendments to IAS 1  | Disclosure of Accounting Policies  |
| Amendments to IAS 8  | Definition of Accounting Estimates   |
| Amendments to IAS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction                           |

#### ***New and revised IFRS Accounting Standards in issue and adopted by the EU but not yet effective***

At the date of authorisation of these financial statements, no new and revised IFRS Accounting Standards have been issued and adopted by the EU but are not yet effective.

#### ***New and revised IFRS Accounting Standards in issue but not adopted by the EU***

At present, IFRS as adopted by the EU do not significantly differ from IFRS adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not adopted by the EU at the date of authorisation of these financial statements:

**4. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)**

| Standard                         | Title   | EU adoption status  |
|----------------------------------|---|---|
| Amendments to IAS 12             | International Tax Reform – Pillar Two Model Rules<br>(IASB effective date: 1 January 2023*)   | Not yet adopted by EU   |
| Amendments to IAS 1              | Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants<br>(IASB effective date: 1 January 2024)   | Not yet adopted by EU   |
| Amendments to IFRS 16            | Lease Liability in a Sale and Leaseback<br>(IASB effective date: 1 January 2024)  | Not yet adopted by EU   |
| Amendments to IAS 7 and IFRS 7   | Supplier Finance Arrangements<br>(IASB effective date: 1 January 2024)  | Not yet adopted by EU   |
| IFRS 14                          | Regulatory Deferral Accounts<br>(IASB effective date: 1 January 2016)   | the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard |
| Amendments to IFRS 10 and IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred by IASB indefinitely but earlier application permitted) | Endorsement process postponed indefinitely until the research project on the equity method has been concluded                         |

The Group do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

**BRIEF DESCRIPTIONS OF NEW AND REVISED STANDARDS**

- **Amendments to IAS 12 “Income Taxes” - International Tax Reform – Pillar Two Model Rules** issued by IASB on 23 May 2023. The amendments introduced a temporary exception to the accounting for deferred taxes arising from jurisdictions implementing the global tax rules and disclosure requirements about company's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.
- **Amendments to IAS 1 “Presentation of Financial Statements” - Classification of Liabilities as Current or Non-Current** issued by IASB on 23 January 2020 and **Amendments to IAS 1 “Presentation of Financial Statements” - Non-current Liabilities with Covenants** issued by IASB on 31 October 2022. Amendments issued on January 2020 provide more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments issued on October 2022 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability and set the effective date for both amendments to annual periods beginning on or after 1 January 2024.
- **Amendments to IFRS 16 “Leases” - Lease Liability in a Sale and Leaseback** issued by IASB on 22 September 2022. Amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

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#### 4. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

- **Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures” - Supplier Finance Arrangements** issued by IASB on 25 May 2023. Amendments add disclosure requirements, and ‘signposts’ within existing disclosure requirements to provide qualitative and quantitative information about supplier finance arrangements.
- **Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** issued by IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

## 5. FINANCIAL RISK MANAGEMENT

This note provides details of the Group's exposure to risks. The most important types of risks to which the Group is exposed are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk, interest rate risk and equity price risk.

### a) Credit risk

In the table below are presented the risk concentrations by product for retail customers and by economic sectors for non-retail customers. In the table are presented gross balance sheet exposures:

#### Group

In RON thousand

|  | 30 June<br>2023   | 31 December<br>2022 |
|--|-------------------|---------------------|
| <b>Non-retail customers, of which:</b>                         |                   |                     |
| Corporate lending  | 14,943,742        | 13,712,329          |
| Project finance  | 2,765,517         | 2,738,031           |
| Financial institution non-bank                                 | 798,754           | 763,680             |
| Small business (SMB)   | 2,322,706         | 2,137,638           |
| Public sector  | 886,561           | 806,402             |
| Sovereign  | 108,718           | 151,404             |
| <b>Retail customers, of which:</b>                             |                   |                     |
| Personal loan  | 8,321,747         | 8,162,235           |
| Mortgage   | 7,910,873         | 8,157,458           |
| Consumer loans guaranteed with mortgage                        | 762,838           | 820,874             |
| Credit Card  | 1,238,160         | 1,201,207           |
| Overdraft  | 571,353           | 574,025             |
| Micro  | 2,057,812         | 1,962,828           |
| <b>Total gross exposure</b>                                    | <b>42,688,781</b> | <b>41,188,111</b>   |
| Impairment allowance   | (1,218,217)       | (1,336,542)         |
| <b>Total loans and advances to customers at amortised cost</b> | <b>41,470,564</b> | <b>39,851,569</b>   |

## 5. FINANCIAL RISK MANAGEMENT (continued)

In the table below are presented the risk concentrations by product for retail customers and by economic sectors for non-retail customers. In the table are presented gross balance sheet exposures:

### Bank

*In RON thousand*

|  | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> |
|--|-------------------------|-----------------------------|
| <b>Non-retail customers, of which:</b>                         |                         |                             |
| Corporate lending  | 14,676,773              | 13,436,764                  |
| Project finance  | 2,765,517               | 2,738,031                   |
| Financial institution non-bank                                 | 1,487,384               | 1,412,754                   |
| Small business (SMB)   | 1,808,098               | 1,667,015                   |
| Public sector  | 886,561                 | 806,402                     |
| Sovereign  | 108,718                 | 151,404                     |
| <b>Retail customers, of which:</b>                             |                         |                             |
| Personal loan  | 8,321,747               | 8,162,235                   |
| Mortgage   | 7,910,769               | 8,157,425                   |
| Consumer loans guaranteed with mortgage                        | 762,838                 | 820,874                     |
| Credit Card  | 1,238,160               | 1,201,207                   |
| Overdraft  | 571,353                 | 574,025                     |
| Micro  | 1,607,238               | 1,536,633                   |
| <b>Total gross exposure</b>                                    | <b>42,145,156</b>       | <b>40,664,769</b>           |
| Specific impairment allowance                                  | (1,184,679)             | (1,297,254)                 |
| <b>Total loans and advances to customers at amortised cost</b> | <b>40,960,477</b>       | <b>39,367,515</b>           |



## 5. FINANCIAL RISK MANAGEMENT (continued)

In the table below are presented on stages the risk concentrations by product for retail customers and by economic sectors for non-retail customers. The amounts represent gross balance sheet exposures.

### Group

|  | 30 June 2023      |                  |                |                |                   |
|--|-------------------|------------------|----------------|----------------|-------------------|
|  | Stage 1           | Stage 2          | Stage 3        | POCI           | Total             |
| <i>In RON thousand</i>                                   |                   |                  |                |                |                   |
| <b>Loans and advances to customers at amortised cost</b> |                   |                  |                |                |                   |
| <b>Non-retail:</b>                                       | <b>19,502,465</b> | <b>2,094,477</b> | <b>186,099</b> | <b>42,957</b>  | <b>21,825,998</b> |
| Corporate lending  | 14,168,153        | 609,259          | 126,225        | 40,105         | 14,943,742        |
| Project finance  | 1,890,176         | 868,304          | 7,037          | -              | 2,765,517         |
| Financial institution non-bank                           | 783,437           | 15,317           | -              | -              | 798,754           |
| Small and medium business                                | 1,711,109         | 555,908          | 52,837         | 2,852          | 2,322,706         |
| Public sector  | 841,010           | 45,551           | -              | -              | 886,561           |
| Sovereign  | 108,580           | 138              | -              | -              | 108,718           |
| <b>Retail</b>  | <b>17,321,612</b> | <b>2,603,419</b> | <b>753,143</b> | <b>184,609</b> | <b>20,862,783</b> |
| Personal Loan  | 7,096,874         | 822,229          | 397,618        | 5,026          | 8,321,747         |
| Mortgage   | 6,814,736         | 921,903          | 125,034        | 49,200         | 7,910,873         |
| Micro  | 1,626,346         | 323,576          | 103,602        | 4,288          | 2,057,812         |
| Consumer loans guaranteed with mortgage                  | 402,715           | 152,633          | 92,163         | 115,327        | 762,838           |
| Credit card  | 913,804           | 291,655          | 21,933         | 10,768         | 1,238,160         |
| Overdraft  | 467,137           | 91,423           | 12,793         | -              | 571,353           |
| <b>Total gross exposure</b>                              | <b>36,824,077</b> | <b>4,697,896</b> | <b>939,242</b> | <b>227,566</b> | <b>42,688,781</b> |
| Impairment allowance                                     | (243,492)         | (290,833)        | (612,100)      | (71,792)       | (1,218,217)       |
| <b>Net exposure</b>                                      | <b>36,580,585</b> | <b>4,407,063</b> | <b>327,142</b> | <b>155,774</b> | <b>41,470,564</b> |

## 5. FINANCIAL RISK MANAGEMENT (continued)

In the table below are presented on stages the risk concentrations by product for retail customers and by economic sectors for non-retail customers. The amounts represent gross balance sheet exposures.

### Group

|  | 31 December 2022  |                  |                |                |                   |
|--|-------------------|------------------|----------------|----------------|-------------------|
|  | Stage 1           | Stage 2          | Stage 3        | POCI           | Total             |
| <i>In RON thousand</i>                                   |                   |                  |                |                |                   |
| <b>Loans and advances to customers at amortised cost</b> |                   |                  |                |                |                   |
| <b>Non-retail:</b>                                       | <b>17,337,146</b> | <b>2,687,988</b> | <b>236,299</b> | <b>48,051</b>  | <b>20,309,484</b> |
| Corporate lending  | 12,852,753        | 694,092          | 121,265        | 44,219         | 13,712,329        |
| Project finance  | 1,370,480         | 1,299,489        | 68,062         | -              | 2,738,031         |
| Financial institution non-bank                           | 763,680           | -                | -              | -              | 763,680           |
| Small and medium business                                | 1,571,807         | 515,027          | 46,972         | 3,832          | 2,137,638         |
| Public sector  | 756,407           | 49,995           | -              | -              | 806,402           |
| Sovereign  | 22,019            | 129,385          | -              | -              | 151,404           |
| <b>Retail</b>  | <b>17,811,492</b> | <b>2,166,865</b> | <b>722,263</b> | <b>178,007</b> | <b>20,878,627</b> |
| Personal Loan  | 7,331,130         | 448,728          | 379,154        | 3,223          | 8,162,235         |
| Mortgage   | 7,140,317         | 852,553          | 114,770        | 49,818         | 8,157,458         |
| Micro  | 1,602,044         | 267,509          | 91,526         | 1,749          | 1,962,828         |
| Consumer loans guaranteed with mortgage                  | 388,699           | 210,184          | 106,187        | 115,804        | 820,874           |
| Credit card  | 1,082,177         | 91,420           | 20,197         | 7,413          | 1,201,207         |
| Overdraft  | 267,125           | 296,471          | 10,429         | -              | 574,025           |
| <b>Total gross exposure</b>                              | <b>35,148,638</b> | <b>4,854,853</b> | <b>958,562</b> | <b>226,058</b> | <b>41,188,111</b> |
| Impairment allowance                                     | (271,164)         | (318,101)        | (671,762)      | (75,515)       | (1,336,542)       |
| <b>Net exposure</b>                                      | <b>34,877,474</b> | <b>4,536,752</b> | <b>286,800</b> | <b>150,543</b> | <b>39,851,569</b> |

## 5. FINANCIAL RISK MANAGEMENT (continued)

In the table below are presented on stages the risk concentrations by product for retail customers and by economic sectors for non-retail customers. The amounts represent gross balance sheet exposures.

### Bank

*In RON thousand*

|  | 30 June 2023      |                  |                |                |                   |
|--|-------------------|------------------|----------------|----------------|-------------------|
|  | Stage 1           | Stage 2          | Stage 3        | POCI           | Total             |
| <b>Loans and advances to customers at amortised cost</b> |                   |                  |                |                |                   |
| <b>Non-retail:</b>                                       | <b>19,050,403</b> | <b>2,468,475</b> | <b>171,216</b> | <b>42,957</b>  | <b>21,733,051</b> |
| Corporate lending  | 13,958,416        | 558,200          | 120,052        | 40,105         | 14,676,773        |
| Project finance  | 1,890,176         | 868,304          | 7,037          | -              | 2,765,517         |
| Financial institution non-bank                           | 833,146           | 654,238          | -              | -              | 1,487,384         |
| Small and medium business                                | 1,419,075         | 342,044          | 44,127         | 2,852          | 1,808,098         |
| Public sector  | 841,010           | 45,551           | -              | -              | 886,561           |
| Sovereign  | 108,580           | 138              | -              | -              | 108,718           |
| <b>Retail</b>  | <b>16,952,484</b> | <b>2,538,163</b> | <b>736,849</b> | <b>184,609</b> | <b>20,412,105</b> |
| Personal Loans   | 7,096,874         | 822,229          | 397,618        | 5,026          | 8,321,747         |
| Mortgage   | 6,814,632         | 921,903          | 125,034        | 49,200         | 7,910,769         |
| Micro  | 1,257,322         | 258,320          | 87,308         | 4,288          | 1,607,238         |
| Consumer loan guaranteed with mortgage                   | 402,715           | 152,633          | 92,163         | 115,327        | 762,838           |
| Credit card  | 913,804           | 291,655          | 21,933         | 10,768         | 1,238,160         |
| Overdraft  | 467,137           | 91,423           | 12,793         | -              | 571,353           |
| <b>Total gross exposure</b>                              | <b>36,002,887</b> | <b>5,006,638</b> | <b>908,065</b> | <b>227,566</b> | <b>42,145,156</b> |
| Impairment allowance                                     | (240,206)         | (281,147)        | (591,534)      | (71,792)       | (1,184,679)       |
| <b>Net exposure</b>                                      | <b>35,762,681</b> | <b>4,725,491</b> | <b>316,531</b> | <b>155,774</b> | <b>40,960,477</b> |

## 5. FINANCIAL RISK MANAGEMENT (continued)

In the table below are presented on stages the risk concentrations by product for retail customers and by economic sectors for non-retail customers. The amounts represent gross balance sheet exposures.

### Bank

| <i>In RON thousand</i>                                   | 31 December 2022  |                  |                |                |                   |
|--|-------------------|------------------|----------------|----------------|-------------------|
|  | Stage 1           | Stage 2          | Stage 3        | POCI           | Total             |
| <b>Loans and advances to customers at amortised cost</b> |                   |                  |                |                |                   |
| <b>Non-retail:</b>                                       | <b>17,402,955</b> | <b>2,541,618</b> | <b>219,746</b> | <b>48,051</b>  | <b>20,212,370</b> |
| Corporate lending  | 12,621,866        | 658,071          | 112,608        | 44,219         | 13,436,764        |
| Project finance  | 1,370,480         | 1,299,489        | 68,062         | -              | 2,738,031         |
| Financial institution non-bank                           | 1,326,069         | 86,685           | -              | -              | 1,412,754         |
| Small and medium business                                | 1,306,114         | 317,993          | 39,076         | 3,832          | 1,667,015         |
| Public sector  | 756,407           | 49,995           | -              | -              | 806,402           |
| Sovereign  | 22,019            | 129,385          | -              | -              | 151,404           |
| <b>Retail</b>  | <b>17,438,371</b> | <b>2,132,357</b> | <b>703,664</b> | <b>178,007</b> | <b>20,452,399</b> |
| Personal Loans   | 7,331,130         | 448,728          | 379,154        | 3,223          | 8,162,235         |
| Mortgage   | 7,140,284         | 852,553          | 114,770        | 49,818         | 8,157,425         |
| Micro  | 1,228,956         | 233,001          | 72,927         | 1,749          | 1,536,633         |
| Consumer loan guaranteed with mortgage                   | 388,699           | 210,184          | 106,187        | 115,804        | 820,874           |
| Credit card  | 1,082,177         | 91,420           | 20,197         | 7,413          | 1,201,207         |
| Overdraft  | 267,125           | 296,471          | 10,429         | -              | 574,025           |
| <b>Total gross exposure</b>                              | <b>34,841,326</b> | <b>4,673,975</b> | <b>923,410</b> | <b>226,058</b> | <b>40,664,769</b> |
| Impairment allowance                                     | (265,091)         | (308,490)        | (648,158)      | (75,515)       | (1,297,254)       |
| <b>Net exposure</b>                                      | <b>34,576,235</b> | <b>4,365,485</b> | <b>275,252</b> | <b>150,543</b> | <b>39,367,515</b> |

## 5. FINANCIAL RISK MANAGEMENT (continued)

The tables below present the split of loans and advances to retail customers by credit quality. The internal rating grade is presented in the annual financial statements of the Group as of June 30, 2023.

### Group

In RON thousand

| Internal rating grade      | 30 June 2023      |                  |                |                |                   |
|----------------------------|-------------------|------------------|----------------|----------------|-------------------|
|                            | Stage 1           | Stage 2          | Stage 3        | POCI           | Total             |
| Minimal Risk               | 4,218,476         | 166,808          | -              | 21             | 4,385,305         |
| Excellent Credit Standing  | 2,991,361         | 421,585          | -              | 18,531         | 3,431,477         |
| Very Good Credit Standing  | 1,065,307         | 127,360          | -              | 24,855         | 1,217,522         |
| Good Credit Standing       | 3,582,104         | 183,613          | -              | 11,454         | 3,777,171         |
| Sound Credit Standing      | 2,709,341         | 314,641          | -              | 36,662         | 3,060,644         |
| Acceptable Credit Standing | 1,414,327         | 317,047          | -              | 11,148         | 1,742,522         |
| Marginal Credit Standing   | 680,234           | 368,151          | -              | 9,024          | 1,057,409         |
| Weak Credit Standing       | 243,171           | 238,041          | -              | 5,047          | 486,259           |
| Very Weak Credit Standing  | 43,058            | 384,278          | -              | 6,123          | 433,459           |
| Default                    | -                 | -                | 753,035        | 61,670         | 814,705           |
| Not Rated                  | 374,233           | 81,895           | 108            | 74             | 456,310           |
| <b>Total</b>               | <b>17,321,612</b> | <b>2,603,419</b> | <b>753,143</b> | <b>184,609</b> | <b>20,862,783</b> |

### Group

In RON thousand

| Internal rating grade      | 31 December 2022  |                  |                |                |                   |
|----------------------------|-------------------|------------------|----------------|----------------|-------------------|
|                            | Stage 1           | Stage 2          | Stage 3        | POCI           | Total             |
| Minimal Risk               | 3,225,409         | 48,892           | -              | 979            | 3,275,280         |
| Excellent Credit Standing  | 1,433,859         | 143,111          | -              | 8,903          | 1,585,873         |
| Very Good Credit Standing  | 4,501,305         | 178,634          | -              | 23,603         | 4,703,542         |
| Good Credit Standing       | 3,673,736         | 139,173          | -              | 828            | 3,813,737         |
| Sound Credit Standing      | 2,584,270         | 473,287          | -              | 29,093         | 3,086,650         |
| Acceptable Credit Standing | 1,221,103         | 397,014          | -              | 30,758         | 1,648,875         |
| Marginal Credit Standing   | 496,536           | 372,837          | -              | 20,939         | 890,312           |
| Weak Credit Standing       | 112,366           | 128,981          | -              | 212            | 241,559           |
| Very Weak Credit Standing  | 12,542            | 204,959          | -              | 5,073          | 222,574           |
| Default                    | -                 | -                | 722,263        | 57,571         | 779,834           |
| Not Rated                  | 550,366           | 79,977           | -              | 48             | 630,391           |
| <b>Total</b>               | <b>17,811,492</b> | <b>2,166,865</b> | <b>722,263</b> | <b>178,007</b> | <b>20,878,627</b> |

## 5. FINANCIAL RISK MANAGEMENT (continued)

The tables below present the split of loans and advances to retail customers by credit quality. The internal rating grade presented is further explained below within Note 5, within the Group's internal credit rating grades tables.

### Bank

*In RON thousand*

| Internal rating grade      | 30 June 2023      |                  |                |                |                   |
|----------------------------|-------------------|------------------|----------------|----------------|-------------------|
|                            | Stage 1           | Stage 2          | Stage 3        | POCI           | Total             |
| Minimal Risk               | 4,218,476         | 166,808          | -              | 21             | 4,385,305         |
| Excellent Credit Standing  | 2,991,361         | 421,585          | -              | 18,531         | 3,431,477         |
| Very Good Credit Standing  | 1,065,307         | 127,360          | -              | 24,855         | 1,217,522         |
| Good Credit Standing       | 3,582,104         | 183,613          | -              | 11,454         | 3,777,171         |
| Sound Credit Standing      | 2,709,341         | 314,641          | -              | 36,662         | 3,060,644         |
| Acceptable Credit Standing | 1,414,327         | 317,047          | -              | 11,148         | 1,742,522         |
| Marginal Credit Standing   | 680,234           | 368,151          | -              | 9,024          | 1,057,409         |
| Weak Credit Standing       | 243,171           | 238,041          | -              | 5,047          | 486,259           |
| Very Weak Credit Standing  | 43,058            | 384,278          | -              | 6,123          | 433,459           |
| Default                    | -                 | -                | 736,741        | 61,670         | 798,411           |
| Not Rated                  | 5,105             | 16,639           | 108            | 74             | 21,926            |
| <b>Total</b>               | <b>16,952,484</b> | <b>2,538,163</b> | <b>736,849</b> | <b>184,609</b> | <b>20,412,105</b> |

### Bank

*In RON thousand*

| Internal rating grade      | 31 December 2022  |                  |                |                |                   |
|----------------------------|-------------------|------------------|----------------|----------------|-------------------|
|                            | Stage 1           | Stage 2          | Stage 3        | POCI           | Total             |
| Minimal Risk               | 3,225,409         | 48,892           | -              | 979            | 3,275,280         |
| Excellent Credit Standing  | 1,433,859         | 143,111          | -              | 8,903          | 1,585,873         |
| Very Good Credit Standing  | 4,501,305         | 178,634          | -              | 23,603         | 4,703,542         |
| Good Credit Standing       | 3,673,736         | 139,173          | -              | 828            | 3,813,737         |
| Sound Credit Standing      | 2,584,270         | 473,287          | -              | 29,093         | 3,086,650         |
| Acceptable Credit Standing | 1,221,103         | 397,014          | -              | 30,758         | 1,648,875         |
| Marginal Credit Standing   | 496,536           | 372,837          | -              | 20,939         | 890,312           |
| Weak Credit Standing       | 112,366           | 128,981          | -              | 212            | 241,559           |
| Very Weak Credit Standing  | 12,542            | 204,959          | -              | 5,073          | 222,574           |
| Default                    | -                 | -                | 703,664        | 57,571         | 761,235           |
| Not Rated                  | 177,245           | 45,469           | -              | 48             | 222,762           |
| <b>Total</b>               | <b>17,438,371</b> | <b>2,132,357</b> | <b>703,664</b> | <b>178,007</b> | <b>20,452,399</b> |

## 5. FINANCIAL RISK MANAGEMENT (continued)

The tables below present the split of loans and advances to non - retail customers by credit quality. The internal rating grade is presented in the annual financial statements of the Group as of December 31, 2022.

### Group

In RON thousand

| 30 June 2023          |                   |                  |                |               |                   |
|-----------------------|-------------------|------------------|----------------|---------------|-------------------|
| Internal rating grade | Stage 1           | Stage 2          | Stage 3        | POCI          | Total             |
| Excellent             | 31,640            | -                | -              | -             | 31,640            |
| Strong                | 4,143,445         | 17,904           | -              | -             | 4,161,349         |
| Good                  | 10,431,596        | 810,975          | -              | -             | 11,242,571        |
| Satisfactory          | 4,894,193         | 1,201,535        | -              | -             | 6,095,728         |
| Substandard           | 1,094             | 58,056           | -              | -             | 59,150            |
| Impaired              | 410               | -                | 186,091        | 42,957        | 229,458           |
| Unrated               | 87                | 6,007            | 8              | -             | 6,102             |
| <b>Total</b>          | <b>19,502,465</b> | <b>2,094,477</b> | <b>186,099</b> | <b>42,957</b> | <b>21,825,998</b> |

### Group

In RON thousand

| 31 December 2022      |                   |                  |                |               |                   |
|-----------------------|-------------------|------------------|----------------|---------------|-------------------|
| Internal rating grade | Stage 1           | Stage 2          | Stage 3        | POCI          | Total             |
| Excellent             | 27,230            | 364              | -              | -             | 27,594            |
| Strong                | 3,433,978         | 182,903          | -              | -             | 3,616,881         |
| Good                  | 9,264,349         | 1,105,196        | -              | -             | 10,369,545        |
| Satisfactory          | 4,601,816         | 1,312,410        | 429            | -             | 5,914,655         |
| Substandard           | 6,815             | 72,656           | -              | -             | 79,471            |
| Impaired              | -                 | -                | 235,866        | 48,051        | 283,917           |
| Unrated               | 2,958             | 14,459           | 4              | -             | 17,421            |
| <b>Total</b>          | <b>17,337,146</b> | <b>2,687,988</b> | <b>236,299</b> | <b>48,051</b> | <b>20,309,484</b> |

### Bank

In RON thousand

| 30 June 2023          |                   |                  |                |               |                   |
|-----------------------|-------------------|------------------|----------------|---------------|-------------------|
| Internal rating grade | Stage 1           | Stage 2          | Stage 3        | POCI          | Total             |
| Excellent             | 26,916            | -                | -              | -             | 26,916            |
| Strong                | 4,098,159         | 14,579           | -              | -             | 4,112,738         |
| Good                  | 10,185,279        | 1,401,874        | -              | -             | 11,587,153        |
| Satisfactory          | 4,739,538         | 1,004,068        | -              | -             | 5,743,606         |
| Substandard           | 101               | 47,921           | -              | -             | 48,022            |
| Impaired              | 410               | -                | 171,208        | 42,957        | 214,575           |
| Unrated               | -                 | 33               | 8              | -             | 41                |
| <b>Total</b>          | <b>19,050,403</b> | <b>2,468,475</b> | <b>171,216</b> | <b>42,957</b> | <b>21,733,051</b> |

### Bank

In RON thousand

| 31 December 2022      |                   |                  |                |               |                   |
|-----------------------|-------------------|------------------|----------------|---------------|-------------------|
| Internal rating grade | Stage 1           | Stage 2          | Stage 3        | POCI          | Total             |
| Excellent             | 24,682            | 61               | -              | -             | 24,743            |
| Strong                | 3,417,146         | 159,661          | -              | -             | 3,576,807         |
| Good                  | 9,559,564         | 1,126,024        | -              | -             | 10,685,588        |
| Satisfactory          | 4,394,982         | 1,188,863        | 429            | -             | 5,584,274         |
| Substandard           | 6,581             | 66,972           | -              | -             | 73,553            |
| Impaired              | -                 | -                | 219,313        | 48,051        | 267,364           |
| Unrated               | -                 | 37               | 4              | -             | 41                |
| <b>Total</b>          | <b>17,402,955</b> | <b>2,541,618</b> | <b>219,746</b> | <b>48,051</b> | <b>20,212,370</b> |

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## **5. FINANCIAL RISK MANAGEMENT (continued)**

At Group level, loans and advances to banks in amount of RON 1,426,438 thousand (31 December 2022: RON 323,543 thousand) are all classified in Stage 1.

At Bank level, loans and advances to banks in amount of RON 1,397,752 thousand (31 December 2022: RON 286,851 thousand), are all classified in Stage 1.

Loans and advances to banks as of 30 June, 2023 mainly represent nostro accounts, reverse repo, short term loans and collateral deposits. Nostro accounts are always available to the Group, are not restricted, not overdue or impaired.

For corporate entities, small and medium entities, financial institutions, local and central public authorities customers, the Group uses rating scales associated with the financial performance, both for the individually and for the collectively impaired loans and advances. In accordance with the Group's policies and procedures, a rating can be associated for each category of risk, from the lowest risk considered (Rating 1) to defaulted loans category (Rating 10). In the case of private individuals and micro exposures, the credit risk is assessed based on advanced internal model rating approach. The Bank assigns ratings to customers at facility level for private individuals and at customer level for micro. After the calibration process a probability of default is assigned to rating classes associated.



**5. FINANCIAL RISK MANAGEMENT (continued)**

The tables below presents the portfolio of loans to non-retail customers at amortised cost split on industries:

**Group**

*In RON thousand*

| <b>Non retail</b>  | <b>30 June 2023</b> |                  |                |               |                   |
|--|---------------------|------------------|----------------|---------------|-------------------|
|  | <b>Stage 1</b>      | <b>Stage 2</b>   | <b>Stage 3</b> | <b>POCI</b>   | <b>Total</b>      |
| A. Agriculture, forestry and fishing                             | 859,701             | 149,965          | 9,420          | 3,417         | 1,022,503         |
| B. Mining and quarrying  | 875,052             | 1,616            | 356            | -             | 877,024           |
| C. Manufacturing   | 2,567,495           | 344,167          | 54,847         | 2,687         | 2,969,196         |
| D. Electricity, gas, steam and air conditioning supply           | 1,729,155           | 2,934            | 7,043          | -             | 1,739,132         |
| E. Water supply  | 334,007             | 6,242            | 6              | -             | 340,255           |
| F. Construction  | 981,775             | 290,471          | 16,247         | 5,643         | 1,294,136         |
| G. Wholesale and retail trade                                    | 5,311,790           | 249,966          | 40,808         | 1,828         | 5,604,392         |
| H. Transport and storage services                                | 1,211,207           | 161,898          | 32,506         | 206           | 1,405,817         |
| I. Accommodation and restaurant services                         | 88,739              | 396,624          | 13,703         | -             | 499,066           |
| J. Information and communications                                | 122,865             | 4,475            | 4,292          | 29,111        | 160,743           |
| K. Financial and insurance activities                            | 1,107,635           | 15,314           | 3              | -             | 1,122,952         |
| L. Real estate activities  | 2,121,308           | 330,515          | 6              | -             | 2,451,829         |
| M. Professional, scientific and technical activities             | 285,773             | 17,964           | 1,461          | 47            | 305,245           |
| N. Administrative and support service activities                 | 304,995             | 19,078           | 1,979          | 18            | 326,070           |
| O. Public administration and defense, compulsory social security | 944,132             | 45,960           | -              | -             | 990,092           |
| P. Education   | 28,771              | 371              | -              | -             | 29,142            |
| Q. Human health services and social work activities              | 540,394             | 12,771           | 6              | -             | 553,171           |
| R. Arts, entertainment and recreation                            | 18,193              | 32,078           | 794            | -             | 51,065            |
| S. Other services  | 69,478              | 12,068           | 2,622          | -             | 84,168            |
| <b>TOTAL</b>   | <b>19,502,465</b>   | <b>2,094,477</b> | <b>186,099</b> | <b>42,957</b> | <b>21,825,998</b> |

**5. FINANCIAL RISK MANAGEMENT (continued)**

The tables below presents the portfolio of loans to non-retail customers at amortised cost split on industries:

**Group**

*In RON thousand*

| <b>Non retail</b>  | <b>31 December 2022</b> |                  |                |               |                   |
|--|-------------------------|------------------|----------------|---------------|-------------------|
|  | <b>Stage 1</b>          | <b>Stage 2</b>   | <b>Stage 3</b> | <b>POCI</b>   | <b>Total</b>      |
| A. Agriculture, forestry and fishing                             | 936,849                 | 117,846          | 10,021         | 3,417         | 1,068,133         |
| B. Mining and quarrying  | 1,000,969               | 2,524            | 378            | -             | 1,003,871         |
| C. Manufacturing   | 2,530,708               | 317,832          | 54,846         | 6,547         | 2,909,933         |
| D. Electricity, gas, steam and air conditioning supply           | 1,353,887               | 9,221            | 6,799          | -             | 1,369,907         |
| E. Water supply  | 259,797                 | 6,092            | 41             | -             | 265,930           |
| F. Construction  | 799,947                 | 255,836          | 21,604         | 5,748         | 1,083,135         |
| G. Wholesale and retail trade                                    | 4,917,334               | 332,816          | 46,542         | 1,814         | 5,298,506         |
| H. Transport and storage services                                | 1,122,778               | 186,628          | 8,038          | 504           | 1,317,948         |
| I. Accommodation and restaurant services                         | 74,811                  | 410,808          | 14,973         | -             | 500,592           |
| J. Information and communications                                | 66,621                  | 28,181           | 4,302          | 29,903        | 129,007           |
| K. Financial and insurance activities                            | 1,029,791               | 43,197           | 3              | -             | 1,072,991         |
| L. Real estate activities  | 1,489,759               | 698,486          | 61,274         | -             | 2,249,519         |
| M. Professional, scientific and technical activities             | 214,142                 | 21,659           | 1,492          | 118           | 237,411           |
| N. Administrative and support service activities                 | 237,892                 | 17,556           | 627            | -             | 256,075           |
| O. Public administration and defense, compulsory social security | 776,978                 | 178,769          | -              | -             | 955,747           |
| P. Education   | 35,163                  | 394              | -              | -             | 35,557            |
| Q. Human health services and social work activities              | 398,730                 | 11,259           | 1,894          | -             | 411,883           |
| R. Arts, entertainment and recreation                            | 21,309                  | 36,380           | 795            | -             | 58,484            |
| S. Other services  | 69,681                  | 12,504           | 2,670          | -             | 84,855            |
| <b>TOTAL</b>   | <b>17,337,146</b>       | <b>2,687,988</b> | <b>236,299</b> | <b>48,051</b> | <b>20,309,484</b> |

## 5. FINANCIAL RISK MANAGEMENT (continued)

The tables below presents the portfolio of loans to non-retail customers at amortised cost split on industries:

### Bank

In RON thousand

| Non retail   | 30 June 2023      |                  |                |               |                   |
|--|-------------------|------------------|----------------|---------------|-------------------|
|  | Stage 1           | Stage 2          | Stage 3        | POCI          | Total             |
| A. Agriculture, forestry and fishing                             | 833,420           | 136,117          | 9,382          | 3,417         | 982,336           |
| B. Mining and quarrying  | 870,220           | 877              | 233            | -             | 871,330           |
| C. Manufacturing   | 2,520,283         | 287,067          | 47,206         | 2,687         | 2,857,243         |
| D. Electricity, gas, steam and air conditioning supply           | 1,725,867         | 2,832            | 7,043          | -             | 1,735,742         |
| E. Water supply  | 259,258           | 2,924            | 6              | -             | 262,188           |
| F. Construction  | 928,541           | 239,594          | 15,547         | 5,643         | 1,189,325         |
| G. Wholesale and retail trade                                    | 5,176,270         | 218,861          | 37,554         | 1,828         | 5,434,513         |
| H. Transport and storage services                                | 1,092,439         | 102,283          | 30,632         | 206           | 1,225,560         |
| I. Accommodation and restaurant services                         | 87,866            | 370,105          | 13,703         | 0             | 471,674           |
| J. Information and communications                                | 113,473           | 3,416            | 3,173          | 29,111        | 149,173           |
| K. Financial and insurance activities                            | 1,156,381         | 654,235          | 3              | -             | 1,810,619         |
| L. Real estate activities  | 2,119,306         | 329,995          | 6              | -             | 2,449,307         |
| M. Professional, scientific and technical activities             | 271,551           | 16,161           | 1,461          | 47            | 289,220           |
| N. Administrative and support service activities                 | 300,032           | 10,233           | 1,845          | 18            | 312,128           |
| O. Public administration and defense, compulsory social security | 944,132           | 45,688           | -              | -             | 989,820           |
| P. Education   | 28,771            | 239              | -              | -             | 29,010            |
| Q. Human health services and social work activities              | 537,245           | 6,844            | 6              | -             | 544,095           |
| R. Arts, entertainment and recreation                            | 17,707            | 31,903           | 794            | -             | 50,404            |
| S. Other services  | 67,641            | 9,101            | 2,622          | -             | 79,364            |
| <b>TOTAL</b>   | <b>19,050,403</b> | <b>2,468,475</b> | <b>171,216</b> | <b>42,957</b> | <b>21,733,051</b> |

## 5. FINANCIAL RISK MANAGEMENT (continued)

The tables below presents the portfolio of loans to non-retail customers at amortised cost split on industries:

### Bank

*In RON thousand*

|  | <b>31 December 2022</b> |                  |                |               |                   |
|--|-------------------------|------------------|----------------|---------------|-------------------|
| <b>Non retail</b>  | <b>Stage 1</b>          | <b>Stage 2</b>   | <b>Stage 3</b> | <b>POCI</b>   | <b>Total</b>      |
| A. Agriculture, forestry and fishing                             | 911,378                 | 109,684          | 9,983          | 3,417         | 1,034,462         |
| B. Mining and quarrying  | 997,720                 | 616              | 233            | -             | 998,569           |
| C. Manufacturing   | 2,447,304               | 290,058          | 46,441         | 6,547         | 2,790,350         |
| D. Electricity, gas, steam and air conditioning supply           | 1,350,537               | 9,221            | 6,799          | -             | 1,366,557         |
| E. Water supply  | 197,240                 | 3,022            | 41             | -             | 200,303           |
| F. Construction  | 718,682                 | 234,457          | 20,833         | 5,748         | 979,720           |
| G. Wholesale and retail trade                                    | 4,823,388               | 276,206          | 44,475         | 1,814         | 5,145,883         |
| H. Transport and storage services                                | 1,008,827               | 130,047          | 5,929          | 504           | 1,145,307         |
| I. Accommodation and restaurant services                         | 73,789                  | 384,309          | 14,973         | -             | 473,071           |
| J. Information and communications                                | 58,812                  | 18,673           | 3,173          | 29,903        | 110,561           |
| K. Financial and insurance activities                            | 1,591,106               | 129,879          | 3              | -             | 1,720,988         |
| L. Real estate activities  | 1,488,115               | 698,045          | 61,274         | -             | 2,247,434         |
| M. Professional, scientific and technical activities             | 209,657                 | 12,012           | 1,492          | 118           | 223,279           |
| N. Administrative and support service activities                 | 234,855                 | 13,068           | 627            | -             | 248,550           |
| O. Public administration and defense, compulsory social security | 776,667                 | 178,697          | -              | -             | 955,364           |
| P. Education   | 35,020                  | 371              | -              | -             | 35,391            |
| Q. Human health services and social work activities              | 392,034                 | 7,156            | 5              | -             | 399,195           |
| R. Arts, entertainment and recreation                            | 20,991                  | 35,860           | 795            | -             | 57,646            |
| S. Other services  | 66,833                  | 10,237           | 2,670          | -             | 79,740            |
| <b>TOTAL</b>   | <b>17,402,955</b>       | <b>2,541,618</b> | <b>219,746</b> | <b>48,051</b> | <b>20,212,370</b> |

## 5. FINANCIAL RISK MANAGEMENT (continued)

The tables below presents the portfolio of loans to retail customers at amortised cost split on industries:

### Group

*In RON thousand*

| Retail   | 30 June 2023      |                  |                |                |                   |
|--|-------------------|------------------|----------------|----------------|-------------------|
|  | Stage 1           | Stage 2          | Stage 3        | POCI           | Total             |
| A. Agriculture, forestry and fishing                             | 258,365           | 70,362           | 4,475          | 221            | 333,423           |
| B. Mining and quarrying  | 541               | 568              | 74             | -              | 1,183             |
| C. Manufacturing   | 156,060           | 24,910           | 7,158          | 176            | 188,304           |
| D. Electricity, gas, steam and air conditioning supply           | 1,492             | 165              | 14             | -              | 1,671             |
| E. Water supply  | 6,663             | 849              | 862            | 3              | 8,377             |
| F. Construction  | 172,689           | 46,147           | 20,464         | 401            | 239,701           |
| G. Wholesale and retail trade                                    | 426,380           | 69,672           | 28,168         | 1,819          | 526,039           |
| H. Transport and storage services                                | 224,272           | 61,762           | 22,246         | 394            | 308,674           |
| I. Accommodation and restaurant services                         | 61,547            | 9,598            | 3,173          | 71             | 74,389            |
| J. Information and communications                                | 50,606            | 5,583            | 3,415          | 235            | 59,839            |
| K. Financial and insurance activities                            | 1,977             | 28               | 21             | -              | 2,026             |
| L. Real estate activities  | 11,048            | 624              | 262            | -              | 11,934            |
| M. Professional, scientific and technical activities             | 111,668           | 15,777           | 5,868          | 485            | 133,798           |
| N. Administrative and support service activities                 | 55,831            | 8,516            | 3,422          | 390            | 68,159            |
| O. Public administration and defense, compulsory social security | 695               | 1                | 1              | -              | 697               |
| P. Education   | 7,099             | 837              | 410            | 74             | 8,420             |
| Q. Human health services and social work activities              | 34,972            | 2,963            | 899            | -              | 38,834            |
| R. Arts, entertainment and recreation                            | 11,402            | 2,188            | 1,674          | -              | 15,264            |
| S. Other services  | 24,923            | 3,024            | 966            | 20             | 28,933            |
| Private individuals  | 15,703,382        | 2,279,845        | 649,571        | 180,320        | 18,813,118        |
| <b>TOTAL</b>   | <b>17,321,612</b> | <b>2,603,419</b> | <b>753,143</b> | <b>184,609</b> | <b>20,862,783</b> |

## 5. FINANCIAL RISK MANAGEMENT (continued)

The tables below presents the portfolio of loans to retail customers at amortised cost split on industries:

### Group

*In RON thousand*

| Retail   | 31 December 2022  |                  |                |                |                   |
|--|-------------------|------------------|----------------|----------------|-------------------|
|  | Stage 1           | Stage 2          | Stage 3        | POCI           | Total             |
| A. Agriculture, forestry and fishing                             | 249,058           | 49,521           | 4,406          | 61             | 303,046           |
| B. Mining and quarrying  | 1,656             | 114              | 71             | -              | 1,841             |
| C. Manufacturing   | 151,499           | 27,174           | 7,584          | 23             | 186,280           |
| D. Electricity, gas, steam and air conditioning supply           | 1,462             | 88               | 17             | -              | 1,567             |
| E. Water supply  | 7,892             | 792              | 1,088          | 4              | 9,776             |
| F. Construction  | 180,237           | 40,883           | 14,490         | 140            | 235,750           |
| G. Wholesale and retail trade                                    | 406,978           | 67,341           | 24,529         | 913            | 499,761           |
| H. Transport and storage services                                | 234,684           | 37,104           | 20,547         | 168            | 292,503           |
| I. Accommodation and restaurant services                         | 54,020            | 5,682            | 3,338          | 33             | 63,073            |
| J. Information and communications                                | 49,978            | 7,584            | 1,732          | 64             | 59,358            |
| K. Financial and insurance activities                            | 1,344             | 80               | 21             | -              | 1,445             |
| L. Real estate activities  | 12,484            | 803              | 200            | -              | 13,487            |
| M. Professional, scientific and technical activities             | 117,813           | 15,760           | 5,670          | 199            | 139,442           |
| N. Administrative and support service activities                 | 52,008            | 6,975            | 3,725          | 96             | 62,804            |
| O. Public administration and defense, compulsory social security | 181               | 101              | 1              | -              | 283               |
| P. Education   | 5,690             | 1,479            | 309            | 35             | 7,513             |
| Q. Human health services and social work activities              | 38,201            | 1,848            | 1,045          | -              | 41,094            |
| R. Arts, entertainment and recreation                            | 9,734             | 1,279            | 2,053          | 1              | 13,067            |
| S. Other services  | 19,998            | 2,900            | 645            | 11             | 23,554            |
| Private individuals  | 16,216,575        | 1,899,357        | 630,792        | 176,259        | 18,922,983        |
| <b>TOTAL</b>   | <b>17,811,492</b> | <b>2,166,865</b> | <b>722,263</b> | <b>178,007</b> | <b>20,878,627</b> |

## 5. FINANCIAL RISK MANAGEMENT (continued)

The table below presents the portfolio of loans to retail customers at amortised cost split on industries:

### Bank

In RON thousand

| Retail   | 30 June 2023      |                  |                |                |                   |
|--|-------------------|------------------|----------------|----------------|-------------------|
|  | Stage 1           | Stage 2          | Stage 3        | POCI           | Total             |
| A. Agriculture, forestry and fishing                             | 229,092           | 68,383           | 3,948          | 221            | 301,644           |
| B. Mining and quarrying  | 230               | 51               | 34             | -              | 315               |
| C. Manufacturing   | 126,230           | 18,390           | 6,531          | 176            | 151,327           |
| D. Electricity, gas, steam and air conditioning supply           | 1,349             | 4                | 14             | -              | 1,367             |
| E. Water supply  | 4,847             | 655              | 641            | 3              | 6,146             |
| F. Construction  | 127,246           | 37,784           | 18,993         | 401            | 184,424           |
| G. Wholesale and retail trade                                    | 358,327           | 60,566           | 26,592         | 1,819          | 447,304           |
| H. Transport and storage services                                | 160,398           | 30,814           | 11,556         | 394            | 203,162           |
| I. Accommodation and restaurant services                         | 50,875            | 8,084            | 2,976          | 71             | 62,006            |
| J. Information and communications                                | 27,687            | 5,203            | 3,274          | 235            | 36,399            |
| K. Financial and insurance activities                            | 49                | 2                | 21             | -              | 72                |
| L. Real estate activities  | 4,789             | 341              | 219            | -              | 5,349             |
| M. Professional, scientific and technical activities             | 71,868            | 14,121           | 5,367          | 485            | 91,841            |
| N. Administrative and support service activities                 | 42,253            | 7,399            | 3,358          | 390            | 53,400            |
| O. Public administration and defense, compulsory social security | 581               | 1                | 1              | -              | 583               |
| P. Education   | 5,322             | 782              | 410            | 74             | 6,588             |
| Q. Human health services and social work activities              | 24,145            | 2,444            | 853            | -              | 27,442            |
| R. Arts, entertainment and recreation                            | 9,159             | 1,453            | 1,644          | -              | 12,256            |
| S. Other services  | 12,872            | 1,841            | 878            | 20             | 15,611            |
| Private individuals  | 15,695,165        | 2,279,845        | 649,539        | 180,320        | 18,804,869        |
| <b>TOTAL</b>   | <b>16,952,484</b> | <b>2,538,163</b> | <b>736,849</b> | <b>184,609</b> | <b>20,412,105</b> |

## 5. FINANCIAL RISK MANAGEMENT (continued)

The table below presents the portfolio of loans to retail customers at amortised cost split on industries:

### Bank

In RON thousand

| Retail   | 31 December 2022  |                  |                |                |                   |
|--|-------------------|------------------|----------------|----------------|-------------------|
|  | Stage 1           | Stage 2          | Stage 3        | POCI           | Total             |
| A. Agriculture, forestry and fishing                             | 223,692           | 46,825           | 3,548          | 61             | 274,126           |
| B. Mining and quarrying  | 224               | 114              | 31             | -              | 369               |
| C. Manufacturing   | 119,947           | 22,624           | 6,908          | 23             | 149,502           |
| D. Electricity, gas, steam and air conditioning supply           | 1,414             | 88               | 17             | -              | 1,519             |
| E. Water supply  | 5,681             | 763              | 1,027          | 4              | 7,475             |
| F. Construction  | 136,431           | 37,028           | 13,001         | 140            | 186,600           |
| G. Wholesale and retail trade                                    | 340,749           | 62,004           | 23,067         | 913            | 426,733           |
| H. Transport and storage services                                | 145,132           | 25,308           | 8,673          | 168            | 179,281           |
| I. Accommodation and restaurant services                         | 44,335            | 4,401            | 3,127          | 33             | 51,896            |
| J. Information and communications                                | 30,871            | 7,075            | 1,522          | 64             | 39,532            |
| K. Financial and insurance activities                            | 74                | 8                | 21             | -              | 103               |
| L. Real estate activities  | 6,466             | 441              | 75             | -              | 6,982             |
| M. Professional, scientific and technical activities             | 81,527            | 13,551           | 4,684          | 199            | 99,961            |
| N. Administrative and support service activities                 | 39,005            | 6,332            | 3,551          | 96             | 48,984            |
| O. Public administration and defense, compulsory social security | 181               | 101              | 1              | -              | 283               |
| P. Education   | 4,355             | 1,436            | 309            | 35             | 6,135             |
| Q. Human health services and social work activities              | 27,551            | 1,035            | 984            | -              | 29,570            |
| R. Arts, entertainment and recreation                            | 7,917             | 1,119            | 1,855          | 1              | 10,892            |
| S. Other services  | 13,404            | 2,747            | 527            | 11             | 16,689            |
| Private individuals  | 16,209,415        | 1,899,357        | 630,736        | 176,259        | 18,915,767        |
| <b>TOTAL</b>   | <b>17,438,371</b> | <b>2,132,357</b> | <b>703,664</b> | <b>178,007</b> | <b>20,452,399</b> |



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## 5. FINANCIAL RISK MANAGEMENT (continued)

### b) Liquidity risk

Liquidity risk is generated in the normal course of banking activity being a consequence of the bank's response to client needs. While depositors need short term access to their funds, borrowers need the possibility to repay the loans in medium to long term timeframes, therefore by responding to these needs the Bank accepts a degree of liquidity risk that has to be actively managed.

The Management Board defines the liquidity risk strategy based on recommendations made by the units responsible for liquidity and funding management in cooperation with the area responsible for monitoring and controlling of liquidity risk. Management Board approves each year the limits which are applied to measure and control liquidity risk as well as the Bank's funding plan.

The risk tolerance of the Bank represents the foundation of the liquidity risk management framework and is defined:

- for normal business conditions, using a set of limits for the long term liquidity risk profile. The role of the limits is to prevent the accumulation of liquidity risk from current activity of the Bank;
- for stress conditions, tolerance is the Bank's capacity to operate for an acceptable time without significant changes to the strategy or business model.

Treasury Division function is responsible for the management of liquidity and funding risk of the Bank and Risk Management Division has responsibilities for liquidity risk monitoring and controlling, as defined in the liquidity and funding strategies.

For liquidity management, the Bank analyses, monitors and forecasts the liquidity behaviour of products and business segments and maintain long-term liquidity, including stable deposits, in excess of illiquid assets, at an optimal cost, as defined in the risk appetite.

Diversification of funding profile in terms of investor types, products and instruments is an important element of the liquidity management framework. The core funding resources come from retail clients while other customer's deposits, interbank deposits and borrowings are additional sources of funding. This improves the Bank's flexibility in funding and diminishes the liquidity cost.

**5. FINANCIAL RISK MANAGEMENT (continued)**

**Group**

The financial assets and liabilities analyzed over the remaining period from the balance sheet date to contractual maturity are as at 30 June 2023 as follows:

| <i>In RON thousand</i>   | <b>Up to 3 Months</b> | <b>3 Months to 1 Year</b> | <b>1 Year to 5 Years</b> | <b>Over 5 Years</b> | <b>Without maturity</b> | <b>Total</b>      |
|--|-----------------------|---------------------------|--------------------------|---------------------|-------------------------|-------------------|
| <b>Financial Assets</b>  |                       |                           |                          |                     |                         |                   |
| Cash and cash with Central Bank  | 7,412,280             | -                         | -                        | -                   | -                       | 7,412,280         |
| Loans and advances to banks at amortized cost                          | 1,268,725             | 50,105                    | 77,665                   | 25,052              | 4,891                   | 1,426,438         |
| Derivative assets held for risk management                             | 16,759                | 3,309                     | 13,156                   | 831                 | -                       | 34,055            |
| Trading assets   | -                     | 18,443                    | 24,699                   | 122,195             | 23,974                  | 189,311           |
| Financial assets mandatorily at fair value through profit or loss      | 9,888                 | 3,919                     | 24,545                   | 119,478             | 34,263                  | 192,093           |
| Investment securities at fair value through other comprehensive income | 319,315               | 747,804                   | 1,711,333                | 586,743             | -                       | 3,365,195         |
| Equity instruments at fair value through other comprehensive income    | -                     | -                         | -                        | -                   | 78,554                  | 78,554            |
| Loans and advances to customers at amortised cost                      | 5,462,222             | 6,708,670                 | 18,086,951               | 11,134,555          | 78,166                  | 41,470,564        |
| Derivative Assets- Hedge accounting                                    | -                     | 1,335                     | 4,673                    | -                   | -                       | 6,008             |
| Investment securities at amortised cost                                | 1,015,464             | 1,837,573                 | 4,662,907                | 3,755,080           | -                       | 11,271,024        |
| Other assets   | 178,413               | 197                       | -                        | -                   | -                       | 178,610           |
| <b>Total financial assets</b>  | <b>15,683,066</b>     | <b>9,371,355</b>          | <b>24,605,929</b>        | <b>15,743,934</b>   | <b>219,848</b>          | <b>65,624,132</b> |
| <b>Financial Liabilities</b>   |                       |                           |                          |                     |                         |                   |
| Trading liabilities  | 22,656                | 10,352                    | 2,834                    | 116                 | -                       | 35,958            |
| Derivative liabilities held for risk management                        | 4,411                 | -                         | 548                      | -                   | -                       | 4,959             |
| Deposits from banks  | 406,971               | -                         | -                        | -                   | -                       | 406,971           |
| Deposits from customers  | 46,184,355            | 6,017,174                 | 325,064                  | 243,527             | -                       | 52,770,120        |
| Loans from banks and other financial institutions                      | -                     | 164,809                   | 65,314                   | 174,411             | -                       | 404,534           |
| Fair value changes of the hedged items-liability                       | 7,818                 | -                         | -                        | -                   | -                       | 7,818             |
| Debt securities issued   | -                     | -                         | 3,532,836                | 481,081             | -                       | 4,013,917         |
| Subordinated loans   | -                     | -                         | 124,800                  | 200,375             | -                       | 325,175           |
| Other liabilities  | 843,450               | 62,602                    | 179,258                  | 3,056               | -                       | 1,088,366         |
| <b>Total financial liabilities</b>                                     | <b>47,469,661</b>     | <b>6,254,937</b>          | <b>4,230,654</b>         | <b>1,102,566</b>    | <b>-</b>                | <b>59,057,818</b> |
| <b>Maturity surplus/ (shortfall)</b>                                   | <b>(31,786,595)</b>   | <b>3,116,418</b>          | <b>20,375,275</b>        | <b>14,641,368</b>   | <b>219,848</b>          | <b>6,566,314</b>  |

## 5. FINANCIAL RISK MANAGEMENT (continued)

### Group

The financial assets and liabilities analyzed over the remaining period from the balance sheet date to contractual maturity are as at 31 December 2022 as follows:

| <i>In RON thousand</i>   | <b>Up to 3<br/>Months</b> | <b>3 Months to 1<br/>Year</b> | <b>1 Year to 5<br/>Years</b> | <b>Over 5 Years</b> | <b>Without<br/>maturity</b> | <b>Total</b>      |
|--|---------------------------|-------------------------------|------------------------------|---------------------|-----------------------------|-------------------|
| <b>Financial Assets</b>  |                           |                               |                              |                     |                             |                   |
| Cash and cash with Central Bank  | 8,281,451                 | -                             | -                            | -                   | -                           | 8,281,451         |
| Loans and advances to banks at amortized cost                          | 187,267                   | 50,130                        | 84,897                       | -                   | 1,249                       | 323,543           |
| Derivative assets held for risk management                             | -                         | 1,927                         | 11,854                       | -                   | -                           | 13,781            |
| Trading assets   | -                         | 13,294                        | 44,107                       | 21,443              | 14,458                      | 93,302            |
| Financial assets mandatorily at fair value through profit or loss      | 9,671                     | 3,753                         | 23,156                       | 117,355             | 30,523                      | 184,458           |
| Investment securities at fair value through other comprehensive income | 11,016                    | 761,876                       | 1,769,124                    | 563,382             | -                           | 3,105,398         |
| Equity instruments at fair value through other comprehensive income    | -                         | -                             | -                            | -                   | 71,488                      | 71,488            |
| Loans and advances to customers at amortised cost                      | 3,798,637                 | 8,591,910                     | 16,112,826                   | 11,285,465          | 62,731                      | 39,851,569        |
| Derivative Assets- Hedge accounting                                    | -                         | -                             | 5,137                        | 3,218               | -                           | 8,355             |
| Investment securities at amortised cost                                | 630                       | 2,207,378                     | 4,679,486                    | 2,313,360           | -                           | 9,200,854         |
| Other assets   | 290,746                   | 129                           | -                            | -                   | -                           | 290,875           |
| <b>Total financial assets</b>  | <b>12,579,418</b>         | <b>11,630,397</b>             | <b>22,730,587</b>            | <b>14,304,223</b>   | <b>180,449</b>              | <b>61,425,074</b> |
| <b>Financial Liabilities</b>   |                           |                               |                              |                     |                             |                   |
| Trading liabilities  | 13,797                    | 1,649                         | 12,269                       | -                   | -                           | 27,715            |
| Derivative liabilities held for risk management                        | 2,804                     | 2,122                         | 934                          | -                   | -                           | 5,860             |
| Deposits from banks  | 578,106                   | -                             | -                            | -                   | -                           | 578,106           |
| Deposits from customers  | 43,890,330                | 4,847,983                     | 384,793                      | 110,462             | -                           | 49,233,568        |
| Loans from banks and other financial institutions                      | -                         | 36,005                        | 87,386                       | 261,947             | 4,947                       | 390,285           |
| Fair value changes of the hedged items-liability                       | 11,398                    | -                             | -                            | -                   | -                           | 11,398            |
| Debt securities issued   | -                         | -                             | 2,175,977                    | 1,711,831           | -                           | 3,887,808         |
| Subordinated loans   | -                         | -                             | 124,375                      | 199,351             | -                           | 323,726           |
| Other liabilities  | 1,083,148                 | 62,632                        | 172,663                      | 3,136               | -                           | 1,321,579         |
| <b>Total financial liabilities</b>                                     | <b>45,579,583</b>         | <b>4,950,391</b>              | <b>2,958,397</b>             | <b>2,286,727</b>    | <b>4,947</b>                | <b>55,780,045</b> |
| <b>Maturity surplus/ (shortfall)</b>                                   | <b>(33,000,165)</b>       | <b>6,680,006</b>              | <b>19,772,190</b>            | <b>12,017,496</b>   | <b>175,502</b>              | <b>5,645,029</b>  |

**5. FINANCIAL RISK MANAGEMENT (continued)**

**Bank**

The financial assets and liabilities analyzed over the remaining period from the balance sheet date to contractual maturity are as of 30 June 2023 as follows:

| <i>In RON thousand</i>   | <b>Up to 3 Months</b> | <b>3 Months to 1 Year</b> | <b>1 Year to 5 Years</b> | <b>Over 5 Years</b> | <b>Without maturity</b> | <b>Total</b>      |
|--|-----------------------|---------------------------|--------------------------|---------------------|-------------------------|-------------------|
| <b>Financial Assets</b>  |                       |                           |                          |                     |                         |                   |
| Cash and cash with Central Bank  | 7,411,903             | -                         | -                        | -                   | -                       | 7,411,903         |
| Loans and advances to banks at amortised cost                          | 1,161,688             | 50,105                    | 148,849                  | 37,110              | -                       | 1,397,752         |
| Derivative assets held for risk management                             | 16,759                | 3,309                     | 13,156                   | 831                 | -                       | 34,055            |
| Trading assets   | -                     | 18,440                    | 24,699                   | 122,195             | 23,974                  | 189,308           |
| Financial assets mandatorily at fair value through profit or loss      | 9,887                 | 3,919                     | 24,545                   | 119,478             | 17,241                  | 175,070           |
| Investment securities at fair value through other comprehensive income | 314,170               | 723,010                   | 1,672,423                | 586,743             | -                       | 3,296,346         |
| Equity instruments at fair value through other comprehensive income    | -                     | -                         | -                        | -                   | 78,554                  | 78,554            |
| Loans and advances to customers at amortised cost                      | 5,286,130             | 6,617,921                 | 18,271,412               | 10,785,014          | -                       | 40,960,477        |
| Derivative Assets- Hedge accounting                                    | -                     | 1,335                     | 4,673                    | -                   | -                       | 6,008             |
| Investment securities at amortised cost                                | 1,015,244             | 1,833,231                 | 4,649,662                | 3,755,080           | -                       | 11,253,217        |
| Other assets   | 158,470               | -                         | -                        | -                   | -                       | 158,470           |
| <b>Total financial assets</b>  | <b>15,374,251</b>     | <b>9,251,270</b>          | <b>24,809,419</b>        | <b>15,406,451</b>   | <b>119,769</b>          | <b>64,961,160</b> |
| <b>Financial Liabilities</b>   |                       |                           |                          |                     |                         |                   |
| Trading liabilities  | 22,656                | 10,352                    | 2,834                    | 116                 | -                       | 35,958            |
| Derivative liabilities held for risk management                        | 4,411                 | -                         | 548                      | -                   | -                       | 4,959             |
| Deposits from banks  | 406,971               | -                         | -                        | -                   | -                       | 406,971           |
| Deposits from customers  | 46,162,350            | 6,086,654                 | 324,796                  | 243,518             | -                       | 52,817,318        |
| Loans from banks and other financial institutions                      | -                     | -                         | 2,532                    | -                   | -                       | 2,532             |
| Fair value changes of the hedged items-liability                       | 7,818                 | -                         | -                        | -                   | -                       | 7,818             |
| Debt securities issued   | -                     | -                         | 3,532,836                | 481,081             | -                       | 4,013,917         |
| Subordinated loans   | -                     | -                         | 124,800                  | 200,291             | -                       | 325,091           |
| Other liabilities  | 791,614               | 61,029                    | 178,248                  | 3,056               | -                       | 1,033,947         |
| <b>Total financial liabilities</b>                                     | <b>47,395,820</b>     | <b>6,158,035</b>          | <b>4,166,594</b>         | <b>928,062</b>      | <b>-</b>                | <b>58,648,511</b> |
| <b>Maturity surplus/ (shortfall)</b>                                   | <b>(32,021,569)</b>   | <b>3,093,235</b>          | <b>20,642,825</b>        | <b>14,478,389</b>   | <b>119,769</b>          | <b>6,312,649</b>  |

## 5. FINANCIAL RISK MANAGEMENT (continued)

### Bank

The financial assets and liabilities analyzed over the remaining period from the balance sheet date to contractual maturity are as of 31 December 2022 as follows:

| <i>In RON thousand</i>   | Up to 3 Months      | 3 Months to 1 Year | 1 Year to 5 Years | Over 5 Years      | Without maturity | Total             |
|--|---------------------|--------------------|-------------------|-------------------|------------------|-------------------|
| <b>Financial Assets</b>  |                     |                    |                   |                   |                  |                   |
| Cash and cash with Central Bank  | 8,280,853           | -                  | -                 | -                 | -                | 8,280,853         |
| Loans and advances to banks at amortised cost                          | 75,446              | 50,130             | 149,370           | 11,905            | -                | 286,851           |
| Derivative assets held for risk management                             | -                   | 1,927              | 11,854            | -                 | -                | 13,781            |
| Trading assets   | -                   | 13,294             | 44,107            | 21,443            | 14,458           | 93,302            |
| Financial assets mandatorily at fair value through profit or loss      | 9,671               | 3,753              | 23,156            | 117,355           | 16,478           | 170,413           |
| Investment securities at fair value through other comprehensive income | 1,123               | 761,876            | 1,769,125         | 563,382           | -                | 3,095,506         |
| Equity instruments at fair value through other comprehensive income    | -                   | -                  | -                 | -                 | 71,488           | 71,488            |
| Loans and advances to customers at amortised cost                      | 3,622,101           | 8,543,918          | 16,233,703        | 10,967,793        | -                | 39,367,515        |
| Derivative Assets- Hedge accounting                                    | -                   | -                  | 5,137             | 3,218             | -                | 8,355             |
| Investment securities at amortised cost                                | 599                 | 2,153,812          | 4,662,031         | 2,313,360         | -                | 9,129,802         |
| Other assets   | 268,432             | -                  | -                 | -                 | -                | 268,432           |
| <b>Total financial assets</b>  | <b>12,258,225</b>   | <b>11,528,710</b>  | <b>22,898,483</b> | <b>13,998,456</b> | <b>102,424</b>   | <b>60,786,298</b> |
| <b>Financial Liabilities</b>   |                     |                    |                   |                   |                  |                   |
| Trading liabilities  | 13,797              | 1,649              | 12,269            | -                 | -                | 27,715            |
| Derivative liabilities held for risk management                        | 2,804               | 2,122              | 934               | -                 | -                | 5,860             |
| Deposits from banks  | 578,106             | -                  | -                 | -                 | -                | 578,106           |
| Deposits from customers  | 43,877,470          | 4,909,719          | 383,678           | 110,451           | -                | 49,281,318        |
| Loans from banks and other financial institutions                      | -                   | -                  | 3,943             | -                 | -                | 3,943             |
| Fair value changes of the hedged items-liability                       | 11,398              | -                  | -                 | -                 | -                | 11,398            |
| Debt securities issued   | -                   | -                  | 2,175,977         | 1,711,831         | -                | 3,887,808         |
| Subordinated loans   | -                   | -                  | 124,375           | 199,303           | -                | 323,678           |
| Other liabilities  | 1,043,802           | 61,800             | 171,649           | 3,103             | -                | 1,280,354         |
| <b>Total financial liabilities</b>                                     | <b>45,527,377</b>   | <b>4,975,290</b>   | <b>2,872,825</b>  | <b>2,024,688</b>  | <b>-</b>         | <b>55,400,180</b> |
| <b>Maturity surplus/ (shortfall)</b>                                   | <b>(33,269,152)</b> | <b>6,553,420</b>   | <b>20,025,658</b> | <b>11,973,768</b> | <b>102,424</b>   | <b>5,386,118</b>  |

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## **5. FINANCIAL RISK MANAGEMENT (continued)**

Usually, the most significant liquidity gap is registered in the first interval (up to 3 months) mainly due to non-banking customers, which prefer short term maturities for deposits and long term maturities for loans. This behaviour that determines a negative gap in the first interval generates a positive gap on the other intervals (higher than 3 months). In practice the negative gap in the first bucket does not represent outflows as most customer deposits are rolled over or replaced by new deposits.

Also the Group securities portfolio can be turned to cash (repo or sale) in a short time representing thus a buffer that diminishes the liquidity risk in the first bucket.

### **Group:**

The negative liquidity gap for the first band increased in June 2023 by RON 1,213,570 thousand compared to December 2022, being mainly determined by the increase in loans and advances to banks at amortized cost, loans to customers and investment securities at amortized cost which are partially compensated by the increase in deposits from customers the first maturity band.

As for the other maturity bands, on the 3 months - 1 year tenor, the liquidity surplus decreased by RON 3,563,588 thousand, as a result of the decrease in loans and advances to customers on this bucket by RON 1,883,240 thousand and of the increase of deposits from customers by RON 1,169,191 on this time band. On the maturity band of 1 – 5 years, the liquidity surplus increased by RON 603,085 thousand, the main factors of influence being represented by the increase in loans and advances to customers on this bucket by RON 1,974,125 which are partially offset by the debt securities issued which increased by RON 1,356,859 thousand on this maturity band. On the maturity band of over 5 years, the liquidity surplus increased by RON 2,623,872 thousand, being mainly influenced by the increase in investment securities at amortized cost by RON 1,441,720 thousand on this maturity band and by debt securities issued which moved on the previous time band.

### **Bank:**

The negative liquidity gap for the first band increased in June 2023 by RON 1,247,583 thousand compared to December 2022, being mainly determined by the increase in loans and advances to banks at amortized cost, loans to customers and investment securities at amortized cost which are partially compensated by the increase in deposits from customers the first maturity band.

As for the other maturity bands, on the 3 months - 1 year tenor, the liquidity surplus decreased by RON 3,460,185 thousand, as a result of the decrease in loans and advances to customers on this bucket by RON 1,925,997 thousand and of the increase of deposits from customers by RON 1,176,935 on this time band. On the maturity band of 1 – 5 years, the liquidity surplus increased by RON 617,167 thousand, the main factors of influence being represented by the increase in loans and advances to customers on this bucket by RON 2,037,709 which are partially offset by the debt securities issued which increased by RON 1,356,859 thousand on this maturity band. On the maturity band of over 5 years, the liquidity surplus increased by RON 2,504,621 thousand, being mainly influenced by the increase in investment securities at amortized cost by RON 1,441,720 thousand on this maturity band and by debt securities issued which moved on the previous time band.

## 5. FINANCIAL RISK MANAGEMENT (continued)

### Analysis of financial liabilities by remaining contractual maturities

The amounts disclosed in the below tables represent contractual maturity analysis for financial liabilities disclosed in accordance with IFRS 7, whereby the undiscounted cash flows to be shown in these predefined maturity-bands differ from the amounts included in the balance sheet because the balance sheet amount is based on discounted cash flows.

#### Group

Financial liabilities analyzed over the remaining period from the reporting date, using undiscounted cash flows as of 30 June 2023 are as follows:

| <i>In RON thousand</i>   | <b>Up to 1<br/>Month</b> | <b>Month to 3<br/>Months</b> | <b>3 Months<br/>to 1 Year</b> | <b>1 Year to 5<br/>Years</b> | <b>Over 5<br/>Years</b> | <b>Total</b>      |
|--|--------------------------|------------------------------|-------------------------------|------------------------------|-------------------------|-------------------|
| <b>Financial Liabilities</b>   |                          |                              |                               |                              |                         |                   |
| Net settled trading liabilities                                      | -                        | 161                          | -                             | 116                          | -                       | 277               |
| Gross settled trading liabilities                                    | 630,290                  | 356,366                      | 731,618                       | -                            | -                       | 1,718,274         |
| Net settled derivative liabilities held for risk management          | -                        | -                            | 548                           | -                            | -                       | 548               |
| Deposits from banks  | 396,394                  | 10,077                       | 500                           | -                            | -                       | 406,971           |
| Deposits from customers  | 39,803,348               | 6,377,025                    | 6,238,504                     | 345,131                      | 330,876                 | 53,094,884        |
| Loans from banks   | 6                        | 148,274                      | 47,311                        | 151,362                      | -                       | 346,953           |
| Debt securities issued   | -                        | 57,004                       | 212,857                       | 4,462,173                    | 552,699                 | 5,284,733         |
| Subordinated loans   | 1,027                    | 3,962                        | 16,045                        | 187,585                      | 211,100                 | 419,719           |
| Lease liabilities  | 7,071                    | 15,896                       | 61,029                        | 178,248                      | 3,055                   | 265,299           |
| <b>Total financial liabilities</b>                                   | <b>40,838,136</b>        | <b>6,968,765</b>             | <b>7,308,412</b>              | <b>5,324,615</b>             | <b>1,097,730</b>        | <b>61,537,658</b> |
| Undrawn commitments  | 2,573,415                | 779,406                      | 5,204,598                     | 5,868,288                    | 2,043,768               | 16,469,475        |
| Financial guarantees and Letters of credit                           | 95,632                   | 680,743                      | 2,391,999                     | 582,763                      | 1,078,937               | 4,830,074         |
| Other financial guarantees   | 2,940                    | 1,987                        | 26,285                        | 11,750                       | 12,713                  | 55,675            |
| <b>Total commitments and guarantees</b>                              | <b>2,671,987</b>         | <b>1,462,136</b>             | <b>7,622,882</b>              | <b>6,462,801</b>             | <b>3,135,418</b>        | <b>21,355,224</b> |
| Contractual amounts receivable                                       | 1,345,131                | 1,244,832                    | -                             | -                            | -                       | 2,589,963         |
| Contractual amounts payable  | (1,334,101)              | (1,241,077)                  | -                             | -                            | -                       | (2,575,178)       |
| <b>Gross settled derivative liabilities held for risk management</b> | <b>11,030</b>            | <b>3,755</b>                 | <b>-</b>                      | <b>-</b>                     | <b>-</b>                | <b>14,785</b>     |

## 5. FINANCIAL RISK MANAGEMENT (continued)

### Group

Financial liabilities analyzed over the remaining period from the reporting date, using undiscounted cash flows as of 31 December 2022 are as follows:

| <i>In RON thousand</i>   | <b>Up to<br/>1 Month</b> | <b>1 Month to<br/>3 Months</b> | <b>3 Months to<br/>1 Year</b> | <b>1 Year to<br/>5 Years</b> | <b>Over 5<br/>Years</b> | <b>Total</b>      |
|--|--------------------------|--------------------------------|-------------------------------|------------------------------|-------------------------|-------------------|
| <b>Financial Liabilities</b>   |                          |                                |                               |                              |                         |                   |
| Net settled trading liabilities                                      | -                        | 18                             | 561                           | 134                          | -                       | 713               |
| Gross settled trading liabilities                                    | 111,978                  | 215,069                        | 1,256,213                     | -                            | -                       | 1,583,260         |
| Net settled derivative liabilities held for risk management          | -                        | -                              | 2,038                         | 934                          | -                       | 2,972             |
| Deposits from banks  | 577,621                  | -                              | 485                           | -                            | -                       | 578,106           |
| Deposits from customers  | 40,503,376               | 3,355,102                      | 5,034,093                     | 408,549                      | 122,742                 | 49,423,862        |
| Loans from banks   | 6                        | 33,101                         | 72,640                        | 248,694                      | 4,947                   | 359,388           |
| Debt securities issued   | -                        | 13,510                         | 254,794                       | 3,177,147                    | 1,842,116               | 5,287,567         |
| Subordinated loans   | 1,024                    | 3,152                          | 14,875                        | 190,671                      | 218,464                 | 428,186           |
| Lease liabilities  | 9,646                    | 14,596                         | 61,322                        | 170,648                      | 3,079                   | 259,291           |
| <b>Total financial liabilities</b>                                   | <b>41,203,651</b>        | <b>3,634,548</b>               | <b>6,697,021</b>              | <b>4,196,777</b>             | <b>2,191,348</b>        | <b>57,923,345</b> |
| Undrawn commitments  | 2,063,556                | 962,225                        | 4,968,377                     | 6,113,124                    | 2,030,223               | 16,137,505        |
| Financial guarantees and Letters of credit                           | 166,956                  | 1,028,096                      | 1,801,687                     | 910,396                      | 636,661                 | 4,543,796         |
| Other financial guarantees   | 1,297                    | 3,131                          | 47,125                        | 11,305                       | 11,228                  | 74,086            |
| <b>Total commitments and guarantees</b>                              | <b>2,231,809</b>         | <b>1,993,452</b>               | <b>6,817,189</b>              | <b>7,034,825</b>             | <b>2,678,112</b>        | <b>20,755,387</b> |
| Contractual amounts receivable                                       | -                        | 1,089,131                      | 92,692                        | -                            | -                       | 1,181,823         |
| Contractual amounts payable  | -                        | (1,091,671)                    | (92,345)                      | -                            | -                       | (1,184,016)       |
| <b>Gross settled derivative liabilities held for risk management</b> | <b>-</b>                 | <b>(2,540)</b>                 | <b>347</b>                    | <b>-</b>                     | <b>-</b>                | <b>(2,193)</b>    |



## 5. FINANCIAL RISK MANAGEMENT (continued)

### Bank

Financial liabilities analyzed over the remaining period from the reporting date, using undiscounted cash flows as of 30 June 2023 are as follows:

| <i>In RON thousand</i>   | <b>Up to<br/>1 Month</b> | <b>1 Month to<br/>3 Months</b> | <b>3 Months<br/>to 1 Year</b> | <b>1 Year to<br/>5 Years</b> | <b>Over 5<br/>Years</b> | <b>Total</b>      |
|--|--------------------------|--------------------------------|-------------------------------|------------------------------|-------------------------|-------------------|
| <b>Financial Liabilities</b>   |                          |                                |                               |                              |                         |                   |
| Net settled trading liabilities                                      | -                        | 161                            | -                             | 116                          | -                       | 277               |
| Gross settled trading liabilities                                    | 630,290                  | 356,366                        | 731,618                       | -                            | -                       | 1,718,274         |
| Net settled derivative liabilities held for risk management          | -                        | -                              | 548                           | -                            | -                       | 548               |
| Deposits from banks  | 396,394                  | 10,077                         | 500                           | -                            | -                       | 406,971           |
| Deposits from customers  | 39,781,144               | 6,446,881                      | 6,238,328                     | 344,863                      | 330,867                 | 53,142,083        |
| Loans from banks   | 6                        | -                              | -                             | 2,526                        | -                       | 2,532             |
| Debt securities issued   | -                        | 57,004                         | 212,857                       | 4,462,173                    | 552,699                 | 5,284,733         |
| Subordinated loans   | 1,027                    | 3,962                          | 16,045                        | 187,585                      | 211,016                 | 419,635           |
| Lease liabilities  | 7,071                    | 15,896                         | 61,029                        | 178,248                      | 3,055                   | 265,299           |
| <b>Total financial liabilities</b>                                   | <b>40,815,932</b>        | <b>6,890,347</b>               | <b>7,260,925</b>              | <b>5,175,511</b>             | <b>1,097,637</b>        | <b>61,240,352</b> |
| Undrawn commitments  | 2,573,415                | 789,406                        | 5,205,871                     | 6,005,934                    | 2,043,769               | 16,618,395        |
| Financial guarantees and Letters of credit                           | 95,632                   | 680,743                        | 2,391,999                     | 582,763                      | 1,078,937               | 4,830,074         |
| Other financial guarantees   | 2,940                    | 1,987                          | 26,285                        | 11,750                       | 12,713                  | 55,675            |
| <b>Total commitments and guarantees</b>                              | <b>2,671,987</b>         | <b>1,472,136</b>               | <b>7,624,155</b>              | <b>6,600,447</b>             | <b>3,135,419</b>        | <b>21,504,144</b> |
| Contractual amounts receivable                                       | 1,345,131                | 1,244,832                      | -                             | -                            | -                       | 2,589,963         |
| Contractual amounts payable  | (1,334,101)              | (1,241,077)                    | -                             | -                            | -                       | (2,575,178)       |
| <b>Gross settled derivative liabilities held for risk management</b> | <b>11,030</b>            | <b>3,755</b>                   | <b>-</b>                      | <b>-</b>                     | <b>-</b>                | <b>14,785</b>     |

## 5. FINANCIAL RISK MANAGEMENT (continued)

### Bank

Financial liabilities analyzed over the remaining period from the reporting date, using undiscounted cash flows as of 31 December 2022 are as follows:

| <i>In RON thousand</i>   | <b>Up to<br/>1 Month</b> | <b>1 Month to<br/>3 Months</b> | <b>3 Months to<br/>1 Year</b> | <b>1 Year to<br/>5 Years</b> | <b>Over 5<br/>Years</b> | <b>Total</b>      |
|--|--------------------------|--------------------------------|-------------------------------|------------------------------|-------------------------|-------------------|
| <b>Financial Liabilities</b>   |                          |                                |                               |                              |                         |                   |
| Net settled trading liabilities                                      | -                        | 18                             | 561                           | 134                          | -                       | 713               |
| Gross settled trading liabilities                                    | 111,978                  | 215,069                        | 1,256,213                     | -                            | -                       | 1,583,260         |
| Net settled derivative liabilities held for risk management          | -                        | -                              | 2,038                         | 934                          | -                       | 2,972             |
| Deposits from banks  | 577,621                  | -                              | 485                           | -                            | -                       | 578,106           |
| Deposits from customers  | 40,490,611               | 3,417,276                      | 5,033,560                     | 407,434                      | 122,731                 | 49,471,612        |
| Loans from banks   | 6                        | -                              | -                             | 3,937                        | -                       | 3,943             |
| Debt securities issued   | -                        | 13,510                         | 254,794                       | 3,177,147                    | 1,842,116               | 5,287,567         |
| Subordinated loans   | 1,024                    | 3,152                          | 14,875                        | 190,671                      | 218,416                 | 428,138           |
| Lease liabilities  | 9,646                    | 14,596                         | 61,322                        | 170,321                      | 3,079                   | 258,964           |
| <b>Total financial liabilities</b>                                   | <b>41,190,886</b>        | <b>3,663,621</b>               | <b>6,623,848</b>              | <b>3,950,578</b>             | <b>2,186,342</b>        | <b>57,615,275</b> |
| Undrawn commitments  | 2,063,556                | 962,789                        | 4,955,966                     | 6,205,630                    | 2,029,186               | 16,217,127        |
| Financial guarantees and Letters of credit                           | 166,956                  | 1,028,096                      | 1,801,687                     | 910,396                      | 636,661                 | 4,543,796         |
| Other financial guarantees   | 1,297                    | 3,131                          | 47,125                        | 11,305                       | 11,228                  | 74,086            |
| <b>Total commitments and guarantees</b>                              | <b>2,231,809</b>         | <b>1,994,016</b>               | <b>6,804,778</b>              | <b>7,127,331</b>             | <b>2,677,075</b>        | <b>20,835,009</b> |
| Contractual amounts receivable                                       | -                        | 1,089,131                      | 92,692                        | -                            | -                       | 1,181,823         |
| Contractual amounts payable  | -                        | (1,091,671)                    | (92,345)                      | -                            | -                       | (1,184,016)       |
| <b>Gross settled derivative liabilities held for risk management</b> | <b>-</b>                 | <b>(2,540)</b>                 | <b>347</b>                    | <b>-</b>                     | <b>-</b>                | <b>(2,193)</b>    |

## 5. FINANCIAL RISK MANAGEMENT (continued)

### c) Market risk

An analysis of the Group's sensitivity of the economic value of banking book assets and liabilities to an increase or decrease in market interest rates (assuming no asymmetrical movement in yield curves and a constant balance sheet position) is as follows:

| <i>In RON thousand</i> | <b>200 bp</b>   | <b>200 bp</b>   |
|------------------------|-----------------|-----------------|
|                        | <b>Increase</b> | <b>Decrease</b> |
| <b>At 30 June 2023</b> | <b>278,354</b>  | <b>283,913</b>  |
| Average for the period | 245,883         | 245,003         |
| Minimum for the period | 213,412         | 206,094         |
| Maximum for the period | 278,354         | 283,913         |
| <b>At 30 June 2022</b> | <b>324,548</b>  | <b>360,912</b>  |
| Average for the period | 343,353         | 382,373         |
| Minimum for the period | 324,548         | 360,912         |
| Maximum for the period | 362,158         | 403,833         |

An analysis of the Bank's sensitivity of the economic value of banking book assets and liabilities to an increase or decrease in market interest rates (assuming no asymmetrical movement in yield curves and a constant balance sheet position) is as follows:

| <i>In RON thousand</i> | <b>200 bp</b>   | <b>200 bp</b>   |
|------------------------|-----------------|-----------------|
|                        | <b>Increase</b> | <b>Decrease</b> |
| <b>At 30 June 2023</b> | <b>275,350</b>  | <b>280,782</b>  |
| Average for the period | 244,320         | 243,734         |
| Minimum for the period | 213,289         | 206,686         |
| Maximum for the period | 275,350         | 280,782         |
| <b>At 30 June 2022</b> | <b>321,157</b>  | <b>357,271</b>  |
| Average for the period | 338,316         | 376,951         |
| Minimum for the period | 321,157         | 357,271         |
| Maximum for the period | 355,475         | 396,631         |

According to EBA requirements (EBA/GL/2015/08), measurement and monitoring of interest rate risk in the banking book is done based on two approaches: economic value and net interest income (NII) volatility.

In order to assess the impact of interest rate changes on net interest income, a set of scenarios and assumptions are defined and used to measure net interest income volatility and potential losses.

The assessment is made using a constant balance sheet, i.e. each maturing item is replaced by an item with similar characteristics, over a 12-month period and an instantaneous shock.

## 5. FINANCIAL RISK MANAGEMENT (continued)

The impact of interest rate shocks on net interest income is presented below:

*In RON million*

**Bank**

**Applied shock on Net Interest Income\***

|                         | 2023  | 2022  |
|-------------------------|-------|-------|
| Parallel +200bp         | 104   | 248   |
| Parallel -200bp         | (297) | (361) |
| Steepening 5Y +200bp    | 60    | 14    |
| Flattening 5Y -200bp    | (66)  | (43)  |
| Flattening 1D +200bp    | 44    | 234   |
| Steepening 1D -200bp    | (230) | (319) |
| Maximum positive impact | 144   | 285   |
| Maximum negative impact | (372) | (445) |

\* The change in projected Net Interest Income over a forward-looking rolling 12-month period, using a constant balance sheet assumption and an instantaneous shock.

### **Exposure to currency risk**

The Group is exposed to currency risk due to transactions in foreign currencies. There is also a balance sheet risk that the net monetary assets in foreign currencies will take a lower value when translated into RON as a result of currency movements or net monetary liabilities in foreign currencies will take a higher value as a result of these currency movements.

## 5. FINANCIAL RISK MANAGEMENT (continued)

### Group

The monetary assets and liabilities held in RON and in foreign currencies at 30 June 2023 are presented below:

| <i>In RON thousand</i>   | <b>RON</b>        | <b>USD</b>         | <b>EUR</b>        | <b>OTHER</b>    | <b>Total</b>      |
|--|-------------------|--------------------|-------------------|-----------------|-------------------|
| <b>Monetary assets</b>   |                   |                    |                   |                 |                   |
| Cash and cash with Central Bank  | 6,909,551         | 124,503            | 371,854           | 6,372           | 7,412,280         |
| Loans and advances to banks at amortised cost                          | 145,659           | 74,576             | 1,203,918         | 2,285           | 1,426,438         |
| Derivative assets held for risk management                             | 106,960           | 8,105              | (84,711)          | 3,701           | 34,055            |
| Trading assets   | 164,346           | -                  | 24,965            | -               | 189,311           |
| Financial assets mandatorily at fair value through profit or loss      | 148,126           | 17,241             | 9,708             | 17,018          | 192,093           |
| Investment securities at fair value through other comprehensive income | 2,835,654         | 19                 | 529,522           | -               | 3,365,195         |
| Equity instruments at fair value through other comprehensive income    | 17,494            | 61,060             | -                 | -               | 78,554            |
| Investment in subsidiaries, associates and joint ventures              | 36,714            | -                  | -                 | -               | 36,714            |
| Loans and advances to customers at amortised cost*                     | 28,297,803        | 500,643            | 12,515,596        | 156,522         | 41,470,564        |
| Derivative Assets- Hedge accounting                                    | 2,563             | -                  | 3,445             | -               | 6,008             |
| Investment securities at amortised cost                                | 8,759,596         | 118,400            | 2,393,028         | -               | 11,271,024        |
| Other assets   | 139,475           | 2,831              | 36,275            | 29              | 178,610           |
| <b>Total monetary assets</b>   | <b>47,563,941</b> | <b>907,378</b>     | <b>17,003,600</b> | <b>185,927</b>  | <b>65,660,846</b> |
| <b>Monetary liabilities</b>  |                   |                    |                   |                 |                   |
| Trading liabilities  | 35,663            | -                  | 295               | -               | 35,958            |
| Derivative liabilities held for risk management                        | 548               | 3,015              | 1,396             | -               | 4,959             |
| Deposits from banks  | 358,602           | 114                | 47,432            | 823             | 406,971           |
| Deposits from customers  | 34,333,620        | 2,126,926          | 16,033,211        | 276,363         | 52,770,120        |
| Loans from banks and other financial institutions                      | 2,532             | -                  | 402,002           | -               | 404,534           |
| Fair value changes of the hedged items-liability                       | 7,818             | -                  | -                 | -               | 7,818             |
| Other liabilities  | 548,459           | 49,595             | 483,398           | 6,914           | 1,088,366         |
| Debt securities issued   | 4,013,917         | -                  | -                 | -               | 4,013,917         |
| Subordinated loans   | 84                | -                  | 325,091           | -               | 325,175           |
| <b>Total monetary liabilities</b>                                      | <b>39,301,243</b> | <b>2,179,650</b>   | <b>17,292,825</b> | <b>284,100</b>  | <b>59,057,818</b> |
| <b>Net currency position</b>   | <b>8,262,698</b>  | <b>(1,272,272)</b> | <b>(289,225)</b>  | <b>(98,173)</b> | <b>6,603,028</b>  |

\* Other currencies include mainly loans and advances to customers in CHF.

## 5. FINANCIAL RISK MANAGEMENT (continued)

### Group

The monetary assets and liabilities held in RON and in foreign currencies at 31 December 2022 are presented below:

| <i>In RON thousand</i>   | <b>RON</b>        | <b>USD</b>         | <b>EUR</b>        | <b>OTHER</b>     | <b>Total</b>      |
|--|-------------------|--------------------|-------------------|------------------|-------------------|
| <b>Monetary assets</b>   |                   |                    |                   |                  |                   |
| Cash and cash with Central Bank  | 4,967,135         | 123,002            | 3,186,188         | 5,126            | 8,281,451         |
| Loans and advances to banks at amortised cost                          | 138,541           | 10,926             | 171,553           | 2,523            | 323,543           |
| Derivative assets held for risk management                             | 2,155             | -                  | 11,626            | -                | 13,781            |
| Trading assets   | 88,893            | -                  | 4,409             | -                | 93,302            |
| Financial assets mandatorily at fair value through profit or loss      | 139,075           | 16,478             | 12,411            | 16,494           | 184,458           |
| Investment securities at fair value through other comprehensive income | 2,669,482         | 19                 | 435,897           | -                | 3,105,398         |
| Equity instruments at fair value through other comprehensive income    | 17,374            | 54,114             | -                 | -                | 71,488            |
| Investment in subsidiaries, associates and joint ventures              | 32,891            | -                  | -                 | -                | 32,891            |
| Loans and advances to customers at amortised cost*                     | 27,167,823        | 320,914            | 12,191,701        | 171,131          | 39,851,569        |
| Derivative Assets- Hedge accounting                                    | 5,137             | -                  | 3,218             | -                | 8,355             |
| Investment securities at amortised cost                                | 6,718,843         | 101,856            | 2,380,155         | -                | 9,200,854         |
| Other assets   | 219,664           | 1,445              | 69,763            | 3                | 290,875           |
| <b>Total monetary assets</b>   | <b>42,167,013</b> | <b>628,754</b>     | <b>18,466,921</b> | <b>195,277</b>   | <b>61,457,965</b> |
| <b>Monetary liabilities</b>  |                   |                    |                   |                  |                   |
| Trading liabilities  | 26,997            | -                  | 718               | -                | 27,715            |
| Derivative liabilities held for risk management                        | 2,972             | 170                | 2,718             | -                | 5,860             |
| Deposits from banks  | 478,447           | 114                | 98,805            | 740              | 578,106           |
| Deposits from customers  | 30,279,314        | 2,260,638          | 16,372,739        | 320,877          | 49,233,568        |
| Loans from banks and other financial institutions                      | 2,178             | -                  | 388,106           | 1                | 390,285           |
| Fair value changes of the hedged items-liability                       | 11,398            | -                  | -                 | -                | 11,398            |
| Other liabilities  | 769,519           | 56,596             | 490,328           | 5,136            | 1,321,579         |
| Debt securities issued   | 3,887,808         | -                  | -                 | -                | 3,887,808         |
| Subordinated loans   | 48                | -                  | 323,678           | -                | 323,726           |
| <b>Total monetary liabilities</b>                                      | <b>35,458,681</b> | <b>2,317,518</b>   | <b>17,677,092</b> | <b>326,754</b>   | <b>55,780,045</b> |
| <b>Net currency position</b>   | <b>6,708,332</b>  | <b>(1,688,764)</b> | <b>789,829</b>    | <b>(131,477)</b> | <b>5,677,920</b>  |

\* Other currencies include mainly loans and advances to customers in CHF.

## 5. FINANCIAL RISK MANAGEMENT (continued)

### Bank

The monetary assets and liabilities held in RON and in foreign currencies at 30 June 2023 are presented below:

| <i>In RON thousand</i>   | RON               | USD                | EUR               | OTHER           | Total             |
|--|-------------------|--------------------|-------------------|-----------------|-------------------|
| <b>Monetary assets</b>   |                   |                    |                   |                 |                   |
| Cash and cash with Central Bank  | 6,909,180         | 124,500            | 371,851           | 6,372           | 7,411,903         |
| Loans and advances to banks at amortised cost                          | 118,274           | 74,553             | 1,202,640         | 2,285           | 1,397,752         |
| Derivative assets held for risk management                             | 106,960           | 8,105              | (84,711)          | 3,701           | 34,055            |
| Trading assets   | 164,343           | -                  | 24,965            | -               | 189,308           |
| Financial assets mandatorily at fair value through profit or loss      | 131,103           | 17,241             | 9,708             | 17,018          | 175,070           |
| Investment securities at fair value through other comprehensive income | 2,766,805         | 19                 | 529,522           | -               | 3,296,346         |
| Equity instruments at fair value through other comprehensive income    | 17,494            | 61,060             | -                 | -               | 78,554            |
| Investment in subsidiaries, associates and joint ventures              | 106,871           | -                  | -                 | -               | 106,871           |
| Loans and advances to customers at amortised cost*                     | 28,173,793        | 500,643            | 12,129,519        | 156,522         | 40,960,477        |
| Derivatives – Hedge accounting   | 2,563             | -                  | 3,445             | -               | 6,008             |
| Investment securities at amortised cost                                | 8,741,789         | 118,400            | 2,393,028         | -               | 11,253,217        |
| Other assets   | 125,828           | 2,831              | 29,781            | 30              | 158,470           |
| <b>Total monetary assets</b>   | <b>47,365,003</b> | <b>907,352</b>     | <b>16,609,748</b> | <b>185,928</b>  | <b>65,068,031</b> |
| <b>Monetary liabilities</b>  |                   |                    |                   |                 |                   |
| Trading liabilities  | 35,663            | -                  | 295               | -               | 35,958            |
| Derivative liabilities held for risk management                        | 548               | 3,015              | 1,396             | -               | 4,959             |
| Deposits from banks  | 358,602           | 114                | 47,432            | 823             | 406,971           |
| Deposits from customers  | 34,356,222        | 2,126,926          | 16,057,807        | 276,363         | 52,817,318        |
| Loans from banks and other financial institutions                      | 2,532             | -                  | -                 | -               | 2,532             |
| Fair value changes of the hedged items-liability                       | 7,818             | -                  | -                 | -               | 7,818             |
| Other liabilities  | 499,215           | 49,581             | 478,238           | 6,914           | 1,033,948         |
| Debt securities issued   | 4,013,917         | -                  | -                 | -               | 4,013,917         |
| Subordinated loans   | -                 | -                  | 325,091           | -               | 325,091           |
| <b>Total monetary liabilities</b>                                      | <b>39,274,517</b> | <b>2,179,636</b>   | <b>16,910,259</b> | <b>284,100</b>  | <b>58,648,512</b> |
| <b>Net currency position</b>   | <b>8,090,486</b>  | <b>(1,272,284)</b> | <b>(300,511)</b>  | <b>(98,172)</b> | <b>6,419,519</b>  |

\* Other currencies include mainly loans and advances to customers in CHF.

## 5. FINANCIAL RISK MANAGEMENT (continued)

### Bank

The monetary assets and liabilities held in RON and in foreign currencies at 31 December 2022 are presented below:

| <i>In RON thousand</i>   | RON               | USD                | EUR               | OTHER            | Total             |
|--|-------------------|--------------------|-------------------|------------------|-------------------|
| <b>Monetary assets</b>   |                   |                    |                   |                  |                   |
| Cash and cash with Central Bank  | 4,966,543         | 122,999            | 3,186,185         | 5,126            | 8,280,853         |
| Loans and advances to banks at amortised cost                          | 103,440           | 9,935              | 170,953           | 2,523            | 286,851           |
| Derivative assets held for risk management                             | 2,155             | -                  | 11,626            | -                | 13,781            |
| Trading assets   | 88,893            | -                  | 4,409             | -                | 93,302            |
| Financial assets mandatorily at fair value through profit or loss      | 125,030           | 16,478             | 12,411            | 16,494           | 170,413           |
| Investment securities at fair value through other comprehensive income | 2,659,590         | 19                 | 435,897           | -                | 3,095,506         |
| Equity instruments at fair value through other comprehensive income    | 17,374            | 54,114             | -                 | -                | 71,488            |
| Investment in subsidiaries, associates and joint ventures              | 106,871           | -                  | -                 | -                | 106,871           |
| Loans and advances to customers at amortised cost*                     | 27,050,807        | 320,914            | 11,824,664        | 171,130          | 39,367,515        |
| Derivatives – Hedge accounting   | 5,137             | -                  | 3,218             | -                | 8,355             |
| Investment securities at amortised cost                                | 6,647,791         | 101,856            | 2,380,155         | -                | 9,129,802         |
| Other assets   | 210,795           | 1,445              | 56,188            | 4                | 268,432           |
| <b>Total monetary assets</b>   | <b>41,984,426</b> | <b>627,760</b>     | <b>18,085,706</b> | <b>195,277</b>   | <b>60,893,169</b> |
| <b>Monetary liabilities</b>  |                   |                    |                   |                  |                   |
| Trading liabilities  | 26,997            | -                  | 718               | -                | 27,715            |
| Derivative liabilities held for risk management                        | 2,972             | 170                | 2,718             | -                | 5,860             |
| Deposits from banks  | 478,447           | 114                | 98,805            | 740              | 578,106           |
| Deposits from customers  | 30,314,904        | 2,260,639          | 16,384,898        | 320,877          | 49,281,318        |
| Loans from banks and other financial institutions                      | 3,943             | -                  | -                 | -                | 3,943             |
| Fair value changes of the hedged items-liability                       | 11,398            | -                  | -                 | -                | 11,398            |
| Other liabilities  | 733,020           | 56,582             | 485,616           | 5,136            | 1,280,354         |
| Debt securities issued   | 3,887,808         | -                  | -                 | -                | 3,887,808         |
| Subordinated loans   | -                 | -                  | 323,678           | -                | 323,678           |
| <b>Total monetary liabilities</b>                                      | <b>35,459,489</b> | <b>2,317,505</b>   | <b>17,296,433</b> | <b>326,753</b>   | <b>55,400,180</b> |
| <b>Net currency position</b>   | <b>6,524,937</b>  | <b>(1,689,745)</b> | <b>789,273</b>    | <b>(131,476)</b> | <b>5,492,989</b>  |

\* Other currencies include mainly loans and advances to customers in CHF.



## 6. USE OF ESTIMATES AND JUDGMENTS

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the given circumstances.

### Impairment allowance on loans and advances

The application of the Group's accounting policy requires judgments from the management. The Group assesses on a forward-looking basis the expected credit losses associated with its financial instrument assets carried at amortised cost and FVOCI and with the exposures arising from loan commitments, financial guarantee contracts and leasing receivables. The calculation of expected credit losses requires the use of accounting estimates that do not always match actual results. The amount of impairment to be allocated depends on credit risk parameters such as: PD, LGD and EAD as well as on future-oriented information (economic forecasts) which are estimated by the management.

### Fair value of financial instruments

The fair value of financial instruments that are not traded on an active market (for example, unlisted treasury securities, bonds and certificates of deposit) is determined using valuation techniques. The Group uses its judgment to select the valuation method and makes assumptions that are mainly based on market conditions existing at statement of financial position date. The Group has used discounted cash flow analysis for the equity instruments that were not traded in active markets.

### Valuation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price in an active market for an identical instrument;
- Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data;
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Group measures fair values mainly using valuation techniques based on observable inputs, i.e. all significant inputs are directly or indirectly observable from market data. Valuation techniques include net present value and discounted cash flow models, as well as other valuation models. Assumptions and inputs used in valuation techniques include risk free and benchmark interest rates, bond yields, foreign currency exchange rates, expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

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## **6. USE OF ESTIMATES AND JUDGMENTS (continued)**

### **Valuation of financial instruments (continued)**

The Group uses widely recognized valuation models for determining the fair value of common and simpler financial instruments, like interest rate and currency swaps, foreign exchange forwards and swaps, that use only observable market data and require little management judgment and estimation.

Observable prices and model inputs are usually available in the market for bonds and simple over the counter derivatives. Availability of these reduces the need for management judgment and estimations and also reduces the uncertainty associated with determination of fair values.

For bonds valuation the Group uses prices or yields which are observable in the market, quotes published by Central Bank or quotes received upon request from third parties.

For more complex instruments, like over the counter foreign exchange options or interest rate options, the Group uses valuation models, which are usually developed from recognized valuation models. These models also use inputs, which are observable in the markets.

The valuation techniques used to determine the fair value of customers' loans and deposits not measured at fair value and disclosed in the notes consider unobservable inputs and assumptions, such as the specific credit risk and contractual characteristics of the portfolios, but also observables inputs, the benchmark interest rates for recent originated portfolios.

The fair value of the unimpaired customer loans was determined based on the cash flows estimated to be generated by the portfolio. These amounts were discounted using the interest rates that would be currently offered to clients for similar products (the available offer as of the valuation date or loans granted during the last 3 months), by considering the characteristics of each loan, namely product type, currency, remaining tenor, interest rate type, customer segmentation and for non-retail clients also risk indicators based on the industry in which they are currently developing their activity. For the products no longer in the Group's offer, and for which no current market (observed interest rates) are available, following assumptions were used: similar products' prevailing margins for discounting, adjusted with the relevant market rate index correspondent to the particular products' currencies, the swap points required for the currency conversion (if applicable) and remaining tenors.

For the impaired loan portfolio, a similar discounted cash flow calculation resulted in a fair value calculation that can be approximated by the net book value.

The fair value of deposits from customers was determined based on the interest rate differential of the current portfolio as of the end of the reporting period and the prevailing interest rates offered by the Bank, during the last three months from the financial period ended. For the term deposits, a discounted cash flows calculation was performed using for discounting the weighted average margins pertaining to the new deposits opened during the last month of the reporting period, based on their specific characteristics like tenors, currencies and client types similar to the structure of the portfolio subject to the fair value calculation and current market yield.

The fair value of the current accounts and savings accounts from clients was estimated to be equal to the book value, with no evidence of product characteristics requiring a different value than the one currently in accounting books.

For the borrowings, the Group performed a discounted cash flows analysis in order to estimate the fair value. The discount factor consisted of the initially calibrated spread, the liquidity curve at valuation date and the risk free rate at valuation date.

## **6. USE OF ESTIMATES AND JUDGMENTS (continued)**

### **Environmental, Social and Corporate Governance (ESG)**

In 2021, the Bank strengthened the internal mechanisms for integrating sustainable development principles, both in the products and services offered to customers and in its operations. To connect business, environmental, and social objectives in a well-balanced way, the Bank created the sustainability governance structure. The new structure is designed to manage and oversee the integration of ESG (Environment, Social, Governance) principles into the Bank's business and is composed of the Sustainability Council and the Sustainable Finance Committee.

- a) Raiffeisen Bank Sustainability Council, the structure that oversees the integration of sustainability principles in the 4 key areas of the Bank:
  1. Responsible Banking
  2. Society and Community Investment
  3. Human Resources
  4. Environmental Impact
- b) Raiffeisen Bank's Sustainable Finance Committee, responsible for integrating ESG principles into the Bank's product and client portfolio and brings together departments from all business areas. The Sustainable Finance Committee is chaired by the Corporate Vice President Raiffeisen Bank Romania and is comprised of 6 working groups:
  1. The Products and Services Working Group
  2. Customers Working Group
  3. Financing and Balance Sheet Management Working Group
  4. ESG Risk and Rating Working Group
  5. Reporting and Data Working Group
  6. Training and Communication Working Group

The Bank sustainability objectives were:

- a) developed in line with the Sustainability Strategy of the Raiffeisen Bank International Group.
- b) set for each focus area of the Sustainability Strategy: Business, Human Resources, Impact on the environment and Society - Community Involvement and Corporate Volunteering.
- c) established after consultations with the departments involved and address those areas where the Bank has an impact, at the same time proposing to align the business objectives with the sustainable development of society.

### **Our portfolio**

In January 2021, Raiffeisen Bank International became a signatory to the United Nations (UN) Principles for Responsible Banking, an unique framework for a sustainable banking industry, developed through a partnership between banks around the world and the United Nations Environment Finance Initiative (UNEP FI). In the first year after it became a signatory, all the companies that are part of Raiffeisen Bank International Group went through a process of analyzing the impact of the portfolio on sustainable development. This was done using the UNEP FI Analysis Tool, which assesses positive and negative impacts from the perspective of the Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

As a result the Raiffeisen Bank International Group identified two impact areas of strategic importance that are relevant to all tree areas of activity: climate protection (SDG 13) and natural resource efficiency (SDG 12).

The objective of the European Union to achieve climate neutrality by 2050 emphasizes the need for massive investments and capital mobilization to the sectors that can ensure a quick and efficient transition to a sustainable economic model. Raiffeisen Bank understood this need and part of the Bank's sustainability efforts focused on granting sustainable loans on programs dedicated to clients on various purposes related to the integration of ESG principles in their activity. Moreover, Raiffeisen Bank was the first bank in Romania to issue green bonds, and the funds were used for green buildings, ecological transport, sustainable agriculture.

## **6. USE OF ESTIMATES AND JUDGMENTS (continued)**

In 2022, the Framework for Sustainable Bonds was also adopted through which the Bank allocates funds attracted through the issue of sustainable, green or social bonds, to sustainable projects, aligned with its sustainability strategy – green buildings, renewable energy, energy efficiency projects, transport and ecological agriculture, pollution prevention and control projects, circular economy, sustainable management of water resources, but also social projects – access to essential health services, education and infrastructure, affordable housing and financing of small and medium enterprises in the underdeveloped nationally regions. The Framework for Sustainable Bonds has been evaluated by the ESG rating agency, Sustainalytics, which confirmed the credibility and positive environmental impact of the eligible projects defined in the Framework, as well as its alignment with the highest market standards (ICMA principles for sustainable, green and social bonds).

### **Our approach on environmental protection**

The Bank believes that environmental protection is part of its responsibility to society and, although its direct environmental impact is low, as a financier the Bank plays an important role in reducing the indirect impact across the Bank's portfolio through sustainable financing policies that support efforts to move towards an economy that incorporates the principles of sustainable development.

In addition to complying with national legislative regulations, as part of Raiffeisen Bank International, the Bank adopted and strictly adhere to the environmental policy and internal regulations in place at Group level. Thus, the Bank's commitments in this regard address topics such as energy efficiency, renewable energy consumption, sustainable transport and mobility and responsible procurement practices. An environmental policy has been in place at Group level since 2015.

The Human Resources Department is responsible for informing and training the Bank's employees on the environmental protection policy, the Logistics and Real Estate Administration Department monitors and reports annually on the resource consumption within the Bank and provides all the necessary infrastructure for the selective collection of waste and its disposal.

At the same time, the Bank carefully monitor progress on the key environmental indicators relevant to its business, reporting on progress for each of them, both integrated, at RBI level, and year by year, in a transparent way by publishing the sustainability report.

The content of the environmental policy is included in RBI's sustainability guiding principles on the sustainability of its products and services, internal (in-house) operations and overall on society, as published on the Group's website.

### **Our team**

Through the human resource policies and programs, such as recruitment, compensation, retention, diversity and equal opportunities, anti-discrimination and human rights, training, and professional development, the right to freedom of association and collective bargaining or employee health and safety regulations, the Bank creates a fair working environment where all our employees can feel valued and respected. Such policies have an impact not only on the wellbeing of employees, but also on society as a whole and the company's performance.

Through the Bank's workplace diversity policy, is ensured that all employees have equal opportunities while creating possibilities for groups that may be disadvantaged. The policy aims to support and facilitate an inclusive working environment that embraces all that makes us different and recognizes the benefits that these differences bring.

### **Community investment**

The bank invested more than EUR 22 mn in community projects in the last 14 years (education, arts and culture, sports, urban ecology and innovation).

Education remains the main area we support. It accounts for 30% of the Bank's community investment budget, the largest share of the areas supported. Together with the Bank's traditional partners were sought solutions to bring information closer to people in communities and help them develop new skills. Together, we support financial literacy programs for children and youth, access to education and dropout prevention programs for children from disadvantaged backgrounds, and vocational, entrepreneurial, and leadership education programs for students and graduates.

## 6. USE OF ESTIMATES AND JUDGMENTS (continued)

Following consultation with the company's stakeholders, which is done annually in preparing the Bank's sustainability report, the Bank added a new direction to the community engagement strategy: innovation. The recommendation to add innovation among Raiffeisen Bank's strategic community investment directions comes in response to the social and environmental challenges we face today. As such, the Bank support innovation programs designed to help address these challenges.

### Market development

There are no further developments on the COVID-19 pandemic since dec 2022.

The Bank continues to analyse the direct exposures with respect to entities from Russian Federation or Ukraine and as of reporting date these exposures are close to nil (below 300th Ron). The credit rating of some of the customers that are exposed at risk (because of their economic ties to this geographic area) may bring an increase in the provision for credit risk. All exposures connected to these two countries are being monitored closely and managed attentively.

As of the date of preparation and authorization for issuance of the financial statements, the management of the Bank has assessed the current political and economic outlook and the measures already taken, or planned, by the Romanian Government, National Bank of Romania and the European Commission that may negatively impact the Bank. Based on this assessment and the review of the public information presently available, management does not expect the economic impact of the current developments to materially impair the ability of the Bank to continue as a going concern.

A potential negative impact upon the economic environment in which the Bank operates, its financial position and performance for the medium term, cannot be ruled out. Management closely monitors any developments and is prepared to take appropriate measures. These possible future measures, adopted by the Bank, could concern the areas of accounting estimates and methods of calculating loss allowances and provisions for credit risk according to IFRS 9. Nevertheless, at the date of these financial statements, the Bank continues to meet its obligations as they are due and, based on its assessment of the current events and potential developments, the Bank applies the going concern as basis of preparation.

Considering the current challenges and risks faced by financial market which might impact on **Non Retail** real estate debtors' capacity to refinance large bullet loans, a special risk factor, 'refinancing risk' was implemented in 2023 for stage 2 Project Finance real estate exposure of 2.7 mn EUR.

The methodology of non-retail impairment estimation was revised and adapted periodically to support a prudent approach and to capture the expected credit risk evolution by monitoring the current economic environment. During 2023 Non Retail impairment methodology was revised as follows:

- Updating macroeconomic scenarios and risk parameters;
- Updating the existing special risk factors: 'Office Real Estate' and 'Energy and raw materials', by reviewing the eligible portfolio and keeping the methodology from the implementation;

The cumulated effect of the measures described above is an increase of EUR 0.4 million in provision amount for Stage 1&2 non-retail portfolio.

The methodology of **Retail** impairment estimation was revised and adapted periodically to support a prudent approach and to capture the expected credit risk evolution by monitoring the current economic environment. During the first semester of 2023, Retail impairment methodology was revised as follows:

- Macroeconomic scenarios update in March and June
- Score calibration equation update in January and April
- Energy and raw material increased prices' PMA monthly update
- Implementation of a new Post model adjustment for Stage 3 accounts
- New IFRS9 models (PD, LGD, MOF and CCF) were implemented, developed on new default definition

## 7. FINANCIAL ASSETS AND LIABILITIES

The table below analyses financial instruments at fair value and at carrying amount by using the valuation methods described in Note 6:

### Group

| <i>In RON thousand</i>  | <b>Note</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>      | <b>Carrying amount</b> |
|---|-------------|----------------|----------------|----------------|-------------------|------------------------|
| <b>30 June 2023</b>   |             |                |                |                |                   |                        |
| <b>Assets</b>   |             |                |                |                |                   |                        |
| <b>Financial instruments measured at fair value</b>                                   |             |                |                |                |                   |                        |
| Trading assets, out of which:   | 18          | 168,418        | 20,893         | -              | <b>189,311</b>    | <b>189,311</b>         |
| <i>Debt securities</i>  |             | 168,418        | -              | -              | <b>168,418</b>    | <b>168,418</b>         |
| <i>Foreign exchange contracts</i>   |             | -              | 20,615         | -              | <b>20,615</b>     | <b>20,615</b>          |
| <i>Interest rate swaps</i>  |             | -              | 278            | -              | <b>278</b>        | <b>278</b>             |
| Derivative assets held for risk management  | 19          | -              | 34,055         | -              | <b>34,055</b>     | <b>34,055</b>          |
| Financial assets mandatorily at fair value through profit or loss, out of which:      | 26          | 17,023         | 17,241         | 157,829        | <b>192,093</b>    | <b>192,093</b>         |
| <i>Loans and advances to customers</i>  |             | -              | -              | 157,829        | <b>157,829</b>    | <b>157,829</b>         |
| <i>Debt securities and equity instruments</i>   |             | 17,022         | 17,241         | -              | <b>34,263</b>     | <b>34,263</b>          |
| Investment securities at fair value through other comprehensive income, out of which: | 22          | 2,696,097      | 197,072        | 472,026        | <b>3,365,195</b>  | <b>3,365,195</b>       |
| <i>Bonds issued by the Government of Romania</i>                                      |             | 2,696,096      | -              | -              | <b>2,696,096</b>  | <b>2,696,096</b>       |
| <i>Bonds issued by credit institutions</i>  |             | -              | 197,072        | -              | <b>197,072</b>    | <b>197,072</b>         |
| <i>Bonds issued by other public sector</i>  |             | -              | -              | 472,026        | <b>472,026</b>    | <b>472,026</b>         |
| Equity instruments at fair value through other comprehensive income                   | 23          | 61,059         | -              | 17,495         | <b>78,554</b>     | <b>78,554</b>          |
| Derivative Assets- Hedge accounting   | 27          | -              | 6,008          | -              | <b>6,008</b>      | <b>6,008</b>           |
| <b>Financial instruments for which fair value is disclosed</b>                        |             |                |                |                |                   |                        |
| Cash and cash with Central Bank   | 17          | 7,412,280      | -              | -              | <b>7,412,280</b>  | <b>7,412,280</b>       |
| Loans and advances to banks at amortised cost   | 20          | 1,426,438      | -              | -              | <b>1,426,438</b>  | <b>1,426,438</b>       |
| Loans and advances to customers at amortised cost                                     | 21          | -              | -              | 41,109,546     | <b>41,109,546</b> | <b>41,470,564</b>      |
| Investment securities at amortised cost   | 24          | 10,461,041     | 310,097        | 72,351         | <b>10,843,488</b> | <b>11,271,024</b>      |
| Other assets  | 28          | -              | -              | 178,610        | <b>178,610</b>    | <b>178,610</b>         |
| <b>Liabilities</b>  |             |                |                |                |                   |                        |
| <b>Financial instruments measured at fair value</b>                                   |             |                |                |                |                   |                        |
| Trading liabilities   | 18          | -              | 35,958         | -              | <b>35,958</b>     | <b>35,958</b>          |
| Derivative liabilities held for risk management                                       | 19          | -              | 4,959          | -              | <b>4,959</b>      | <b>4,959</b>           |
| Fair value changes of the hedged items - liability                                    | 27          | -              | 7,818          | -              | <b>7,818</b>      | <b>7,818</b>           |
| <b>Financial instruments for which fair value is disclosed</b>                        |             |                |                |                |                   |                        |
| Deposits from banks   | 32          | 406,971        | -              | -              | <b>406,971</b>    | <b>406,971</b>         |
| Deposits from customers   | 33          | -              | -              | 52,686,009     | <b>52,686,009</b> | <b>52,770,120</b>      |
| Loans from banks and other financial institutions                                     | 34          | -              | -              | 404,416        | <b>404,416</b>    | <b>404,534</b>         |
| Debt securities issued  | 34          | -              | 3,787,737      | -              | <b>3,787,737</b>  | <b>4,013,917</b>       |
| Subordinated loans  | 34          | -              | -              | 325,036        | <b>325,036</b>    | <b>325,175</b>         |
| Other liabilities   | 35          | -              | -              | 1,076,258      | <b>1,076,258</b>  | <b>1,076,258</b>       |

## 7. FINANCIAL ASSETS AND LIABILITIES (continued)

The table below analyses financial instruments at fair value and at carrying amount by using the valuation methods described in Note 6:

### Group

| <i>In RON thousand</i>  | Note | Level 1   | Level 2   | Level 3    | Total      | Carrying amount |
|---|------|-----------|-----------|------------|------------|-----------------|
| <b>31 December 2022</b>   |      |           |           |            |            |                 |
| <b>Assets</b>   |      |           |           |            |            |                 |
| <b>Financial instruments measured at fair value</b>                                   |      |           |           |            |            |                 |
| Trading assets, out of which:   | 18   | 49,812    | 43,490    | -          | 93,302     | 93,302          |
| Debt securities   |      | 49,812    | -         | -          | 49,812     | 49,812          |
| Foreign exchange contracts  |      | -         | 42,778    | -          | 42,778     | 42,778          |
| Interest rate swaps   |      | -         | 712       | -          | 712        | 712             |
| Derivative assets held for risk management  | 19   | -         | 13,781    | -          | 13,781     | 13,781          |
| Financial assets mandatorily at fair value through profit or loss, out of which:      | 26   | 14,045    | 16,478    | 153,935    | 184,458    | 184,458         |
| Loans and advances to customers   |      | -         | -         | 153,935    | 153,935    | 153,935         |
| Debt securities and equity instruments  |      | 14,045    | 16,478    | -          | 30,523     | 30,523          |
| Investment securities at fair value through other comprehensive income, out of which: | 22   | 2,638,819 | 92,943    | 373,636    | 3,105,398  | 3,105,398       |
| Bonds issued by the Government of Romania   |      | 2,638,819 | -         | -          | 2,638,819  | 2,638,819       |
| Bonds issued by credit institutions   |      | -         | 92,943    | -          | 92,943     | 92,943          |
| Bonds issued by other public sector   |      | -         | -         | 373,636    | 373,636    | 373,636         |
| Equity instruments at fair value through other comprehensive income                   | 23   | 54,114    | -         | 17,374     | 71,488     | 71,488          |
| Derivative Assets- Hedge accounting   | 27   | -         | 8,355     | -          | 8,355      | 8,355           |
| <b>Financial instruments for which fair value is disclosed</b>                        |      |           |           |            |            |                 |
| Cash and cash with Central Bank   | 17   | 8,281,451 | -         | -          | 8,281,451  | 8,281,451       |
| Loans and advances to banks at amortised cost   | 20   | 323,543   | -         | -          | 323,543    | 323,543         |
| Loans and advances to customers at amortised cost                                     | 21   | -         | -         | 39,772,358 | 39,772,358 | 39,851,569      |
| Investment securities at amortised cost   | 24   | 8,000,585 | 351,053   | 75,510     | 8,427,148  | 9,200,854       |
| Other assets  | 28   | -         | -         | 290,875    | 290,875    | 290,875         |
| <b>Liabilities</b>  |      |           |           |            |            |                 |
| <b>Financial instruments measured at fair value</b>                                   |      |           |           |            |            |                 |
| Trading liabilities   | 18   | -         | 27,715    | -          | 27,715     | 27,715          |
| Derivative liabilities held for risk management                                       | 19   | -         | 5,860     | -          | 5,860      | 5,860           |
| Fair value changes of the hedged items - liability                                    | 27   | -         | 11,398    | -          | 11,398     | 11,398          |
| <b>Financial instruments for which fair value is disclosed</b>                        |      |           |           |            |            |                 |
| Deposits from banks   | 32   | 578,106   | -         | -          | 578,106    | 578,106         |
| Deposits from customers   | 33   | -         | -         | 49,147,932 | 49,147,932 | 49,233,568      |
| Loans from banks and other financial institutions                                     | 34   | -         | -         | 390,083    | 390,083    | 390,285         |
| Debt securities issued  | 34   | -         | 3,536,005 | -          | 3,536,005  | 3,887,808       |
| Subordinated loans  | 34   | -         | -         | 332,555    | 332,555    | 323,726         |
| Other liabilities   | 35   | -         | -         | 1,321,579  | 1,321,579  | 1,321,579       |

## 7. FINANCIAL ASSETS AND LIABILITIES (continued)

The table below analyses financial instruments at fair value and at carrying amount by using the valuation methods described in Note 6:

### Bank

| <i>In RON thousand</i>  | <b>Note</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>      | <b>Carrying amount</b> |
|---|-------------|----------------|----------------|----------------|-------------------|------------------------|
| <b>30 June 2023</b>   |             |                |                |                |                   |                        |
| <b>Assets</b>   |             |                |                |                |                   |                        |
| <b>Financial instruments measured at fair value</b>                                   |             |                |                |                |                   |                        |
| Trading assets, out of which:   | 18          | 168,418        | 20,890         | -              | <b>189,308</b>    | <b>189,308</b>         |
| <i>Debt securities</i>  |             | 168,418        | -              | -              | <b>168,418</b>    | <b>168,418</b>         |
| <i>Foreign exchange contracts</i>   |             | -              | 20,612         | -              | <b>20,612</b>     | <b>20,612</b>          |
| <i>Interest rate swaps</i>  |             | -              | 278            | -              | <b>278</b>        | <b>278</b>             |
| Derivative assets held for risk management  | 19          | -              | 34,055         | -              | <b>34,055</b>     | <b>34,055</b>          |
| Financial assets mandatorily at fair value through profit or loss, out of which:      | 26          | -              | 17,241         | 157,829        | <b>175,070</b>    | <b>175,070</b>         |
| <i>Loans and advances to customers</i>  |             | -              | -              | 157,829        | <b>157,829</b>    | <b>157,829</b>         |
| <i>Debt securities and equity instruments</i>   |             | -              | 17,241         | -              | <b>17,241</b>     | <b>17,241</b>          |
| Investment securities at fair value through other comprehensive income, out of which: | 22          | 2,627,248      | 197,072        | 472,026        | <b>3,296,346</b>  | <b>3,296,346</b>       |
| <i>Bonds issued by the Government of Romania</i>                                      |             | 2,627,248      | -              | -              | <b>2,627,248</b>  | <b>2,627,248</b>       |
| <i>Bonds issued by credit institutions</i>  |             | -              | 197,072        | -              | <b>197,072</b>    | <b>197,072</b>         |
| <i>Bonds issued by other public sector</i>  |             | -              | -              | 472,026        | <b>472,026</b>    | <b>472,026</b>         |
| Equity instruments at fair value through other comprehensive income                   | 23          | 61,059         | -              | 17,495         | <b>78,554</b>     | <b>78,554</b>          |
| Derivative Assets- Hedge accounting   | 27          | -              | 6,008          | -              | <b>6,008</b>      | <b>6,008</b>           |
| <b>Financial instruments for which fair value is disclosed</b>                        |             |                |                |                |                   |                        |
| Cash and cash with Central Bank   | 17          | 7,411,903      | -              | -              | <b>7,411,903</b>  | <b>7,411,903</b>       |
| Loans and advances to banks at amortised cost   | 20          | 1,397,752      | -              | -              | <b>1,397,752</b>  | <b>1,397,752</b>       |
| Loans and advances to customers at amortised cost                                     | 21          | -              | -              | 40,599,460     | <b>40,599,460</b> | <b>40,960,477</b>      |
| Investment securities at amortised cost   | 24          | 10,443,842     | 285,896        | 72,351         | <b>10,802,089</b> | <b>11,253,217</b>      |
| Other assets  | 28          | -              | -              | 158,470        | <b>158,470</b>    | <b>158,470</b>         |
| <b>Liabilities</b>  |             |                |                |                |                   |                        |
| <b>Financial instruments measured at fair value</b>                                   |             |                |                |                |                   |                        |
| Trading liabilities   | 18          | -              | 35,958         | -              | <b>35,958</b>     | <b>35,958</b>          |
| Derivative liabilities held for risk management                                       | 19          | -              | 4,959          | -              | <b>4,959</b>      | <b>4,959</b>           |
| Fair value changes of the hedged items - liability                                    | 27          | -              | 7,818          | -              | <b>7,818</b>      | <b>7,818</b>           |
| <b>Financial instruments for which fair value is disclosed</b>                        |             |                |                |                |                   |                        |
| Deposits from banks   | 32          | 406,971        | -              | -              | <b>406,971</b>    | <b>406,971</b>         |
| Deposits from customers   | 33          | -              | -              | 52,733,207     | <b>52,733,207</b> | <b>52,817,318</b>      |
| Loans from banks and other financial institutions                                     | 34          | -              | -              | 2,414          | <b>2,414</b>      | <b>2,532</b>           |
| Debt securities issued  | 34          | -              | 3,787,737      | -              | <b>3,787,737</b>  | <b>4,013,917</b>       |
| Subordinated loans  | 34          | -              | -              | 325,036        | <b>325,036</b>    | <b>325,091</b>         |
| Other liabilities   | 35          | -              | -              | 1,033,947      | <b>1,033,947</b>  | <b>1,033,947</b>       |



## 7. FINANCIAL ASSETS AND LIABILITIES (continued)

The table below analyses financial instruments at fair value and at carrying amount by using the valuation methods described in Note 6:

### Bank

| <i>In RON thousand</i>  | <b>Note</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>      | <b>Carrying amount</b> |
|---|-------------|----------------|----------------|----------------|-------------------|------------------------|
| <b>31 December 2022</b>   |             |                |                |                |                   |                        |
| <b>Assets</b>   |             |                |                |                |                   |                        |
| <b>Financial instruments measured at fair value</b>                                   |             |                |                |                |                   |                        |
| Trading assets, out of which:   | 18          | 49,812         | 43,490         | -              | <b>93,302</b>     | <b>93,302</b>          |
| <i>Debt securities</i>  |             | 49,812         | -              | -              | <b>49,812</b>     | <b>49,812</b>          |
| <i>Foreign exchange contracts</i>   |             | -              | 42,778         | -              | <b>42,778</b>     | <b>42,778</b>          |
| <i>Interest rate swaps</i>  |             | -              | 712            | -              | <b>712</b>        | <b>712</b>             |
| Derivative assets held for risk management  | 19          | -              | 13,781         | -              | <b>13,781</b>     | <b>13,781</b>          |
| Financial assets mandatorily at fair value through profit or loss, out of which:      | 26          | -              | 16,478         | 153,935        | <b>170,413</b>    | <b>170,413</b>         |
| <i>Loans and advances to customers</i>  |             | -              | -              | 153,935        | <b>153,935</b>    | <b>153,935</b>         |
| <i>Debt securities and equity instruments</i>   |             | -              | 16,478         | -              | <b>16,478</b>     | <b>16,478</b>          |
| Investment securities at fair value through other comprehensive income, out of which: | 22          | 2,628,927      | 92,943         | 373,636        | <b>3,095,506</b>  | <b>3,095,506</b>       |
| <i>Bonds issued by the Government of Romania</i>                                      |             | 2,628,927      | -              | -              | <b>2,628,927</b>  | <b>2,628,927</b>       |
| <i>Bonds issued by credit institutions</i>  |             | -              | 92,943         | -              | <b>92,943</b>     | <b>92,943</b>          |
| <i>Bonds issued by other public sector</i>  |             | -              | -              | 373,636        | <b>373,636</b>    | <b>373,636</b>         |
| Equity instruments at fair value through other comprehensive income                   | 23          | 54,114         | -              | 17,374         | <b>71,488</b>     | <b>71,488</b>          |
| Derivative Assets- Hedge accounting   | 27          | -              | 8,355          | -              | <b>8,355</b>      | <b>8,355</b>           |
| <b>Financial instruments for which fair value is disclosed</b>                        |             |                |                |                |                   |                        |
| Cash and cash with Central Bank   | 17          | 8,280,853      | -              | -              | <b>8,280,853</b>  | <b>8,280,853</b>       |
| Loans and advances to banks at amortised cost   | 20          | 286,851        | -              | -              | <b>286,851</b>    | <b>286,851</b>         |
| Loans and advances to customers at amortised cost                                     | 21          | -              | -              | 39,288,304     | <b>39,288,304</b> | <b>39,367,515</b>      |
| Investment securities at amortised cost   | 24          | 7,978,387      | 303,660        | 75,510         | <b>8,357,557</b>  | <b>9,129,802</b>       |
| Other assets  | 28          | -              | -              | 268,432        | <b>268,432</b>    | <b>268,432</b>         |
| <b>Liabilities</b>  |             |                |                |                |                   |                        |
| <b>Financial instruments measured at fair value</b>                                   |             |                |                |                |                   |                        |
| Trading liabilities   | 18          | -              | 27,715         | -              | <b>27,715</b>     | <b>27,715</b>          |
| Derivative liabilities held for risk management                                       | 19          | -              | 5,860          | -              | <b>5,860</b>      | <b>5,860</b>           |
| Fair value changes of the hedged items - liability                                    | 27          | -              | 11,398         | -              | <b>11,398</b>     | <b>11,398</b>          |
| <b>Financial instruments for which fair value is disclosed</b>                        |             |                |                |                |                   |                        |
| Deposits from banks   | 32          | 578,106        | -              | -              | <b>578,106</b>    | <b>578,106</b>         |
| Deposits from customers   | 33          | -              | -              | 49,195,681     | <b>49,195,681</b> | <b>49,281,318</b>      |
| Loans from banks and other financial institutions                                     | 34          | -              | -              | 3,741          | <b>3,741</b>      | <b>3,943</b>           |
| Debt securities issued  | 34          | -              | 3,536,005      | -              | <b>3,536,005</b>  | <b>3,887,808</b>       |
| Subordinated loans  | 34          | -              | -              | 332,555        | <b>332,555</b>    | <b>323,678</b>         |
| Other liabilities   | 35          | -              | -              | 1,280,354      | <b>1,280,354</b>  | <b>1,280,354</b>       |

## 7. FINANCIAL ASSETS AND LIABILITIES (continued)

The below table presents the measurements categories for financial instruments:

| Group   | Note  | Held for trading | Mandatorily at fair value through profit or loss | Fair value through other comprehensive income | Amortised cost    | Total carrying amount | Fair value        |
|---|-------|------------------|--|---|-------------------|-----------------------|-------------------|
| <i>In RON thousand</i>  |       |                  |  |   |                   |                       |                   |
| <b>30 June 2023</b>   |       |                  |  |   |                   |                       |                   |
| <b>Financial assets</b>   |       |                  |  |   |                   |                       |                   |
| Cash and cash with Central Bank                                   | 17    | -                | -  | -   | 7,412,280         | 7,412,280             | 7,412,280         |
| Trading assets  | 18    | 189,311          | -  | -   | -                 | 189,311               | 189,311           |
| Derivative assets held for risk management                        | 19    | 34,055           | -  | -   | -                 | 34,055                | 34,055            |
| Financial assets mandatorily at fair value through profit or loss | 26    | -                | 192,093  | -   | -                 | 192,093               | 192,093           |
| Loans and advances to banks at amortised cost                     | 20    | -                | -  | -   | 1,426,438         | 1,426,438             | 1,426,438         |
| Loans and advances to customers at amortised cost                 | 21    | -                | -  | -   | 41,470,564        | 41,470,564            | 41,109,546        |
| Investment securities   | 22,24 | -                | -  | 3,443,749                                     | 11,271,024        | 14,714,773            | 14,287,237        |
| Derivative Assets – Hedge accounting                              | 27    | 6,008            | -  | -   | -                 | 6,008                 | 6,008             |
| Other assets  | 28    | -                | -  | -   | 178,610           | 178,610               | 178,610           |
| <b>Total financial assets</b>                                     |       | <b>229,374</b>   | <b>192,093</b>                                   | <b>3,443,749</b>                              | <b>61,758,916</b> | <b>65,624,132</b>     | <b>64,835,578</b> |
| <b>Financial liabilities</b>                                      |       |                  |  |   |                   |                       |                   |
| Trading liabilities   | 18    | 35,958           | -  | -   | -                 | 35,958                | 35,958            |
| Derivative liabilities held for risk management                   | 19    | 4,959            | -  | -   | -                 | 4,959                 | 4,959             |
| Fair value changes of the hedged items-Liability                  | 27    | 7,818            | -  | -   | -                 | 7,818                 | 7,818             |
| Deposits from banks   | 32    | -                | -  | -   | 406,971           | 406,971               | 406,971           |
| Deposits from customers   | 33    | -                | -  | -   | 52,770,120        | 52,770,120            | 52,686,009        |
| Loans from banks and other financial institutions                 | 34    | -                | -  | -   | 404,534           | 404,534               | 404,416           |
| Debt securities issued  | 34    | -                | -  | -   | 4,013,917         | 4,013,917             | 3,787,737         |
| Subordinated loans  | 34    | -                | -  | -   | 325,175           | 325,175               | 325,036           |
| Other liabilities   | 35    | -                | -  | -   | 1,076,258         | 1,076,258             | 1,076,258         |
| <b>Total financial liabilities</b>                                |       | <b>48,735</b>    | <b>-</b>   | <b>-</b>                                      | <b>58,996,975</b> | <b>59,045,710</b>     | <b>58,735,162</b> |

## 7. FINANCIAL ASSETS AND LIABILITIES (continued)

The below table presents the measurements categories for financial instruments:

| Group   | Note  | Held for trading | Mandatorily at fair value through profit or loss | Fair value through other comprehensive income | Amortised cost    | Total carrying amount | Fair value        |
|---|-------|------------------|--|---|-------------------|-----------------------|-------------------|
| <i>In RON thousand</i>  |       |                  |  |   |                   |                       |                   |
| <b>31 December 2022</b>   |       |                  |  |   |                   |                       |                   |
| <b>Financial assets</b>   |       |                  |  |   |                   |                       |                   |
| Cash and cash with Central Bank                                   | 17    | -                | -  | -   | 8,281,451         | 8,281,451             | 8,281,451         |
| Trading assets  | 18    | 93,302           | -  | -   | -                 | 93,302                | 93,302            |
| Derivative assets held for risk management                        | 19    | 13,781           | -  | -   | -                 | 13,781                | 13,781            |
| Financial assets mandatorily at fair value through profit or loss | 26    | -                | 184,458  | -   | -                 | 184,458               | 184,458           |
| Loans and advances to banks at amortised cost                     | 20    | -                | -  | -   | 323,543           | 323,543               | 323,543           |
| Loans and advances to customers at amortised cost                 | 21    | -                | -  | -   | 39,851,569        | 39,851,569            | 39,772,358        |
| Investment securities   | 22,24 | -                | -  | 3,176,886                                     | 9,200,854         | 12,377,740            | 11,604,034        |
| Derivative Assets – Hedge accounting                              | 27    | 8,355            | -  | -   | -                 | 8,355                 | 8,355             |
| Other assets  | 28    | -                | -  | -   | 290,875           | 290,875               | 290,875           |
| <b>Total financial assets</b>                                     |       | <b>115,438</b>   | <b>184,458</b>                                   | <b>3,176,886</b>                              | <b>57,948,292</b> | <b>61,425,074</b>     | <b>60,572,157</b> |
| <b>Financial liabilities</b>                                      |       |                  |  |   |                   |                       |                   |
| Trading liabilities   | 18    | 27,715           | -  | -   | -                 | 27,715                | 27,715            |
| Derivative liabilities held for risk management                   | 19    | 5,860            | -  | -   | -                 | 5,860                 | 5,860             |
| Fair value changes of the hedged items-Liability                  | 27    | 11,398           | -  | -   | -                 | 11,398                | 11,398            |
| Deposits from banks   | 32    | -                | -  | -   | 578,106           | 578,106               | 578,106           |
| Deposits from customers   | 33    | -                | -  | -   | 49,233,568        | 49,233,568            | 49,147,932        |
| Loans from banks and other financial institutions                 | 34    | -                | -  | -   | 390,285           | 390,285               | 390,083           |
| Debt securities issued  | 34    | -                | -  | -   | 3,887,808         | 3,887,808             | 3,536,005         |
| Subordinated loans  | 34    | -                | -  | -   | 323,726           | 323,726               | 332,555           |
| Other liabilities   | 35    | -                | -  | -   | 1,321,579         | 1,321,579             | 1,321,579         |
| <b>Total financial liabilities</b>                                |       | <b>44,973</b>    | <b>-</b>   | <b>-</b>                                      | <b>55,735,072</b> | <b>55,780,045</b>     | <b>55,351,233</b> |

## 7. FINANCIAL ASSETS AND LIABILITIES (continued)

The below table presents the measurements categories for financial instruments:

| Bank  | Note  | Held for trading | Mandatorily at fair value through profit or loss | Fair value through other comprehensive income | Amortised cost    | Total carrying amount | Fair value        |
|---|-------|------------------|--|---|-------------------|-----------------------|-------------------|
| <i>In RON thousand</i>  |       |                  |  |   |                   |                       |                   |
| <b>30 June 2023</b>   |       |                  |  |   |                   |                       |                   |
| <b>Financial assets</b>   |       |                  |  |   |                   |                       |                   |
| Cash and cash with Central Bank                                   | 17    | -                | -  | -   | 7,411,903         | 7,411,903             | 7,411,903         |
| Trading assets  | 18    | 189,308          | -  | -   | -                 | 189,308               | 189,308           |
| Derivative assets held for risk management                        | 19    | 34,055           | -  | -   | -                 | 34,055                | 34,055            |
| Financial assets mandatorily at fair value through profit or loss | 26    | -                | 175,070  | -   | -                 | 175,070               | 175,070           |
| Loans and advances to banks at amortised cost                     | 20    | -                | -  | -   | 1,397,752         | 1,397,752             | 1,397,752         |
| Loans and advances to customers at amortised cost                 | 21    | -                | -  | -   | 40,960,477        | 40,960,477            | 40,599,460        |
| Investment securities   | 22,24 | -                | -  | 3,374,900                                     | 11,253,217        | 14,628,117            | 14,176,989        |
| Derivative Assets – Hedge accounting                              | 27    | 6,008            | -  | -   | -                 | 6,008                 | 6,008             |
| Other assets  | 28    | -                | -  | -   | 158,470           | 158,470               | 158,470           |
| <b>Total financial assets</b>                                     |       | <b>229,371</b>   | <b>175,070</b>                                   | <b>3,374,900</b>                              | <b>61,181,819</b> | <b>64,961,160</b>     | <b>64,149,015</b> |
| <b>Financial liabilities</b>                                      |       |                  |  |   |                   |                       |                   |
| Trading liabilities   | 18    | 35,958           | -  | -   | -                 | 35,958                | 35,958            |
| Derivative liabilities held for risk management                   | 19    | 4,959            | -  | -   | -                 | 4,959                 | 4,959             |
| Fair value changes of the hedged items-Liability                  | 27    | 7,818            | -  | -   | -                 | 7,818                 | 7,818             |
| Deposits from banks   | 32    | -                | -  | -   | 406,971           | 406,971               | 406,971           |
| Deposits from customers   | 33    | -                | -  | -   | 52,817,318        | 52,817,318            | 52,733,207        |
| Loans from banks and other financial institutions                 | 34    | -                | -  | -   | 2,532             | 2,532                 | 2,414             |
| Debt securities issued  | 34    | -                | -  | -   | 4,013,917         | 4,013,917             | 3,787,737         |
| Subordinated loans  | 34    | -                | -  | -   | 325,091           | 325,091               | 325,036           |
| Other liabilities   | 35    | -                | -  | -   | 1,033,947         | 1,033,947             | 1,033,947         |
| <b>Total financial liabilities</b>                                |       | <b>48,735</b>    | <b>-</b>   | <b>-</b>                                      | <b>58,599,776</b> | <b>58,648,511</b>     | <b>58,338,047</b> |

## 7. FINANCIAL ASSETS AND LIABILITIES (continued)

The below table presents the measurements categories for financial instruments:

| Bank  | Note  | Held for trading | Mandatorily at fair value through profit or loss | Fair value through other comprehensive income | Amortised cost    | Total carrying amount | Fair value        |
|---|-------|------------------|--|---|-------------------|-----------------------|-------------------|
| <i>In RON thousand</i>  |       |                  |  |   |                   |                       |                   |
| <b>31 December 2022</b>   |       |                  |  |   |                   |                       |                   |
| <b>Financial assets</b>   |       |                  |  |   |                   |                       |                   |
| Cash and cash with Central Bank                                   | 17    | -                | -  | -   | 8,280,853         | 8,280,853             | 8,280,853         |
| Trading assets  | 18    | 93,302           | -  | -   | -                 | 93,302                | 93,302            |
| Derivative assets held for risk management                        | 19    | 13,781           | -  | -   | -                 | 13,781                | 13,781            |
| Financial assets mandatorily at fair value through profit or loss | 26    | -                | 170,413  | -   | -                 | 170,413               | 170,413           |
| Loans and advances to banks at amortised cost                     | 20    | -                | -  | -   | 286,851           | 286,851               | 286,851           |
| Loans and advances to customers at amortised cost                 | 21    | -                | -  | -   | 39,367,515        | 39,367,515            | 39,288,304        |
| Investment securities   | 22,24 | -                | -  | 3,166,994                                     | 9,129,802         | 12,296,796            | 11,524,551        |
| Derivative Assets- Hedge accounting                               | 27    | 8,355            | -  | -   | -                 | 8,355                 | 8,355             |
| Other assets  | 28    | -                | -  | -   | 268,432           | 268,432               | 268,432           |
| <b>Total financial assets</b>                                     |       | <b>115,438</b>   | <b>170,413</b>                                   | <b>3,166,994</b>                              | <b>57,333,453</b> | <b>60,786,298</b>     | <b>59,934,842</b> |
| <b>Financial liabilities</b>                                      |       |                  |  |   |                   |                       |                   |
| Trading liabilities   | 18    | 27,715           | -  | -   | -                 | 27,715                | 27,715            |
| Derivative liabilities held for risk management                   | 19    | 5,860            | -  | -   | -                 | 5,860                 | 5,860             |
| Fair value changes of the hedged items-Liability                  | 27    | 11,398           | -  | -   | -                 | 11,398                | 11,398            |
| Deposits from banks   | 32    | -                | -  | -   | 578,106           | 578,106               | 578,106           |
| Deposits from customers   | 33    | -                | -  | -   | 49,281,318        | 49,281,318            | 49,195,681        |
| Loans from banks and other financial institutions                 | 34    | -                | -  | -   | 3,943             | 3,943                 | 3,741             |
| Debt securities issued  | 34    | -                | -  | -   | 3,887,808         | 3,887,808             | 3,536,005         |
| Subordinated loans  | 34    | -                | -  | -   | 323,678           | 323,678               | 332,555           |
| Other liabilities   | 35    | -                | -  | -   | 1,280,354         | 1,280,354             | 1,280,354         |
| <b>Total financial liabilities</b>                                |       | <b>44,973</b>    | <b>-</b>   | <b>-</b>                                      | <b>55,355,207</b> | <b>55,400,180</b>     | <b>54,971,415</b> |

## 8. NET INTEREST INCOME

|   | Group            |                  | Bank             |                  |
|---|------------------|------------------|------------------|------------------|
|   | June 30,<br>2023 | June 30,<br>2022 | June 30,<br>2023 | June 30,<br>2022 |
| <i>In RON thousand</i>  |                  |                  |                  |                  |
| Current accounts and loans and advances to banks                      | 13,831           | 5,359            | 13,028           | 5,430            |
| Loans and advances to customers                                       | 1,572,355        | 1,002,736        | 1,583,916        | 1,004,421        |
| Investments measured at fair value through other comprehensive income | 61,280           | 51,198           | 60,363           | 50,044           |
| Investment securities measured at amortised cost                      | 201,806          | 141,974          | 200,617          | 139,565          |
| <b>Interest income according to effective interest method</b>         | <b>1,849,272</b> | <b>1,201,267</b> | <b>1,857,924</b> | <b>1,199,460</b> |
| Current accounts and loans and advances to banks                      | 65,057           | 7,426            | 65,059           | 7,427            |
| Finance leasing activity  | 36,204           | 20,558           | -                | -                |
| Negative interest on financial liabilities                            | -                | 58               | -                | 58               |
| Derivatives - Hedge accounting, interest rate risk                    | 2,022            | -                | 2,022            | -                |
| <b>Interest income other</b>  | <b>103,283</b>   | <b>28,042</b>    | <b>67,081</b>    | <b>7,485</b>     |
| <b>Total interest income</b>  | <b>1,952,555</b> | <b>1,229,309</b> | <b>1,925,005</b> | <b>1,206,945</b> |
| Deposits from banks   | (5,562)          | (21,273)         | (5,562)          | (21,273)         |
| Deposits from customers   | (414,444)        | (68,690)         | (414,307)        | (68,401)         |
| Debt securities issued  | (108,856)        | (31,175)         | (108,856)        | (31,175)         |
| Loans from banks and subordinated liabilities*                        | (40,554)         | (25,054)         | (34,922)         | (24,109)         |
| Leasing   | (1,734)          | (1,183)          | (1,640)          | (1,141)          |
| Negative interest on financial assets                                 | (14)             | (8,973)          | (14)             | (8,959)          |
| Derivatives - Hedge accounting, interest rate risk                    | (18)             | -                | (18)             | -                |
| Other   | (1,424)          | (371)            | (1,411)          | (369)            |
| <b>Total interest expense</b>   | <b>(572,606)</b> | <b>(156,719)</b> | <b>(566,730)</b> | <b>(155,427)</b> |
| <b>Net interest income</b>  | <b>1,379,949</b> | <b>1,072,590</b> | <b>1,358,275</b> | <b>1,051,518</b> |

(i) The amount of interest income from impaired loans amounts to RON 17,748 thousand (30 June 2022: RON 12,709 thousand).

## 9. NET FEE AND COMMISSION INCOME

*In RON thousand*

|   | Group            |                  | Bank             |                  |
|---|------------------|------------------|------------------|------------------|
|   | June 30,<br>2023 | June 30,<br>2022 | June 30,<br>2023 | June 30,<br>2022 |
| <b>Fee and commission income</b>                      |                  |                  |                  |                  |
| Transactions from payments transfer business          | 301,188          | 295,516          | 301,188          | 295,516          |
| Loans administration and financial guarantee issuance | 36,548           | 34,823           | 36,530           | 34,758           |
| Asset management fee (i)                              | 13,106           | 20,090           | -                | -                |
| Commissions from insurance premium collections(ii)    | 32,469           | 38,794           | 32,469           | 38,794           |
| Finance leasing administration                        | 6,337            | 5,547            | -                | -                |
| Commissions for buying/selling cash                   | 8                | 315              | 8                | 315              |
| Other (iii)   | 13,818           | 10,154           | 15,083           | 13,545           |
| <b>Total fee and commission income</b>                | <b>403,474</b>   | <b>405,239</b>   | <b>385,278</b>   | <b>382,928</b>   |
| <b>Fees and commissions expense</b>                   |                  |                  |                  |                  |
| Commissions for payment transfers                     | (140,120)        | (121,104)        | (140,120)        | (122,609)        |
| Loan and guarantees received from banks               | (8,426)          | (7,679)          | (8,426)          | (7,679)          |
| For transactions with investment securities           | (2,657)          | (1,237)          | (1,111)          | (899)            |
| Other   | (1,366)          | (1,636)          | (26)             | (19)             |
| <b>Total fee and commission expense</b>               | <b>(152,569)</b> | <b>(131,656)</b> | <b>(149,683)</b> | <b>(131,206)</b> |
| <b>Net fee and commission income</b>                  | <b>250,905</b>   | <b>273,583</b>   | <b>235,595</b>   | <b>251,722</b>   |

- (i) The caption "Asset management fees" includes fees obtained by Raiffeisen Asset Management S.A. from its customers and are based on the value of assets under management.
- (ii) The caption "Commissions from insurance premium collections" represents fees earned by the Bank for the intermediation of insurance policies between its customers and insurance companies.
- (iii) Under "Other", the Group records mainly fees for its custody activity.

## 10. NET TRADING INCOME

*In RON thousand*

|  | Group            |                  | Bank             |                  |
|--|------------------|------------------|------------------|------------------|
|  | June 30,<br>2023 | June 30,<br>2022 | June 30,<br>2023 | June 30,<br>2022 |
| <b>Net trading income from:</b>  |                  |                  |                  |                  |
| <i>Currency based instruments (i), out of which:</i>                           | 191,349          | 153,208          | 191,661          | 153,677          |
| ▪ Gain/(loss) from foreign exchange derivative transactions                    | 13,303           | 11,073           | 13,300           | 11,073           |
| ▪ Net gain on revaluation of monetary assets and foreign currency transactions | 178,046          | 142,135          | 178,361          | 142,604          |
| <i>Interest rate instruments (ii), out of which:</i>                           | 8,355            | (5,158)          | 8,355            | (5,158)          |
| ▪ Net trading result from government securities and corporate debt securities  | 7,607            | (7,807)          | 7,607            | (7,807)          |
| ▪ Interest rate swaps gain/(loss)  | 748              | 2,649            | 748              | 2,649            |
| <b>Net trading income</b>  | <b>199,704</b>   | <b>148,050</b>   | <b>200,016</b>   | <b>148,519</b>   |

- (i) Net foreign exchange income from currency based transactions includes gains and losses from spot and forward contracts, money market instruments, currency swaps and from the translation of foreign currency assets and liabilities.
- (ii) Net trading income from interest rate instruments includes the net result on trading in government securities, corporate debt securities and interest rate swaps.

## 11. OTHER OPERATING INCOME

|   | Group            |                  | Bank             |                  |
|---|------------------|------------------|------------------|------------------|
|   | June 30,<br>2023 | June 30,<br>2022 | June 30,<br>2023 | June 30,<br>2022 |
| <i>In RON thousand</i>                    |                  |                  |                  |                  |
| Revenues from additional leasing services | 1,561            | 1,534            | -                | -                |
| Reversal of other provisions              | 876              | 1,617            | 597              | 1,617            |
| Dividend income                           | 2,896            | 2,119            | 2,896            | 28,881           |
| Income from repossessed assets            | 110              | 464              | 110              | 464              |
| Reversal of litigation provision          | -                | 47,442           | -                | 47,442           |
| Sundry income (i)                         | 20,121           | 10,685           | 20,077           | 11,591           |
| <b>Total</b>                              | <b>25,564</b>    | <b>63,861</b>    | <b>23,680</b>    | <b>89,995</b>    |

(i) In "sundry income" position, the Group includes revenues from: incentives received from its partners from cards usage, various recoveries on sundry debtors previously written-off, liabilities of the Bank which reached the prescription term and were derecognised etc.

## 12. OPERATING EXPENSES

|  | Group            |                  | Bank             |                  |
|--|------------------|------------------|------------------|------------------|
|  | June 30,<br>2023 | June 30,<br>2022 | June 30,<br>2023 | June 30,<br>2022 |
| <i>In RON thousand</i>                         |                  |                  |                  |                  |
| Office space expenses (i)                      | 42,349           | 29,877           | 41,320           | 29,039           |
| IT repairs and maintenance                     | 73,296           | 61,502           | 70,826           | 59,153           |
| Depreciation and amortization (Note 30 and 31) | 123,705          | 112,667          | 122,252          | 111,259          |
| Deposit insurance fees (ii)                    | 17,969           | 34,819           | 17,969           | 34,819           |
| Resolution fund fee (iii)                      | 30,635           | 35,989           | 30,605           | 35,888           |
| Security expenses                              | 24,454           | 22,456           | 24,428           | 22,428           |
| Advertising                                    | 29,811           | 21,275           | 29,572           | 20,603           |
| Expenses for short term lease                  | 2,851            | -                | 2,851            | -                |
| Charge of litigation provision (iv)            | 7,161            | 1,202            | 7,161            | -                |
| Legal, advisory and consulting expenses        | 17,340           | 22,606           | 16,528           | 20,843           |
| Postal and telecommunication expenses          | 48,083           | 39,684           | 47,849           | 39,422           |
| Office supplies                                | 15,772           | 15,125           | 15,699           | 15,053           |
| Sundry operating expenses                      | 16,868           | 16,109           | 15,434           | 15,114           |
| Charge of other provisions                     | 3,405            | 5,244            | 3,405            | 5,111            |
| Training expenses for staff                    | 5,873            | 2,072            | 5,578            | 1,943            |
| Travelling expenses                            | 1,500            | 1,420            | 1,435            | 1,333            |
| Transport costs                                | 3,109            | 2,732            | 2,897            | 2,468            |
| Other taxes (v)                                | 1,748            | 1,640            | 943              | 958              |
| <b>Total</b>                                   | <b>465,929</b>   | <b>426,419</b>   | <b>456,752</b>   | <b>415,434</b>   |

(i) The amounts under "Office space expenses" include mainly cleaning, security expenses and the VAT related to the rental paid invoices.



## 12. OPERATING EXPENSES (continued)

(ii) The Bank pays annually contributions to the Bank Deposit Guarantee Fund for guaranteed deposits. Guaranteed deposits represent any credit balance, including the due interest, which results from funds left in an account or from temporary situations deriving from normal banking transactions and which a credit institution must repay in the legal and contractual conditions applicable. Examples of guaranteed deposits are: time deposits, current accounts, savings accounts, debit/credit card accounts.

(iii) The Bank pays contribution to resolution fund for liabilities not covered, respectively for liabilities (excluding own funds) less covered deposits. The liability to pay these levies is recognized when they become constructive. In this case, the obligation arises annually on January 1, as the Bank performs activities related to deposits received.

The expense with deposit insurance fees and resolution fund fee is recognised in the year when paid.

(iv) Under the caption "Charge of litigation provision" the Group presents the expense with legal disputes, as further disclosed in *note 36 Provisions*.

(v) Under the caption "Other taxes" the Group presents the movement in provision for tax audit (please see note 28 Other assets).

## 13. PERSONNEL EXPENSE

*In RON thousand*

|  | Group          |                | Bank           |                |
|--|----------------|----------------|----------------|----------------|
|  | June 30, 2023  | June 30, 2022  | June 30, 2023  | June 30, 2022  |
| Salary expense                             | 378,727        | 322,809        | 362,699        | 307,293        |
| Social contributions                       | 11,943         | 9,651          | 11,609         | 9,353          |
| Other staff expenses                       | 14,041         | 15,740         | 13,385         | 15,202         |
| Expenses for defined benefit pension plans | 271            | 3,655          | 271            | 3,655          |
| Long term employee benefits                | 2,189          | 1,879          | 2,246          | 1,866          |
| <b>Total</b>                               | <b>407,171</b> | <b>353,734</b> | <b>390,210</b> | <b>337,369</b> |

The number of employees at Group level as at 30 June 2023 was 5,072 (31 December 2022: 5,084). The number of employees at Bank level as at 30 June 2023 was 4,919 (31 December 2022: 4,929).

#### 14. IMPAIRMENT LOSSES

| Group   | 30 June 2023    |                 |                 |                 |                 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | Stage 1         | Stage 2         | Stage 3         | POCI            | Total           |
| <i>In RON thousand</i>                            |                 |                 |                 |                 |                 |
| <b>Non-retail</b>                                 |                 |                 |                 |                 |                 |
| Loans and advances to customers at amortised cost | (1,662)         | 2,876           | 625             | (3,146)         | (1,307)         |
| Loan commitments and financial guarantees         | (5,956)         | (172)           | (18,129)        | -               | (24,257)        |
| Investment securities at amortised cost           | 116             | -               | -               | -               | 116             |
| Loans written-off                                 | -               | 1,052           | 14,820          | -               | 15,872          |
| Recoveries from loans and advances to customers   | -               | -               | (23,281)        | (3,160)         | (26,441)        |
| <b>Total non-retail</b>                           | <b>(7,502)</b>  | <b>3,756</b>    | <b>(25,965)</b> | <b>(6,306)</b>  | <b>(36,017)</b> |
| <b>Retail</b>                                     |                 |                 |                 |                 |                 |
| Loans and advances to customers at amortised cost | (26,915)        | (25,200)        | 77,473          | (6,768)         | 18,590          |
| Loan commitments and financial guarantees         | (2,163)         | (3,988)         | (2,015)         | -               | (8,166)         |
| Loans written-off                                 | -               | 955             | 2,437           | 212             | 3,604           |
| Recoveries from loans and advances to customers   | -               | -               | (63,404)        | (1,627)         | (65,031)        |
| <b>Total retail</b>                               | <b>(29,078)</b> | <b>(28,233)</b> | <b>14,491</b>   | <b>(8,183)</b>  | <b>(51,003)</b> |
| <b>Total</b>                                      | <b>(36,580)</b> | <b>(24,477)</b> | <b>(11,474)</b> | <b>(14,489)</b> | <b>(87,020)</b> |

| Group   | 30 June 2022  |                |                 |                |                 |
|---|---------------|----------------|-----------------|----------------|-----------------|
|   | Stage 1       | Stage 2        | Stage 3         | POCI           | Total           |
| <i>In RON thousand</i>                            |               |                |                 |                |                 |
| <b>Non-retail</b>                                 |               |                |                 |                |                 |
| Loans and advances to customers at amortised cost | 1,444         | 3,008          | (19,010)        | (1,117)        | (15,675)        |
| Loan commitments and financial guarantees         | (163)         | (1,209)        | (3,606)         | -              | (4,978)         |
| Investment securities at amortised cost           | 190           | -              | -               | -              | 190             |
| Loans written-off                                 | -             | -              | 422             | -              | 422             |
| Recoveries from loans and advances to customers   | -             | -              | (3,378)         | -              | (3,378)         |
| <b>Total non-retail</b>                           | <b>1,471</b>  | <b>1,799</b>   | <b>(25,572)</b> | <b>(1,117)</b> | <b>(23,419)</b> |
| <b>Retail</b>                                     |               |                |                 |                |                 |
| Loans and advances to customers at amortised cost | 25,288        | (10,658)       | 69,112          | (252)          | 83,490          |
| Loan commitments and financial guarantees         | 1,761         | 292            | (243)           | -              | 1,810           |
| Loans written-off                                 | -             | 2,354          | 10,063          | 1,048          | 13,465          |
| Recoveries from loans and advances to customers   | -             | -              | (40,870)        | (3,762)        | (44,632)        |
| <b>Total retail</b>                               | <b>27,049</b> | <b>(8,012)</b> | <b>38,062</b>   | <b>(2,966)</b> | <b>54,133</b>   |
| <b>Total</b>                                      | <b>28,520</b> | <b>(6,213)</b> | <b>12,490</b>   | <b>(4,083)</b> | <b>30,714</b>   |

**14. IMPAIRMENT LOSSES (continued)**

| <b>Bank</b>                                       | <b>30 June 2023</b> |                 |                 |                 |                 |
|---|---------------------|-----------------|-----------------|-----------------|-----------------|
| <i>In RON thousand</i>                            | <b>Stage 1</b>      | <b>Stage 2</b>  | <b>Stage 3</b>  | <b>POCI</b>     | <b>Total</b>    |
| <b>Non-retail</b>                                 |                     |                 |                 |                 |                 |
| Loans and advances to customers at amortised cost | 1,314               | 1,141           | 3,714           | (3,146)         | 3,023           |
| Loan commitments and financial guarantees         | (5,956)             | (172)           | (18,129)        | -               | (24,257)        |
| Investment securities at amortised cost           | 116                 | -               | -               | -               | 116             |
| Loans written-off                                 | -                   | 1,052           | 13,465          | -               | 14,517          |
| Recoveries from loans and advances to customers   | -                   | -               | (23,281)        | (3,160)         | (26,441)        |
| <b>Total non-retail</b>                           | <b>(4,526)</b>      | <b>2,021</b>    | <b>(24,231)</b> | <b>(6,306)</b>  | <b>(33,042)</b> |
| <b>Retail</b>                                     |                     |                 |                 |                 |                 |
| Loans and advances to customers at amortised cost | (26,546)            | (25,114)        | 77,061          | (6,768)         | 18,633          |
| Loan commitments and financial guarantees         | (2,163)             | (3,988)         | (2,015)         | -               | (8,166)         |
| Loans written-off                                 | -                   | 955             | 2,437           | 212             | 3,604           |
| Recoveries from loans and advances to customers   | -                   | -               | (63,160)        | (1,627)         | (64,787)        |
| <b>Total retail</b>                               | <b>(28,709)</b>     | <b>(28,147)</b> | <b>14,323</b>   | <b>(8,183)</b>  | <b>(50,716)</b> |
| <b>Total</b>                                      | <b>(33,235)</b>     | <b>(26,126)</b> | <b>(9,908)</b>  | <b>(14,489)</b> | <b>(83,758)</b> |

| <b>Bank</b>   | <b>30 June 2022</b> |                |                 |                |                 |
|---|---------------------|----------------|-----------------|----------------|-----------------|
| <i>In RON thousand</i>                                    | <b>Stage 1</b>      | <b>Stage 2</b> | <b>Stage 3</b>  | <b>POCI</b>    | <b>Total</b>    |
| <b>Non-retail</b>   |                     |                |                 |                |                 |
| Investment in subsidiaries, associates and joint ventures | -                   | -              | 10,730          | -              | 10,730          |
| Loans and advances to customers at amortised cost         | 146                 | 2,947          | (17,771)        | (1,117)        | (15,795)        |
| Loan commitments and financial guarantees                 | (163)               | (1,209)        | (3,606)         | -              | (4,978)         |
| Investment securities at amortised cost                   | 190                 | -              | -               | -              | 190             |
| Recoveries from loans and advances to customers           | -                   | -              | (3,378)         | -              | (3,378)         |
| <b>Total non-retail</b>                                   | <b>173</b>          | <b>1,738</b>   | <b>(14,025)</b> | <b>(1,117)</b> | <b>(13,231)</b> |
| <b>Retail</b>   |                     |                |                 |                |                 |
| Loans and advances to customers at amortised cost         | 25,208              | (10,682)       | 69,667          | (252)          | 83,941          |
| Loan commitments and financial guarantees                 | 1,761               | 292            | (243)           | -              | 1,810           |
| Loans written-off   | -                   | 2,354          | 10,063          | 1,048          | 13,465          |
| Recoveries from loans and advances to customers           | -                   | -              | (40,585)        | (3,762)        | (44,347)        |
| <b>Total retail</b>                                       | <b>26,969</b>       | <b>(8,036)</b> | <b>38,902</b>   | <b>(2,966)</b> | <b>54,869</b>   |
| <b>Total</b>  | <b>27,142</b>       | <b>(6,298)</b> | <b>24,877</b>   | <b>(4,083)</b> | <b>41,638</b>   |

#### 14. IMPAIRMENT LOSSES (continued)

The year to date June 23 vs June 22 reduction in impairment losses is a result of the following factors: new IFRS models implementation in Feb 23 together with, positive outlook for the macro factors and better portfolio performance.

The contractual amount outstanding on credit exposures that were written off and are still subject to enforcement activity during the period as of 30 June 2023 is RON 133,679 thousand (31 December 2022: RON 128,830 thousand), out of which non-retail exposures in amount of RON 7,537 thousand (31 December 2022: RON 3,769 thousand) and retail exposures in amount of RON 126,142 thousand (31 December 2022: RON 125,061 thousand).

#### 15. INCOME TAX EXPENSE

##### *i) INCOME TAX EXPENSE*

| <i>In RON thousand</i>   | <b>Group</b>        |                     | <b>Bank</b>         |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | <b>30 June 2023</b> | <b>30 June 2022</b> | <b>30 June 2023</b> | <b>30 June 2022</b> |
| Current tax expenses at 16% (2022:16%) of taxable profits determined in accordance with Romanian law | 168,429             | 114,434             | 165,763             | 110,689             |
| Deferred tax expense / (income) (Note 29)  | 34,804              | 4,199               | 33,802              | 4,208               |
| <b>Total</b>   | <b>203,233</b>      | <b>118,633</b>      | <b>199,565</b>      | <b>114,897</b>      |

##### *ii) INCOME TAX RECEIVABLE*

| <i>In RON thousand</i>                          | <b>Group</b>        |                         | <b>Bank</b>         |                         |
|---|---------------------|-------------------------|---------------------|-------------------------|
|   | <b>30 June 2023</b> | <b>31 December 2022</b> | <b>30 June 2023</b> | <b>31 December 2022</b> |
| Current tax receivable                          | 370                 | 166                     | -                   | -                       |
| Non current tax receivable – Gross Book Value * | 143,245             | 130,129                 | 143,245             | 130,129                 |
| Provision for Non current tax receivable        | (69,396)            | (56,280)                | (69,396)            | (56,280)                |
| <b>Total</b>                                    | <b>74,219</b>       | <b>74,015</b>           | <b>73,849</b>       | <b>73,849</b>           |

\*According to IFRIC 23, as of June 30, 2023, the carrying amount of income taxes with uncertain treatment is RON 143,245 thousand (December 31, 2022: RON 130,129 thousand) and the correspondent provision is RON 69,396 thousand (December 31, 2022: RON 56,280 thousand) and resulted from the tax audit detailed in note 28 "Other assets". This amount includes income tax (principal and related penalties). In this respect, the taxation authority represents the body that decides whether tax treatments are acceptable under tax law and might include the court.

**16. RECONCILIATION OF INCOME BEFORE TAX WITH THE CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME**

| <i>In RON thousand</i>                               | <b>Group</b>        |                     | <b>Bank</b>         |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | <b>30 June 2023</b> | <b>30 June 2022</b> | <b>30 June 2023</b> | <b>30 June 2022</b> |
| Gross profit before tax                              | 1,093,096           | 714,985             | 1,073,098           | 717,059             |
| <b>Taxation at statutory rate of 16% (2022: 16%)</b> | <b>174,895</b>      | <b>114,397</b>      | <b>171,696</b>      | <b>114,730</b>      |
| Non-deductible expenses                              | 4,630               | 17,005              | 5,716               | 12,521              |
| Non-taxable revenues                                 | (8,019)             | (14,802)            | (8,572)             | (14,411)            |
| <b>Corporate income tax before fiscal credit</b>     | <b>171,506</b>      | <b>116,600</b>      | <b>168,840</b>      | <b>112,840</b>      |
| Fiscal credit  | (3,077)             | (2,166)             | (3,077)             | (2,151)             |
| <b>Corporate income tax</b>                          | <b>168,429</b>      | <b>114,434</b>      | <b>165,763</b>      | <b>110,689</b>      |
| Deferred tax expense / (income)                      | 34,804              | 4,199               | 33,802              | 4,208               |
| <b>Income tax expense</b>                            | <b>203,233</b>      | <b>118,633</b>      | <b>199,565</b>      | <b>114,897</b>      |

The main non-taxable income is from reversal of provisions and dividends received. Non-deductible expenses are from provisions, sponsorships, accruals and other non-deductible expenses according to the Fiscal Code.

## 17. CASH AND CASH WITH CENTRAL BANK

| <i>In RON thousand</i>     | <b>Group</b>            |                             | <b>Bank</b>             |                             |
|----------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|
|                            | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> |
| Cash and cash equivalents  | 1,569,346               | 1,621,589                   | 1,568,969               | 1,620,991                   |
| Minimum compulsory reserve | 5,842,934               | 6,659,862                   | 5,842,934               | 6,659,862                   |
| <b>Total</b>               | <b>7,412,280</b>        | <b>8,281,451</b>            | <b>7,411,903</b>        | <b>8,280,853</b>            |

The Bank maintains with the National Bank of Romania the minimum compulsory reserve established under Regulation no. 6/2002 issued by the National Bank of Romania, with subsequent amendments and addendums. As of 30 June 2023, the mandatory minimum reserve ratio was 8% (31 December 2022: 8%) for funds raised in RON and 5% (31 December 2022: 5%) for funds in foreign currency with residual maturity of less than 2 years, at the end of the observation period. For liabilities having residual maturity over 2 years at the end of the observation period, without reimbursement, conversion or early retirement clauses, compulsory minimum reserve ratio was set at 0% (31 December 2022: 0%).

The minimum compulsory reserve can be used by the Group for daily activities but under the condition that the monthly average balance of the minimum compulsory reserve is kept within the legal limits, therefore the Group considers that this is not restrictive cash and includes the amount in cash and cash equivalents considered in Cash flow statement.

## 18. TRADING ASSETS / LIABILITIES

| <i>In RON thousand</i>           | <b>Group</b>            |                             | <b>Bank</b>             |                             |
|----------------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|
|                                  | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> |
| <b>Trading assets</b>            |                         |                             |                         |                             |
| Debt instruments                 | 168,418                 | 49,812                      | 168,418                 | 49,812                      |
| Derivative financial instruments | 20,893                  | 43,490                      | 20,890                  | 43,490                      |
| <b>Total</b>                     | <b>189,311</b>          | <b>93,302</b>               | <b>189,308</b>          | <b>93,302</b>               |
| <b>Trading liabilities</b>       |                         |                             |                         |                             |
| Derivative financial instruments | 10,746                  | 27,715                      | 10,746                  | 27,715                      |
| Short positions                  | 25,212                  | -                           | 25,212                  | -                           |
| <b>Total</b>                     | <b>35,958</b>           | <b>27,715</b>               | <b>35,958</b>           | <b>27,715</b>               |

## 19. DERIVATIVES HELD FOR RISK MANAGEMENT

The portfolio of derivatives held for economic hedge risk management purposes (hedge accounting is not applied here) are detailed below:

### Group

#### 30 June 2023

*In RON thousand*

|                                    | Notional<br>buy | Notional<br>sell | Fair value    |              |
|------------------------------------|-----------------|------------------|---------------|--------------|
|                                    |                 |                  | Assets        | Liabilities  |
| OTC products:                      |                 |                  |               |              |
| Cross currency Interest rate swaps | 303,891         | 303,891          | 11,608        | -            |
| FX swap                            | 2,589,964       | 2,575,178        | 15,762        | 4,411        |
| Interest rate swaps                | 196,634         | 196,634          | 6,685         | 548          |
| <b>Total</b>                       |                 |                  | <b>34,055</b> | <b>4,959</b> |

#### 31 December 2022

*In RON thousand*

|                                    | Notional<br>buy | Notional<br>sell | Fair value    |              |
|------------------------------------|-----------------|------------------|---------------|--------------|
|                                    |                 |                  | Assets        | Liabilities  |
| OTC products:                      |                 |                  |               |              |
| Cross currency Interest rate swaps | 105,826         | 105,826          | 6,643         | -            |
| FX swap                            | 1,181,823       | 1,184,016        | -             | 2,888        |
| Interest rate swaps                | 196,474         | 196,474          | 7,138         | 2,972        |
| <b>Total</b>                       |                 |                  | <b>13,781</b> | <b>5,860</b> |

### Bank

#### 30 June 2023

*In RON thousand*

|                                    | Notional<br>buy | Notional<br>sell | Fair value    |              |
|------------------------------------|-----------------|------------------|---------------|--------------|
|                                    |                 |                  | Assets        | Liabilities  |
| OTC products:                      |                 |                  |               |              |
| Cross currency Interest rate swaps | 303,891         | 303,891          | 11,608        | -            |
| FX swap                            | 2,589,964       | 2,575,178        | 15,762        | 4,411        |
| Interest rate swaps                | 196,634         | 196,634          | 6,685         | 548          |
| <b>Total</b>                       |                 |                  | <b>34,055</b> | <b>4,959</b> |

#### 31 December 2022

*In RON thousand*

|                                    | Notional<br>buy | Notional<br>sell | Fair value    |              |
|------------------------------------|-----------------|------------------|---------------|--------------|
|                                    |                 |                  | Assets        | Liabilities  |
| OTC products:                      |                 |                  |               |              |
| Cross currency Interest rate swaps | 105,826         | 105,826          | 6,643         | -            |
| FX swap                            | 1,181,823       | 1,184,016        | -             | 2,888        |
| Interest rate swaps                | 196,474         | 196,474          | 7,138         | 2,972        |
| <b>Total</b>                       |                 |                  | <b>13,781</b> | <b>5,860</b> |

FX swap contracts are used by the bank mainly for liquidity management. These operations are used by the bank to invest for a period of time the liquidity available in a currency by exchange it for another currency.

The fair value of derivative financial instruments is determined by discounted cash flow models using the market quotations at the valuation date. Foreign exchange transactions are measured by discounted future models using the market rates from Reuters and the fixing price of National Bank of Romania.

## 20. LOANS AND ADVANCES TO BANKS AT AMORTISED COST

| <i>In RON thousand</i> | <b>Group</b>            |                             | <b>Bank</b>             |                             |
|------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|
|                        | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> |
| Refundable at request  | 132,374                 | 33,185                      | 125,861                 | 32,627                      |
| Sight deposits         | 220,733                 | 40,499                      | 220,733                 | 40,499                      |
| Term deposits          | 35,962                  | 51,233                      | 1,932                   | 3,194                       |
| Reverse repo           | 838,306                 | -                           | 838,306                 | -                           |
| Term loans             | 199,063                 | 198,626                     | 199,063                 | 198,626                     |
| Subordinated loans     | -                       | -                           | 11,857                  | 11,905                      |
| <b>Total</b>           | <b>1,426,438</b>        | <b>323,543</b>              | <b>1,397,752</b>        | <b>286,851</b>              |

## 21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST

The table below presents the carrying amount of credit risk exposures and corresponding impairment allowances as follows:

| <i>In RON thousand</i>    | <b>Group</b>            |                             | <b>Bank</b>             |                             |
|---------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|
|                           | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> |
| <b>Non-retail</b>         |                         |                             |                         |                             |
| Gross exposure            | 21,825,998              | 20,309,484                  | 21,733,051              | 20,212,370                  |
| Impairment allowance      | (376,280)               | (424,174)                   | (358,732)               | (403,088)                   |
| Net exposure              | 21,449,718              | 19,885,310                  | 21,374,319              | 19,809,282                  |
| <b>Retail</b>             |                         |                             |                         |                             |
| Gross exposure            | 20,862,783              | 20,878,627                  | 20,412,105              | 20,452,399                  |
| Impairment allowance      | (841,937)               | (912,368)                   | (825,947)               | (894,166)                   |
| Net exposure              | 20,020,846              | 19,966,259                  | 19,586,158              | 19,558,233                  |
| <b>Total net exposure</b> | <b>41,470,564</b>       | <b>39,851,569</b>           | <b>40,960,477</b>       | <b>39,367,515</b>           |



## 21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)

The tables below present an analysis of changes in the gross carrying amount as follows:

| Group<br><i>In RON thousand</i>                                  | 30 June 2023      |                  |                |                |                   |
|--|-------------------|------------------|----------------|----------------|-------------------|
|  | Stage 1           | Stage 2          | Stage 3        | POCI           | Total             |
| <b>Non-retail</b>  |                   |                  |                |                |                   |
| Gross carrying amount as at 1 January 2023                       | 17,337,146        | 2,687,988        | 236,299        | 48,051         | 20,309,484        |
| New assets originated or purchased                               | 7,986,341         | 461,076          | 12,121         | 423            | 8,459,961         |
| Assets derecognised or repaid (excluding write offs)             | (5,464,714)       | (1,409,651)      | (103,966)      | (5,537)        | (6,983,868)       |
| Transfers to Stage 1   | 1,177,074         | (1,177,074)      | -              | -              | -                 |
| Transfers to Stage 2   | (1,562,715)       | 1,570,014        | (1,237)        | -              | 6,062             |
| Transfers to Stage 3   | (3,020)           | (42,076)         | 45,096         | -              | -                 |
| Decrease due to write-offs                                       | -                 | -                | (2,019)        | -              | (2,019)           |
| Foreign exchange adjustments                                     | 32,353            | 4,200            | (195)          | 20             | 36,378            |
| <b>Total non-retail gross carrying amount as at 30 June 2023</b> | <b>19,502,465</b> | <b>2,094,477</b> | <b>186,099</b> | <b>42,957</b>  | <b>21,825,998</b> |
| <i>In RON thousand</i>   | <b>Stage 1</b>    | <b>Stage 2</b>   | <b>Stage 3</b> | <b>POCI</b>    | <b>Total</b>      |
| <b>Retail</b>  |                   |                  |                |                |                   |
| Gross carrying amount as at 1 January 2023                       | 17,811,492        | 2,166,865        | 722,263        | 178,007        | 20,878,627        |
| New assets originated or purchased                               | 2,663,534         | 603,433          | 5,433          | 7,516          | 3,279,916         |
| Assets derecognised or repaid (excluding write offs)             | (2,577,327)       | (520,611)        | (187,099)      | (1,355)        | (3,286,392)       |
| Transfers to Stage 1   | 3,467,308         | (3,453,231)      | (14,077)       | -              | -                 |
| Transfers to Stage 2   | (4,023,276)       | 4,060,493        | (43,277)       | -              | (6,060)           |
| Transfers to Stage 3   | (23,490)          | (255,709)        | 279,199        | -              | -                 |
| Decrease due to write-offs                                       | -                 | -                | (10,071)       | -              | (10,071)          |
| Foreign exchange adjustments                                     | 3,371             | 2,179            | 772            | 441            | 6,763             |
| <b>Total retail gross carrying amount as at 30 June 2023</b>     | <b>17,321,612</b> | <b>2,603,419</b> | <b>753,143</b> | <b>184,609</b> | <b>20,862,783</b> |
| <b>Total gross carrying amount</b>                               | <b>36,824,077</b> | <b>4,697,896</b> | <b>939,242</b> | <b>227,566</b> | <b>42,688,781</b> |

## 21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)

The tables below present an analysis of changes in the gross carrying amount as follows:

| Group<br><i>In RON thousand</i>                                  | 30 June 2022      |                  |                |                |                   |
|--|-------------------|------------------|----------------|----------------|-------------------|
|  | Stage 1           | Stage 2          | Stage 3        | POCI           | Total             |
| <b>Non-retail</b>  |                   |                  |                |                |                   |
| Gross carrying amount as at 1 January 2022                       | 12,368,356        | 2,172,396        | 266,134        | 50,444         | 14,857,330        |
| New assets originated or purchased                               | 8,800,342         | 711,474          | 54,261         | 2,346          | 9,568,423         |
| Assets derecognised or repaid (excluding write offs)             | (4,883,443)       | (490,733)        | (87,121)       | (4,116)        | (5,465,413)       |
| Transfers to Stage 1   | 281,364           | (281,177)        | -              | -              | 187               |
| Transfers to Stage 2   | (362,680)         | 359,006          | -              | -              | (3,674)           |
| Transfers to Stage 3   | (705)             | (6,612)          | 7,317          | -              | -                 |
| Decrease due to write-offs                                       | -                 | (2)              | (2,947)        | -              | (2,949)           |
| Foreign exchange adjustments                                     | 38,907            | 3,903            | (75)           | (7)            | 42,728            |
| <b>Total non-retail gross carrying amount as at 30 June 2022</b> | <b>16,242,141</b> | <b>2,468,255</b> | <b>237,569</b> | <b>48,667</b>  | <b>18,996,632</b> |
| <i>In RON thousand</i>   | <b>Stage 1</b>    | <b>Stage 2</b>   | <b>Stage 3</b> | <b>POCI</b>    | <b>Total</b>      |
| <b>Retail</b>  |                   |                  |                |                |                   |
| Gross carrying amount as at 1 January 2022                       | 16,130,242        | 2,361,452        | 807,783        | 197,325        | 19,496,802        |
| New assets originated or purchased                               | 3,804,460         | 31,357           | 2,018          | 1,106          | 3,838,941         |
| Assets derecognised or repaid (excluding write offs)             | (2,430,780)       | (432,283)        | (180,385)      | (10,881)       | (3,054,329)       |
| Transfers to Stage 1   | 1,366,868         | (1,352,230)      | (14,825)       | -              | (187)             |
| Transfers to Stage 2   | (1,521,785)       | 1,555,721        | (30,262)       | -              | 3,674             |
| Transfers to Stage 3   | (21,993)          | (192,586)        | 214,579        | -              | -                 |
| Decrease due to write-offs                                       | -                 | -                | (73,083)       | -              | (73,083)          |
| Foreign exchange adjustments                                     | (581)             | 5,904            | 2,602          | 855            | 8,780             |
| <b>Total retail gross carrying amount as at 30 June 2022</b>     | <b>17,326,431</b> | <b>1,977,335</b> | <b>728,427</b> | <b>188,405</b> | <b>20,220,598</b> |
| <b>Total gross carrying amount</b>                               | <b>33,568,572</b> | <b>4,445,590</b> | <b>965,996</b> | <b>237,072</b> | <b>39,217,230</b> |

## 21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)

The tables below present an analysis of changes in the gross carrying amount as follows:

| Bank   | 30 June 2023      |                  |                |                |                   |
|--|-------------------|------------------|----------------|----------------|-------------------|
|  | Stage 1           | Stage 2          | Stage 3        | POCI           | Total             |
| <i>In RON thousand</i>   |                   |                  |                |                |                   |
| <b>Non-retail</b>  |                   |                  |                |                |                   |
| Gross carrying amount as at 1 January 2023                       | 17,402,955        | 2,541,618        | 219,746        | 48,051         | 20,212,370        |
| New assets originated or purchased                               | 7,377,108         | 420,391          | 12,121         | 423            | 7,810,043         |
| Assets derecognised or repaid (excluding write offs)             | (5,416,513)       | (801,171)        | (102,514)      | (5,537)        | (6,325,735)       |
| Transfers to Stage 1   | 1,077,661         | (1,077,661)      | -              | -              | -                 |
| Transfers to Stage 2   | (1,420,141)       | 1,421,378        | (1,237)        | -              | -                 |
| Transfers to Stage 3   | (3,020)           | (40,280)         | 43,300         | -              | -                 |
| Decrease account due to write-offs                               | -                 | -                | (5)            | -              | (5)               |
| Foreign exchange adjustments                                     | 32,353            | 4,200            | (195)          | 20             | 36,378            |
| <b>Total non-retail gross carrying amount as at 30 June 2023</b> | <b>19,050,403</b> | <b>2,468,475</b> | <b>171,216</b> | <b>42,957</b>  | <b>21,733,051</b> |
| <i>In RON thousand</i>   |                   |                  |                |                |                   |
| <b>Retail</b>  |                   |                  |                |                |                   |
| Gross carrying amount as at 1 January 2023                       | 17,438,371        | 2,132,357        | 703,664        | 178,007        | 20,452,399        |
| New assets originated or purchased                               | 2,563,799         | 597,024          | 5,433          | 7,516          | 3,173,772         |
| Assets derecognised or repaid (excluding write offs)             | (2,520,904)       | (506,795)        | (181,859)      | (1,355)        | (3,210,913)       |
| Transfers to Stage 1   | 3,445,625         | (3,432,488)      | (13,137)       | -              | -                 |
| Transfers to Stage 2   | (3,957,116)       | 4,000,291        | (43,175)       | -              | -                 |
| Transfers to Stage 3   | (20,662)          | (254,405)        | 275,067        | -              | -                 |
| Decrease due to write-offs                                       | -                 | -                | (9,916)        | -              | (9,916)           |
| Foreign exchange adjustments                                     | 3,371             | 2,179            | 772            | 441            | 6,763             |
| <b>Total retail gross carrying amount as at 30 June 2023</b>     | <b>16,952,484</b> | <b>2,538,163</b> | <b>736,849</b> | <b>184,609</b> | <b>20,412,105</b> |
| <b>Total gross carrying amount</b>                               | <b>36,002,887</b> | <b>5,006,638</b> | <b>908,065</b> | <b>227,566</b> | <b>42,145,156</b> |

## 21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)

The tables below present an analysis of changes in the gross carrying amount as follows:

| Bank   | 30 June 2022      |                  |                |                |                   |
|--|-------------------|------------------|----------------|----------------|-------------------|
|  | Stage 1           | Stage 2          | Stage 3        | POCI           | Total             |
| <i>In RON thousand</i>   |                   |                  |                |                |                   |
| <b>Non-retail</b>  |                   |                  |                |                |                   |
| Gross carrying amount as at 1 January 2022                       | 12,529,976        | 1,966,729        | 245,941        | 50,444         | 14,793,090        |
| New assets originated or purchased                               | 8,712,151         | 683,599          | 55,393         | 2,346          | 9,453,489         |
| Assets derecognised or repaid (excluding write offs)             | (4,817,277)       | (468,473)        | (85,379)       | (4,116)        | (5,375,245)       |
| Transfers to Stage 1   | 276,982           | (276,982)        | -              | -              | -                 |
| Transfers to Stage 2   | (341,898)         | 341,898          | -              | -              | -                 |
| Transfers to Stage 3   | (334)             | (5,634)          | 5,968          | -              | -                 |
| Decrease account due to write-offs                               | -                 | (2)              | (2,947)        | -              | (2,949)           |
| Foreign exchange adjustments                                     | 38,907            | 3,903            | (75)           | (7)            | 42,728            |
| <b>Total non-retail gross carrying amount as at 30 June 2022</b> | <b>16,398,507</b> | <b>2,245,038</b> | <b>218,901</b> | <b>48,667</b>  | <b>18,911,113</b> |
| <i>In RON thousand</i>   |                   |                  |                |                |                   |
| <b>Retail</b>  |                   |                  |                |                |                   |
| Gross carrying amount as at 1 January 2022                       | 15,756,904        | 2,307,299        | 784,900        | 197,325        | 19,046,428        |
| New assets originated or purchased                               | 3,734,809         | 30,786           | 2,060          | 1,106          | 3,768,761         |
| Assets derecognised or repaid (excluding write offs)             | (2,386,576)       | (424,075)        | (164,827)      | (10,881)       | (2,986,359)       |
| Transfers to Stage 1   | 1,365,301         | (1,350,608)      | (14,693)       | -              | -                 |
| Transfers to Stage 2   | (1,513,026)       | 1,552,797        | (39,771)       | -              | -                 |
| Transfers to Stage 3   | (20,618)          | (190,657)        | 211,275        | -              | -                 |
| Decrease due to write-offs                                       | -                 | -                | (73,083)       | -              | (73,083)          |
| Foreign exchange adjustments                                     | (581)             | 5,904            | 2,602          | 855            | 8,780             |
| <b>Total retail gross carrying amount as at 30 June 2022</b>     | <b>16,936,213</b> | <b>1,931,446</b> | <b>708,463</b> | <b>188,405</b> | <b>19,764,527</b> |
| <b>Total gross carrying amount</b>                               | <b>33,334,720</b> | <b>4,176,484</b> | <b>927,364</b> | <b>237,072</b> | <b>38,675,640</b> |

## 21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)

The tables below present an analysis of changes in the ECL allowances as follows:

| Group   | 30 June 2023   |                |                |               |                  |
|---|----------------|----------------|----------------|---------------|------------------|
|   | Stage 1        | Stage 2        | Stage 3        | POCI          | Total            |
| <i>In RON thousand</i>                                      |                |                |                |               |                  |
| <b>Non-retail</b>   |                |                |                |               |                  |
| ECL allowance as at 1 January 2023                          | 160,587        | 83,190         | 142,601        | 37,796        | 424,174          |
| New assets originated or purchased                          | 72,826         | 14,660         | 20,297         | -             | 107,783          |
| Assets derecognised or repaid (excluding write offs)        | (52,933)       | (4,865)        | (63,104)       | (490)         | (121,392)        |
| Transfers to Stage 1  | 7,431          | (7,431)        | -              | -             | -                |
| Transfers to Stage 2  | (8,133)        | 8,133          | -              | -             | -                |
| Transfers to Stage 3  | (10)           | (2,179)        | 2,189          | -             | -                |
| ECL of exposures transferred between stages during the year | (38,094)       | 158            | 5,570          | (940)         | (33,306)         |
| Decrease in allowance account due to write-offs             | -              | -              | (1,323)        | -             | (1,323)          |
| Foreign exchange adjustments                                | 317            | 164            | (158)          | 21            | 344              |
| <b>Total non-retail ECL as at 30 June 2023</b>              | <b>141,991</b> | <b>91,830</b>  | <b>106,072</b> | <b>36,387</b> | <b>376,280</b>   |
| <i>In RON thousand</i>                                      |                |                |                |               |                  |
| <b>Retail</b>   |                |                |                |               |                  |
| ECL allowance as at 1 January 2023                          | 110,577        | 234,911        | 529,161        | 37,719        | 912,368          |
| New assets originated or purchased                          | 58,926         | 26,753         | 14,211         | -             | 99,890           |
| Assets derecognised or repaid (excluding write offs)        | (12,224)       | (33,512)       | (129,325)      | (1,817)       | (176,878)        |
| Transfers to Stage 1  | 239,012        | (233,474)      | (5,538)        | -             | -                |
| Transfers to Stage 2  | (50,359)       | 68,008         | (17,649)       | -             | -                |
| Transfers to Stage 3  | (378)          | (46,587)       | 46,965         | -             | -                |
| ECL of exposures transferred between stages during the year | (244,039)      | 183,018        | 77,141         | (614)         | 15,506           |
| Decrease in allowance account due to write-offs             | -              | -              | (9,482)        | -             | (9,482)          |
| Foreign exchange adjustments                                | (14)           | (114)          | 544            | 117           | 533              |
| <b>Total retail ECL as at 30 June 2023</b>                  | <b>101,501</b> | <b>199,003</b> | <b>506,028</b> | <b>35,405</b> | <b>841,937</b>   |
| <b>Total impairment allowance</b>                           | <b>243,492</b> | <b>290,833</b> | <b>612,100</b> | <b>71,792</b> | <b>1,218,217</b> |

## 21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)

The tables below present an analysis of changes in the ECL allowances as follows:

| Group   | 30 June 2022   |                |                |               |                  |
|---|----------------|----------------|----------------|---------------|------------------|
|   | Stage 1        | Stage 2        | Stage 3        | POCI          | Total            |
| <i>In RON thousand</i>                                      |                |                |                |               |                  |
| <b>Non-retail</b>   |                |                |                |               |                  |
| ECL allowance as at 1 January 2022                          | 129,163        | 93,669         | 174,680        | 38,752        | 436,264          |
| New assets originated or purchased                          | 39,199         | 33,783         | 12,144         | -             | 85,126           |
| Assets derecognised or repaid (excluding write offs)        | (14,332)       | (6,035)        | (15,438)       | (356)         | (36,161)         |
| Transfers to Stage 1  | 8,138          | (8,138)        | -              | -             | -                |
| Transfers to Stage 2  | (5,280)        | 5,280          | -              | -             | -                |
| Transfers to Stage 3  | (1)            | (95)           | 96             | -             | -                |
| ECL of exposures transferred between stages during the year | (27,547)       | (22,730)       | (14,367)       | (1,513)       | (66,157)         |
| Uncollected impaired interest                               | -              | -              | 1,002          | 290           | 1,292            |
| Decrease in allowance account due to write-offs             | -              | -              | (5,517)        | -             | (5,517)          |
| Foreign exchange adjustments                                | 55             | (5)            | (47)           | (4)           | (1)              |
| <b>Total non-retail ECL as at 30 June 2022</b>              | <b>129,395</b> | <b>95,729</b>  | <b>152,553</b> | <b>37,169</b> | <b>414,846</b>   |
| <i>In RON thousand</i>                                      |                |                |                |               |                  |
| <b>Retail</b>   |                |                |                |               |                  |
| ECL allowance as at 1 January 2022                          | 80,813         | 215,630        | 604,615        | 43,697        | 944,755          |
| New assets originated or purchased                          | 36,056         | 4,674          | 3,980          | -             | 44,710           |
| Assets derecognised or repaid (excluding write offs)        | (9,562)        | (21,360)       | (88,718)       | (5,209)       | (124,849)        |
| Transfers to Stage 1  | 117,230        | (107,948)      | (9,282)        | -             | -                |
| Transfers to Stage 2  | (17,566)       | 40,453         | (22,887)       | -             | -                |
| Transfers to Stage 3  | (613)          | (29,232)       | 29,845         | -             | -                |
| ECL of exposures transferred between stages during the year | (100,011)      | 103,705        | 89,496         | 2,962         | 96,152           |
| Uncollected impaired interest                               | -              | -              | 995            | (995)         | -                |
| Decrease in allowance account due to write-offs             | -              | -              | (72,805)       | -             | (72,805)         |
| Foreign exchange adjustments                                | (3)            | 812            | 1,935          | 348           | 3,092            |
| <b>Total retail ECL as at 30 June 2022</b>                  | <b>106,344</b> | <b>206,734</b> | <b>537,174</b> | <b>40,803</b> | <b>891,055</b>   |
| <b>Total impairment allowance</b>                           | <b>235,739</b> | <b>302,463</b> | <b>689,727</b> | <b>77,972</b> | <b>1,305,901</b> |

## 21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)

The tables below present an analysis of changes in the ECL allowances as follows:

| Bank  | 30 June 2023   |                |                |               |                  |
|---|----------------|----------------|----------------|---------------|------------------|
|   | Stage 1        | Stage 2        | Stage 3        | POCI          | Total            |
| <i>In RON thousand</i>                                      |                |                |                |               |                  |
| <b>Non-retail</b>   |                |                |                |               |                  |
| ECL allowance as at 1 January 2023                          | 160,102        | 75,735         | 129,455        | 37,796        | 403,088          |
| New assets originated or purchased                          | 72,348         | 15,407         | 20,297         | -             | 108,052          |
| Assets derecognised or repaid (excluding write offs)        | (53,063)       | (4,584)        | (62,969)       | (490)         | (121,106)        |
| Transfers to Stage 1  | 7,431          | (7,431)        | -              | -             | -                |
| Transfers to Stage 2  | (8,133)        | 8,133          | -              | -             | -                |
| Transfers to Stage 3  | (10)           | (2,179)        | 2,189          | -             | -                |
| ECL of exposures transferred between stages during the year | (37,171)       | 204            | 6,294          | (940)         | (31,613)         |
| Decrease in allowance account due to write-offs             | -              | -              | (5)            | -             | (5)              |
| Foreign exchange adjustments                                | 316            | 164            | (185)          | 21            | 316              |
| <b>Total non-retail ECL as at 30 June 2023</b>              | <b>141,820</b> | <b>85,449</b>  | <b>95,076</b>  | <b>36,387</b> | <b>358,732</b>   |
| <i>In RON thousand</i>                                      |                |                |                |               |                  |
| <b>Retail</b>   |                |                |                |               |                  |
| ECL allowance as at 1 January 2023                          | 104,989        | 232,755        | 518,703        | 37,719        | 894,166          |
| New assets originated or purchased                          | 57,751         | 26,644         | 14,211         | -             | 98,606           |
| Assets derecognised or repaid (excluding write offs)        | (12,070)       | (33,355)       | (128,611)      | (1,817)       | (175,853)        |
| Transfers to Stage 1  | 239,012        | (233,474)      | (5,538)        | -             | -                |
| Transfers to Stage 2  | (50,359)       | 68,008         | (17,649)       | -             | -                |
| Transfers to Stage 3  | (378)          | (46,587)       | 46,965         | -             | -                |
| ECL of exposures transferred between stages during the year | (240,546)      | 181,821        | 77,338         | (614)         | 17,999           |
| Decrease in allowance account due to write-offs             | -              | -              | (9,482)        | -             | (9,482)          |
| Foreign exchange adjustments                                | (13)           | (114)          | 521            | 117           | 511              |
| <b>Total retail ECL as at 30 June 2023</b>                  | <b>98,386</b>  | <b>195,698</b> | <b>496,458</b> | <b>35,405</b> | <b>825,947</b>   |
| <b>Total impairment allowance</b>                           | <b>240,206</b> | <b>281,147</b> | <b>591,534</b> | <b>71,792</b> | <b>1,184,679</b> |

## 21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)

The tables below present an analysis of changes in the ECL allowances as follows:

| Bank  | 30 June 2022   |                |                |               |                  |
|---|----------------|----------------|----------------|---------------|------------------|
|   | Stage 1        | Stage 2        | Stage 3        | POCI          | Total            |
| <i>In RON thousand</i>                                      |                |                |                |               |                  |
| <b>Non-retail</b>   |                |                |                |               |                  |
| ECL allowance as at 1 January 2022                          | 129,062        | 86,574         | 159,530        | 38,752        | 413,918          |
| New assets originated or purchased                          | 39,192         | 32,376         | 12,144         | -             | 83,712           |
| Assets derecognised or repaid (excluding write offs)        | (14,313)       | (5,943)        | (15,074)       | (356)         | (35,686)         |
| Transfers to Stage 1  | 8,138          | (8,138)        | -              | -             | -                |
| Transfers to Stage 2  | (5,280)        | 5,280          | -              | -             | -                |
| Transfers to Stage 3  | (1)            | (95)           | 96             | -             | -                |
| ECL of exposures transferred between stages during the year | (27,590)       | (21,461)       | (14,312)       | (1,513)       | (64,876)         |
| Uncollected impaired interest                               | -              | -              | 1,002          | 290           | 1,292            |
| Decrease in allowance account due to write-offs             | -              | -              | (5,517)        | -             | (5,517)          |
| Foreign exchange adjustments                                | 55             | (5)            | (39)           | (4)           | 7                |
| <b>Total non-retail ECL as at 30 June 2022</b>              | <b>129,263</b> | <b>88,588</b>  | <b>137,830</b> | <b>37,169</b> | <b>392,850</b>   |
| <i>In RON thousand</i>                                      |                |                |                |               |                  |
| <b>Retail</b>   |                |                |                |               |                  |
| ECL allowance as at 1 January 2022                          | 76,940         | 215,841        | 589,359        | 43,706        | 925,846          |
| New assets originated or purchased                          | 35,511         | 4,365          | 3,980          | -             | 43,856           |
| Assets derecognised or repaid (excluding write offs)        | (9,684)        | (21,247)       | (88,764)       | (5,209)       | (124,904)        |
| Transfers to Stage 1  | 117,230        | (107,948)      | (9,282)        | -             | -                |
| Transfers to Stage 2  | (17,566)       | 40,453         | (22,887)       | -             | -                |
| Transfers to Stage 3  | (613)          | (29,232)       | 29,845         | -             | -                |
| ECL of exposures transferred between stages during the year | (99,910)       | 101,387        | 92,384         | 2,953         | 96,814           |
| Uncollected impaired interest                               | -              | -              | 995            | (995)         | -                |
| Decrease in allowance account due to write-offs             | -              | -              | (72,395)       | -             | (72,395)         |
| Foreign exchange adjustments                                | -              | 813            | 1,661          | 348           | 2,822            |
| <b>Total retail ECL as at 30 June 2022</b>                  | <b>101,908</b> | <b>204,432</b> | <b>524,896</b> | <b>40,803</b> | <b>872,039</b>   |
| <b>Total impairment allowance</b>                           | <b>231,171</b> | <b>293,020</b> | <b>662,726</b> | <b>77,972</b> | <b>1,264,889</b> |



## 21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)

The tables below present an analysis of changes in the gross carrying for off-balance sheet exposures as follows:

| Group  | 30 June 2023      |                  |                |              |                   |
|--|-------------------|------------------|----------------|--------------|-------------------|
|  | Stage 1           | Stage 2          | Stage 3        | POCI         | Total             |
| <i>In RON thousand</i>   |                   |                  |                |              |                   |
| <b>Non-retail</b>  |                   |                  |                |              |                   |
| Gross carrying amount as at 1 January 2023                       | 15,977,322        | 829,294          | 123,363        | 160          | 16,930,139        |
| New assets originated or purchased                               | 5,105,720         | 128,605          | 18,094         | 115          | 5,252,534         |
| Assets derecognised or repaid (excluding write offs)             | (4,805,891)       | (179,580)        | (15,574)       | (22)         | (5,001,067)       |
| Transfers to Stage 1   | 584,262           | (584,262)        | -              | -            | -                 |
| Transfers to Stage 2   | (405,094)         | 430,212          | (25,118)       | -            | -                 |
| Transfers to Stage 3   | (1)               | (104)            | 105            | -            | -                 |
| Foreign exchange adjustments                                     | 301,407           | 144              | 104            | -            | 301,655           |
| <b>Total non-retail gross carrying amount as at 30 June 2023</b> | <b>16,757,725</b> | <b>624,309</b>   | <b>100,974</b> | <b>253</b>   | <b>17,483,261</b> |
| <i>In RON thousand</i>   |                   |                  |                |              |                   |
| <b>Retail</b>  |                   |                  |                |              |                   |
| Gross carrying amount as at 1 January 2023                       | 2,396,414         | 1,412,583        | 12,499         | 3,752        | 3,825,248         |
| New assets originated or purchased                               | 227,892           | 322,898          | 3,928          | 488          | 555,206           |
| Assets derecognised or repaid (excluding write offs)             | (405,482)         | (96,546)         | (6,028)        | (500)        | (508,556)         |
| Transfers to Stage 1   | 1,190,495         | (1,189,527)      | (968)          | -            | -                 |
| Transfers to Stage 2   | (1,104,385)       | 1,107,709        | (3,324)        | -            | -                 |
| Transfers to Stage 3   | (2,202)           | (4,618)          | 6,820          | -            | -                 |
| Foreign exchange adjustments                                     | 108               | (43)             | -              | -            | 65                |
| <b>Total retail gross carrying amount as at 30 June 2023</b>     | <b>2,302,840</b>  | <b>1,552,456</b> | <b>12,927</b>  | <b>3,740</b> | <b>3,871,963</b>  |
| <b>Total gross carrying amount</b>                               | <b>19,060,565</b> | <b>2,176,765</b> | <b>113,901</b> | <b>3,993</b> | <b>21,355,224</b> |
| <b>30 June 2022</b>  |                   |                  |                |              |                   |
| <i>In RON thousand</i>   |                   |                  |                |              |                   |
| <b>Non-retail</b>  |                   |                  |                |              |                   |
| Gross carrying amount as at 1 January 2022                       | 12,960,358        | 450,753          | 113,668        | 22           | 13,524,801        |
| New assets originated or purchased                               | 6,659,875         | 129,693          | 15,622         | -            | 6,805,190         |
| Assets derecognised or repaid (excluding write offs)             | (5,641,158)       | (222,213)        | (28,183)       | -            | (5,891,554)       |
| Transfers to Stage 1   | 254,643           | (254,643)        | -              | -            | -                 |
| Transfers to Stage 2   | (304,665)         | 304,665          | -              | -            | -                 |
| Transfers to Stage 3   | (10)              | (35)             | 45             | -            | -                 |
| Foreign exchange adjustments                                     | 25,592            | 380              | (29)           | -            | 25,943            |
| <b>Total non-retail gross carrying amount as at 30 June 2022</b> | <b>13,954,635</b> | <b>408,600</b>   | <b>101,123</b> | <b>22</b>    | <b>14,464,380</b> |
| <i>In RON thousand</i>   |                   |                  |                |              |                   |
| <b>Retail</b>  |                   |                  |                |              |                   |
| Gross carrying amount as at 1 January 2022                       | 2,080,801         | 1,355,405        | 11,861         | 3,409        | 3,451,476         |
| New assets originated or purchased                               | 317,023           | 114,009          | 453            | 195          | 431,680           |
| Assets derecognised or repaid (excluding write offs)             | (140,940)         | (63,245)         | (3,181)        | (118)        | (207,484)         |
| Transfers to Stage 1   | 484,270           | (482,517)        | (1,753)        | -            | -                 |
| Transfers to Stage 2   | (443,358)         | 445,357          | (1,999)        | -            | -                 |
| Transfers to Stage 3   | (3,580)           | (3,315)          | 6,895          | -            | -                 |
| Foreign exchange adjustments                                     | (300)             | (5)              | (2)            | -            | (307)             |
| <b>Total retail gross carrying amount as at 30 June 2022</b>     | <b>2,293,916</b>  | <b>1,365,689</b> | <b>12,274</b>  | <b>3,486</b> | <b>3,675,365</b>  |
| <b>Total gross carrying amount</b>                               | <b>16,248,551</b> | <b>1,774,289</b> | <b>113,397</b> | <b>3,508</b> | <b>18,139,745</b> |

**21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)**

The tables below present an analysis of changes in the gross carrying for off-balance sheet exposures as follows:

| <b>Bank</b>  | <b>30 June 2023</b> |                  |                |              |                   |
|--|---------------------|------------------|----------------|--------------|-------------------|
|  | <b>Stage 1</b>      | <b>Stage 2</b>   | <b>Stage 3</b> | <b>POCI</b>  | <b>Total</b>      |
| <i>In RON thousand</i>   |                     |                  |                |              |                   |
| <b>Non-retail</b>  |                     |                  |                |              |                   |
| Gross carrying amount as at 1 January 2023                       | 16,082,181          | 826,236          | 123,633        | 160          | 17,032,210        |
| New assets originated or purchased                               | 5,154,528           | 128,605          | 18,094         | 115          | 5,301,342         |
|  | (4,788,626)         | (177,024)        | (15,574)       | (22)         |                   |
| Assets derecognised or repaid (excluding write offs)             |                     |                  |                |              | (4,981,246)       |
| Transfers to Stage 1   | 584,262             | (584,262)        | -              | -            | -                 |
| Transfers to Stage 2   | (405,094)           | 430,212          | (25,118)       | -            | -                 |
| Transfers to Stage 3   | (1)                 | (104)            | 105            | -            | -                 |
| Foreign exchange adjustments                                     | 301,407             | 144              | 104            | -            | 301,655           |
| <b>Total non-retail gross carrying amount as at 30 June 2023</b> | <b>16,928,657</b>   | <b>623,807</b>   | <b>101,244</b> | <b>253</b>   | <b>17,653,961</b> |
| <i>In RON thousand</i>   |                     |                  |                |              |                   |
| <b>Retail</b>  |                     |                  |                |              |                   |
| Gross carrying amount as at 1 January 2023                       | 2,374,527           | 1,412,291        | 12,229         | 3,752        | 3,802,799         |
| New assets originated or purchased                               | 227,824             | 322,898          | 3,928          | 488          | 555,138           |
|  | (405,481)           |                  | (6,028)        | (500)        | (507,819)         |
| Assets derecognised or repaid (excluding write offs)             |                     | (95,810.00)      |                |              |                   |
| Transfers to Stage 1   | 1,190,495           | (1,189,527)      | (968)          | -            | -                 |
| Transfers to Stage 2   | (1,104,385)         | 1,107,709        | (3,324)        | -            | -                 |
| Transfers to Stage 3   | (2,202)             | (4,618)          | 6,820          | -            | -                 |
| Foreign exchange adjustments                                     | 108                 | (43)             | -              | -            | 65                |
| <b>Total retail gross carrying amount as at 30 June 2023</b>     | <b>2,280,886</b>    | <b>1,552,900</b> | <b>12,657</b>  | <b>3,740</b> | <b>3,850,183</b>  |
| <b>Total gross carrying amount</b>                               | <b>19,209,543</b>   | <b>2,176,707</b> | <b>113,901</b> | <b>3,993</b> | <b>21,504,144</b> |
| <b>Bank</b>  |                     |                  |                |              |                   |
| <i>In RON thousand</i>   |                     |                  |                |              |                   |
| <b>Non-retail</b>  |                     |                  |                |              |                   |
| Gross carrying amount as at 1 January 2022                       | 12,916,324          | 445,709          | 113,368        | 22           | 13,475,423        |
| New assets originated or purchased                               | 6,650,363           | 127,601          | 16,192         | -            | 6,794,156         |
| Assets derecognised or repaid (excluding write offs)             | (5,641,158)         | (222,213)        | (27,916)       | -            | (5,891,287)       |
| Transfers to Stage 1   | 254,643             | (254,643)        | -              | -            | -                 |
| Transfers to Stage 2   | (304,665)           | 304,665          | -              | -            | -                 |
| Transfers to Stage 3   | (10)                | (35)             | 45             | -            | -                 |
| Foreign exchange adjustments                                     | 25,592              | 380              | (28)           | -            | 25,944            |
| <b>Total non-retail gross carrying amount as at 30 June 2022</b> | <b>13,901,089</b>   | <b>401,464</b>   | <b>101,661</b> | <b>22</b>    | <b>14,404,236</b> |
| <i>In RON thousand</i>   |                     |                  |                |              |                   |
| <b>Retail</b>  |                     |                  |                |              |                   |
| Gross carrying amount as at 1 January 2022                       | 2,291,419           | 1,354,486        | 11,592         | 3,409        | 3,660,906         |
| New assets originated or purchased                               | 314,210             | 114,859          | 453            | 195          | 429,717           |
| Assets derecognised or repaid (excluding write offs)             | (290,020)           | (63,243)         | (3,452)        | (118)        | (356,833)         |
| Transfers to Stage 1   | 484,270             | (482,517)        | (1,753)        | -            | -                 |
| Transfers to Stage 2   | (443,358)           | 445,357          | (1,999)        | -            | -                 |
| Transfers to Stage 3   | (3,580)             | (3,315)          | 6,895          | -            | -                 |
| Foreign exchange adjustments                                     | -                   | (7)              | -              | -            | (7)               |
| <b>Total retail gross carrying amount as at 30 June 2022</b>     | <b>2,352,941</b>    | <b>1,365,620</b> | <b>11,736</b>  | <b>3,486</b> | <b>3,733,783</b>  |
| <b>Total gross carrying amount</b>                               | <b>16,254,030</b>   | <b>1,767,084</b> | <b>113,397</b> | <b>3,508</b> | <b>18,138,019</b> |

## 21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)

The tables below present an analysis of changes in the ECL for off-balance sheet exposures allowances as follows:

| Group  | 30 June 2023  |              |               |              |               |
|--|---------------|--------------|---------------|--------------|---------------|
|  | Stage 1       | Stage 2      | Stage 3       | POCI         | Total         |
| <i>In RON thousand</i>                               |               |              |               |              |               |
| <b>Non-retail</b>                                    |               |              |               |              |               |
| ECL allowance as at 1 January 2023                   | 15,977        | 2,029        | 47,918        | -            | 65,924        |
| New assets originated or purchased                   | 4,037         | 105          | 6,052         | -            | 10,194        |
| Assets derecognised or repaid (excluding write offs) | (2,213)       | (374)        | (7,215)       | -            | (9,802)       |
| Transfers to Stage 1                                 | 814           | (814)        | -             | -            | -             |
| Transfers to Stage 2                                 | (251)         | 16,859       | (16,608)      | -            | -             |
| Transfers to Stage 3                                 | -             | (12)         | 12            | -            | -             |
| Impact on changes due to change in credit risk (net) | (8,607)       | (15,973)     | (147)         | -            | (24,727)      |
| Foreign exchange adjustments                         | 11            | 6            | 10            | -            | 27            |
| <b>Total non-retail ECL as at 30 June 2023</b>       | <b>9,768</b>  | <b>1,826</b> | <b>30,022</b> | <b>-</b>     | <b>41,616</b> |
| <i>In RON thousand</i>                               |               |              |               |              |               |
| <b>Retail</b>  |               |              |               |              |               |
| ECL allowance as at 1 January 2023                   | 4,826         | 6,765        | 7,505         | 2,215        | 21,311        |
| New assets originated or purchased                   | 1,526         | 3,213        | 143           | 109          | 4,991         |
| Assets derecognised or repaid (excluding write offs) | (1,004)       | (2,138)      | (3,757)       | (346)        | (7,245)       |
| Transfers to Stage 1                                 | 8,888         | (8,281)      | (605)         | (2)          | -             |
| Transfers to Stage 2                                 | (1,296)       | 2,818        | (1,537)       | 15           | -             |
| Transfers to Stage 3                                 | (6)           | (69)         | 75            | -            | -             |
| Impact on changes due to change in credit risk (net) | (10,471)      | 407          | 4,504         | (551)        | (6,111)       |
| Foreign exchange adjustments                         | -             | 1            | 2             | -            | 3             |
| <b>Total retail ECL as at 30 June 2023</b>           | <b>2,463</b>  | <b>2,716</b> | <b>6,330</b>  | <b>1,440</b> | <b>12,949</b> |
| <b>Total impairment allowance</b>                    | <b>12,231</b> | <b>4,542</b> | <b>36,352</b> | <b>1,440</b> | <b>54,565</b> |
| <b>30 June 2022</b>                                  |               |              |               |              |               |
| Group  | Stage 1       | Stage 2      | Stage 3       | POCI         | Total         |
| <i>In RON thousand</i>                               |               |              |               |              |               |
| <b>Non-retail</b>                                    |               |              |               |              |               |
| ECL allowance as at 1 January 2022                   | 8,596         | 3,464        | 47,574        | -            | 59,634        |
| New assets originated or purchased                   | 5,111         | 1,155        | 5,211         | -            | 11,477        |
| Assets derecognised or repaid (excluding write offs) | (1,362)       | (2,157)      | (9,258)       | -            | (12,777)      |
| Transfers to Stage 1                                 | 2,383         | (2,383)      | -             | -            | -             |
| Transfers to Stage 2                                 | (585)         | 585          | -             | -            | -             |
| Transfers to Stage 3                                 | -             | -            | -             | -            | -             |
| Impact on changes due to change in credit risk (net) | (5,586)       | 1,663        | 482           | -            | (3,441)       |
| Foreign exchange adjustments                         | 21            | 12           | (9)           | -            | 24            |
| <b>Total non-retail ECL as at 30 June 2022</b>       | <b>8,578</b>  | <b>2,339</b> | <b>44,000</b> | <b>-</b>     | <b>54,917</b> |
| <i>In RON thousand</i>                               |               |              |               |              |               |
| <b>Retail</b>  |               |              |               |              |               |
| ECL allowance as at 1 January 2022                   | 3,306         | 5,202        | 6,757         | 2,110        | 17,375        |
| New assets originated or purchased                   | 2,385         | 536          | 309           | 243          | 3,473         |
| Assets derecognised or repaid (excluding write offs) | (813)         | (996)        | (3,289)       | (379)        | (5,477)       |
| Transfers to Stage 1                                 | 4,565         | (3,340)      | (1,224)       | (1)          | -             |
| Transfers to Stage 2                                 | (524)         | 1,593        | (1,094)       | 25           | -             |
| Transfers to Stage 3                                 | (5)           | (39)         | 43            | 1            | -             |
| Impact on changes due to change in credit risk (net) | (4,238)       | 2,475        | 5,244         | 258          | 3,738         |
| Foreign exchange adjustments                         | -             | -            | -             | -            | -             |
| <b>Total retail ECL as at 30 June 2022</b>           | <b>4,676</b>  | <b>5,431</b> | <b>6,746</b>  | <b>2,257</b> | <b>19,109</b> |
| <b>Total impairment allowance</b>                    | <b>13,254</b> | <b>7,770</b> | <b>50,746</b> | <b>2,257</b> | <b>74,026</b> |

## 21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)

The tables below present an analysis of changes in the ECL for off-balance sheet exposures allowances as follows:

| Bank   | 30 June 2023        |                |                |              |               |
|--|---------------------|----------------|----------------|--------------|---------------|
|  | Stage 1             | Stage 2        | Stage 3        | POCI         | Total         |
| <i>In RON thousand</i>                               |                     |                |                |              |               |
| <b>Non-retail</b>                                    |                     |                |                |              |               |
| ECL allowance as at 1 January 2023                   | 15,795              | 1,992          | 47,918         | -            | 65,705        |
| New assets originated or purchased                   | 3,898               | 105            | 6,052          | -            | 10,055        |
| Assets derecognised or repaid (excluding write offs) | (2,031)             | (337)          | (7,215)        | -            | (9,583)       |
| Transfers to Stage 1                                 | 814                 | (814)          | -              | -            | -             |
| Transfers to Stage 2                                 | (251)               | 16,859         | (16,608)       | -            | -             |
| Transfers to Stage 3                                 | -                   | (12)           | 12             | -            | -             |
| Impact on changes due to change in credit risk (net) | (8,607)             | (15,973)       | (147)          | -            | (24,727)      |
| Foreign exchange adjustments                         | 11                  | 6              | 10             | -            | 27            |
| <b>Total non-retail ECL as at 30 June 2023</b>       | <b>9,629</b>        | <b>1,826</b>   | <b>30,022</b>  | <b>-</b>     | <b>41,477</b> |
| <i>In RON thousand</i>                               |                     |                |                |              |               |
| <b>Retail</b>  |                     |                |                |              |               |
| ECL allowance as at 1 January 2023                   | 4,541               | 6,702          | 7,504          | 2,215        | 20,962        |
| New assets originated or purchased                   | 1,377               | 3,213          | 143            | 109          | 4,842         |
| Assets derecognised or repaid (excluding write offs) | (719)               | (2,075)        | (3,757)        | (346)        | (6,897)       |
| Transfers to Stage 1                                 | 8,888               | (8,281)        | (605)          | (2)          | -             |
| Transfers to Stage 2                                 | (1,296)             | 2,818          | (1,537)        | 15           | -             |
| Transfers to Stage 3                                 | (6)                 | (69)           | 75             | -            | -             |
| Impact on changes due to change in credit risk (net) | (10,471)            | 406            | 4,506          | (551)        | (6,110)       |
| Foreign exchange adjustments                         | -                   | 1              | 2              | -            | 3             |
| <b>Total retail ECL as at 30 June 2023</b>           | <b>2,314</b>        | <b>2,715</b>   | <b>6,331</b>   | <b>1,440</b> | <b>12,800</b> |
| <b>Total impairment allowance</b>                    | <b>11,943</b>       | <b>4,541</b>   | <b>36,353</b>  | <b>1,440</b> | <b>54,277</b> |
| <b>Bank</b>  | <b>30 June 2022</b> |                |                |              |               |
| <i>In RON thousand</i>                               | <b>Stage 1</b>      | <b>Stage 2</b> | <b>Stage 3</b> | <b>POCI</b>  | <b>Total</b>  |
| <b>Non-retail</b>                                    |                     |                |                |              |               |
| ECL allowance as at 1 January 2022                   | 8,457               | 3,419          | 47,574         | -            | 59,450        |
| New assets originated or purchased                   | 4,797               | 1,028          | 5,211          | -            | 11,036        |
| Assets derecognised or repaid (excluding write offs) | (1,223)             | (2,112)        | (9,258)        | -            | (12,593)      |
| Transfers to Stage 1                                 | 2,383               | (2,383)        | -              | -            | -             |
| Transfers to Stage 2                                 | (585)               | 585            | -              | -            | -             |
| Transfers to Stage 3                                 | -                   | -              | -              | -            | -             |
| Impact on changes due to change in credit risk (net) | (5,586)             | 1,663          | 482            | -            | (3,441)       |
| Foreign exchange adjustments                         | 21                  | 12             | (9)            | -            | 24            |
| <b>Total non-retail ECL as at 30 June 2022</b>       | <b>8,264</b>        | <b>2,212</b>   | <b>44,000</b>  | <b>-</b>     | <b>54,476</b> |
| <i>In RON thousand</i>                               |                     |                |                |              |               |
| <b>Retail</b>  |                     |                |                |              |               |
| ECL allowance as at 1 January 2022                   | 3,095               | 5,112          | 6,809          | 2,059        | 17,075        |
| New assets originated or purchased                   | 1,837               | 510            | 309            | 243          | 2,899         |
| Assets derecognised or repaid (excluding write offs) | (603)               | (906)          | (2,889)        | (379)        | (4,777)       |
| Transfers to Stage 1                                 | 4,565               | (3,340)        | (1,224)        | (1)          | -             |
| Transfers to Stage 2                                 | (524)               | 1,593          | (1,094)        | 25           | -             |
| Transfers to Stage 3                                 | (5)                 | (39)           | 43             | 1            | -             |
| Impact on changes due to change in credit risk (net) | (4,239)             | 2,475          | 5,244          | 207          | 3,686         |
| Foreign exchange adjustments                         | -                   | -              | -              | -            | -             |
| <b>Total retail ECL as at 30 June 2022</b>           | <b>4,126</b>        | <b>5,405</b>   | <b>7,198</b>   | <b>2,155</b> | <b>18,883</b> |
| <b>Total impairment allowance</b>                    | <b>12,390</b>       | <b>7,617</b>   | <b>51,198</b>  | <b>2,155</b> | <b>73,359</b> |

**21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)**

Non-performing exposure, in accordance with EBA/ITS/2013/03/rev1 Regulation from July 24th 2014 with subsequent amendments, can be analysed as follows:

| <i>In RON thousand</i>      | <b>Group</b>            |                             | <b>Bank</b>             |                             |
|-----------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|
|                             | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> |
| <b>Exposure</b>             | <b>1,043,933</b>        | <b>1,064,177</b>            | <b>1,012,756</b>        | <b>1,029,025</b>            |
| out of which retail:        | 814,465                 | 779,825                     | 798,171                 | 761,226                     |
| out of which non-retail:    | 229,468                 | 284,352                     | 214,585                 | 267,799                     |
| <b>Impairment allowance</b> | <b>682,865</b>          | <b>744,645</b>              | <b>662,299</b>          | <b>721,041</b>              |
| out of which retail:        | 540,764                 | 553,267                     | 530,836                 | 542,450                     |
| out of which non-retail:    | 142,101                 | 191,378                     | 131,463                 | 178,591                     |
| <b>Net Book Value</b>       | <b>361,068</b>          | <b>319,532</b>              | <b>350,457</b>          | <b>307,984</b>              |
| out of which retail:        | 273,701                 | 226,558                     | 267,335                 | 218,776                     |
| out of which non-retail:    | 87,367                  | 92,974                      | 83,122                  | 89,208                      |

## 21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)

During the financial year 2023, the following existing loans were modified, and have not resulted in derecognition

| <b>Group</b>                              | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>POCI</b> | <b>Total</b> |
|---|----------------|----------------|----------------|-------------|--------------|
| <i>In RON thousand</i>                    |                |                |                |             |              |
| <b>Amortised cost before modification</b> | 179,889        | 77,856         | 11,111         | 700         | 269,556      |
| Net modification gain/loss                | (4,007)        | (1,815)        | (253)          | (14)        | (6,089)      |
| <b>Amortised cost after modification</b>  | 175,882        | 76,041         | 10,858         | 686         | 263,467      |
| <b>Bank</b>                               |                |                |                |             |              |
| <i>In RON thousand</i>                    |                |                |                |             |              |
| <b>Amortised cost before modification</b> | 179,889        | 77,856         | 11,111         | 700         | 269,556      |
| Net modification gain/loss                | (4,007)        | (1,815)        | (253)          | (14)        | (6,089)      |
| <b>Amortised cost after modification</b>  | 175,882        | 76,041         | 10,858         | 686         | 263,467      |

During the financial year 2022, the following existing loans were modified, and have not resulted in derecognition

| <b>Group</b>                              | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>POCI</b> | <b>Total</b> |
|---|----------------|----------------|----------------|-------------|--------------|
| <i>In RON thousand</i>                    |                |                |                |             |              |
| <b>Amortised cost before modification</b> | 395,536        | 59,305         | 51,479         | 306         | 506,626      |
| Net modification gain/loss                | (9,715)        | (1,268)        | (1,149)        | (6)         | (12,138)     |
| <b>Amortised cost after modification</b>  | 385,821        | 58,037         | 50,330         | 300         | 494,488      |
| <b>Bank</b>                               |                |                |                |             |              |
| <i>In RON thousand</i>                    |                |                |                |             |              |
| <b>Amortised cost before modification</b> | 395,536        | 59,305         | 51,479         | 306         | 506,626      |
| Net modification gain/loss                | (9,715)        | (1,268)        | (1,149)        | (6)         | (12,138)     |
| <b>Amortised cost after modification</b>  | 385,821        | 58,037         | 50,330         | 300         | 494,488      |

## 21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)

### Financial lease

The Group acts as a lessor in finance lease contracts for vehicles, equipment and real estate. Leasing contracts are denominated in EUR or RON and with a contract tenor of 1 to 8 years, in the case of vehicle lease contracts and 1 to 10 years in case of real estate lease. The transfer of ownership rights is at the maturity of the contract. The interest applicable to lease contracts is variable or fixed and is computed for the entire tenor of the contract. The corresponding receivables are collateralized with the object of the lease contract, as well as with other type of collaterals. Loans and advances to Group's customers include the following receivables from lease contracts (the ECL for lease exposure is presented within the Group total ECL):

| <i>In RON thousand</i>                               | <b>30 June 2023</b>         |
|--|-----------------------------|
| Less than one year                                   | 91,736                      |
| 1 to 2 years   | 174,609                     |
| Two to 3 years                                       | 276,807                     |
| Three to 4 years                                     | 315,576                     |
| Four to 5 years                                      | 405,316                     |
| More than 5 years                                    | 96,923                      |
| <b>Total undiscounted lease payments receivables</b> | <b>1,360,967</b>            |
| Unearned finance income                              | (128,815)                   |
| <b>Net investment in lease</b>                       | <b>1,232,152</b>            |
| <br><i>In RON thousand</i>                           | <br><b>31 December 2022</b> |
| Less than one year                                   | 103,251                     |
| 1 to 2 years   | 183,741                     |
| Two to 3 years                                       | 252,496                     |
| Three to 4 years                                     | 297,570                     |
| Four to 5 years                                      | 361,029                     |
| More than 5 years                                    | 74,373                      |
| <b>Total undiscounted lease payments receivables</b> | <b>1,272,460</b>            |
| Unearned finance income                              | (100,077)                   |
| <b>Net investment in lease</b>                       | <b>1,172,383</b>            |

## 22. INVESTMENT SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| <i>In RON thousand</i>  | <b>Group</b>            |                             | <b>Bank</b>             |                             |
|---|-------------------------|-----------------------------|-------------------------|-----------------------------|
|   | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> |
| <b>Stage 1</b>  |                         |                             |                         |                             |
| Bonds issued by the Government of Romania   | 2,696,097               | 2,638,819                   | 2,627,248               | 2,628,927                   |
| Bonds issued by other public sector   | 466,532                 | 367,300                     | 466,532                 | 367,300                     |
| Bonds issued by credit institutions   | 197,072                 | 92,943                      | 197,072                 | 92,943                      |
| <b>Total</b>  | <b>3,359,701</b>        | <b>3,099,062</b>            | <b>3,290,852</b>        | <b>3,089,170</b>            |
| <b>Stage 2</b>  |                         |                             |                         |                             |
| Bonds issued by other public sector   | 5,494                   | 6,336                       | 5,494                   | 6,336                       |
| <b>Total</b>  | <b>5,494</b>            | <b>6,336</b>                | <b>5,494</b>            | <b>6,336</b>                |
| <b>Total investment securities at fair value through other comprehensive income</b> | <b>3,365,195</b>        | <b>3,105,398</b>            | <b>3,296,346</b>        | <b>3,095,506</b>            |

Treasury securities issued by the Government of Romania include discount and coupon securities denominated in RON. Discount treasury bills bear fixed interest rates. As at 30 June 2023, treasury securities amounting to RON 74,027 thousand (31 December 2022: RON 71,071 thousand) are pledged as security in order to comply with National Bank of Romania prudential regulations for settlement of inter-banking operations. Income from debt instruments is recognized in interest and similar income.

Bonds issued by the Government of Romania include bonds issued by the Ministry of Finance denominated in RON, EUR and USD, bearing fixed interest rate between 0.70% p.a. and 9.57% p.a.

Bonds issued by credit institutions are valued using valuation models based on observable inputs (Level II), bonds issued by other public sector entities are valued using valuation models based on observable and unobservable inputs (Level III), while the rest of the instruments are valued based on quoted market prices (Level I).

## 23. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| <i>In RON thousand</i>   | <b>Group</b>            |                             | <b>Bank</b>             |                             |
|--|-------------------------|-----------------------------|-------------------------|-----------------------------|
|  | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> |
| Unquoted equity instruments  | 17,494                  | 17,374                      | 17,494                  | 17,374                      |
| Quoted equity instruments  | 61,060                  | 54,114                      | 61,060                  | 54,114                      |
| <b>Total equity instruments at fair value through other comprehensive income</b> | <b>78,554</b>           | <b>71,488</b>               | <b>78,554</b>           | <b>71,488</b>               |

Upon initial recognition, the Group elected to classify irrevocably its equity investments, other than subsidiaries, joint ventures and associates as equity instruments at FVOCI with no recycling of gains or losses on profit or loss on derecognition.

The Group received dividends at 30 June 2023 amounting to RON 2,896 thousand (31 December 2022: RON 2,180 thousand).



### 23. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

The Group holds shares in Visa Inc., a company providing payment services for Visa cards. The shares representing Series C Preferred Stock are restricted from sale, but are convertible into Class A Common Stock of Visa Inc in a maximum period of 12 years from the date in which they were granted. Due to the fact that at initial recognition it was not known the exact number of Class A shares they are converted into, they were reclassified into debt instruments instead of equity. The total reclassified amount was RON 48,228 thousand, which represented the fair value of the shares as of December 31, 2019.

During 2020, part of the Series C Preferred Stock were converted into Class A Common Stock. The converted shares were classified into "at fair value through other comprehensive income" category.

In July 2022 a second conversion of Visa Inc. C-shares into tradeable A-shares took place and the Bank received 17.821 Class A Preferred Stock with an approximate market value of EUR 3,7 mn. The remaining Class C Stock has an indicative value of EUR 3.6 mn after completion of the conversion. The shares representing Series C Preferred Stock are restricted from sale, but are convertible into Class A Common Stock of Visa Inc in a maximum period of 12 years from the date in which they were granted. At the end of 2022 VISA shares are as follows: Class A 56,200 shares with a market value of RON 54 million and Class C 5,606 share with a market value of RON 16 million.

### 24. INVESTMENT SECURITIES AT AMORTISED COST

|  | Group             |                     | Bank              |                     |
|--|-------------------|---------------------|-------------------|---------------------|
|  | 30 June<br>2023   | 31 December<br>2022 | 30 June<br>2023   | 31 December<br>2022 |
| <i>In RON thousand</i>                               |                   |                     |                   |                     |
| <b>Stage 1</b>                                       |                   |                     |                   |                     |
| Bonds issued by credit institutions listed           | 391,105           | 386,191             | 391,105           | 386,191             |
| Bonds issued by the Government of Romania quoted     | 3,320,876         | 3,434,083           | 3,312,730         | 3,372,704           |
| Bonds issued by the Government of Romania unquoted   | 7,559,043         | 5,380,580           | 7,549,382         | 5,370,907           |
| <b>Total investment securities at amortised cost</b> | <b>11,271,024</b> | <b>9,200,854</b>    | <b>11,253,217</b> | <b>9,129,802</b>    |

At 30 June 2023, the Group has one micro hedge relationship and the hedged instrument is a debt security at amortised cost. The carrying amount of the hedged item is RON 26,689 thousand (31 December 2022: RON 26,683 thousand).

As at 30 June 2023, bonds issued by the Government of Romania amounting to RON 109,872 (31 December 2022: RON 109,063 thousand) are pledged as security in order to comply with National Bank of Romania prudential regulations for settlement of inter-banking operations.

## 25. INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

### Subsidiaries, associates and joint ventures

| <i>In RON thousand</i>                        | Group         |               | Bank           |                  |
|---|---------------|---------------|----------------|------------------|
|   | 30 June 2023  | 30 June 2022  | 30 June 2023   | 30 June 2022     |
| <b>Balance at 1 January</b>                   | <b>32,891</b> | <b>32,243</b> | <b>188,031</b> | <b>247,802</b>   |
| Additions (i)                                 | -             | -             | -              | 6,999            |
| Group's share of gain from associates         | 3,823         | 521           | -              | -                |
| <b>Total</b>                                  | <b>36,714</b> | <b>32,764</b> | <b>188,031</b> | <b>254,801</b>   |
| Impairment allowance (i)                      | -             | -             | (81,160)       | <b>(132,012)</b> |
| <b>Balance at the end of reporting period</b> | <b>36,714</b> | <b>32,764</b> | <b>106,871</b> | <b>122,789</b>   |

(i) Following the litigation with the Romanian Court of Auditors (further detailed in Note 36 Provisions), ABL increased the share capital in order to comply with capital adequacy internal limit. As such during 2022 the increase in share capital of ABL was in amount of RON 7,000 thousands. In 2022 was performed a write-down of the participation of ABL in amount of RON 66,771 thousand by using the provision already booked, in order to comply with the capital legal ratio.

During 2022, ABL transferred most of the loan portfolio to Raiffeisen Bank SA. In accordance with its strategy, during 2023 ABL will further identify ways of gradually decreasing its activity, with the main objective to fulfil its existing contractual obligations, while adopting optimal solutions required to serve its clients. The management estimates that this process will extend over a horizon of more than 12 months. The Group will continue to provide support for fulfilment of the objectives proposed by the ABL.

## 25. INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (continued)

The Group's interests in its associates that are unlisted are as follows:

| <i>In RON thousands</i>                       | <b>Assets</b> | <b>Liabilities</b> | <b>Revenues</b> | <b>Interest income</b> | <b>Interest expense</b> | <b>Income taxes</b> | <b>Profit</b> | <b>Net assets</b> | <b>Interest held%</b> | <b>% Net assets</b> | <b>Carrying amount</b> |
|---|---------------|--------------------|-----------------|------------------------|-------------------------|---------------------|---------------|-------------------|-----------------------|---------------------|------------------------|
| <b>30 June 2023</b>                           |               |                    |                 |                        |                         |                     |               |                   |                       |                     |                        |
| Fondul de Garantare a Creditului Rural IFN SA | 1,061,201     | 998,755            | 15,354          | 2,420                  | -                       | 730                 | 5,810         | 62,446            | 33.33%                | 20,813              | 21,100                 |
| CIT One                                       | 135,819       | 88,540             | 135,322         | -                      | 2,080                   | 1,364               | 5,050         | 47,279            | 33.33%                | 15,758              | 15,614                 |
| <b>31 December 2022</b>                       |               |                    |                 |                        |                         |                     |               |                   |                       |                     |                        |
| Fondul de Garantare a Creditului Rural IFN SA | 1,013,628     | 956,976            | 21,075          | 3,420                  | 98                      | 161                 | 1,320         | 56,652            | 33.33%                | 18,882              | 19,169                 |
| CIT One                                       | 124,032       | 82,431             | 230,538         | -                      | 3,173                   | 786                 | 287           | 41,601            | 33.33%                | 13,866              | 13,722                 |

## 26. FINANCIAL ASSETS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS

The table below shows the split of total financial assets mandatorily at fair value through profit or loss:

| <i>In RON thousand</i>          | <b>Group</b>        |                         | <b>Bank</b>         |                         |
|---------------------------------|---------------------|-------------------------|---------------------|-------------------------|
|                                 | <b>30 June 2023</b> | <b>31 December 2022</b> | <b>30 June 2023</b> | <b>31 December 2022</b> |
| Loans and advances to customers | 157,830             | 153,935                 | 157,830             | 153,935                 |
| Debt instruments                | 34,263              | 30,523                  | 17,240              | 16,478                  |
| <b>Total</b>                    | <b>192,093</b>      | <b>184,458</b>          | <b>175,070</b>      | <b>170,413</b>          |

**Group:** Net gains on non-trading financial assets mandatorily at fair value through profit or loss for the period ended 30 June 2023 are in amount of RON 18,577 thousand (30 June 2022: RON (31,583) thousand).

**Bank:** Net gains on non-trading financial assets mandatorily at fair value through profit or loss for the period ended 30 June 2023 are in amount of RON 18,082 thousand (30 June 2022: RON (30,741) thousand).

## 27. FAIR VALUE CHANGES OF THE HEDGED ITEMS-HEDGE ACCOUNTING

The Bank applies both micro and macro fair value hedge.

For the micro fair value hedge, the Bank uses as hedging instrument interest rate swaps, while the hedged items are debt securities at amortised cost. The total accumulated amount of fair value adjustments of the hedged item and hedging instrument are disclosed under "Fair value changes of the hedged items - hedge accounting" position, respectively "Derivatives – hedge accounting position" in the statement of financial position.

The net gain resulted from this hedge relationship at 30 June 2023 is RON 37 thousand, while at 30 June 2022 the Bank incurred a loss of RON 5 thousand. The remaining term for the hedging item is more than 5 years (February 2030).

The macro fair value hedge started in 2020 and the Bank uses as hedging instruments four interest rate swaps, while the hedged item is a loan portfolio at amortised cost.

The total accumulated amount of fair value adjustments of hedged item and hedging instruments are disclosed under "Fair value changes of the hedged items - hedge accounting", respectively "Derivatives – hedge accounting position" in the statement of financial position.

The net gain resulted from this hedge relationship at 30 June 2023 is RON 616 thousand, while at 30 June 2022 the Bank incurred a net gain of RON 1,069 thousand. The remaining term for the hedging items is less than 5 years.

The tables below provide more information regarding the hedged items and hedging instruments:

### 30 June 2023

| <i>In RON thousand</i>                    | Carrying amount<br>of hedged items |             | Accumulated amount of fair<br>value adjustments on the<br>hedged items |              |
|---|------------------------------------|-------------|--|--------------|
|   | Assets                             | Liabilities | Assets   | Liabilities  |
| Micro fair value hedges                   |                                    |             |  |              |
| Debt securities                           | 26,689                             | -           | -  | -            |
|   | <b>26,689</b>                      | -           | -  | -            |
| Macro fair value hedges                   |                                    |             |  |              |
| Loan portfolio measured at amortised cost | 259,285                            | -           | -  | 7,818        |
|   | <b>259,285</b>                     | -           | -  | <b>7,818</b> |
| <b>Total</b>                              | <b>285,974</b>                     | -           | -  | <b>7,818</b> |

### 31 December 2022

| <i>In RON thousand</i>                    | Carrying amount<br>of hedged items |             | Accumulated amount of fair<br>value adjustments on the<br>hedged items |               |
|---|------------------------------------|-------------|--|---------------|
|   | Assets                             | Liabilities | Assets   | Liabilities   |
| Micro fair value hedges                   |                                    |             |  |               |
| Debt securities                           | 26,683                             | -           | -  | -             |
|   | <b>26,683</b>                      | -           | -  | -             |
| Macro fair value hedges                   |                                    |             |  |               |
| Loan portfolio measured at amortised cost | 280,379                            | -           | -  | 11,398        |
|   | <b>280,379</b>                     | -           | -  | <b>11,398</b> |
| <b>Total</b>                              | <b>307,062</b>                     | -           | -  | <b>11,398</b> |

**27. FAIR VALUE CHANGES OF THE HEDGED ITEMS-HEDGE ACCOUNTING (CONTINUED)**

|                         | 30 June 2023    |              | 31 December 2022 |              |
|-------------------------|-----------------|--------------|------------------|--------------|
|                         | Notional amount | Assets       | Notional amount  | Assets       |
| <i>In RON thousand</i>  |                 |              |                  |              |
| Micro fair value hedges |                 |              |                  |              |
| Interest rate swap      | 29,780          | 3,445        | 29,684           | 3,218        |
|                         | <b>29,780</b>   | <b>3,445</b> | <b>29,684</b>    | <b>3,218</b> |
| Macro fair value hedges |                 |              |                  |              |
| Interest rate swaps     | 125,000         | 2,563        | 125,000          | 5,137        |
|                         | <b>125,000</b>  | <b>2,563</b> | <b>125,000</b>   | <b>5,137</b> |
| <b>Total</b>            | <b>154,780</b>  | <b>6,008</b> | <b>154,684</b>   | <b>8,355</b> |

During the period, the results of the hedge effectiveness assessments showed that the hedge relationships were effective. No situations of hedge ineffectiveness were identified.

**28. OTHER ASSETS**

|   | <b>Group</b>     |                    | <b>Bank</b>      |                    |
|---|------------------|--------------------|------------------|--------------------|
|   | <b>30 June</b>   | <b>31 December</b> | <b>30 June</b>   | <b>31 December</b> |
| <i>In RON thousand</i>                              | <b>2023</b>      | <b>2022</b>        | <b>2023</b>      | <b>2022</b>        |
| Prepayments   | 56,438           | 32,637             | 52,410           | 28,611             |
| Tax audit (i)                                       | 93,606           | 85,383             | 93,606           | 85,383             |
| Clearing claims from payment transfer business (ii) | 158,301          | 230,525            | 158,301          | 230,525            |
| Receivables from sale of loans                      | 12,368           | 19,194             | 12,368           | 19,194             |
| Sundry debtors (iii)                                | 107,576          | 129,959            | 87,433           | 107,515            |
| Inventories   | 6,291            | 7,749              | 6,262            | 7,704              |
| Repossessed assets                                  | 23,571           | 24,667             | 23,503           | 24,360             |
| <b>Gross Book Value</b>                             | <b>458,152</b>   | <b>530,114</b>     | <b>433,883</b>   | <b>503,292</b>     |
| <b>Impairment</b>                                   | <b>(114,429)</b> | <b>(103,023)</b>   | <b>(114,429)</b> | <b>(103,023)</b>   |
| <b>Net Book Value</b>                               | <b>343,722</b>   | <b>427,091</b>     | <b>319,454</b>   | <b>400,269</b>     |

i) In the period December 2017 – May 2019, the Bank had been subject to a fiscal audit from Romanian Tax Authority (further called “ANAF”). The object of the audit was income tax (period 2011-2016) and withholding tax (period 2013-2016).

The fiscal audit report indicated total additional charges of RON 262,413 thousand which includes income tax, withholding tax and related penalties. The Bank has paid all the charges resulting from the fiscal inspection. In response, the Bank submitted an administrative appeal against the inspection report, requesting its cancellation. During 2020, the Bank received the answer to the appeal according to which the Bank is entitled to receive back 10% of all charges included in the tax report. The Bank continued legal procedures for the recovery of the remaining amounts and initiated a litigation in this respect.

As of 30 June 2023 the maximum exposure related to fiscal audit is RON 195,965 thousand resulted from:

(+) RON 262,413 thousand, total charges as result of tax audit paid by the Bank in 2019

(-) RON 27,605 thousand, refund from the administrative appeal resolution received in 2020

(-) RON 38,689 thousand, refund to be received for year 2011 that should not have been in the scope of audit.

A change in the amounts occurred in June 2023 compared to December 2022 due to a change in the accounting treatment for a part of the exposure and it's correspondent provision, however without impact in the net and maximum exposure.

The amounts receivable from the tax audit are presented under two balance sheet positions: other assets (the part representing withholding taxes and related penalties) and income tax receivable (the part representing income tax and related penalties). As of June 30, 2023 the net amount reflected under other assets is RON 31,398 thousand (December 31, 2022: RON 31,398 thousand). As of June 30, 2023, the net amount reflected under income tax receivable is RON 73,849 thousand (December 31, 2022: RON 73,849 thousand).

ii) Clearing claims from payment transfer business include amounts to be settled as of 30 June 2023 like: cards transactions of RON 155,955 thousand (31 December 2022: RON 225,599 thousand).

## 28. OTHER ASSETS (continued)

iii) Sundry debtors include various receivables such for: services provided by the bank to its customers (such as for cash transportation), advances paid to suppliers, amounts receivables as a result of operational incidents etc.

In the tables below is presented the movement in impairment of other assets position:

### Group

| <i>In RON thousand</i> | <b>Impairment as at<br/>1 January 2023</b> | <b>Increase</b> | <b>Decrease</b> | <b>Other</b> | <b>Impairment as at<br/>30 June 2023</b> |
|------------------------|--|-----------------|-----------------|--------------|--|
| Sundry debtors         | 34,818                                     | 6,605           | (4,004)         | -            | 37,419                                   |
| Tax audit              | 53,985                                     | -               | -               | 8,223        | 62,208                                   |
| Reposessed assets      | 13,642                                     | -               | -               | -            | 13,642                                   |
| Inventory              | 578  | 621             | (39)            | -            | 1,160                                    |
| <b>Total</b>           | <b>103,023</b>                             | <b>7,226</b>    | <b>(4,043)</b>  | <b>8,223</b> | <b>114,429</b>                           |

### Group

| <i>In RON thousand</i> | <b>Impairment as at<br/>1 January 2022</b> | <b>Increase</b> | <b>Decrease</b> | <b>Impairment as at<br/>30 June 2022</b> |
|------------------------|--|-----------------|-----------------|--|
| Sundry debtors         | 49,908                                     | 4,219           | (1,733)         | 52,394                                   |
| Tax audit              | 53,985                                     | -               | -               | 53,985                                   |
| Reposessed assets      | 9,715                                      | -               | (91)            | 9,624                                    |
| Inventory              | 159  | 1,660           | (528)           | 1,291                                    |
| <b>Total</b>           | <b>113,767</b>                             | <b>5,879</b>    | <b>(2,352)</b>  | <b>117,294</b>                           |

### Bank

| <i>In RON thousand</i> | <b>Impairment as at<br/>1 January 2023</b> | <b>Increase</b> | <b>Decrease</b> | <b>Other</b> | <b>Impairment as at<br/>30 June 2023</b> |
|------------------------|--|-----------------|-----------------|--------------|--|
| Sundry debtors         | 34,818                                     | 6,605           | (4,004)         | -            | 37,419                                   |
| Tax audit              | 53,985                                     | -               | -               | 8,223        | 62,208                                   |
| Reposessed assets      | 13,642                                     | -               | -               | -            | 13,642                                   |
| Inventory              | 578  | 621             | (39)            | -            | 1,160                                    |
| <b>Total</b>           | <b>103,023</b>                             | <b>7,226</b>    | <b>(4,043)</b>  | <b>8,223</b> | <b>114,429</b>                           |

### Bank

| <i>In RON thousand</i> | <b>Impairment as at<br/>1 January 2022</b> | <b>Increase</b> | <b>Decrease</b> | <b>Impairment as at<br/>30 June 2022</b> |
|------------------------|--|-----------------|-----------------|--|
| Sundry debtors         | 49,908                                     | 4,219           | (1,733)         | 52,394                                   |
| Tax audit              | 53,985                                     | -               | -               | 53,985                                   |
| Reposessed assets      | 9,715                                      | -               | (91)            | 9,624                                    |
| Inventory              | 159  | 1,660           | (528)           | 1,291                                    |
| <b>Total</b>           | <b>113,767</b>                             | <b>5,879</b>    | <b>(2,352)</b>  | <b>117,294</b>                           |

## 28. OTHER ASSETS (continued)

In the tables below is presented the split of other assets to customers by their quality:

| <i>In RON thousand</i> | <b>Group</b>            |                             | <b>Bank</b>             |                             |
|------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|
|                        | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> |
| Financial assets       | 178,610                 | 290,875                     | 158,470                 | 268,432                     |
| Non-financial assets   | 165,112                 | 136,216                     | 160,984                 | 131,837                     |
| <b>Total</b>           | <b>343,722</b>          | <b>427,091</b>              | <b>319,454</b>          | <b>400,269</b>              |

*Of which:*

| <i>In RON thousand</i> | <b>Group</b>            |                             | <b>Bank</b>             |                             |
|------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|
|                        | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> |
| Current assets         | 143,977                 | 256,843                     | 123,837                 | 234,400                     |
| Impaired assets        | 34,633                  | 34,032                      | 34,633                  | 34,032                      |
| <b>Total</b>           | <b>178,610</b>          | <b>290,875</b>              | <b>158,470</b>          | <b>268,432</b>              |

## 29. DEFERRED TAX

Deferred tax assets of the Group are attributable to the items detailed in the tables below:

### Group

| <i>In RON thousand</i>                                   | <b>30 June 2023</b> |                    |                | <b>Deferred tax<br/>asset/(liability)</b> |
|--|---------------------|--------------------|----------------|---|
|  | <b>Assets</b>       | <b>Liabilities</b> | <b>Net</b>     |   |
| Property, plant and equipment and intangible assets      | 1,068               | 183,709            | (182,641)      | (29,223)                                  |
| Other liabilities  | 216,460             | -                  | 216,460        | 34,634                                    |
| Actuarial gains/ losses on defined benefit pension plans | 1,674               | -                  | 1,674          | 268                                       |
| Valuation reserve financial assets (FVOCI)               | 192,936             | 47,096             | 145,840        | 23,334                                    |
| Provisions for liabilities and charges                   | 128,353             | 53,303             | 75,050         | 12,008                                    |
| <b>Total</b>   | <b>540,491</b>      | <b>284,108</b>     | <b>256,383</b> | <b>41,021</b>                             |

### Group

| <i>In RON thousand</i>                                   | <b>31 December 2022</b> |                    |                | <b>Deferred tax<br/>asset/(liability)</b> |
|--|-------------------------|--------------------|----------------|---|
|  | <b>Assets</b>           | <b>Liabilities</b> | <b>Net</b>     |   |
| Property, plant and equipment and intangible assets      | 1,012                   | 160,201            | (159,189)      | (25,470)                                  |
| Other liabilities  | 247,982                 | 330                | 247,652        | 39,624                                    |
| Actuarial gains/ losses on defined benefit pension plans | -                       | 1,964              | (1,964)        | (314)                                     |
| Valuation reserve financial assets (FVOCI)               | 298,660                 | 40,355             | 258,305        | 41,329                                    |
| Provisions for liabilities and charges                   | 237,917                 | -                  | 237,917        | 38,066                                    |
| <b>Total</b>   | <b>785,571</b>          | <b>202,850</b>     | <b>582,721</b> | <b>93,235</b>                             |



## 29. DEFERRED TAX (continued)

Deferred tax assets of the Bank are attributable to the items detailed in the tables below:

### Bank

| <i>In RON thousand</i>                                   | 30 June 2023   |                |                | Deferred tax<br>asset/(liability) |
|--|----------------|----------------|----------------|-----------------------------------|
|  | Assets         | Liabilities    | Net            |                                   |
| Property, plant and equipment and intangible assets      | 1,068          | 183,709        | (182,641)      | (29,223)                          |
| Other liabilities  | 216,460        | -              | 216,460        | 34,634                            |
| Actuarial gains/ losses on defined benefit pension plans | 1,674          | -              | 1,674          | 268                               |
| Valuation reserve financial assets (FVOCI)               | 192,936        | 47,096         | 145,840        | 23,334                            |
| Provisions for liabilities and charges                   | 112,596        | 53,303         | 59,293         | 9,487                             |
| <b>Total</b>   | <b>524,734</b> | <b>284,108</b> | <b>240,626</b> | <b>38,500</b>                     |

### Bank

| <i>In RON thousand</i>                                   | 31 December 2022 |                |                | Deferred tax<br>asset/(liability) |
|--|------------------|----------------|----------------|-----------------------------------|
|  | Assets           | Liabilities    | Net            |                                   |
| Property, plant and equipment and intangible assets      | 1,012            | 160,201        | (159,189)      | (25,470)                          |
| Other liabilities  | 247,982          | 330            | 247,652        | 39,624                            |
| Actuarial gains/ losses on defined benefit pension plans | -                | 1,964          | (1,964)        | (314)                             |
| Valuation reserve financial assets (FVOCI)               | 298,660          | 40,355         | 258,305        | 41,329                            |
| Provisions for liabilities and charges                   | 215,913          | -              | 215,913        | 34,546                            |
| <b>Total</b>   | <b>763,567</b>   | <b>202,850</b> | <b>560,717</b> | <b>89,715</b>                     |

Expenses and income deferred tax as at June 30, 2023 are attributable to the items detailed in the table below:

| <i>In RON thousand</i>                                   | Group           |                | Bank            |                |
|--|-----------------|----------------|-----------------|----------------|
|  | 30 June 2023    | 30 June 2022   | 30 June 2023    | 30 June 2022   |
| Property, plant and equipment and intangible assets      | (3,752)         | (4,121)        | (3,752)         | (4,121)        |
| Actuarial gains/ losses on defined benefit pension plans | 582             | -              | 582             | -              |
| Valuation reserve financial assets                       | (526)           | -              | (526)           | -              |
| Other liabilities  | (5,049)         | (4,608)        | (5,047)         | (4,609)        |
| Provisions for liabilities and charges                   | (26,059)        | 4,530          | (25,059)        | 4,522          |
| <b>Deferred tax income / (expense)</b>                   | <b>(34,804)</b> | <b>(4,199)</b> | <b>(33,802)</b> | <b>(4,208)</b> |

Deferred tax related to items recognised in other comprehensive income during the year is due to unrealised gain/loss on financial assets (FVOCI).

### 30. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

#### Group

| <i>In RON thousand</i>                     | Land and buildings | Furniture and computer equipment | Motor vehicles | Assets in progress | Right-of-Use assets Land and buildings | Total            |
|--|--------------------|----------------------------------|----------------|--------------------|--|------------------|
| <b>Cost:</b>                               |                    |                                  |                |                    |  |                  |
| <b>Balance at 1 January 2022</b>           | <b>198,018</b>     | <b>450,793</b>                   | <b>36,918</b>  | <b>30,602</b>      | <b>526,150</b>                         | <b>1,242,481</b> |
| Additions                                  | 49                 | 1,750                            | 238            | 15,778             | 24,380                                 | 42,195           |
| Transfers                                  | 6,019              | 17,656                           | 1,564          | (25,239)           | -                                      | -                |
| Disposals                                  | (5,669)            | (6,537)                          | (663)          | -                  | (3,806)                                | (16,675)         |
| <b>Balance at 30 June 2022</b>             | <b>198,417</b>     | <b>463,662</b>                   | <b>38,057</b>  | <b>21,141</b>      | <b>546,724</b>                         | <b>1,268,001</b> |
| <b>Balance at 1 January 2023</b>           | <b>200,550</b>     | <b>471,481</b>                   | <b>43,763</b>  | <b>50,404</b>      | <b>578,575</b>                         | <b>1,344,773</b> |
| Additions                                  | 1,514              | 3,362                            | 580            | 11,650             | 67,464                                 | 84,570           |
| Transfers                                  | 1,615              | 26,308                           | 1,514          | (29,437)           | -                                      | -                |
| Disposals                                  | -                  | (2,751)                          | (323)          | -                  | (14,988)                               | (18,062)         |
| <b>Balance at 30 June 2023</b>             | <b>203,679</b>     | <b>498,400</b>                   | <b>45,534</b>  | <b>32,617</b>      | <b>631,051</b>                         | <b>1,411,281</b> |
| <b>Depreciation and impairment losses:</b> |                    |                                  |                |                    |  |                  |
| <b>Balance at 1 January 2022</b>           | <b>160,489</b>     | <b>318,881</b>                   | <b>29,606</b>  | <b>4,111</b>       | <b>251,679</b>                         | <b>764,766</b>   |
| Charge for the year                        | 5,299              | 22,833                           | 1,873          | 24                 | 43,474                                 | 73,503           |
| Disposals                                  | (5,115)            | (6,184)                          | (601)          | -                  | (3,318)                                | (15,218)         |
| <b>Balance at 30 June 2022</b>             | <b>160,673</b>     | <b>335,530</b>                   | <b>30,878</b>  | <b>4,135</b>       | <b>291,835</b>                         | <b>823,051</b>   |
| <b>Balance at 1 January 2023</b>           | <b>165,725</b>     | <b>354,371</b>                   | <b>31,953</b>  | <b>2,465</b>       | <b>355,438</b>                         | <b>909,952</b>   |
| Charge for the year                        | 6,161              | 23,153                           | 2,113          | 244                | 40,732                                 | 72,403           |
| Disposals and other adjustments            | 1,111              | (2,459)                          | (512)          | -                  | (4,659)                                | (6,519)          |
| <b>Balance at 30 June 2023</b>             | <b>172,997</b>     | <b>375,065</b>                   | <b>33,554</b>  | <b>2,709</b>       | <b>391,511</b>                         | <b>975,836</b>   |
| <b>Carrying amounts:</b>                   |                    |                                  |                |                    |  |                  |
| <b>At 1 January 2022</b>                   | <b>37,529</b>      | <b>131,912</b>                   | <b>7,312</b>   | <b>26,491</b>      | <b>274,471</b>                         | <b>477,715</b>   |
| <b>At 30 June 2022</b>                     | <b>37,744</b>      | <b>128,132</b>                   | <b>7,179</b>   | <b>17,006</b>      | <b>254,889</b>                         | <b>444,950</b>   |
| <b>At 1 January 2023</b>                   | <b>34,825</b>      | <b>117,110</b>                   | <b>11,810</b>  | <b>47,939</b>      | <b>223,137</b>                         | <b>434,821</b>   |
| <b>At 30 June 2023</b>                     | <b>30,682</b>      | <b>123,335</b>                   | <b>11,980</b>  | <b>29,908</b>      | <b>239,540</b>                         | <b>435,445</b>   |

Under "Assets in progress" category, the Group includes investments in branch redesign, technological equipment, vehicles and furniture, which are not yet put in function.

**30. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (continued)**

**Bank**

| <i>In RON thousand</i>                     | <b>Land and buildings</b> | <b>Furniture and computer equipment</b> | <b>Motor vehicles</b> | <b>Assets in progress</b> | <b>Right-of-Use assets Land and buildings</b> | <b>Total</b>     |
|--|---------------------------|---|-----------------------|---------------------------|---|------------------|
| <b>Cost:</b>                               |                           |   |                       |                           |   |                  |
| <b>Balance at 1 January 2022</b>           | <b>197,994</b>            | <b>451,148</b>                          | <b>34,538</b>         | <b>26,744</b>             | <b>526,150</b>                                | <b>1,236,574</b> |
| Additions                                  | -                         | 1,184                                   | -                     | 15,778                    | 24,380  | 41,342           |
| Transfers                                  | 6,019                     | 17,656                                  | 1,564                 | (25,239)                  | -   | -                |
| Disposals                                  | (5,669)                   | (6,537)                                 | (844)                 | -                         | (3,806)                                       | (16,856)         |
| <b>Balance at 30 June 2022</b>             | <b>198,344</b>            | <b>463,451</b>                          | <b>35,258</b>         | <b>17,283</b>             | <b>546,724</b>                                | <b>1,261,060</b> |
| <b>Balance at 1 January 2023</b>           | <b>200,477</b>            | <b>471,558</b>                          | <b>40,596</b>         | <b>46,546</b>             | <b>578,575</b>                                | <b>1,337,752</b> |
| Additions                                  | 1,399                     | 2,903                                   | 580                   | 11,650                    | 57,979  | 74,511           |
| Transfers                                  | 1,615                     | 26,308                                  | 1,514                 | (29,437)                  | -   | -                |
| Disposals                                  | -                         | (294)                                   | (111)                 | -                         | (8,999)                                       | (9,404)          |
| <b>Balance at 30 June 2023</b>             | <b>203,491</b>            | <b>500,475</b>                          | <b>42,579</b>         | <b>28,759</b>             | <b>627,555</b>                                | <b>1,402,859</b> |
| <b>Depreciation and impairment losses:</b> |                           |   |                       |                           |   |                  |
| <b>Balance at 1 January 2022</b>           | <b>161,145</b>            | <b>317,510</b>                          | <b>26,513</b>         | <b>3,365</b>              | <b>251,679</b>                                | <b>760,212</b>   |
| Charge for the year                        | 5,432                     | 22,674                                  | 1,616                 | (722)                     | 43,474  | 72,474           |
| Disposals                                  | (5,115)                   | (6,184)                                 | (780)                 | -                         | (3,318)                                       | (15,397)         |
| <b>Balance at 30 June 2022</b>             | <b>161,462</b>            | <b>334,000</b>                          | <b>27,349</b>         | <b>2,643</b>              | <b>291,835</b>                                | <b>817,289</b>   |
| <b>Balance at 1 January 2023</b>           | <b>166,199</b>            | <b>352,538</b>                          | <b>27,885</b>         | <b>1,719</b>              | <b>355,438</b>                                | <b>903,779</b>   |
| Charge for the year                        | 6,035                     | 22,965                                  | 1,927                 | 244                       | 40,276  | 71,447           |
| Disposals and other adjustments            | 1,165                     | (294)                                   | (111)                 | -                         | (4,604)                                       | (3,844)          |
| <b>Balance at 30 June 2023</b>             | <b>173,399</b>            | <b>375,209</b>                          | <b>29,701</b>         | <b>1,963</b>              | <b>391,110</b>                                | <b>971,382</b>   |
| <b>Carrying amounts:</b>                   |                           |   |                       |                           |   |                  |
| <b>At 1 January 2022</b>                   | <b>36,849</b>             | <b>133,638</b>                          | <b>8,025</b>          | <b>23,379</b>             | <b>274,471</b>                                | <b>476,362</b>   |
| <b>At 30 June 2022</b>                     | <b>36,882</b>             | <b>129,451</b>                          | <b>7,909</b>          | <b>14,640</b>             | <b>254,889</b>                                | <b>443,771</b>   |
| <b>At 1 January 2023</b>                   | <b>34,278</b>             | <b>119,020</b>                          | <b>12,711</b>         | <b>44,827</b>             | <b>223,137</b>                                | <b>433,973</b>   |
| <b>At 30 June 2023</b>                     | <b>30,092</b>             | <b>125,266</b>                          | <b>12,878</b>         | <b>26,796</b>             | <b>236,445</b>                                | <b>431,477</b>   |

**Group:** Purchases of property, plant and equipment during year 2023 were in amount of RON 17,106 thousand (2022: RON 17,815 thousand).

**Bank:** Purchases of property, plant and equipment during year 2023 were in amount of RON 16,532 thousand (2022: RON 16,962 thousand).

### 30. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (continued)

Movement in the Right of Use Assets is detailed in the table below:

| <i>In RON thousand</i>           | <u>Group</u><br><u>Land and</u><br><u>buildings</u> | <u>Bank</u><br><u>Land and</u><br><u>buildings</u> |
|----------------------------------|---|--|
| <b>Balance at 1 January 2023</b> | <b>223,137</b>                                      | <b>223,137</b>                                     |
| Additions                        | 61,073  | 57,979   |
| Depreciation expense             | (43,233)  | (43,233)   |
| Impairment charges               | 2,957   | 2,957  |
| Disposals and other decreases    | (4,604)   | (4,604)  |
| Contractual changes              | 210   | 209  |
| <b>Balance at 30 June 2023</b>   | <b>239,540</b>                                      | <b>236,445</b>                                     |

| <i>In RON thousand</i>           | <u>Group</u><br><u>Land and</u><br><u>buildings</u> | <u>Bank</u><br><u>Land and</u><br><u>buildings</u> |
|----------------------------------|---|--|
| <b>Balance at 1 January 2022</b> | <b>274,471</b>                                      | <b>274,471</b>                                     |
| Additions                        | 2,348   | 2,348  |
| Depreciation expense             | (40,156)  | (40,156)   |
| Disposals and other decreases    | (4,328)   | (4,328)  |
| Contractual changes              | 22,554  | 22,554   |
| <b>Balance at 30 June 2022</b>   | <b>254,889</b>                                      | <b>254,889</b>                                     |

Movement in the lease liability is detailed in the table below:

| <i>In RON thousand</i>                                   | <u>Group</u><br><u>Lease</u><br><u>liabilities</u> | <u>Bank</u><br><u>Lease</u><br><u>liabilities</u> |
|--|--|---|
| <b>Balance at 1 January 2023</b>                         | <b>259,291</b>                                     | <b>258,964</b>                                    |
| Additions  | 56,745   | 53,852  |
| Interest expense   | 1,662  | 1,662   |
| Disposals and other decreases                            | -  | -   |
| Payments   | (49,681)   | (49,681)  |
| Other movements (fx, contractual changes, interest paid) | 502  | 502   |
| <b>Balance at 30 June 2023</b>                           | <b>268,519</b>                                     | <b>265,299</b>                                    |

| <i>In RON thousand</i>                                   | <u>Group</u><br><u>Lease</u><br><u>liabilities</u> | <u>Bank</u><br><u>Lease</u><br><u>liabilities</u> |
|--|--|---|
| <b>Balance at 1 January 2022</b>                         | <b>286,460</b>                                     | <b>286,103</b>                                    |
| Additions  | 24,213   | 23,869  |
| Interest expense   | 1,142  | 1,142   |
| Disposals and other decreases                            | -  | -   |
| Payments   | (44,190)   | (44,190)  |
| Other movements (fx, contractual changes, interest paid) | (2,049)  | (1,690)   |
| <b>Balance at 30 June 2022</b>                           | <b>265,576</b>                                     | <b>265,234</b>                                    |

### 31. INTANGIBLE ASSETS

#### Group

*In RON thousand*

|  | Purchased<br>Software | Assets in<br>progress | Total            |
|--|-----------------------|-----------------------|------------------|
| <b>Cost:</b>                               |                       |                       |                  |
| <b>Balance at 1 January 2022</b>           | <b>862,689</b>        | <b>97,884</b>         | <b>960,573</b>   |
| Additions                                  | 624                   | 37,684                | 38,308           |
| Transfers                                  | 63,675                | (63,675)              | -                |
| Disposals                                  | (86)                  | -                     | (86)             |
| <b>Balance at 30 June 2022</b>             | <b>926,902</b>        | <b>71,894</b>         | <b>998,795</b>   |
| <b>Balance at 1 January 2023</b>           | <b>1,011,866</b>      | <b>79,592</b>         | <b>1,091,458</b> |
| Additions                                  | 1,356                 | 61,237                | 62,593           |
| Transfers                                  | 82,234                | (82,234)              | -                |
| <b>Balance at 30 June 2023</b>             | <b>1,095,456</b>      | <b>58,595</b>         | <b>1,154,051</b> |
| <b>Amortization and impairment losses:</b> |                       |                       |                  |
| <b>Balance at 1 January 2022</b>           | <b>611,473</b>        | -                     | <b>611,473</b>   |
| Charge for the year                        | 39,166                | -                     | 39,166           |
| Disposals                                  | (182)                 | -                     | (182)            |
| <b>Balance at 30 June 2022</b>             | <b>650,457</b>        | -                     | <b>650,457</b>   |
| <b>Balance at 1 January 2023</b>           | <b>697,954</b>        | -                     | <b>697,954</b>   |
| Charge for the year                        | 51,302                | -                     | 51,302           |
| Disposals                                  | (44)                  | -                     | (44)             |
| <b>Balance at 30 June 2023</b>             | <b>749,212</b>        | -                     | <b>749,212</b>   |
| <b>Carrying amounts:</b>                   |                       |                       |                  |
| <b>At 1 January 2022</b>                   | <b>251,216</b>        | <b>97,884</b>         | <b>349,100</b>   |
| <b>At 30 June 2022</b>                     | <b>276,445</b>        | <b>71,894</b>         | <b>348,338</b>   |
| <b>At 1 January 2023</b>                   | <b>313,912</b>        | <b>79,592</b>         | <b>393,504</b>   |
| <b>At 30 June 2023</b>                     | <b>346,244</b>        | <b>58,595</b>         | <b>404,839</b>   |

### 31. INTANGIBLE ASSETS (continued)

#### Bank

*In RON thousand*

|  | Purchased<br>Software | Assets in<br>progress | Total            |
|--|-----------------------|-----------------------|------------------|
| <b>Cost:</b>                               |                       |                       |                  |
| <b>Balance at 1 January 2022</b>           | <b>836,950</b>        | <b>97,283</b>         | <b>934,233</b>   |
| Additions                                  | -                     | 37,759                | 37,759           |
| Transfers                                  | 63,675                | (63,675)              | -                |
| Disposals                                  | (86)                  | -                     | (86)             |
| <b>Balance at 30 June 2022</b>             | <b>900,539</b>        | <b>71,367</b>         | <b>971,906</b>   |
| <b>Balance at 1 January 2023</b>           | <b>984,712</b>        | <b>78,833</b>         | <b>1,063,545</b> |
| Additions                                  | -                     | 61,469                | 61,469           |
| Transfers                                  | 82,234                | (82,234)              | -                |
| <b>Balance at 30 June 2023</b>             | <b>1,066,946</b>      | <b>58,068</b>         | <b>1,125,014</b> |
| <b>Amortization and impairment losses:</b> |                       |                       |                  |
| <b>Balance at 1 January 2022</b>           | <b>587,923</b>        | -                     | <b>587,923</b>   |
| Charge for the year                        | 38,787                | -                     | 38,787           |
| Disposals                                  | (29)                  | -                     | (29)             |
| <b>Balance at 30 June 2022</b>             | <b>626,681</b>        | -                     | <b>626,681</b>   |
| <b>Balance at 1 January 2023</b>           | <b>673,339</b>        | -                     | <b>673,339</b>   |
| Charge for the year                        | 50,805                | -                     | 50,805           |
| <b>Balance at 30 June 2023</b>             | <b>724,144</b>        | -                     | <b>724,144</b>   |
| <b>Carrying amounts:</b>                   |                       |                       |                  |
| <b>At 1 January 2022</b>                   | <b>249,027</b>        | <b>97,283</b>         | <b>346,310</b>   |
| <b>At 30 June 2022</b>                     | <b>273,858</b>        | <b>71,367</b>         | <b>345,225</b>   |
| <b>At 1 January 2023</b>                   | <b>311,373</b>        | <b>78,833</b>         | <b>390,206</b>   |
| <b>At 30 June 2023</b>                     | <b>342,802</b>        | <b>58,068</b>         | <b>400,870</b>   |

**Group:** Purchases of intangible assets during year 2023 were in amount of RON 62,593 thousand (2022: RON 38,308 thousand).

**Bank:** Purchases of intangible assets during year 2023 were in amount of RON 61,469 thousand (2022: RON 37,759 thousand).

### 32. DEPOSITS FROM BANKS

| <i>In RON thousand</i> | Group           |                     | Bank            |                     |
|------------------------|-----------------|---------------------|-----------------|---------------------|
|                        | 30 June<br>2023 | 31 December<br>2022 | 30 June<br>2023 | 31 December<br>2022 |
| Payable on demand      | 313,687         | 535,364             | 313,687         | 535,364             |
| Sight deposits         | 42,006          | -                   | 42,006          | -                   |
| Term deposits          | 51,278          | 42,742              | 51,278          | 42,742              |
| <b>Total</b>           | <b>406,971</b>  | <b>578,106</b>      | <b>406,971</b>  | <b>578,106</b>      |

### 33. DEPOSITS FROM CUSTOMERS

| <i>In RON thousand</i>   | Group             |                     | Bank              |                     |
|--------------------------|-------------------|---------------------|-------------------|---------------------|
|                          | 30 June<br>2023   | 31 December<br>2022 | 30 June<br>2023   | 31 December<br>2022 |
| <i>Payable on demand</i> |                   |                     |                   |                     |
| Retail customers         | 21,080,449        | 24,678,579          | 21,057,312        | 24,663,346          |
| Non-retail customers     | 8,028,103         | 8,798,157           | 8,098,438         | 8,861,140           |
|                          | <b>29,108,552</b> | <b>33,476,736</b>   | <b>29,155,750</b> | <b>33,524,486</b>   |
| <i>Term deposits</i>     |                   |                     |                   |                     |
| Retail customers         | 15,858,235        | 11,436,144          | 15,858,235        | 11,436,144          |
| Non-retail customers     | 7,803,279         | 4,320,631           | 7,803,279         | 4,320,631           |
|                          | <b>23,661,514</b> | <b>15,756,775</b>   | <b>23,661,514</b> | <b>15,756,775</b>   |
| <i>Savings accounts</i>  |                   |                     |                   |                     |
| Retail customers         | 54                | 57                  | 54                | 57                  |
|                          | <b>54</b>         | <b>57</b>           | <b>54</b>         | <b>57</b>           |
| <b>Total</b>             | <b>52,770,120</b> | <b>49,233,568</b>   | <b>52,817,318</b> | <b>49,281,318</b>   |

### 34. TOTAL LONG TERM DEBT

Long term-debt includes debt securities issued, senior loans and subordinated loans from banks, as presented in the table below:

| <i>In RON thousand</i>                             | Group            |                     | Bank             |                     |
|--|------------------|---------------------|------------------|---------------------|
|  | 30 June<br>2023  | 31 December<br>2022 | 30 June<br>2023  | 31 December<br>2022 |
| Senior loans from banks and financial institutions | 404,534          | 390,285             | 2,532            | 3,943               |
| <i>Of which unsecured:</i>                         | 173,916          | 109,975             | -                | -                   |
| Debt securities issued                             | 4,013,917        | 3,887,808           | 4,013,917        | 3,887,808           |
| Subordinated loans                                 | 325,175          | 323,726             | 325,091          | 323,678             |
| <b>Total</b>                                       | <b>4,743,626</b> | <b>4,601,819</b>    | <b>4,341,540</b> | <b>4,215,429</b>    |

(i) Senior loans from banks and financial institutions are detailed in the table from below:

| <i>In RON thousand</i>                                   | Group           |                     | Bank            |                     |
|--|-----------------|---------------------|-----------------|---------------------|
|  | 30 June<br>2023 | 31 December<br>2022 | 30 June<br>2023 | 31 December<br>2022 |
| Commercial banks   | 173,915         | 109,975             | -               | -                   |
| Multilateral Development Banks                           | 228,087         | 276,367             | -               | -                   |
| Other financial institutions                             | 2,532           | 3,943               | 2,532           | 3,943               |
| <b>Total loans from banks and financial institutions</b> | <b>404,534</b>  | <b>390,285</b>      | <b>2,532</b>    | <b>3,943</b>        |

#### 34. TOTAL LONG TERM DEBT (continued)

The loans received from banks and other financial institutions are denominated in EUR and RON, with a final maturity which varies between October 2023 and May 2028.

The Group takes all the necessary measures in order to ensure compliance with the financial covenants that may be attached to the loans received from banks and other financial institutions. Consequently, there have been no breaches in the financial covenants of any loans from banks and other financial institutions in the analyzed period.

Senior debt has greater seniority in the Bank's liabilities structure than subordinated debt and regulatory capital instruments as regulated by applicable insolvency law.

As of June 30, 2023, the Group has commitments received from credit institutions in amount of EUR 50.000 thousand (December 31, 2022: EUR 50.000 thousand).

As of June 30, 2023, the Bank has commitments received from credit institutions in amount of EUR 50.000 thousand (December 31, 2022: EUR 50.000 thousand).

##### (ii) Debt securities issued

**Group:** The balance of debt securities issued as at June 30, 2023 (taking into account also the unsecured subordinated bonds), including accrued interest, is in amount of RON 4,013,917 thousand (December 31, 2022: RON 3,887,808 thousand).

**Bank:** The balance of debt securities issued as at June 30, 2023 (taking into account also the unsecured subordinated bonds), including accrued interest, is in amount of RON 4,013,917 thousand (December 31, 2022: RON 3,887,808 thousand).

In December 2019, the Bank issued unsecured, subordinated RON-denominated bonds in nominal amount of RON 480,000 thousand that qualify as Tier 2 instruments. The instruments bear variable rate and have maturity on 19 December 2029. Initially the bonds were subscribed by private investors through a private placement process. According to the terms and conditions of the issuance, the bonds were admitted to trading on the Regulated Spot Market of the Bucharest Stock Exchange on 14th of May 2020, under ISIN code: ROJX86UZW1R4.

On 14 May 2021 the Bank issued its inaugural Senior Preferred (SP) RON-denominated green bond in nominal amount of RON 400,575 thousand bearing a fixed rate coupon with the final maturity on 14 May 2026. The notes have an early redemption feature at the option of the Issuer, subject to prior regulatory approval, with the call redemption date on 14 May 2025. The instruments were issued under the Bank's EMTN programme which was established at the end of April 2021. The notes are expected to be eligible for MREL (Minimum Requirement for Own Funds and Eligible Liabilities). The bonds were listed on the Luxembourg Stock Exchange on 18 May 2021, under ISIN code XS2339508587 and were included in the LGX - Green Exchange platform, dedicated solely to the Green and Sustainable bonds. The notes were passported on 27th of May 2021 on the Regulated Spot Market of the Bucharest Stock Exchange under the same ISIN (Symbol RBRO26).

On 11 June 2021, under the EMTN programme, the Bank issued its first Senior Non-Preferred (SNP) RON-denominated green bond, in nominal amount of RON 1,207,500 thousand bearing a fixed rate coupon, with the maturity date on 11 June 2028 and an early redemption feature at the option of the Issuer on 11 June 2027, subject to prior regulatory approval. The notes are expected to be eligible for MREL (Minimum Requirement for Own Funds and Eligible Liabilities). The bonds were listed on the Luxembourg Stock Exchange - LGX platform on 15 June 2021 under ISIN: XS2349343256 and on 2 July 2021 were passported on the Regulated Spot Market of the Bucharest Stock Exchange, under the same ISIN (Symbol RBRO28).



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#### **34. TOTAL LONG TERM DEBT (continued)**

Under the EMTN programme which was successfully updated in April 2022, the Bank issued on 15th of June 2022 the second RON-denominated green bond in Senior Non-Preferred (SNP) format, in nominal amount of RON 525,000 thousand with a fixed rate coupon, having the final maturity date on 15th of June 2027 and the early redemption feature at the option of the Issuer on 15th of June 2026. Similar to the 2021 green issuances, the notes are expected to be eligible for MREL (Minimum Requirement for Own Funds and Eligible Liabilities) and were listed on the Luxembourg Stock Exchange - LGX platform on 15 June 2022 under ISIN: XS2489289053 and on 24 June 2022 were passported on the Regulated Spot Market of the Bucharest Stock Exchange, under the same ISIN (Symbol RBRO27).

In the second part of the year, the Bank issued three RON-denominated bonds in sustainable format bearing fixed interest payable annually, with a total nominal amount of RON 1,195,425 thousand, out of which two in senior non-preferred format (SNP) in the amount of RON 869,925 thousand. The bonds have a final maturity of 5 years from the date of issue, with the possibility of early redemption 1 year prior to maturity at the option of the issuer and were listed on the Luxembourg Stock Exchange and on the regulated market of the Bucharest Stock Exchange with the following ISINs: XS2511879160, XS2539944012, XS2556373046. The three bonds were issued in order to meet the minimum own funds and eligible debt requirement (MREL).

On 31st of March 2023, the Bank issued a new Senior Non-Preferred (SNP) note due on 7th of December 2027, under the second tranche of series no. 6 issued on 7th of December 2022, with a total amount of RON 119,175 thousand as part of the reopening of the last sustainable bond series. Thus, the bond issuance of series no. 6 reaches a total notional of RON 488.25 million and the cumulative volume of MREL eligible notes issued so far has exceeded RON 3.4 billion.

##### **(iii) Subordinated liabilities**

The balance of subordinated loans as at June 30, 2023, in RON equivalents, including accrued interest is RON 325,175 thousand (December 31, 2022: RON 323,726 thousand).

All subordinated loans are granted by Raiffeisen Bank International A.G. In addition, the subordinated bond subscribed by private investors RON 481,077 thousand (31 December 2022: RON 481,375 thousand) has been included in the above section (ii).

### 34. TOTAL LONG TERM DEBT (continued)

The below tables show the split of total long term debt by contractual maturities as of June 30, 2023:

#### Group

| <i>In RON thousand</i>                             | Less than 1 year | Over 1 year      | Total            |
|--|------------------|------------------|------------------|
| Senior loans from banks and financial institutions | 20,777           | 383,757          | 404,534          |
| <i>Of which unsecured</i>                          | 1,178            | 172,738          | 173,916          |
| Debt securities issued                             | 86,242           | 3,927,675        | 4,013,917        |
| Subordinated loans                                 | 2,554            | 322,621          | 325,175          |
| <b>Total</b>                                       | <b>109,573</b>   | <b>4,634,053</b> | <b>4,743,626</b> |

#### Bank

| <i>In RON thousand</i>                             | Less than 1 year | Over 1 year      | Total            |
|--|------------------|------------------|------------------|
| Senior loans from banks and financial institutions | 1,263            | 1,269            | 2,532            |
| <i>Of which unsecured</i>                          | -                | -                | -                |
| Debt securities issued                             | 86,242           | 3,927,675        | 4,013,917        |
| Subordinated loans                                 | 2,470            | 322,621          | 325,091          |
| <b>Total</b>                                       | <b>89,975</b>    | <b>4,251,565</b> | <b>4,341,540</b> |

The below tables show the split of total long term debt by contractual maturities as of December 31, 2022:

#### Group

| <i>In RON thousand</i>                             | Less than 1 year | Over 1 year      | Total            |
|--|------------------|------------------|------------------|
| Senior loans from banks and financial institutions | 33,334           | 356,951          | 390,285          |
| <i>Of which unsecured</i>                          | 7,537            | 102,438          | 109,975          |
| Debt securities issued                             | 79,308           | 3,808,500        | 3,887,808        |
| Subordinated loans                                 | 2,145            | 321,581          | 323,726          |
| <b>Total</b>                                       | <b>114,787</b>   | <b>4,487,032</b> | <b>4,601,819</b> |

#### Bank

| <i>In RON thousand</i>                             | Less than 1 year | Over 1 year      | Total            |
|--|------------------|------------------|------------------|
| Senior loans from banks and financial institutions | 2,197            | 1,746            | 3,943            |
| <i>Of which unsecured</i>                          | -                | -                | -                |
| Debt securities issued                             | 79,308           | 3,808,500        | 3,887,808        |
| Subordinated loans                                 | 2,097            | 321,581          | 323,678          |
| <b>Total</b>                                       | <b>83,602</b>    | <b>4,131,827</b> | <b>4,215,429</b> |

### 35. OTHER LIABILITIES

| <i>In RON thousand</i>                          | Group            |                     | Bank             |                     |
|---|------------------|---------------------|------------------|---------------------|
|   | 30 June<br>2023  | 31 December<br>2022 | 30 June<br>2023  | 31 December<br>2022 |
| Lease liability                                 | 268,519          | 259,291             | 265,299          | 258,964             |
| Amounts due to state budget for social security | 25,146           | 49,783              | 24,985           | 49,225              |
| Short-term employee benefits                    | 109,548          | 106,383             | 109,456          | 106,253             |
| Accrual for suppliers                           | 124,063          | 194,303             | 123,884          | 194,302             |
| Cash in transit (i)                             | 287,543          | 343,116             | 287,543          | 343,116             |
| Deferred income                                 | 56,162           | 61,108              | 44,054           | 45,955              |
| Other liabilities(ii)                           | 309,781          | 408,885             | 271,031          | 368,546             |
| <b>Total</b>                                    | <b>1,180,762</b> | <b>1,422,869</b>    | <b>1,126,252</b> | <b>1,366,361</b>    |

- i) Cash in transit includes payments which should be settled with other banks of RON 223,962 thousand (2022: RON 186,524 thousand) and receipts which should be settled with current accounts RON 63,581 thousand (2022: RON 156,592 thousand).
- ii) Other liabilities include credit cards of RON 43,160 thousand (2022: RON 137,715 thousand), liabilities due to customers of RON 165,082 thousand (2022: 183,617 thousand RON) and deposits representing the share capital at companies in course of set-up of RON 12,191 thousand (2022: RON 10,045 thousand).

### 36. PROVISIONS

| <i>In RON thousand</i>                                    | Group           |                     | Bank            |                     |
|---|-----------------|---------------------|-----------------|---------------------|
|   | 30 June<br>2023 | 31 December<br>2022 | 30 June<br>2023 | 31 December<br>2022 |
| Provisions for litigations and potential risks (i)        | 64,090          | 108,974             | 64,088          | 108,972             |
| Provision for un-drawn commitments (ii)                   | 54,566          | 87,235              | 54,277          | 86,667              |
| Provision for employee benefits                           | 328             | 397                 | -               | -                   |
| Defined benefit plan(iii)                                 | 38,004          | 32,685              | 38,004          | 32,685              |
| Provisions for severance payments and similar obligations | 355             | 737                 | 355             | 737                 |
| Sundry provisions   | 3,456           | 3,374               | 1,015           | 1,015               |
| <b>Total</b>  | <b>160,799</b>  | <b>233,402</b>      | <b>157,739</b>  | <b>230,076</b>      |

i)The nature of provisions for litigation represents legal disputes. Expected timing of outflows for litigations cannot be appreciated, depending on various factors. Given the complexity and inherent uncertainties related to the outcome of possible scenario regarding the provision for litigation, the Group's estimates needed may differ from actual obligation resulting from the completion of such legal disputes in future periods.

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### **36. PROVISIONS (continued)**

Included in position "Provisions for litigations and potential risks" are the following main legal disputes:

a. Disputes with consumers

As of June 30, 2023, the provisions related to individual consumer loan litigations amounted to RON 3,941 thousand (2022: RON 3,875 thousand). They are due to contractual clauses that may generate losses because they are considered unfair by customers.

b. Order no 837 dated October 20, 2017 received from the National Authority for Consumer Protection

The Romanian consumer protection authority ("ANPC") has issued an order for the bank stop its alleged practice of "not informing its customers about future changes in the interest rate charged to the customers". The Bank disputed the order in court, but finally lost. The Bank has implemented the court decision by paying back certain amounts and related legal interest to affected customers. As of June 30, 2023 the remaining amounts to be paid will not exceed RON 16,703 thousands (December 31, 2022 RON 61,616 thousands).

c. Order no. 234 of September 3, 2021, received from the National Authority for Consumer Protection

The contravention complaint against the minutes which was followed by Order 234/2021 (control carried out with a view to verifying the way of implementing the measures ordered by ANPC Order 280/09.07.2014) was definitively resolved favourably for the Bank, being exempted from paying the contravention fine in the amount of RON 100,000 .

The action to annul Order 234 was resumed (being suspended until the resolution of this contravention complaint), with very high chances of winning, as a result of the finding that the sanctioned act did not exist. The provision as of June 30, 2023 is in amount of RON 34,207 thousands (December 31, 2022 RON 34,207 thousands).

d. The litigation between Aedificium Banca pentru Locuinte S.A. and the Romanian Court of Auditors

The Romanian Court of Auditors claimed that several deficiencies were identified and that conditions for payment by ABL of the state premiums on savings have not been met. ABL initiated a court dispute against the findings of the Romanian Court of Auditors, and in November 2020, lost the trial. During 2022 ABL used a legal provision allowing entities to pay debts towards the state (principal) and be exonerated from payment of accessories. ABL has calculated the prejudice and paid the principal (RON 115million) and filed for fiscal amnesty of accessories (RON 151 million).

The ministry has denied the request for amnesty and the ABL has disputed the denial in court. and won on the merits. Most likely, the Ministry will dispute the first court decision. Lately, in December 2022, the Ministry of Development, Public Works and Administration has issued a title and asked ABL to pay also the penalties within 30 days. ABL disputed the payment request both at the ministry level and in court and also filed a motion in court, to ask for a suspension of the payment request, given that considers that amnesty should have been granted. The suspension has been granted by the court.

### 36. PROVISIONS (continued)

ii) For off balance sheet commitments, provisions are calculated by multiplying net exposure (gross exposure minus collateral value) with historical loss rates specific for each risk category, further adjusted with the credit conversion factor. The credit conversion factor represents the Bank's expectations of the respective loan commitment to become a balance sheet exposure over its expected life.

iii) The defined benefit plan is the Group's one off obligation to offer a number of salaries depending on the service period. The Group has calculated provision for contributions granted to employees on retirement as at year end 2022 using indicators such as: remaining number of years with the company up to retirement, probability that employee will stay with the company up to retirement, current salary, average number of salaries paid as benefit at retirement, age, sex, expected age of retirement as per current legislation.

#### Movement in defined benefits obligations

| <i>In RON thousand</i>   | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> |
|--|-------------------------|-----------------------------|
| <b>Opening defined benefit obligation</b>                                  | <b>32,685</b>           | <b>29,507</b>               |
| Total service cost   | 2,226                   | 4,404                       |
| Benefits paid  | -                       | -                           |
| Interest cost on benefit obligation  | 1,419                   | 738                         |
| Other changes  | -                       | -                           |
| Actuarial (gains) / losses arising from changes in demographic assumptions | -                       | -                           |
| Actuarial (gains) / losses arising from changes in financial assumptions   | 1,674                   | (1,964)                     |
| <b>Closing defined benefit obligation</b>                                  | <b>38,004</b>           | <b>32,685</b>               |

Main actuarial assumptions:

|  | <b>Group</b>            |                             |
|--|-------------------------|-----------------------------|
|  | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> |
| Discount rate                            | 4% – 7.2%               | 5% – 9.1%                   |
| Average long term inflation rate         | 3.15%                   | 7.75%                       |
| Average remaining working period (years) | 26                      | 26                          |

#### Group

During 2023 the provisions can be further analyzed as follows:

| <i>In RON thousand</i>                                    | <b>Opening<br/>Balance</b> | <b>Allocation</b> | <b>Release</b>  | <b>Usage</b>    | <b>Other<br/>movements</b> | <b>FX<br/>difference</b> | <b>Closing<br/>balance</b> |
|---|----------------------------|-------------------|-----------------|-----------------|----------------------------|--------------------------|----------------------------|
| Provisions for litigations and potential risks (i)        | 108,974                    | 7,161             | -               | (51,793)        | -                          | (252)                    | 64,090                     |
| Provision for un-drawn commitments                        | 87,235                     | 13,317            | (46,014)        | -               | -                          | 28                       | 54,566                     |
| Provisions for employee benefits                          | 397                        | 259               | (328)           | -               | -                          | -                        | 328                        |
| Defined benefit plan                                      | 32,685                     | 271               | -               | -               | 5,048                      | -                        | 38,004                     |
| Provisions for severance payments and similar obligations | 737                        | -                 | (382)           | -               | -                          | -                        | 355                        |
| Sundry provisions   | 3,374                      | 82                | -               | -               | -                          | -                        | 3,456                      |
| <b>TOTAL</b>  | <b>233,402</b>             | <b>21,090</b>     | <b>(46,724)</b> | <b>(51,793)</b> | <b>5,048</b>               | <b>(224)</b>             | <b>160,799</b>             |

### 36. PROVISIONS (continued)

During 2022 the provisions can be further analyzed as follows:

| <i>In RON thousand</i>                                    | Opening<br>Balance | Allocation    | Release         | Usage            | FX<br>difference | Closing<br>balance |
|---|--------------------|---------------|-----------------|------------------|------------------|--------------------|
| Provisions for litigations and potential risks (i)        | 301,667            | 3,079         | (49,319)        | (114,908)        | (1,242)          | 139,277            |
| Provision for un-drawn commitments                        | 77,008             | 183           | (3,169)         | -                | 4                | 74,026             |
| Provisions for employee benefits                          | 322                | -             | -               | -                | -                | 322                |
| Defined benefit plan                                      | 29,507             | 8,006         | -               | -                | -                | 37,513             |
| Provisions for overdue vacations                          | 21,011             | 8,809         | -               | -                | -                | 29,820             |
| Provisions for severance payments and similar obligations | 1,126              | 1,008         | (1,126)         | -                | -                | 1,008              |
| Sundry provisions   | 2,941              | -             | (1,274)         | -                | -                | 1,667              |
| <b>TOTAL</b>  | <b>433,582</b>     | <b>21,085</b> | <b>(54,888)</b> | <b>(114,908)</b> | <b>(1,238)</b>   | <b>283,633</b>     |

#### Bank

During 2023 the provisions can be further analyzed as follows:

| <i>In RON thousand</i>                                    | Opening<br>balance | Allocation    | Release         | Usage           | Other<br>movements | FX<br>difference | Closing<br>balance |
|---|--------------------|---------------|-----------------|-----------------|--------------------|------------------|--------------------|
| Provisions for litigations and potential risks            | 108,972            | 7,161         | -               | (51,793)        | -                  | (252)            | 64,088             |
| Provision for un-drawn commitments                        | 86,667             | 13,307        | (45,725)        | -               | -                  | 28               | 54,277             |
| Defined benefit plan                                      | 32,685             | 271           | -               | -               | 5,048              | -                | 38,004             |
| Provisions for severance payments and similar obligations | 737                | -             | (382)           | -               | -                  | -                | 355                |
| Sundry provisions   | 1,015              | -             | -               | -               | -                  | -                | 1,015              |
| <b>TOTAL</b>  | <b>230,076</b>     | <b>20,739</b> | <b>(46,107)</b> | <b>(51,793)</b> | <b>5,048</b>       | <b>(224)</b>     | <b>157,739</b>     |

During 2022 the provisions can be further analyzed as follows:

| <i>In RON thousand</i>                                    | Opening<br>balance | Allocation    | Release         | FX<br>difference | Closing<br>balance |
|---|--------------------|---------------|-----------------|------------------|--------------------|
| Provisions for litigations and potential risks            | 188,339            | 1,877         | (49,319)        | (1,878)          | 139,019            |
| Provision for un-drawn commitments                        | 76,525             | -             | (3,169)         | 4                | 73,360             |
| Defined benefit plan                                      | 29,507             | 8,006         | -               | -                | 37,513             |
| Provisions for overdue vacations                          | 20,999             | 8,821         | -               | -                | 29,820             |
| Provisions for severance payments and similar obligations | 1,126              | 1,008         | (1,126)         | -                | 1,008              |
| Sundry provisions   | 1,013              | 1             | -               | -                | 1,014              |
| <b>TOTAL</b>  | <b>317,509</b>     | <b>19,713</b> | <b>(53,614)</b> | <b>(1,874)</b>   | <b>281,734</b>     |

### 37. SHARE CAPITAL

#### Share capital

As of June 30, 2023 the number of shares is 12,000 and there were no changes in shares structure. Share capital in amount of RON 1.2 bln consists in 12,000 shares with a nominal value of RON 100,000/share.

During 2023, Raiffeisen Bank S.A did not pay dividends (2022: RON 396,000 thousand which represents a dividend of RON 33,000 /share).

#### The shareholders of the Group are as follows:

|                                    | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> |
|------------------------------------|-------------------------|-----------------------------|
|                                    | %                       | %                           |
| Raiffeisen SEE Region Holding GmbH | 99.925                  | 99.925                      |
| Other shareholders                 | 0.075                   | 0.075                       |
| <b>Total</b>                       | <b>100</b>              | <b>100</b>                  |

### 38. OTHER EQUITY INSTRUMENTS

Other equity instruments are comprised of subordinated unsecured instruments notes issued by the Group that are classified as equity instruments in accordance to IAS 32 "Financial Instruments: Presentation". The instruments meet the criteria for inclusion in Group Tier 1 own funds, as they qualify as Additional Tier 1 instruments, as defined by Regulation (EU) No. 575/2013 (CRR), article 52. They are perpetual instruments, with no maturity, while the issuer's reimbursement is limited and subject to supervisory approval.

Although the notes include a coupon rate, this is fully discretionary and is paid out of the distributable profits. In case the Group's CET 1 Capital Ratio is below a certain threshold, this might trigger full or partial write-down of the notes. The write-down is temporary and can be followed by a write-up, which is at the sole discretion of the issuer and compliance with applicable supervisory regulations. The total issue of the notes amounts to EUR 125 million ( December 31,2022 EUR 125 million) and have been purchased by Raiffeisen Bank International A.G. (please refer to *note 40 Related party transactions*).

During 2023, Raiffeisen Bank S.A paid coupon in amount of 64,458 thousand RON (2022: RON 18,742).

### 39. OTHER RESERVES

| <i>In RON thousand</i>  | <b>Group</b>            |                             |                         | <b>Bank</b>             |                             |                         |
|---|-------------------------|-----------------------------|-------------------------|-------------------------|-----------------------------|-------------------------|
|   | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> | <b>30 June<br/>2022</b> | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> | <b>30 June<br/>2022</b> |
| Statutory reserve   | 242,128                 | 242,128                     | 242,128                 | 240,000                 | 240,000                     | 240,000                 |
| Fair value of equity instruments measured at fair value through other comprehensive income (net of tax) | 36,474                  | 29,956                      | 15,185                  | 38,078                  | 31,560                      | 16,788                  |
| Fair value of debt instruments measured at fair value through other comprehensive income                | (160,442)               | (249,287)                   | (357,923)               | (160,664)               | (249,199)                   | (357,602)               |
| Actuarial gains or (-) losses on defined benefit pension plans  | (1,674)                 | 1,964                       | (3,982)                 | (1,674)                 | 1,964                       | (3,982)                 |
| <b>Total</b>  | <b>116,486</b>          | <b>24,761</b>               | <b>(104,592)</b>        | <b>115,740</b>          | <b>24,325</b>               | <b>(104,796)</b>        |

The table below presents the fair value reserve for financial assets FVOCI:

| <i>In RON thousand</i>   | <b>Group</b>            |                             |                         | <b>Bank</b>             |                             |                         |
|--|-------------------------|-----------------------------|-------------------------|-------------------------|-----------------------------|-------------------------|
|  | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> | <b>30 June<br/>2022</b> | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> | <b>30 June<br/>2022</b> |
| <b>Balance at 1 January</b>  | <b>(219,331)</b>        | <b>(104,211)</b>            | <b>(104,211)</b>        | <b>(217,639)</b>        | <b>(101,943)</b>            | <b>(101,943)</b>        |
| Fair value changes of equity instruments measured at fair value through other comprehensive income                 | 6,518                   | 17,933                      | 3,160                   | 6,518                   | 17,933                      | 3,160                   |
| Valuation gains or (-) losses taken to equity of debt instruments at fair value through other comprehensive income | 88,845                  | (133,053)                   | (241,687)               | 88,535                  | (133,629)                   | (242,031)               |
| <b>Balance at the end of reporting period</b>  | <b>(123,968)</b>        | <b>(219,331)</b>            | <b>(342,738)</b>        | <b>(122,586)</b>        | <b>(217,639)</b>            | <b>(340,814)</b>        |

#### 40. RELATED PARTY TRANSACTIONS

The Group entered into a number of banking transactions with Raiffeisen Bank International AG, the ultimate controlling party, and its subsidiaries in the normal course of business. The transactions and balances with related parties are presented in tables below:

##### Group

*In RON thousand*

|   | 2023                        |               |               |                | Total            |
|---|-----------------------------|---------------|---------------|----------------|------------------|
|   | Ultimate controlling entity | Associates    | Key Personnel | Other interest |                  |
| Trading assets  | 19,122                      | -             | -             | -              | 19,122           |
| Derivative assets held for risk management                          | 30,104                      | -             | -             | -              | 30,104           |
| Loans and advances to banks at amortised cost                       | 927,287                     | -             | -             | 92             | 927,379          |
| Investment in subsidiaries, associates and joint ventures           | -                           | 36,714        | -             | -              | 36,714           |
| Equity instruments at fair value through other comprehensive income | -                           | -             | -             | 78,554         | 78,554           |
| Derivatives – Hedge accounting                                      | 6,008                       | -             | -             | -              | 6,008            |
| Loans and advances to customers at amortised cost                   | -                           | 25,062        | 3,226         | 264,153        | 292,441          |
| Property, equipment and right-of-use assets                         | -                           | -             | -             | 85,251         | 85,251           |
| Other assets  | 4,677                       | 158           | 11            | 25,735         | 30,581           |
| <b>Outstanding assets</b>   | <b>987,198</b>              | <b>61,934</b> | <b>3,237</b>  | <b>453,785</b> | <b>1,506,154</b> |
| Derivative liabilities held for risk management                     | 4,411                       | -             | -             | -              | 4,411            |
| Fair value changes of the hedged items-liability                    | 7,818                       | -             | -             | -              | 7,818            |
| Trading liabilities   | 1,340                       | -             | -             | -              | 1,340            |
| Deposits from banks   | 45,620                      | -             | -             | 2,159          | 47,779           |
| Deposits from customers   | -                           | 12,347        | 17,954        | 142,693        | 172,994          |
| Subordinated loans  | 325,091                     | -             | -             | -              | 325,091          |
| Other equity instruments  | 609,322                     | -             | -             | -              | 609,322          |
| Other liabilities   | 12,849                      | 5,561         | -             | 207,022        | 225,432          |
| <b>Outstanding liabilities</b>                                      | <b>1,006,451</b>            | <b>17,908</b> | <b>17,954</b> | <b>351,874</b> | <b>1,394,187</b> |
| Commitments given   | -                           | 20,000        | -             | 46,791         | 66,791           |
| Guarantees issued   | 162,274                     | -             | -             | 14,729         | 177,003          |
| Commitments received  | 248,170                     | -             | -             | -              | 248,170          |
| Guarantees received   | 169,163                     | -             | -             | 19,898         | 189,061          |
| Notional amount of derivative instruments                           | 3,177,069                   | -             | -             | -              | 3,177,069        |



#### 40. RELATED PARTY TRANSACTIONS (continued)

In RON thousand

|   | 2022                        |               |               |                | Total            |
|---|-----------------------------|---------------|---------------|----------------|------------------|
|   | Ultimate controlling entity | Associates    | Key Personnel | Other interest |                  |
| Trading assets  | 36,908                      | -             | -             | -              | 36,908           |
| Derivative assets held for risk management                          | 13,781                      | -             | -             | -              | 13,781           |
| Loans and advances to banks at amortised cost                       | 18,692                      | -             | -             | 180            | 18,872           |
| Investment in subsidiaries, associates and joint ventures           | -                           | 32,891        | -             | -              | 32,891           |
| Equity instruments at fair value through other comprehensive income | -                           | -             | -             | 71,488         | 71,488           |
| Derivatives – Hedge accounting                                      | 8,355                       | -             | -             | -              | 8,355            |
| Loans and advances to customers at amortised cost                   | -                           | 20,117        | 5,609         | 237,821        | 263,547          |
| Property, equipment and right-of-use assets                         | -                           | -             | -             | 87,285         | 87,285           |
| Other assets  | 2,544                       | 269           | 7             | 14,367         | 17,187           |
| <b>Outstanding assets</b>   | <b>80,280</b>               | <b>53,277</b> | <b>5,616</b>  | <b>411,141</b> | <b>550,314</b>   |
| Derivative liabilities held for risk management                     | 2,888                       | -             | -             | -              | 2,888            |
| Fair value changes of the hedged items-liability                    | 11,398                      | -             | -             | -              | 11,398           |
| Trading liabilities   | 14,074                      | -             | -             | -              | 14,074           |
| Deposits from banks   | 87,447                      | -             | -             | 3,896          | 91,343           |
| Deposits from customers   | -                           | 94,962        | 23,365        | 131,555        | 249,882          |
| Subordinated loans  | 323,678                     | -             | -             | -              | 323,678          |
| Other equity instruments  | 609,440                     | -             | -             | -              | 609,440          |
| Other liabilities   | 13,611                      | 6             | 28            | 97,418         | 111,063          |
| <b>Outstanding liabilities</b>                                      | <b>1,062,536</b>            | <b>94,968</b> | <b>23,393</b> | <b>232,869</b> | <b>1,413,766</b> |
| Commitments given   | -                           | 4,787         | -             | 135,998        | 140,785          |
| Guarantees issued   | 85,984                      | -             | -             | 43,670         | 129,654          |
| Commitments received  | 247,370                     | -             | -             | -              | 247,370          |
| Guarantees received   | 89,458                      | -             | -             | 53,147         | 142,605          |
| Notional amount of derivative instruments                           | 2,322,811                   | -             | -             | -              | 2,322,811        |

#### 40. RELATED PARTY TRANSACTIONS (continued)

##### Bank

|   | 2023                              |                |               |                  |                   |                  |
|---|-----------------------------------|----------------|---------------|------------------|-------------------|------------------|
|   | Ultimate<br>controlling<br>entity | Subsidiaries   | Associates    | Key<br>Personnel | Other<br>interest | Total            |
| <i>In RON thousand</i>  |                                   |                |               |                  |                   |                  |
| Trading assets  | 19,122                            | -              | -             | -                | -                 | 19,122           |
| Derivative assets held for risk management                          | 30,104                            | -              | -             | -                | -                 | 30,104           |
| Loans and advances to banks at amortised cost                       | 927,287                           | 11,858         | -             | -                | 92                | 939,237          |
| Investment in subsidiaries, associates and joint ventures           | -                                 | 91,884         | 14,987        | -                | -                 | 106,871          |
| Equity instruments at fair value through other comprehensive income | -                                 | -              | -             | -                | 78,554            | 78,554           |
| Derivatives – Hedge accounting                                      | 6,008                             | -              | -             | -                | -                 | 6,008            |
| Loans and advances to customers at amortised cost                   | -                                 | 686,870        | 25,062        | 3,226            | 264,153           | 979,311          |
| Property and equipment (RoU)  | -                                 | -              | -             | -                | 85,251            | 85,251           |
| Other assets  | 4,677                             | 2,969          | 158           | 11               | 25,735            | 33,550           |
| <b>Outstanding assets</b>   | <b>987,198</b>                    | <b>793,581</b> | <b>40,207</b> | <b>3,237</b>     | <b>453,785</b>    | <b>2,278,008</b> |
| Derivative liabilities held for risk management                     | 4,411                             | -              | -             | -                | -                 | 4,411            |
| Fair value changes of the hedged items-liability                    | 7,818                             | -              | -             | -                | -                 | 7,818            |
| Trading liabilities   | 1,340                             | -              | -             | -                | -                 | 1,340            |
| Deposits from banks   | 45,620                            | 200            | -             | -                | 2,159             | 47,979           |
| Deposits from customers   | -                                 | 72,533         | 12,347        | 17,954           | 142,693           | 245,527          |
| Subordinated loans  | 325,091                           | -              | -             | -                | -                 | 325,091          |
| Other equity instruments  | 609,322                           | -              | -             | -                | -                 | 609,322          |
| Other liabilities   | 12,849                            | -              | 5,561         | -                | 207,022           | 225,432          |
| <b>Outstanding liabilities</b>                                      | <b>1,006,451</b>                  | <b>72,733</b>  | <b>17,908</b> | <b>17,954</b>    | <b>351,874</b>    | <b>1,466,920</b> |
| Commitments given   | -                                 | 208,536        | 20,000        | -                | 46,791            | 275,327          |
| Guarantees issued   | 162,274                           | 1,273          | -             | -                | 14,729            | 178,276          |
| Commitments received  | 248,170                           | -              | -             | -                | -                 | 248,170          |
| Guarantees received   | 169,163                           | -              | -             | -                | 19,898            | 189,061          |
| Notional amount of derivative instruments                           | 3,177,069                         | 2,482          | -             | -                | -                 | 3,179,551        |

#### 40. RELATED PARTY TRANSACTIONS (continued)

##### Bank

|   | 2022                              |                |               |                  |                   |                  |
|---|-----------------------------------|----------------|---------------|------------------|-------------------|------------------|
|   | Ultimate<br>controlling<br>entity | Subsidiaries   | Associates    | Key<br>Personnel | Other<br>interest | Total            |
| <i>In RON thousand</i>  |                                   |                |               |                  |                   |                  |
| Trading assets  | 36,908                            | -              | -             | -                | -                 | 36,908           |
| Derivative assets held for risk management                          | 13,781                            | -              | -             | -                | -                 | 13,781           |
| Loans and advances to banks at amortised cost                       | 18,692                            | 11,905         | -             | -                | 180               | 30,777           |
| Investment in subsidiaries, associates and joint ventures           | -                                 | 91,884         | 14,987        | -                | -                 | 106,871          |
| Equity instruments at fair value through other comprehensive income | -                                 | -              | -             | -                | 71,488            | 71,488           |
| Derivatives – Hedge accounting                                      | 8,355                             | -              | -             | -                | -                 | 8,355            |
| Loans and advances to customers at amortised cost                   | -                                 | 648,786        | 20,117        | 3,155            | 237,821           | 909,879          |
| Property and equipment (RoU)  | -                                 | -              | -             | -                | 87,285            | 87,285           |
| Other assets  | 2,544                             | 5,456          | 269           | 7                | 14,367            | 22,643           |
| <b>Outstanding assets</b>   | <b>80,280</b>                     | <b>758,031</b> | <b>35,373</b> | <b>3,162</b>     | <b>411,141</b>    | <b>1,287,987</b> |
| Derivative liabilities held for risk management                     | 2,888                             | -              | -             | -                | -                 | 2,888            |
| Fair value changes of the hedged items-liability                    | 11,398                            | -              | -             | -                | -                 | 11,398           |
| Trading liabilities   | 14,074                            | -              | -             | -                | -                 | 14,074           |
| Deposits from banks   | 87,447                            | 195            | -             | -                | 3,896             | 91,538           |
| Deposits from customers   | -                                 | 64,285         | 94,962        | 12,753           | 131,555           | 303,555          |
| Subordinated loans  | 323,678                           | -              | -             | -                | -                 | 323,678          |
| Other equity instruments  | 609,440                           | -              | -             | -                | -                 | 609,440          |
| Other liabilities   | 13,611                            | 1,136          | 6             | 28               | 97,418            | 112,199          |
| <b>Outstanding liabilities</b>                                      | <b>1,062,536</b>                  | <b>65,616</b>  | <b>94,968</b> | <b>12,781</b>    | <b>232,869</b>    | <b>1,468,770</b> |
| Commitments given   | -                                 | 161,001        | 4,787         | -                | 135,998           | 301,786          |
| Guarantees issued   | 85,984                            | -              | -             | -                | 43,670            | 129,654          |
| Commitments received  | 247,370                           | -              | -             | -                | -                 | 247,370          |
| Guarantees received   | 89,458                            | -              | -             | -                | 53,147            | 142,605          |
| Notional amount of derivative instruments                           | 2,322,811                         | -              | -             | -                | -                 | 2,322,811        |

40. RELATED PARTY TRANSACTIONS (continued)

Group

|  | 30 June 2023                |            |               |                | Total    |
|--|-----------------------------|------------|---------------|----------------|----------|
|  | Ultimate controlling entity | Associates | Key Personnel | Other interest |          |
| <i>In RON thousand</i>                         |                             |            |               |                |          |
| Interest income                                | 6,886                       | 1,000      | 120           | 8,439          | 16,445   |
| Interest expense                               | (12,723)                    | -          | (159)         | -              | (12,882) |
| Fees and commissions income                    | 2,959                       | 3          | 2             | 33             | 2,997    |
| Fees and commissions expenses                  | (2,807)                     | -          | -             | (18,104)       | (20,911) |
| Net trading income                             | (2,840)                     | -          | -             | -              | (2,840)  |
| Operating expenses                             | (19,894)                    | (26,818)   | (33)          | (41,001)       | (87,746) |
| Personnel expenses                             | -                           | -          | (18,350)      | -              | (18,350) |
| Dividend income                                | -                           | -          | -             | -              | -        |
| Other operating income                         | 94                          | (157)      | -             | 628            | 565      |
| Gains or (-) losses from hedge accounting, net | (2,833)                     | -          | -             | -              | (2,833)  |
|  |                             |            |               |                |          |
|  | 30 June 2022                |            |               |                | Total    |
|  | Ultimate controlling entity | Associates | Key Personnel | Other interest | Total    |
| <i>In RON thousand</i>                         |                             |            |               |                |          |
| Interest income                                | 271                         | 608        | 580           | 3,663          | 5,122    |
| Interest expense                               | (7,049)                     | -          | -             | (2,962)        | (10,011) |
| Fees and commissions income                    | 3,274                       | 5          | 3             | 717            | 3,999    |
| Fees and commissions expenses                  | (1,141)                     | -          | -             | (14,502)       | (15,643) |
| Net trading income                             | 18,268                      | -          | -             | -              | 18,268   |
| Operating expenses                             | (9,595)                     | (21,528)   | (156)         | (30,194)       | (61,473) |
| Personnel expenses                             | -                           | -          | (17,376)      | -              | (17,376) |
| Other operating income                         | -                           | -          | -             | 1,333          | 1,333    |

Operating expenses include mostly IT costs, legal, advisory and consulting expenses and office space expenses such as rental, maintenance and others.

#### 40. RELATED PARTY TRANSACTIONS (continued)

##### Bank

| <i>In RON thousand</i>                            | 30 June 2023                      |              |            |                  |                   |                 |
|---|-----------------------------------|--------------|------------|------------------|-------------------|-----------------|
|   | Ultimate<br>controlling<br>entity | Subsidiaries | Associates | Key<br>Personnel | Other<br>interest | Total           |
| Interest income                                   | 6,886                             | 11,888       | 1,000      | 120              | 8,439             | <b>28,333</b>   |
| Interest expense                                  | (12,723)                          | (55)         | -          | (159)            | -                 | <b>(12,937)</b> |
| Fees and commissions income                       | 2,959                             | 2,107        | 3          | 2                | 33                | <b>5,104</b>    |
| Fees and commissions expenses                     | (2,807)                           | -            | -          | -                | (18,104)          | <b>(20,911)</b> |
| Net trading income                                | (2,840)                           | -            | -          | -                | -                 | <b>(2,840)</b>  |
| Operating expenses                                | (19,894)                          | (21)         | (26,818)   | (33)             | (41,001)          | <b>(87,767)</b> |
| Personnel expenses                                | -                                 | -            | -          | (18,350)         | -                 | <b>(18,350)</b> |
| Dividend income                                   | -                                 | -            | -          | -                | 988               | <b>988</b>      |
| Other operating income                            | 94                                | 1,615        | (157)      | -                | 628               | <b>2,180</b>    |
| Gains or (-) losses from hedge<br>accounting, net | (2,833)                           | -            | -          | -                | -                 | <b>(2,833)</b>  |

  

| <i>In RON thousand</i>        | 30 June 2022                      |              |            |               |                   |                 |
|-------------------------------|-----------------------------------|--------------|------------|---------------|-------------------|-----------------|
|                               | Ultimate<br>controlling<br>entity | Subsidiaries | Associates | Key Personnel | Other<br>interest | Total           |
| Interest income               | 271                               | 3,290        | 608        | 580           | 3,663             | <b>8,412</b>    |
| Interest expense              | (7,049)                           | (124)        | -          | -             | (2,962)           | <b>(10,135)</b> |
| Fees and commissions income   | 3,274                             | 3,392        | 5          | 3             | 717               | <b>7,391</b>    |
| Fees and commissions expenses | (1,141)                           | -            | -          | -             | (14,502)          | <b>(15,643)</b> |
| Net trading income            | 18,268                            | -            | -          | -             | -                 | <b>18,268</b>   |
| Operating expenses            | (9,595)                           | -            | (21,528)   | (156)         | (30,194)          | <b>(61,473)</b> |
| Personnel expenses            | -                                 | -            | -          | (17,376)      | -                 | <b>(17,376)</b> |
| Dividend income               | -                                 | 26,762       | -          | -             | 694               | <b>27,456</b>   |
| Other operating income        | -                                 | 1,116        | -          | -             | 639               | <b>1,755</b>    |

#### 40. RELATED PARTY TRANSACTIONS (continued)

##### Transactions with key management personnel

Key management personnel is comprised of the members of the Supervisory Board, Management Board and other senior management as defined by the National Bank of Romania Regulation no.5/20.12.2013 related to the prudential requirements for credit institutions and amended by the Regulation no.5/17.12.2014.

The transactions between the Group and key management personnel are in the normal course of business, representing: loans granted, deposits placed, foreign currency transactions and guarantees issued.

The volumes of key management personnel transactions as at year-end and expense and income for the year are presented in the below tables.

*In RON thousand*

|  | Group  |        | Bank   |        |
|--|--------|--------|--------|--------|
|  | 2023   | 2022   | 2023   | 2022   |
| Loans and advances to customers                | 3,226  | 5,609  | 3,226  | 3,155  |
| Interest income and fees and commission income | 122    | 67     | 122    | 67     |
| Impairment for loans and advances to customer  | 12     | 73     | 12     | 73     |
| Deposits                                       | 17,954 | 23,365 | 17,954 | 12,753 |
| Interest expense                               | (159)  | -      | (159)  | -      |

The following table shows total remuneration of the members of the Key management personnel according to IAS 24.17. The expenses according to IAS 24 were recognized on an accrual basis and according to the rules of the underlying standards, respectively IAS 19:

##### Key management personnel compensation

*In RON thousand*

|                              | Group         |               | Bank          |               |
|------------------------------|---------------|---------------|---------------|---------------|
|                              | 2023          | 2022          | 2023          | 2022          |
| Short-term employee benefits | 17,030        | 16,181        | 17,030        | 16,181        |
| Other long term benefits     | 1,320         | 1,195         | 1,320         | 1,195         |
| <b>Total compensation</b>    | <b>18,350</b> | <b>17,376</b> | <b>18,350</b> | <b>17,376</b> |

Short-term employee benefits shown in the above table contain salaries and benefits in kind and other benefits and those parts of the bonuses which become due for the short term. Furthermore, changes possibly arising from the difference between the bonus provision and the later awarded bonus are also contained.

Other long-term benefits contain bonus payments, deferred on a period above one year, payable in cash.

#### 41. COMMITMENTS AND CONTINGENCIES

##### Guarantees and letters of credit

The Group issues guarantees and letters of credit for its customers. Guarantees and letters of credit represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties. The primary purpose of letters of credit is to ensure that funds are available to a customer as required.

##### Credit related commitments

Loan commitments represent unused amounts of approved credit facilities. Off-balance sheet contractual amounts of loan commitments, guarantees and letters of credit issued are presented in the following table:

| <i>In RON thousand</i> | <b>Group</b>            |                             | <b>Bank</b>             |                             |
|------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|
|                        | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> | <b>30 June<br/>2023</b> | <b>31 December<br/>2022</b> |
| Loan commitments       | 16,469,475              | 16,137,505                  | 16,618,395              | 16,217,127                  |
| Guarantees issued      | 4,581,494               | 3,916,107                   | 4,581,494               | 3,916,107                   |
| Letters of credit      | 304,255                 | 701,775                     | 304,255                 | 701,775                     |
| <b>Total</b>           | <b>21,355,224</b>       | <b>20,755,387</b>           | <b>21,504,144</b>       | <b>20,835,009</b>           |

## 42. CAPITAL

The capital management of the Group is defined through the capital strategy approved by the Management Board and is reviewed at least once every year.

The primary objective of the Group's capital management is to ensure an adequate level of capital which meets not only the regulatory requirements, but also the limits set in the capital strategy. The Management Board of the Group actively manages the capital structure and seeks to maintain at all times a higher level of capital than the regulatory one in order to ensure a comfortable position in achieving the Group's business objectives.

No major changes have been made to the objectives and policies regarding capital management compared to the previous year.

Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No.648/2012 requires that the Group maintain a minimum Common Equity Tier 1 capital ratio of 4.5 %, a minimum Tier 1 capital ratio of 6 % and a minimum total capital ratio of 8 %.

The Group has in place the internal capital adequacy framework, which insures coverage of the risks in accordance with the results from the risk assessment regularly performed. The Group is also subject to Conservation and other systemically important institutions buffer. The Group is compliant with all of the above requirements.

| <i>In RON thousand</i>               | <b>Group</b>                      |                                    |                                   | <b>Bank</b>                       |                                    |                                   |
|--------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
|                                      | <b>2023</b>                       | <b>2022</b>                        | <b>2022</b>                       | <b>2023</b>                       | <b>2022</b>                        | <b>2022</b>                       |
|                                      | <b>After Profit Incorporation</b> | <b>Before Profit Incorporation</b> | <b>After Profit Incorporation</b> | <b>After Profit Incorporation</b> | <b>Before Profit Incorporation</b> | <b>After Profit Incorporation</b> |
| Tier 1 Capital, of which:            |                                   |                                    |                                   |                                   |                                    |                                   |
| Common Equity Tier 1 (CET 1) Capital | 5,969,597                         | 5,635,489                          | 5,757,677                         | 5,792,248                         | 5,482,299                          | 5,582,951                         |
| Additional Tier 1 Capital            | 5,360,299                         | 5,026,073                          | 5,148,261                         | 5,182,950                         | 4,872,883                          | 4,973,535                         |
|                                      | 609,298                           | 609,416                            | 609,416                           | 609,298                           | 609,416                            | 609,416                           |
| Tier 2 Capital                       | 876,988                           | 863,163                            | 863,163                           | 867,462                           | 853,797                            | 853,797                           |
| <b>Total capital</b>                 | <b>6,846,585</b>                  | <b>6,498,652</b>                   | <b>6,620,840</b>                  | <b>6,659,710</b>                  | <b>6,336,096</b>                   | <b>6,436,748</b>                  |
| <b>Risk weighted assets</b>          | <b>34,296,095</b>                 | <b>31,040,203</b>                  | <b>31,040,203</b>                 | <b>33,030,582</b>                 | <b>29,936,081</b>                  | <b>29,936,110</b>                 |
| Common Equity Tier 1 Capital ratio   | 15.63%                            | 16.19%                             | 16.59%                            | 15.69%                            | 16.28%                             | 16.61%                            |
| Tier 1 Capital ratio                 | 17.41%                            | 18.16%                             | 18.55%                            | 17.54%                            | 18.31%                             | 18.65%                            |
| Total Capital ratio                  | 19.96%                            | 20.94%                             | 21.33%                            | 20.16%                            | 21.17%                             | 21.50%                            |



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#### **42. CAPITAL (continued)**

Regulatory capital consists of Tier 1 and Tier 2 layers of capital. Tier 1 is made of share capital, premium reserves, retained earnings (excluding current year profit) and deductions according to legislation in force. Tier 2 capital includes subordinated long term debt and deductions according to legislation in force.

As of June 2023, the Group has Additional Tier 1 Notes in amount of RON 609,440 thousand (RON 609,440 thousand as of December 31, 2022) that were purchased by Raiffeisen Bank International AG. The instruments are classified as equity instruments in accordance to IAS 32 "Financial Instruments: Presentation" and meet the criteria for inclusion in Group Tier 1 capital (see note 38 *Other equity instruments*).

Also in December 2019, the Bank issued unsecured, subordinated RON-denominated bonds in nominal amount of RON 480,000 thousand that qualify as Tier 2 instruments as defined by Regulation (EU) No. 575/2013 (see note 34 *Total long term debt*).

#### **43. SEGMENTS CONSOLIDATION**

Key decisions are made by chief operating decision makers determining the resources allocated to each segment based on its financial strength and profitability.

The Group follows financial performance and steers the business by segments and products, namely customer business consists of Corporate, Retail, Financial Institutions and Own employees. Corporate comprises legal entities with an annual turnover exceeding EUR 5 million. Retail contains individual clients and legal entities with an annual turnover below the EUR 5 million threshold (small and medium entities), while Financial Institutions (part of Treasury Division) deals with brokers, banks, insurance companies, leasing firms, investment and pension funds, as well as asset management companies.

The Group offers a wide array of banking services to its customers, adapted to the ever changing needs of our clients, but with maintained focus on the basics of banking.

Customer business lines bring in more than 85% of the Group's operating income, with following specifics worth mentioning: corporate clients chiefly draw their revenue streams from lending business, followed by fees from cash management, account services, foreign currency deals and investment banking activity.

Small clients also share these characteristics, while their unique business traits are visible through more intense payment and account activity, thus generating visibly greater proportion of the revenues as fees.

Private individual customers provide a highly diversified revenue source for the Group, mainly from unsecured loans, credit card and overdraft facilities, but also from mortgage loans, saving products and transactional business, FX deals and asset management services, as well as from the activity of intermediating transactions on the stock exchange; the Group continues to focus its attention on promoting alternative channels usage and thus provide improved services with advantages for both sides.

Proprietary business consists of Treasury Division (less Financial Institutions) and "Others" segment (less Own employees). The first mainly provides income streams from treasury activities, namely trading revenues, net income from financial assets held at fair value through profit or loss, as well as from interest contribution. The latter shows revenues mainly obtained as a result of transfers among segments, capital benefit, income generated by participations.

Regarding the segmentation by geographical area, the Group is performing its activity mainly under geographical area of Romania.

#### 43. SEGMENTS CONSOLIDATION (continued)

| Group   | 2023                |                     |                  |                   |                  | Total unit        |
|---|---------------------|---------------------|------------------|-------------------|------------------|-------------------|
|   | Corporate Customers | Private Individuals | SME              | Treasury Division | Others           |                   |
| <i>In RON thousand</i>  |                     |                     |                  |                   |                  |                   |
| Total Assets before impairment allowance on loans and advances to customers at amortised cost             | 18,653,625          | 18,726,517          | 4,255,413        | 22,915,767        | 3,448,377        | 67,999,699        |
| Impairment allowance on loans and advances to customers at amortised cost                                 | (317,209)           | (745,001)           | (148,884)        | (2,464)           | (4,659)          | (1,218,217)       |
| <b>Total Assets</b>   | <b>18,336,416</b>   | <b>17,981,516</b>   | <b>4,106,529</b> | <b>22,913,303</b> | <b>3,443,718</b> | <b>66,781,482</b> |
| <b>Total Liabilities</b>  | <b>10,908,200</b>   | <b>30,930,428</b>   | <b>7,745,658</b> | <b>5,391,860</b>  | <b>4,434,352</b> | <b>59,410,498</b> |
| <b>Equity</b>   | -                   | -                   | -                | -                 | <b>7,370,984</b> | <b>7,370,984</b>  |
| Net interest income   | 276,722             | 542,144             | 167,680          | 232,078           | 161,325          | 1,379,949         |
| Net commission income   | 47,192              | 111,821             | 80,349           | 11,716            | (173)            | 250,905           |
| Net trading income  | 31,671              | 88,664              | 42,112           | 36,863            | 394              | 199,704           |
| Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net | 70                  | 16,401              | 317              | 496               | 1,293            | 18,577            |
| Gains or (-) losses from hedge accounting, net  | -                   | -                   | -                | 654               | -                | 654               |
| Other net operating income*   | (17,455)            | (17,325)            | (2,584)          | 39,503            | 23,425           | 25,564            |
| <b>Total Operating income</b>   | <b>338,200</b>      | <b>741,705</b>      | <b>287,874</b>   | <b>321,310</b>    | <b>186,264</b>   | <b>1,875,353</b>  |
| Operating expenses  | (73,715)            | (257,913)           | (103,979)        | (15,844)          | (14,478)         | (465,929)         |
| Personnel expenses  | (48,746)            | (231,031)           | (103,500)        | (12,702)          | (11,192)         | (407,171)         |
| Net provisioning for impairment allowance   | 35,492              | 27,259              | 24,860           | (2,745)           | 2,154            | 87,020            |
| Share of gain from associates and joint ventures  | -                   | -                   | -                | -                 | 3,823            | 3,823             |
| <b>Profit before tax</b>  | <b>251,231</b>      | <b>280,020</b>      | <b>105,255</b>   | <b>290,019</b>    | <b>166,571</b>   | <b>1,093,096</b>  |
| Income taxes  | -                   | -                   | -                | -                 | (203,233)        | (203,233)         |
| <b>Profit after tax</b>   | <b>251,231</b>      | <b>280,020</b>      | <b>105,255</b>   | <b>290,019</b>    | <b>(36,662)</b>  | <b>889,863</b>    |

\*) Other operating income for the segments mainly contain the re-distribution of the cost of capital from Treasury to the other segments, relative to the regulatory assets held by Treasury, like Stress buffer and Minimum reserve.

#### 43.SEGMENTS CONSOLIDATION (continued)

| Group   | 2022                |                     |                  |                   |                  | Total unit        |
|---|---------------------|---------------------|------------------|-------------------|------------------|-------------------|
|   | Corporate Customers | Private Individuals | SME              | Treasury Division | Others           |                   |
| <i>In RON thousand</i>  |                     |                     |                  |                   |                  |                   |
| Total Assets before impairment allowance on loans and advances to customers at amortised cost                     | 17,247,981          | 18,820,720          | 3,955,546        | 20,009,933        | 3,892,118        | 63,926,298        |
| Impairment allowance on loans and advances to customers at amortised cost   | (366,061)           | (794,316)           | (167,940)        | (568)             | (7,657)          | (1,336,542)       |
| <b>Total Assets</b>   | <b>16,881,920</b>   | <b>18,026,404</b>   | <b>3,787,606</b> | <b>20,009,365</b> | <b>3,884,461</b> | <b>62,589,756</b> |
| <b>Total Liabilities</b>  | <b>9,891,671</b>    | <b>30,045,260</b>   | <b>7,758,271</b> | <b>4,048,931</b>  | <b>4,391,651</b> | <b>56,135,784</b> |
| <b>Equity</b>   | -                   | -                   | -                | -                 | <b>6,453,972</b> | <b>6,453,972</b>  |
| Net interest income   | 230,280             | 546,176             | 158,059          | 51,192            | 86,883           | 1,072,590         |
| Net commission income   | 57,197              | 120,764             | 82,839           | 11,252            | 1,531            | 273,583           |
| Net trading income  | 32,136              | 95,309              | 38,678           | (18,449)          | 376              | 148,050           |
| Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net         | (181)               | (28,062)            | (886)            | (842)             | (1,612)          | (31,583)          |
| Gains or (-) losses from hedge accounting, net  | -                   | -                   | -                | 487               | -                | 487               |
| Net gains/(losses) on derecognition of financial assets measured at fair value through other comprehensive income | -                   | -                   | -                | -                 | (1,657)          | (1,657)           |
| Other net operating income*   | (13,874)            | (15,230)            | (3,183)          | 32,080            | 64,068           | 63,861            |
| <b>Total Operating income</b>   | <b>305,558</b>      | <b>718,957</b>      | <b>275,507</b>   | <b>75,720</b>     | <b>149,589</b>   | <b>1,525,331</b>  |
| Operating expenses  | (59,220)            | (173,755)           | (95,275)         | (17,174)          | (80,995)         | (426,419)         |
| Personnel expenses  | (46,030)            | (202,853)           | (83,972)         | (11,215)          | (9,664)          | (353,734)         |
| Net provisioning for impairment allowance   | 20,254              | (44,964)            | (7,748)          | (574)             | 2,318            | (30,714)          |
| Share of gain from associates and joint ventures  | -                   | -                   | -                | -                 | 521              | 521               |
| <b>Profit before tax</b>  | <b>220,562</b>      | <b>297,385</b>      | <b>88,512</b>    | <b>46,757</b>     | <b>61,769</b>    | <b>714,985</b>    |
| Income taxes  | -                   | -                   | -                | -                 | (118,633)        | (118,633)         |
| <b>Profit after tax</b>   | <b>220,562</b>      | <b>297,385</b>      | <b>88,512</b>    | <b>46,757</b>     | <b>(56,864)</b>  | <b>596,352</b>    |

\*) Other operating income for the segments mainly contain the re-distribution of the cost of capital from Treasury to the other segments, relative to the regulatory assets held by Treasury, like Stress buffer and Minimum reserve.

### 43. SEGMENTS CONSOLIDATION (continued)

| Bank  | 2023                |                     |                  |                   |                  | Total unit        |
|---|---------------------|---------------------|------------------|-------------------|------------------|-------------------|
|   | Corporate Customers | Private Individuals | SME              | Treasury Division | Others           |                   |
| <i>In RON thousand</i>  |                     |                     |                  |                   |                  |                   |
| Total Assets before impairment allowance on loans and advances to customers at amortised cost             | 18,906,432          | 18,718,268          | 3,593,459        | 22,764,240        | 3,375,991        | 67,358,390        |
| Impairment allowance on loans and advances to customers at amortised cost                                 | (304,330)           | (744,925)           | (126,540)        | (2,464)           | (6,420)          | (1,184,679)       |
| <b>Total Assets</b>   | <b>18,602,102</b>   | <b>17,973,343</b>   | <b>3,466,919</b> | <b>22,761,776</b> | <b>3,369,571</b> | <b>66,173,711</b> |
| <b>Total Liabilities</b>  | <b>10,901,014</b>   | <b>30,918,486</b>   | <b>7,739,210</b> | <b>4,299,766</b>  | <b>5,138,886</b> | <b>58,997,362</b> |
| <b>Equity</b>   | -                   | -                   | -                | -                 | <b>7,176,349</b> | <b>7,176,349</b>  |
| Net interest income   | 270,906             | 541,992             | 158,893          | 229,708           | 156,776          | 1,358,275         |
| Net commission income   | 45,554              | 102,327             | 75,965           | 11,802            | (53)             | 235,595           |
| Net trading income  | 31,671              | 88,664              | 42,112           | 37,173            | 396              | 200,016           |
| Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net | 70                  | 16,401              | 317              | -                 | 1,294            | 18,082            |
| Gains or (-) losses from hedge accounting, net  | -                   | -                   | -                | 654               | -                | 654               |
| Other net operating income *  | (17,650)            | (17,350)            | (4,249)          | 39,503            | 23,426           | 23,680            |
| <b>Total Operating income</b>   | <b>330,551</b>      | <b>732,034</b>      | <b>273,038</b>   | <b>318,840</b>    | <b>181,839</b>   | <b>1,836,302</b>  |
| Operating expenses  | (72,102)            | (254,743)           | (100,533)        | (15,746)          | (13,628)         | (456,752)         |
| Personnel expenses  | (45,781)            | (227,165)           | (97,175)         | (12,633)          | (7,456)          | (390,210)         |
| Net provisioning for impairment allowance   | 34,161              | 27,191              | 23,041           | (2,745)           | 2,110            | 83,758            |
| <b>Profit before tax</b>  | <b>246,829</b>      | <b>277,317</b>      | <b>98,371</b>    | <b>287,716</b>    | <b>162,865</b>   | <b>1,073,098</b>  |
| Income taxes  | -                   | -                   | -                | -                 | (199,565)        | (199,565)         |
| <b>Profit after tax</b>   | <b>246,829</b>      | <b>277,317</b>      | <b>98,371</b>    | <b>287,716</b>    | <b>(36,700)</b>  | <b>873,533</b>    |

\*) Other operating income for the segments mainly contain the re-distribution of the cost of capital from Treasury to the other segments, relative to the regulatory assets held by Treasury, like Stress buffer and Minimum reserve.

### 43. SEGMENTS CONSOLIDATION (continued)

|   | 2022                |                     |                  |                   |                  | Total unit        |
|---|---------------------|---------------------|------------------|-------------------|------------------|-------------------|
|   | Corporate Customers | Private Individuals | SME              | Treasury Division | Others           |                   |
| <i>In RON thousand</i>  |                     |                     |                  |                   |                  |                   |
| Total Assets before impairment allowance on loans and advances to customers at amortised cost                     | 17,488,796          | 18,813,503          | 3,327,614        | 19,871,136        | 3,808,954        | 63,310,003        |
| Impairment allowance on loans and advances to customers at amortised cost   | (350,764)           | (794,199)           | (143,777)        | (568)             | (7,946)          | (1,297,254)       |
| <b>Total Assets</b>   | <b>17,138,032</b>   | <b>18,019,304</b>   | <b>3,183,837</b> | <b>19,870,568</b> | <b>3,801,008</b> | <b>62,012,749</b> |
| <b>Total Liabilities</b>  | <b>9,881,610</b>    | <b>30,033,168</b>   | <b>7,751,369</b> | <b>3,010,040</b>  | <b>5,060,585</b> | <b>55,736,772</b> |
| <b>Equity</b>   | -                   | -                   | -                | -                 | <b>6,275,977</b> | <b>6,275,977</b>  |
| Net interest income   | 225,159             | 544,898             | 148,790          | 47,511            | 85,160           | 1,051,518         |
| Net commission income   | 55,725              | 104,495             | 78,383           | 11,339            | 1,780            | 251,722           |
| Net trading income  | 32,136              | 95,309              | 38,678           | (17,980)          | 376              | 148,519           |
| Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net         | (181)               | (28,062)            | (886)            | -                 | (1,612)          | (30,741)          |
| Gains or (-) losses from hedge accounting, net  | -                   | -                   | -                | 487               | -                | 487               |
| Net gains/(losses) on derecognition of financial assets measured at fair value through other comprehensive income | -                   | -                   | -                | -                 | -                | -                 |
| Other net operating income *  | (14,120)            | (13,344)            | (4,616)          | 32,080            | 89,995           | 89,995            |
| <b>Total Operating income</b>   | <b>298,719</b>      | <b>703,296</b>      | <b>260,349</b>   | <b>73,437</b>     | <b>175,699</b>   | <b>1,511,500</b>  |
| Operating expenses  | (57,652)            | (170,228)           | (91,842)         | (17,080)          | (78,632)         | (415,434)         |
| Personnel expenses  | (43,515)            | (198,561)           | (78,446)         | (11,148)          | (5,699)          | (337,369)         |
| Net provisioning for impairment allowance   | 20,399              | (44,948)            | (8,063)          | (574)             | (8,452)          | (41,638)          |
| <b>Profit before tax</b>  | <b>217,951</b>      | <b>289,559</b>      | <b>81,998</b>    | <b>44,635</b>     | <b>82,916</b>    | <b>717,059</b>    |
| Income taxes  | -                   | -                   | -                | -                 | (114,897)        | (114,897)         |
| <b>Profit after tax</b>   | <b>217,951</b>      | <b>289,559</b>      | <b>81,998</b>    | <b>44,635</b>     | <b>(31,981)</b>  | <b>602,162</b>    |

\*) Other operating income for the segments mainly contain the re-distribution of the cost of capital from Treasury to the other segments, relative to the regulatory assets held by Treasury, like Stress buffer and Minimum reserve.

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#### **44. SUBSEQUENT EVENTS**

Considering the bank's strategy of concentration on the basic activities and implicitly on the holdings considered strategic, Raiffeisen Bank reviewed its entire portfolio of holdings. In this context, during July the formalities for the sale of the bank's share in Fondul Roman de Garantare a Creditului Rural IFN SA (33.331%) and in Fondul Roman de Garantare a Creditelor pentru Intreprinzatorii Privati IFN SA (0,44%) were completed.