BRD – Groupe Société Générale S.A.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

LEI CODE: 5493008QRHH0XCLJ4238

December 31, 2024

CONTENT

BRD – Groupe Société Générale S.A.
CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
as at December 31, 2024
(Amounts in thousands RON)

	Note	Group December 31, 2024	Group Restated December 31, 2023	Group Restated January 1, 2023	Bank December 31, 2024	Bank Restated December 31, 2023	Bank Restated January 1, 2023
ASSETS							
Cash and cash equivalents	5	8,658,035	12,461,891	9,160,986	8,657,954	12,461,819	9,160,917
Due from banks	6	6,313,423	5,135,720	5,317,025	6,313,423	5,120,355	5,301,049
Derivatives and other financial instruments held for trading	7	1,842,562	2,135,709	2,343,377	1,810,504	2,110,661	2,337,311
out of which: Pledged as collateral		*63,414*	*67,877*	*29,142*	*63,414*	*67,877*	*29,142*
Financial assets at fair value through profit and loss	8	9,208	11,376	14,262	9,208	11,376	8,132
Financial assets at fair value through other comprehensive income	9	12,164,852	13,429,670	13,439,596	12,164,852	13,429,670	13,439,596
out of which: Pledged as collateral		*367,850*	*47,959*	*279,730*	*367,850*	*47,959*	*279,730*
Financial assets at amortised cost	10	54,812,982	46,277,069	39,492,767	54,459,688	45,865,368	38,746,704
Loans and advances to customers	10.1	47,705,202	40,047,136	35,768,458	47,351,908	39,635,435	35,022,395
Debt securities	10.2	7,107,780	6,229,933	3,724,309	7,107,780	6,229,933	3,724,309
out of which: Pledged as collateral		*201,025*	*405,212*	-	*201,025*	*405,212*	-
Finance lease receivables	11	2,023,475	1,691,734	1,407,394	-	-	-
Assets held for sale	12	11,002	216,992	10,912	8,913	7,106	10,912
Investments in subsidiaries	13	-	-	-	55,772	68,898	68,898
Investments in associates and joint ventures	14	73,384	64,883	113,670	30,327	34,974	61,066
Property, plant and equipment	15	1,109,780	1,073,896	1,063,863	1,100,231	1,051,237	1,046,443
Investment property	15	10,096	14,536	15,503	10,096	14,536	15,503
Intangible assets	16	610,742	505,958	407,487	608,020	504,221	405,667
Current tax asset	28	25,119	-	23,563	24,251	-	23,563
Deferred tax asset	28	307,925	309,089	496,034	306,005	303,152	478,893
Goodwill	17	50,130	50,130	50,130	50,130	50,130	50,130
Other financial assets	18	256,192	310,598	317,102	239,499	293,256	308,470
Other non-financial assets	19	200,796	159,710	168,096	96,320	54,591	59,723
Total assets		**88,479,703**	**83,848,961**	**73,841,767**	**85,945,193**	**81,381,350**	**71,522,977**
LIABILITIES AND SHAREHOLDERS' EQUITY							
Due to banks	20	1,477,293	1,146,540	636,888	1,477,293	1,146,540	636,888
Derivatives and other financial instruments held for trading	7	524,010	1,272,450	1,443,546	524,010	1,272,450	1,443,546
Due to customers	21	67,935,142	62,405,609	56,660,841	68,215,487	62,641,838	56,915,740
Borrowed funds	22	6,554,915	7,004,362	5,625,488	4,234,105	4,834,225	3,567,262
Subordinated debts	23	1,245,458	1,245,400	1,238,651	1,245,458	1,245,400	1,238,651
Current tax liability	28	3,221	36,181	5,595	-	35,074	-
Provisions	24	334,633	348,066	393,452	327,200	333,810	380,172
Other financial liabilities	25	627,070	1,204,463	611,911	584,957	1,105,095	528,794
Other non-financial liabilities	26	326,499	323,884	265,629	312,742	301,895	234,888
Total liabilities		**79,028,241**	**74,986,955**	**66,882,001**	**76,921,252**	**72,916,327**	**64,945,941**
Share capital	27	2,515,622	2,515,622	2,515,622	2,515,622	2,515,622	2,515,622
Accumulated other comprehensive income/(loss)		(1,256,130)	(1,157,341)	(2,054,109)	(1,256,130)	(1,157,341)	(2,054,109)
Retained earnings		7,579,503	6,871,036	5,878,697	7,214,810	6,557,103	5,565,884
Other reserves		562,658	565,021	560,744	549,639	549,639	549,639
Net assets attributable to owners of the parent		**9,401,653**	**8,794,338**	**6,900,954**	**9,023,941**	**8,465,023**	**6,577,036**
Non-controlling interest		49,809	67,668	58,812	-	-	-
Total equity		**9,451,462**	**8,862,006**	**6,959,766**	**9,023,941**	**8,465,023**	**6,577,036**
Total liabilities and equity		**88,479,703**	**83,848,961**	**73,841,767**	**85,945,193**	**81,381,350**	**71,522,977**

The financial statements have been authorized for issue by the Group's management on March 12, 2025 and are signed on the Group's behalf by:

Delphine Mireille GARCIN-MEUNIER
Chairman of the Board of Directors

Maria ROUSSEVA
Chief Executive Officer

Vladimir POJER
Deputy Chief Executive Officer

Simona PRODAN
Finance Executive Director

BRD – Groupe Société Générale S.A.
CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS
for the year ended December 31, 2024
(Amounts in thousands RON)

		Group		Bank	
			Restated		**Restated**
	Note	**2024**	**2023**	**2024**	**2023**
Interest and similar income	29	4,781,815	4,219,824	4,589,501	4,024,293
out of which: Interest income calculated using the effective interest method		*4,630,922*	*4,110,695*	*4,589,143*	*4,022,905*
Interest and similar expense	30	(1,870,172)	(1,494,670)	(1,790,891)	(1,432,436)
Net interest income		**2,911,643**	**2,725,154**	**2,798,610**	**2,591,857**
Fees and commission income	31	1,331,225	1,180,975	1,287,502	1,142,224
Fees and commission expense	31	(522,450)	(430,732)	(515,623)	(423,361)
Fees and commissions, net		**808,775**	**750,243**	**771,879**	**718,863**
Gain from derivatives and other financial instruments held for trading	32	245,305	41,527	243,834	40,362
Gain from foreign exchange		100,135	299,265	98,937	297,412
Gain/(Loss) from financial instruments at fair value through profit and loss		(144)	5,341	(144)	4,873
Net income from associates and joint ventures		16,915	15,758	1,677	38,452
Dividend income from subsidiaries		-	-	17,831	38,234
Other income/(expense)	33	(50,595)	(3,065)	(37,963)	(7,544)
Net banking income		**4,032,034**	**3,834,223**	**3,894,661**	**3,722,509**
Personnel expenses	35	(1,010,117)	(962,958)	(965,345)	(914,991)
Depreciation, amortization and impairment on tangible and intangible assets	36	(255,996)	(248,423)	(251,760)	(243,868)
Contribution to Guarantee Scheme and Resolution Fund	34	(43,517)	(68,094)	(43,517)	(68,094)
Other operating expenses	37	(713,706)	(615,670)	(703,887)	(587,845)
Total operating expenses		**(2,023,336)**	**(1,895,145)**	**(1,964,509)**	**(1,814,798)**
Gross operating profit		**2,008,698**	**1,939,078**	**1,930,152**	**1,907,711**
Net impairment gain/(loss) on financial instruments	38	(145,341)	57,378	(127,752)	47,924
Profit before income tax		**1,863,357**	**1,996,456**	**1,802,400**	**1,955,635**
Current tax expense	28	(320,067)	(324,514)	(312,079)	(316,546)
Deferred tax expense		(19,514)	(16,113)	(15,497)	(4,909)
Total income tax		**(339,581)**	**(340,627)**	**(327,576)**	**(321,455)**
Net profit for the period		**1,523,776**	**1,655,829**	**1,474,824**	**1,634,180**
Profit attributable to equity owners of the parent		1,524,409	1,639,581	-	-
Profit/(loss) attributable to non-controlling interests		(633)	16,248	-	-
Basic/Diluted earnings per share (in RON)	39	**2.1874**	**2.3527**	**2.1163**	**2.3449**

The accompanying notes are an integral part of this financial statements.

BRD – Groupe Société Générale S.A.
CONSOLIDATED AND SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME
for the year ended December 31, 2024
(Amounts in thousands RON)

		Group		Bank	
	Note	**2024**	**2023**	**2024**	**2023**
Net profit for the period		**1,523,776**	**1,655,829**	**1,474,824**	**1,634,180**
Other comprehensive income					
Net comprehensive income that may be reclassified to profit and loss in subsequent periods		**(101,188)**	**902,290**	**(101,188)**	**902,290**
Net gain/(loss) on financial assets at fair value through other comprehensive income		(101,188)	902,290	(101,188)	902,290
Reclassifications to profit and loss during the period		(2,447)	(99)	(2,447)	(99)
Fair value differences		(117,549)	1,074,273	(117,549)	1,074,273
Income tax		18,808	(171,884)	18,808	(171,884)
Net comprehensive income not to be reclassified to profit and loss in subsequent periods		**2,399**	**(5,522)**	**2,399**	**(5,522)**
Gain / (Loss) on defined benefit pension plan	26	2,856	**(6,574)**	2,856	**(6,574)**
Deferred tax relating to defined benefit pension plan	26	(457)	**1,052**	(457)	**1,052**
Other comprehensive income for the period, net of tax		**(98,789)**	**896,768**	**(98,789)**	**896,768**
Total comprehensive income for the period, net of tax		**1,424,987**	**2,552,597**	**1,376,035**	**2,530,948**
Attributable to:					
Equity owners of the parent		1,425,620	2,536,349		
Non-controlling interest		(633)	16,248		

(Amounts in thousands RON)

Group

	Share capital	Accumulated other comprehensive income/(loss): Reserves from financial assets at fair value through other comprehensive income	Accumulated other comprehensive income/(loss): Reserves from defined benefit pension plan	Retained earnings	Other reserves	Total attributable to owners of the parent	Non-controlling interest	Total equity
December 31, 2022	**2,515,622**	**(2,084,244)**	**30,135**	**5,878,697**	**560,744**	**6,900,954**	**58,812**	**6,959,766**
Total comprehensive income	-	902,290	(5,522)	1,635,304	4,277	2,536,349	16,248	**2,552,597**
Net Profit for the period	-	-	-	1,635,304	4,277	1,639,581	16,248	**1,655,829**
Other comprehensive income	-	902,290	(5,522)	-	-	896,768	-	**896,768**
Dividends distributed	-	-	-	(642,961)	-	(642,961)	(7,391)	**(650,353)**
December 31, 2023	**2,515,622**	**(1,181,954)**	**24,613**	**6,871,036**	**565,021**	**8,794,338**	**67,668**	**8,862,006**

	Share capital	Accumulated other comprehensive income/(loss): Reserves from financial assets at fair value through other comprehensive income	Accumulated other comprehensive income/(loss): Reserves from defined benefit pension plan	Retained earnings	Other reserves	Total attributable to owners of the parent	Non-controlling interest	Total equity
December 31, 2023	**2,515,622**	**(1,181,954)**	**24,613**	**6,871,036**	**565,021**	**8,794,338**	**67,668**	**8,862,006**
Total comprehensive income	-	(101,188)	2,399	1,525,583	(1,174)	1,425,620	(633)	**1,424,987**
Net Profit for the period	-	-	-	1,525,583	(1,174)	1,524,409	(633)	**1,523,776**
Other comprehensive income	-	(101,188)	2,399	-	-	(98,789)	-	**(98,789)**
Capital reduction	-	-	-	-	-	-	(146)	**(146)**
Shared-based payment	-	-	-	-	(1,189)	(1,189)	-	**(1,189)**
Dividends distributed	-	-	-	(817,117)	-	(817,117)	(17,080)	**(834,197)**
December 31, 2024	**2,515,622**	**(1,283,142)**	**27,012**	**7,579,503**	**562,658**	**9,401,653**	**49,809**	**9,451,462**

(Amounts in thousands RON)

Bank

	Share capital	Accumulated other comprehensive income/(loss): Reserves from financial assets at fair value through other comprehensive income	Accumulated other comprehensive income/(loss): Reserves from defined benefit pension plan	Retained earnings	Other reserves	Total equity
December 31, 2022	**2,515,622**	**(2,084,244)**	**30,135**	**5,565,884**	**549,639**	**6,577,036**
Total comprehensive income	-	902,290	(5,522)	1,634,180	-	**2,530,948**
Net Profit for the period	-	-	-	1,634,180	-	**1,634,180**
Other comprehensive income	-	902,290	(5,522)	-	-	**896,768**
Dividends distributed	-	-	-	(642,961)	-	**(642,961)**
December 31, 2023	**2,515,622**	**(1,181,954)**	**24,613**	**6,557,103**	**549,639**	**8,465,023**

	Share capital	Accumulated other comprehensive income/(loss): Reserves from financial assets at fair value through other comprehensive income	Accumulated other comprehensive income/(loss): Reserves from defined benefit pension plan	Retained earnings	Other reserves	Total equity
December 31, 2023	**2,515,622**	**(1,181,954)**	**24,613**	**6,557,103**	**549,639**	**8,465,023**
Total comprehensive income	-	(101,188)	2,399	1,474,824	-	**1,376,035**
Net Profit for the period	-	-	-	1,474,824	-	**1,474,824**
Other comprehensive income	-	(101,188)	2,399	-	-	**(98,789)**
Dividends distributed	-	-	-	(817,117)	-	**(817,117)**
December 31, 2024	**2,515,622**	**(1,283,143)**	**27,012**	**7,214,810**	**549,639**	**9,023,941**

(Amounts in thousands RON)

	Note	Group 2024	Group Restated 2023	Bank 2024	Bank Restated 2023
Cash flows from operating activities					
Profit before tax		**1,863,357**	**1,996,456**	**1,802,400**	**1,955,635**
Adjustments for:					
Depreciation and amortization expense	36	255,996	248,423	251,760	243,868
Other non-monetary adjustments		(18,784)	(6,574)	(17,450)	(6,574)
(Gain) from impact of equity method for investment in associates and joint ventures	14	(15,237)	(4,362)	-	-
(Gain) /Loss from revaluation of assets at fair value through profit and loss	8	2,229	(3,708)	2,229	(3,244)
Net (gain) / loss sale from associates		-	5,646	-	(21,412)
Loss from investment in subsidiaries		-	-	13,125	-
Allocation to and release of impairment of loans and other provisions		285,400	136,467	268,446	124,174
Interest income	29	(4,781,815)	(4,219,824)	(4,589,501)	(4,024,293)
Interest expense	30	1,870,172	1,494,670	1,790,891	1,432,436
Dividend income from subsidiaries and associates		(1,677)	(17,039)	(19,508)	(55,273)
Adjusted profit		**(540,359)**	**(369,845)**	**(497,608)**	**(354,683)**
Changes in operating assets and liabilities					
Deposits with banks		(1,183,479)	193,272	(1,197,773)	193,295
Debt securities		(804,983)	(2,445,679)	(804,983)	(2,445,679)
Sales of financial assets at fair value through profit and loss	8	286	6,594	286	-
Acquisition of financial assets at fair value through profit and loss	8	(347)	-	(347)	-
Loans and advances to customers		(7,922,737)	(4,355,192)	(7,949,513)	(4,684,073)
Lease receivables		(332,012)	(285,583)	-	-
Other assets including trading		263,912	352,453	273,778	381,969
Assets held for sale		212,726	(206,080)	2,841	3,806
Due to banks		330,643	509,314	330,643	509,314
Due to customers		5,518,799	5,599,012	5,562,915	5,580,342
Other liabilities		(850,081)	(154,005)	(806,823)	(156,823)
Total changes in operating assets and liabilities		**(4,767,273)**	**(785,894)**	**(4,588,976)**	**(617,849)**
Income tax paid		(378,146)	(270,364)	(371,404)	(257,908)
Interest paid		(1,447,364)	(1,031,033)	(1,456,857)	(1,039,511)
Interest received		4,296,820	3,654,411	4,101,535	3,459,384
Cash flow from operating activities		**(2,836,322)**	**1,197,275**	**(2,813,310)**	**1,189,433**
Investing activities					
Sales of investments in associates		-	47,503	-	47,503
Acquisition of tangible assets	15	(36,084)	(152,367)	(36,086)	(152,210)
Proceeds from sale of tangible assets		42,386	12,536	42,386	12,536
Acquisition of intangible assets	16	(193,499)	(173,387)	(191,331)	(172,636)
Sale of financial assets at fair value through other comprehensive income		1,949,310	2,319,641	1,949,310	2,319,641
Aquisition of financial assets at fair value through other comprehensive income		(866,134)	(1,490,872)	(866,134)	(1,490,872)
Interest received		513,162	535,506	513,162	535,506
Dividends received		1,677	17,039	19,508	55,273
Cash flow from investing activities		**1,410,818**	**1,115,599**	**1,430,815**	**1,154,741**
Financing activities					
Proceeds from borrowings	22,23	1,851,700	4,586,902	748,002	3,510,403
Repayment of borrowings	22,23	(2,299,808)	(3,208,902)	(1,346,726)	(2,239,249)
Repayment of principal lease liabilities	15	(77,134)	(79,189)	(75,336)	(76,692)
Interest paid		(413,177)	(309,963)	(324,458)	(244,308)
Dividends paid		(1,457,382)	(7,391)	(1,440,302)	-
Net cash from financing activities		**(2,395,801)**	**981,457**	**(2,438,820)**	**950,154**
Net movements in cash and cash equivalents		**(3,821,305)**	**3,294,331**	**(3,821,315)**	**3,294,328**
The impact of exchange rate variation on cash and cash equivalents		17,450	6,574	17,450	6,574
Cash and cash equivalents at beginning of the period	5	**12,461,891**	**9,160,986**	**12,461,819**	**9,160,917**
Cash and cash equivalents at the end of the period	5	**8,658,035**	**12,461,891**	**8,657,954**	**12,461,819**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. Cash and cash equivalents were aligned with the presentation in the Statement of financial position. For more details, please refer to note 2 a).

(Amounts in thousands RON)

1. Corporate information

BRD–Groupe Société Générale (the "Bank" or "BRD") is a joint stock company incorporated in Romania. The Bank commenced business as a state-owned credit institution in 1990 by acquiring assets and liabilities of the former Banca de Investitii. The Bank headquarters and registered office is 1-7 Ion Mihalache Blvd, Bucharest.

BRD together with its subsidiaries (the "Group') offers a wide range of banking and financial services to corporates and individuals, as allowed by law. The Group accepts deposits from the public and grants loans and leases, carries out funds transfer in Romania and abroad, exchanges currencies and provides other financial services for its commercial and retail customers.

Bank's immediate and ultimate controlling party is Société Générale S.A. as of December 31, 2024 (the "Parent" or "SG").

The Bank has as of December 31, 2024 388 units throughout the country (December 31, 2023: 423).

The average number of active employees of the Group during 2024 was 5,912 (2023: 6,066) and the number of active employees of the Group as of the year-end was 5,840 (December 31, 2023: 6,070).

The average number of active employees of the Bank during 2024 was 5,715 (2023: 5,817) and the number of active employees of the Bank as of the year-end was 5,670 (December 31, 2023: 5,854).

The active employees are the full-time employees (excluding maternity leave and long-term sick leave).

BRD–Groupe Société Générale has been quoted on Bucharest Stock Exchange ("BVB") with the symbol "BRD" since January 15, 2001. The free float shares represent 39.83% from the total shares.

The shareholding structure of the Bank is as follows:

	December 31, 2024	December 31, 2023
Societe Generale	60.17%	60.17%
Fondul de pensii administrat privat NN	5.56%	5.56%
Fondul de pensii administrat privat AZT Viitorul Tau	4.27%	4.15%
Fondul de pensii administrat privat Metropolitan Life	4.04%	3.56%
Infinity Capital Investments SA	3.95%	3.95%
Legal entities	17.12%	16.76%
Individuals	4.88%	5.85%
Total	**100.00%**	**100.00%**

2. Basis of preparation

a) Basis of preparation

In accordance with European Regulation 1606/2002 of July 19, 2002 on the application of International Accounting Standards and Order of the National Bank of Romania no. 27/2010 with subsequent amendments, BRD prepared the consolidated and separate financial statements (referred to as "financial statements") - for the year ended December 31, 2024 in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS").

The consolidated financial statements include the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity, the consolidated cash flow statement and notes to the consolidated financial statements.

The separate financial statements include the separate statement of financial position, the separate statement of profit or loss, the separate statement of comprehensive income, the separate statement of changes in shareholders' equity, the separate cash flow statement and notes to the separate financial statements.

The consolidated and separate financial statements are presented in Romanian lei ("RON"), which is the Group's and its subsidiaries' functional and presentation currency, rounded to the nearest thousands, except when otherwise indicated. The consolidated and separate financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit and loss, financial assets through other comprehensive income, derivative financial instruments, other financial assets and liabilities held for trading, which have all been measured at fair value.

The Group and Bank's management has assessed the Group and Bank's ability to continue as a going concern and is satisfied that the Bank has the resources to continue business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the consolidated and separate financial statements are prepared on the going concern basis.

The Bank reviewed the categories of financial instruments that have been included in the Statement of financial position on line "Cash and due from Central Bank" and decided to correct the errors in presentation by renaming it "Cash and cash equivalents" and including in this line also bonds and deposits with less than 90 days maturity from the date of acquisition presented previously in "Due from banks" and cash in transit registered previously in "Other assets", meeting the definition of cash equivalents.

The Bank also reclassified debt securities at amortized cost with banks previously reported in "Due from banks" and debt securities at amortized cost with customers previously reported in "Loans and advances to customers" into "Debt securities" category.

For a more relevant presentation, the Bank also divided some of the previous categories into new more detailed one such as: "Investments in subsidiaries, associates and joint venture" into "Investments in subsidiaries" and "Investments in associates and joint ventures", "Other assets" into "Other financial assets" and "Other non-financial assets", "Other liabilities" into "Other financial liabilities" and "Other non-financial liabilities", "Retained earnings and capital reserves" into "Retained earnings" and "Other reserves", "Gain on derivative, other financial instruments held for trading and foreign exchange" into "Gain from derivatives and other financial instruments held for trading" and "Gain from foreign exchange" and "Other income/(expense) from banking activities" into "Other income/(expense)" and "Dividend income from subsidiaries".

(Amounts in thousands RON)

2. Basis of preparation (continued)

a) Basis of preparation (continued)

Consequently, the Bank has changed the comparative period (December 31, 2023) amounts in the Statement of financial position and in the Profit or loss and presented also the restated Statement of financial position as of January 1, 2023:

Bank	December 31, 2023 as previously reported	Effect of restatement	December 31, 2023 as restated
Statement of financial position lines impacted			
Cash and cash equivalents (previously: Cash and due from Central Bank)	11,778,143	683,676	12,461,819
Due from banks	6,113,975	(993,620)	5,120,355
Financial assets at amortised cost	45,384,120	481,248	45,865,368
Loans and advances to customers	40,201,690	(566,255)	39,635,435
Debt securities (previously: Treasury bills at amortised cost)	5,182,430	1,047,503	6,229,933
Investments in subsidiaries (previously: Investments in subsidiaries, associates and joint ventures)	103,872	(34,974)	68,898
Investments in associates and joint ventures (previously: Investments in subsidiaries, associates and joint ventures)	-	34,974	34,974
Other financial assets (previously: Other assets)	519,151	(225,895)	293,256
Other non-financial assets (previously: Other assets)	-	54,591	54,591
Other financial liabilities (previously: Other liabilities)	1,406,990	(301,895)	1,105,095
Other non-financial liabilities (previously: Other liabilities)	-	301,895	301,895
Retained earnings (previously: Retained earnings and capital reserves)	7,106,742	(549,639)	6,557,103
Other reserves (previously: Retained earnings and capital reserves)	-	549,639	549,639

Group	December 31, 2023 as previously reported	Effect of restatement	December 31, 2023 as restated
Statement of financial position lines impacted			
Cash and cash equivalents (previously: Cash and due from Central Bank)	11,778,215	683,676	12,461,891
Due from banks	6,129,340	(993,620)	5,135,720
Financial assets at amortised cost	45,795,821	481,248	46,277,069
Loans and advances to customers	40,613,391	(566,255)	40,047,136
Debt securities (previously: Treasury bills at amortised cost)	5,182,430	1,047,503	6,229,933
Investments in subsidiaries (previously: Investments in subsidiaries, associates and joint ventures)	64,883	(64,883)	-
Investments in associates and joint ventures (previously: Investments in subsidiaries, associates and joint ventures)	-	64,883	64,883
Other financial assets (previously: Other assets)	641,612	(331,014)	310,598
Other non-financial assets (previously: Other assets)	-	159,710	159,710
Other financial liabilities (previously: Other liabilities)	1,528,347	(323,884)	1,204,463
Other non-financial liabilities (previously: Other liabilities)	-	323,884	323,884
Retained earnings (previously: Retained earnings and capital reserves)	7,436,057	(565,021)	6,871,036
Other reserves (previously: Retained earnings and capital reserves)	-	565,021	565,021

Bank	December 31, 2023 as previously reported	Effect of restatement	December 31, 2023 as restated
Statement of profit or loss impacted			
Gain from derivatives, foreign exchange and other financial instruments held for trading	337,774	(337,774)	-
Gain from derivatives and other financial instruments held for trading	-	40,362	40,362
Gain from foreign exchange	-	297,412	297,412
Dividend income from subsidiaries	30,690	7,544	38,234
Other income/(expense)	-	(7,544)	(7,544)

Group	December 31, 2023 as previously reported	Effect of restatement	December 31, 2023 as restated
Statement of profit or loss impacted			
Gain from derivatives, foreign exchange and other financial instruments held for trading	340,792	(340,792)	-
Gain from derivatives and other financial instruments held for trading	-	41,527	41,527
Gain from foreign exchange	-	299,265	299,265

The Bank also corrected the error in the presentation of "Cash and cash equivalents" in the Statement of cash flows and included in "Cash and cash equivalents" also the amounts representing minimum compulsory reserve held at National Bank of Romania. The minimum compulsory reserve can be used by the Bank for its daily activities as long as the average monthly balance is maintained within the required limits, therefore it meets the definition of cash and cash equivalents.

(Amounts in thousands RON)

2. Basis of preparation (continued)

a) Basis of preparation (continued)

Cash and cash equivalents lines in the Statement of cash flows for the comparative period (December 31, 2023) were aligned with the presentation in the Statement of financial position.

Furthermore, the Bank also decided to change the presentation in the Statement of cash flows of financial assets at fair value through OCI and, instead of presenting them in operating cash flows, decided to present purchases and sales of these assets in investing cash flows.

The Bank disclosed separately the acquisitions and proceeds from sale for tangible assets and separately for intangible assets.

The Bank also corrected the error in presentation of cash flow by including the information related to interest and dividends paid and received and adjusted all impacted positions in the statement.

The Bank believes that such presentation gives reliable and more relevant information about the cash flows.

Bank	December 31, 2023 as previously reported	Effect of restatement	December 31, 2023 as restated
Statement of cash-flows lines impacted			
Other non-monetary adjustments	-	(6,574)	(6,574)
Interest income	-	(4,024,293)	(4,024,293)
Interest expense	-	1,432,436	1,432,436
Dividend income from subsidiaries and associates	-	(55,273)	(55,273)
Adjusted profit	**2,299,021**	**(2,653,704)**	**(354,683)**
Due from Central Bank	(4,162,383)	4,162,383	-
Deposits with banks	(761,383)	954,678	193,295
Debt securities (previously: Treasury bills at amortised cost)	(2,451,724)	6,045	(2,445,679)
Financial assets at fair value through other comprehensive income	912,216	(912,216)	-
Loans and advances to customers	(4,731,090)	47,017	(4,684,073)
Other assets including trading	316,009	65,960	381,969
Due to banks	509,652	(338)	509,314
Due to customers	5,726,098	(145,756)	5,580,342
Other liabilities	(196,097)	39,274	(156,823)
Total changes in operating assets and liabilities	**(4,834,896)**	**4,217,047**	**(617,849)**
Interest paid	-	(1,039,511)	(1,039,511)
Interest received	-	3,459,384	3,459,384
Cash flow from operating activities	**(2,793,783)**	**3,983,216**	**1,189,433**
Acquisition of tangible assets (previously: Acquisition of tangible and intangible assets)	(324,846)	-	(152,210)
Acquisition of intangible assets (previously: Acquisition of tangible and intangible assets)			(172,636)
Sale of financial assets at fair value through other comprehensive income	-	2,319,641	2,319,641
Aquisition of financial assets at fair value through other comprehensive income	-	(1,490,872)	(1,490,872)
Interest received	-	535,506	535,506
Dividends received	-	55,273	55,273
Cash flow from investing activities	**(264,806)**	**1,419,547**	**1,154,741**
Proceeds from borrowings	3,753,094	(242,691)	3,510,403
Repayment of borrowings	(2,479,382)	240,133	(2,239,249)
Interest paid	-	(244,308)	(244,308)
Net cash from financing activities	**1,197,020**	**(246,866)**	**950,154**
Net movements in cash and cash equivalents	**(1,861,569)**	**5,155,897**	**3,294,328**
The impact of exchange rate variation on cash and cash equivalents	-	6,574	6,574
Cash and cash equivalents at beginning of the period	**8,999,611**	**161,306**	**9,160,917**
Cash and cash equivalents at the end of the period	**7,138,043**	**5,323,776**	**12,461,819**

(Amounts in thousands RON)

2. Basis of preparation (continued)

a) Basis of preparation (continued)

Group	December 31, 2023 as previously reported	Effect of restatement	December 31, 2023 as restated
Statement of cash-flows lines impacted			
Other non-monetary adjustments	-	(6,574)	(6,574)
Interest income	-	(4,219,824)	(4,219,824)
Interest expense	-	1,494,670	1,494,670
Dividend income from subsidiaries and associates	-	(17,039)	(17,039)
Adjusted profit	**2,378,922**	**(2,748,767)**	**(369,845)**
Due from Central Bank	(4,162,386)	4,162,386	-
Deposits with banks	(760,772)	954,044	193,272
Debt securities (previously: Treasury bills at amortised cost)	(2,451,724)	6,045	(2,445,679)
Financial assets at fair value through other comprehensive income	912,216	(912,216)	-
Loans and advances to customers	(4,402,936)	47,744	(4,355,192)
Lease receivables	(285,777)	194	(285,583)
Other assets including trading	286,493	65,960	352,453
Due to banks	509,652	(338)	509,314
Due to customers	5,744,768	(145,756)	5,599,012
Other liabilities	(193,497)	39,492	(154,005)
Total changes in operating assets and liabilities	**(5,003,449)**	**4,217,555**	**(785,894)**
Interest paid	-	(1,031,033)	(1,031,033)
Interest received	-	3,654,411	3,654,411
Cash flow from operating activities	**(2,894,891)**	**4,092,166**	**1,197,275**
Acquisition of tangible assets (previously: Acquisition of tangible and intangible assets) Acquisition of intangible assets (previously: Acquisition of tangible and intangible assets)	(325,754)	-	(152,367) (173,387)
Sale of financial assets at fair value through other comprehensive income	-	2,319,641	2,319,641
Aquisition of financial assets at fair value through other comprehensive income	-	(1,490,872)	(1,490,872)
Interest received	-	535,506	535,506
Dividends received	-	17,039	17,039
Cash flow from investing activities	**(265,714)**	**1,381,313**	**1,115,599**
Proceeds from borrowings	4,847,774	(260,872)	4,586,902
Repayment of borrowings	(3,462,156)	253,254	(3,208,902)
Interest paid	-	(309,963)	(309,963)
Net cash from financing activities	**1,299,038**	**(317,581)**	**981,457**
Net movements in cash and cash equivalents	**(1,861,567)**	**5,155,898**	**3,294,331**
The impact of exchange rate variation on cash and cash equivalents	-	6,574	6,574
Cash and cash equivalents at beginning of the period	**8,999,681**	**161,305**	**9,160,986**
Cash and cash equivalents at the end of the period	**7,138,115**	**5,323,776**	**12,461,891**

b) Basis for consolidation

The consolidated financial statements comprise the financial statements of BRD–Groupe Société Générale and its subsidiaries as of December 31, 2024. The financial statements of the subsidiaries are prepared for the same reporting period, using consistent accounting policies.

A subsidiary is an entity over which the Bank exercises control. 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 consolidated financial statements include the financial statements of BRD–Groupe Société Générale and the following subsidiaries: BRD Sogelease IFN S.A. (99.98% ownership, 2023: 99.98%), BRD Finance S.A. (49% ownership, 2023: 49%) and BRD Asset Management SAI S.A. (99.98% ownership, 2023: 99.98%).

According to IFRS 12 9(b), the Group controls BRD Finance S.A. even though it holds less than half of the voting rights, through the power to govern the financial and operating policies of the entity under various agreements.
All intercompany transactions, balances and unrealized gains and losses on transactions between consolidated entities are eliminated on consolidation.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control and continue to be consolidated until the date such control ceases.

(Amounts in thousands RON)

2. Basis of preparation (continued)

b) Basis for consolidation (continued)

Equity and net income attributable to non-controlling interest are shown separately in the statement of financial position, statement of profit or loss, statement of changes in equity and statement of comprehensive income, respectively.

The Bank is accounting for the investments in subsidiaries, associates and joint ventures in the separate financial statements at cost less impairment adjustment.

As at December 31, 2024:

Group

	Field of activity	Address	%
Associates			
BRD Asigurari de Viata SA	Insurance	58-60 Gheorghe Polizu Street, Bucharest Corporate Center building, floor 8 (zone 3) and floor 9, district 1, Bucharest	49.00%
Biroul de Credit S.A.	Financial institution	29 Sfanta Vineri Street, floor 4, district 3, Bucharest	16.38%
BRD Sogelease Asset Rental SRL	Operational leasing	1-7, Ion Mihalache Street, Bucharest	20.00%
Joint ventures			
CIT One SA	Cash protection and guard	319L Splaiul Independentei Street, Paris Building/A1, 1st floor, district 6, Bucharest	33.33%

Bank

	Field of activity	Address	%
Associates			
BRD Asigurari de Viata SA	Insurance	58-60 Gheorghe Polizu Street, Bucharest Corporate Center building, floor 8 (zone 3) and floor 9, district 1, Bucharest	49.00%
Biroul de Credit S.A.	Financial institution	29 Sfanta Vineri Street, floor 4, district 3, Bucharest	16.38%
Joint ventures			
CIT One SA	Cash protection and guard	319L Splaiul Independentei Street, Paris Building/A1, 1st floor, district 6, Bucharest	33.33%
Subsidiaries			
BRD Sogelease IFN SA	Financial lease	1-7, Ion Mihalache Street, floor 12, district 1, Bucharest	99.98%
BRD Finance SA	Financial institution - non-going concern entity	1-7, Ion Mihalache Street, floor 15, district 1, Bucharest	49.00%
BRD Asset Management SAI SA	Fund administration	2 Doctor Staicovici Street, district 5, floor 5, Bucharest	99.98%

As at December 31, 2023:

Group

	Field of activity	Address	%
Associates			
BRD Asigurari de Viata SA	Insurance	58-60 Gheorghe Polizu Street, Bucharest Corporate Center building, floor 8 (zone 3) and floor 9, district 1, Bucharest	49.00%
Biroul de Credit S.A.	Financial institution	29 Sfanta Vineri Street, floor 4, district 3, Bucharest	16.38%
BRD Societate de Administrare a Fondurilor de Pensii Private SA	Pension fund management	58-60 Gheorghe Polizu Street, floor 8 (zone 1, 2 and 4), district 1, Bucharest	26.95%
BRD Sogelease Asset Rental SRL	Operational leasing	1-7, Ion Mihalache Street, Bucharest	20.00%
Joint ventures			
CIT One SA	Protection and guard	319L Splaiul Independentei Street, Paris Building/A1, 1st floor, district 6, Bucharest	33.33%

Bank

	Field of activity	Address	%
Associates			
BRD Asigurari de Viata SA	Insurance	58-60 Gheorghe Polizu Street, Bucharest Corporate Center building, floor 8 (zone 3) and floor 9, district 1, Bucharest	49.00%
Biroul de Credit S.A.	Financial institution	29 Sfanta Vineri Street, floor 4, district 3, Bucharest	16.38%
BRD Societate de Administrare a Fondurilor de Pensii Private SA	Pension fund management	58-60 Gheorghe Polizu Street, floor 8 (zone 1, 2 and 4), district 1, Bucharest	26.95%
Joint ventures			
CIT One SA	Cash protection and guard	319L Splaiul Independentei Street, Paris Building/A1, 1st floor, district 6, Bucharest	33.33%
Subsidiaries			
BRD Sogelease IFN SA	Financial lease	1-7, Ion Mihalache Street, floor 12, district 1, Bucharest	99.98%
BRD Finance IFN SA	Financial institution	1-7, Ion Mihalache Street, floor 15, district 1, Bucharest	49.00%
BRD Asset Management SAI SA	Fund administration	2 Doctor Staicovici Street, district 5, floor 5, Bucharest	99.98%

For BRD Asset Management SAI SA the Group consolidates the administrator of the funds not also the funds administrated by the entity.

2. Basis of preparation (continued)

b) Basis for consolidation (continued)

BRD Finance S.A.

In accordance with IAS 1 "Presentation of financial statements", paragraph 25, when preparing financial statements, management should perform an assessment of an entity's ability to continue as a going concern.

As of 31 December 2024, the management of the Company assessed that the going concern assumption is not appropriate, considering all available information about the future development of the Company's activity.

As of December 31, 2023 BRD Finance SA was in a run off process and entered into a process for selling its entire loan portfolio. During 2024 BRD Finance SA sold its entire loan portfolio, previously reclassified into held for sale, to a third party. Therefore, as at December 31, 2024 and December 31, 2023 the BRD Finance SA financial statements were prepared in compliance with IFRS, but no longer on a going concern basis.

The entity has been included in the consolidated financial statements of the Group on this basis and as at December 31, 2024 and December 31, 2023 it was consolidated applying full consolidation method. Starting August 22, 2024 the entity was no longer registered as a non-banking financial institution in the National Registry and as such no longer supervised by NBR.

BRD Societate de Administrare a Fondurilor de Pensii Private SA

In May 2024 there were signed the Business Transfer Agreement and the Sale Purchase Agreement for the sale of investment in associate BRD Societate de Administrare a Fondurilor de Pensii Private SA together with Pillar 2 and 3 to a third party. BRD–Groupe Société Générale decided to reclassify the investment from Investments in associates into Assets held for sale.

2. Basis of preparation (continued)

c) Changes in accounting policies and adoption of revised/amended IFRS

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group/Bank as of 1 January 2024. The impact of the application of these new and revised IFRSs has been reflected in the financial statements and was estimated as not being material, except disclosures already presented in the Notes.

- **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments)**

The amendments relate to the sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to subsequently measure liabilities arising from the transaction and in a way that it does not recognise any gain or loss related to the right of use that it retained. This means deferral of such a gain even if the obligation is to make variable payments that do not depend on an index or a rate.

No material impact for Group and the Bank was identified from the application of these amendments.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument.

No material impact for Group and the Bank was identified from the application of these amendments.

- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments)**

In response to concerns of the users of financial statements about inadequate or misleading disclosure of financing arrangements, in May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require disclosure about entity's supplier finance arrangements (SFAs). These amendments require the disclosures of the entity's supplier finance arrangements that would enable the users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The purpose of the additional disclosure requirements is to enhance the transparency of the supplier finance arrangements. The amendments do not affect recognition or measurement principles but only disclosure requirements.

No material impact for Group and the Bank was identified from the application of these amendments.

2. Basis of preparation (continued)

d) Standards and interpretations that are issued but have not yet come into effect

Standards and interpretations effective from 1 January 2025 or later:

- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)**

In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences.

- **Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments**

On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

(a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;(b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;(c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

- **Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity**

The IASB has issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Current accounting requirements may not adequately capture how these contracts affect a company's performance. To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures. The amendments include: (a) clarifying the application of the 'own-use' requirements; (b) relaxing certain hedge accounting requirements if these contracts are used as hedging instruments; and (c) adding new disclosure requirements to enable investors to understand the effect of these contracts on financial performance and cash flows.

- **Annual Improvements to IFRS Accounting Standards**

IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the 'qualifying criteria', rather than 'conditions' for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included 'significant unobservable inputs'. This new phrase replaced reference to 'significant inputs that were not based on observable market data'.

2. Basis of preparation (continued)

d) Standards and interpretations that are issued but have not yet come into effect (continued)

The amendment makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at ‘the amount determined by applying IFRS 15’ instead of at ‘their transaction price (as defined in IFRS 15)’. IFRS 10 was amended to use less conclusive language when an entity is a ‘de-facto agent’ and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to ‘cost method’ that was removed from IFRS Accounting Standards in May 2008 when the IASB issued amendment ‘Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate’.

- **IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its ‘operating profit or loss’. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

- **IFRS 19 Subsidiaries without Public Accountability**

The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries’ financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

- enabling subsidiaries to keep only one set of accounting records – to meet the needs of both their parent company and the users of their financial statements;
- reducing disclosure requirements – IFRS 19 permits reduced disclosure better suited to the needs of the users of their financial statements.

2. Basis of preparation (continued)

d) Standards and interpretations that are issued but have not yet come into effect (continued)

Amendments published but rejected or deferred by the EU:

- **IFRS 14 Regulatory Deferral Accounts**

IFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the standard.

- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28**

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary.

For the standards and interpretations effective from 1 January 2025 or later the Bank will assess and disclose the impact starting with the next financial exercise.

e) Significant accounting judgments and estimates

In the process of applying the Group and Bank's accounting policies, management is required to use its judgments and make estimates in determining the amounts recognized in the consolidated and separate financial statements. The most significant use of judgments and estimates are as follows:

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of liquidity and model inputs such as volatility for longer dated derivatives and discount rates, prepayment rates and default rate assumptions for asset backed securities. The valuation of financial instruments is described in more details in Note 43.

Expected credit losses on financial assets at amortised cost and FVOCI

Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs consistent with those at December 31, 2023. The following components have a major impact on expected credit losses: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios ("FLI").

2. Basis of preparation (continued)

e) Significant accounting judgments and estimates (continued)

The main considerations for the loan impairment assessment include whether any payments of principal or interest are overdue by more than 90 days, whether a severe alteration in the counterparty's financial standing is observed, entailing a high probability that the debtor will not be able to fully meet its credit obligations, whether concessions in the form of restructuring were consented under the circumstances of financial hardship experienced by the debtor, whether legal procedures were initiated or the debtor was transferred to specialized recovery structures (regardless of the number of days past due).

Please refer to note 10 for more details.

The Bank's expected credit loss model (ECL) relies on several underlying assumptions regarding the choice of variable inputs and their interdependencies, which affect the level of allowances:

- The internal credit grating model, which assigns probabilities of default (PDs) to the individual grades
- The criteria defined (both in relative and absolute terms) for the assessment of significant increase in credit risk since initial recognition and consequently the computation of allowances based on life time expected credit loss (LTECL)
- The grouping of financial assets when their ECL is measured on a collective basis
- The development of ECL model, including the various formulas and the choice of inputs
- The macroeconomic scenarios and their probability weightings based on which ECL is derived
- The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, the Bank assesses the need/opportunity for additional amounts of provisions in the form of overlays, in order to address:
  - sector of activity specific risks (adjustment of ECL on sectors that have a different default behavior from the whole calibration segment);
  - visible macroeconomic threat impossible to be captured by the models (typically, when the predicted stress did not occur in the observed past serving as a base for models).
- For individually significant loans and advances, the Group and Bank identify and quantify the expected future cash flows to be used for a total or partial reimbursement of the obligations, based on the capacity of the client/business to generate revenues, proceeds resulting from sale of collaterals and other clearly identified sources of repayment. The individual assessment threshold is defined in between 500 - 1,500 thousand EUR, depending on the client type and customers' management departments.

Provisions for other risks and charges

The Bank operates in a regulatory and legal environment that, by nature has a heightened element of litigation risk inherent to its operations and, as a result it is involved in various litigations or is subject to various obligations arising from legislation in force. When the Bank can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Bank records a provision against the case, as mentioned in this note. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Generally, the first step is to establish the existence of the present obligation followed by the estimation of the amount needed to settle that obligation considering a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

2. Basis of preparation (continued)

e) Significant accounting judgments and estimates (continued)

In case of litigations:

i. For a single individual litigation the Bank assess whether there is more likely than not to have an unfavourable court decision considering the factors mentioned above; then it estimates the amount at risk; in case there are several scenarios possible with different outcomes, the amount at risk is the weighted average of the amounts at risk for each scenario using the probability distribution for all scenarios (100% is allocated to the possible scenarios) and provisions 100% of the estimated amount;

ii. For multiple litigations, the assessment of "more likely than not" could be substantiated for the entire population using statistics and provision computation to be made at pool level.

In case of obligations arising from various legislation, the bank assesses first if there is no realistic alternative of settling that obligation, and if not, it estimates the amount needed to settle that obligation (using similar approach as above) and books provisions representing 100% of the estimated amount.
Please refer to Note 24 and Note 42 for more details.

f) Segment information

A segment is a component of the Group and Bank:

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

The Group and Bank's segment reporting is based on the following segments: *Retail* including Individuals and Small Business, *Non-retail* including Small and Medium Enterprises ("SMEs") and Large corporate and *Corporate Center* including: treasury activities, ALM and other categories unallocated to the business lines mentioned above (fixed assets, taxes, equity investments, etc.).

3. Material accounting policies

a) Recognition of income and expenses

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the benefits can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

i) Interest and similar income

For all financial instruments measured at amortized cost and interest-bearing financial instruments classified as FVOCI, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. The effective interest is applied to the gross carrying amount for assets classified in Stage 1 or 2 and to all financial liabilities. For financial assets classified as Stage 3 or POCI the effective interest rate is applied to the net carrying amount.

The calculation considers all contractual terms of the financial instrument and includes any origination fees and incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate. The net carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense.

ii) Fee and commission income

The Group and Bank earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

(i) Fee income earned from services that are provided over a certain period.
Fees earned for the provision of services over a period are accrued over the period, being recognized in statement of profit and loss gradually. These fees include asset management, custody and other advisory fees.

(ii) Fee income from providing transaction services: Fees arising from negotiating or participating in the negotiation of a transaction for a third party – such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses. These fees are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria.

iii) Dividend income

Revenue is recognized when the Group and Bank’s right to receive the payment is established, generally when the shareholders approve the dividend.

iv) Net trading income

Net trading income comprises gains less losses related to assets and liabilities held for trading and derivatives and includes all realised and unrealised fair value changes, interest, dividends and foreign exchange differences. Interest income from all interest-bearing trading financial assets required to be measured at FVPL is recognised part of the net trading income.

3. Material accounting policies (continued)

a) Recognition of income and expenses (continued)

v) Levies

IFRIC 21 "Levies" clarifies the accounting for a liability to pay a levy. For an entity, the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation. The liability to pay a levy is recognised progressively if the obligating event occurs over a period. Furthermore, if an obligation to pay a levy is triggered when a minimum activity threshold is reached, the corresponding liability is recognised when that minimum activity threshold is reached.

The main related taxes which fall under the provisions of IFRIC 21 are as follows:
- The Bank annual contribution to Deposit Guarantee Scheme is fully recognised in the income statement on 1st January of the year in which the payment is made.
- The Bank annual contribution to the Single Resolution Fund, is fully recognised in the income statement on 1st January of the year in which the payment is made.

b) Financial instruments - recognition

i) Initial recognition and date of recognition

The Group applies settlement date accounting policy for all financial assets (the financial assets are initially recognized on the date of the transfer of funds). Between trade date and settlement date The Group recognizes off balance sheet commitments.

ii) Measurement categories of financial assets and liabilities

Financial instruments are initially recognised at their fair value including transaction costs. Trade receivables are measured at the transaction price.

In accordance with IFRS 9 classification, the Group classifies financial assets in the following measurement categories:

- fair value through profit and loss (FVPL);
- fair value through other comprehensive income (FVOCI) or
- amortised cost.

Classification and subsequent measurement of financial assets is generally based on the Group business model to manage the assets and the cash flow characteristics of the assets.

The Group and the Bank classify and measure the financial liabilities at amortised cost.

The Bank classifies and measures its derivative and trading portfolio as FVPL.

The Group measures the equity instruments at fair value through profit and loss. Gains and losses on equity investments measured at fair value through profit and loss are included in the line "Net gains on financial assets measured at fair value through profit and loss" in the statement of profit and loss.

In the Bank's Separate Financial Statement, the equity instruments representing investment in associates and subsidiaries continue to be measured at cost less impairment in accordance with IAS 27 "Separate financial statements".

3. Material accounting policies (continued)

c) Financial instruments – classification and measurement

According to IFRS 9, the Group classifies its financial assets that are debt instruments into one of the following categories based on the assessment of business model and SPPI characteristics, as follows:

- Financial assets that are held for collection of contractual cash flows and cash flows represent solely payments of capital and interest (SPPI) are classified and measured at amortised cost. In this category the Group includes the loans granted to customers, deposits placed with banks, corporate bonds and repurchase transactions part of banking book portfolio. Treasury bonds in banking book portfolio purchased starting July 1, 2022 are classified in this category.
- Financial assets that are held for collection of contractual cash flows and for selling the assets and the contractual cash flows represent solely payments of capital and interest are measured at fair value through other comprehensive income. Treasury bonds in banking book portfolio purchased before June 30, 2022 are classified and measured at fair value through other comprehensive income.
- Financial assets that are held for trading, regardless of the cash flow characteristics are measured at fair value through profit and loss. In this category the Group includes the sub-portfolio of treasury bonds, placements made to banks and repurchase transaction held for trading.

1) Business model assessment

The business model assessment is one of the two steps to classify financial assets.

The Group's business model reflects how it manages its financial assets to generate cash flows; the business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. Accordingly, this condition is not an instrument-by-instrument approach to classification and should be determined on a higher level of aggregation.

The business model assessment is performed based on scenarios that the Group reasonably expects to occur, without taking 'worst case' or 'stress case' scenarios. The Group assesses the business model for newly originated financial assets, considering information about how cash flows were realized in the past (namely before the date of the origination of new assets) for that specific portfolio of assets, along with all other relevant information. This means that there is no 'tainting' concept, but if there is a change in the way that cash flows are realized then this will affect the classification of assets originated after the date of that change.

In some circumstances, the Bank separates a portfolio of financial assets into sub-portfolios to reflect how an entity manages them. Those portfolios are split and treated as separate portfolios, provided the assets belonging to each sub-portfolio are separately defined.

2) SPPI test

As a second step of its classification process the Group performs the assessment of the characteristics of the contractual cash flows aiming to identify whether the contractual cash flows are "solely payments of principal and interest on the principal amount outstanding" – SPPI test. The SPPI assessment is performed at the initial recognition of the financial asset as well as subsequently when significant modifications occur.

The principal for the purpose of applying SPPI test is "the fair value of the asset at initial recognition" and it may change over the life of the financial asset (e.g. if there are repayments of principal).

3. Material accounting policies (continued)

c) Financial instruments – classification and measurement (continued)

2) SPPI test (continued)

The most significant elements of interest are typically the consideration for the time value of money and credit risk. Interest can also include consideration for other basic lending risks (for example, liquidity risk) and costs (for example, administrative costs) associated with holding the financial asset for a particular period. In addition, interest can include a profit margin that is consistent with a basic lending arrangement.

To make the SPPI assessment, the Group applies judgements and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set.

3) Debt instruments at FVOCI

These instruments largely comprise of treasury bonds.

After initial recognition FVOCI financial assets are measured at fair value with gains or losses being recognized as OCI until the investment is derecognized. The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the statement of financial position date. Interest income and foreign exchange gains and losses are recognised in profit and loss.

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

4) Derivatives that are not designated accounting hedging instruments

The Group uses derivative financial instruments such as forward currency contracts, currency swaps, currency options, swaps and cross currency swaps on interest rate, as products offered to its clients but also to hedge its risks associated with interest rate, liquidity and exchange rate. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as assets when their fair value is positive and as liabilities when fair value is negative. Any gains or losses arising from changes in fair value of derivatives that are not designated as hedge accounting instruments are taken directly to profit or loss for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest swap contracts is determined by reference to market values of similar instruments.

3. Material accounting policies (continued)

c) Financial instruments – classification and measurement (continued)

5) Derivatives that are designated accounting hedging instruments

As a policy choice, the Group has also elected to continue to apply the hedge accounting requirements in accordance with IAS 39. The Group and Bank designates certain derivatives held for risk management as hedging instruments in qualifying accounting hedging relationships. The Group and Bank formally documents the relationship between the hedging instruments and hedged item, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship.

The Group and Bank makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, as to whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value during the period for which the hedge is designated. The actual results of the hedge as recommended by IAS 39 should be in the range of 80-125 percent, but the Group and Bank uses a more prudent approach and the range considered is 88-114 percent.

The Group and Bank use fair value hedges. When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognized asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognized immediately in profit and loss together with changes in the fair value of the hedged item that are attributable to the hedged risk.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. Any adjustment up to that point to a hedged item for which the effective interest method is used, is amortised to profit or loss as part of the recalculated effective interest rate of the item over its remaining life.

6) Financial assets and financial liabilities held for trading

The Bank classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value.

Changes in fair value are recognised in net trading income. Interest income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established. Included in this classification are debt securities, repurchase transactions and short positions acquired principally for the purpose of selling or repurchasing in the near term.

7) Repurchase agreements

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognized in the statement of financial position as securities and are measured in accordance with the applicable accounting policies. The liability for amounts received under these agreements from banking book portfolio is included in customers' or interbank deposits. The difference between sale and repurchase price is treated as interest expense using the effective yield method. Assets acquired with a corresponding commitment to resell at a specified future date (reverse repos) from the banking book portfolio are recorded as loans and advances.

3. Material accounting policies (continued)

c) Financial instruments – classification and measurement (continued)

8) Borrowings

Borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. Subsequently borrowings are stated at amortized cost using the effective interest rate method. Any discount or premium is integral part of the effective interest rate.

9) Financial guarantees, letter of credits and loan commitments

In the ordinary course of business, the Group and Bank gives financial guarantees, consisting of letters of credit, guarantees and acceptances and performance guarantees.

Financial guarantees are presented in 'Provisions' line with the amount of the premium received being the instruments' fair value. The financial guarantees are subsequently measured at the higher of the amount initially recognised less the cumulative amortisation recognised in the income statement and an ECL.

Any increase in the liability relating to financial guarantees is taken to the income statement in 'Credit loss expense'. The premium received is recognized in the income statement in 'Net fees and commission income' on a straight-line basis over the life of the guarantee.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the statement of financial position. The nominal values of these instruments together with the corresponding ECLs are disclosed in Note 24 and in Note 45.

d) Financial assets - derecognition

The Group derecognizes a portfolio of financial assets, a financial asset or a part of a financial asset (herein after called „financial asset") when and only when one of the following conditions is fulfilled:

- The contractual rights to the cash flows expire;
- It transfers the financial asset and the transfer qualifies for derecognition;
- Voluntarily renounces its rights over the financial asset due to the asset being considered irrecoverable or in order to grant a concession to the debtor;
- Significant modification of a financial asset that generate the extinguishment of the existing financial asset and recognition of a new financial asset.

3. Material accounting policies (continued)

d) Financial assets – derecognition (continued)

Derecognition due to substantial modification of terms and conditions

In certain circumstances, the Group renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether the new terms are substantially different to the original terms. The Group does this by considering both quantitative and qualitative factors that are substantially changing the size or the nature of lender's risks associated with the pre-existing loan contract.

If the new terms are substantially different, the Group derecognises the original financial assets and recognises a "new" financial asset. The new financial asset is initially recognized at fair value and the classification and subsequent measurement is reassessed considering the new business model and the contractual cash flows characteristics. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes. All financial assets that are impaired at the date of initial recognition (first origination or re-origination due to significant changes) are classified as purchased or originated credit impaired (POCI).

On initial recognition the difference between transaction price and fair value of new financial asset is recognised in P&L for loans where the fair value is calculated based on observable inputs (loans not impaired at the date of modification).

When assessing the new terms to establish if they are significantly modified, the Group considers if the change is made to increase recoverability of the pre-existing loan. The renegotiation or modification of the contractual cash flow of an existing financial asset can generate derecognition of the financial asset and the recognition of a new financial asset if the respective changes to the financial asset are significant. Changes made for the purpose of increasing the received cash flows and which are not considered significant change of the contractual characteristics do not generate derecognition.

The following modifications are considered significant contractual changes:

Quantitative criteria:

- interest rate margin modification for floating interest rate and interest rate modification for fixed interest rate higher than 3% over a 12-month period; the threshold is subject to review depending on the market conditions;
- tenor prolongation or reduction for non-revolving financial assets for more than 24 months or over 50% from initial (prior to modification) remaining tenor.

Qualitative criteria refer to contractual modifications that are substantially changing the size or the nature of lender's risks associated with the pre-existing loan contract and are applicable to all financial assets:

- change of the denomination currency;
- change of the type of interest (variable or fixed) for performing loans (commercial renegotiation);
- contract changed obligor / counterparty;
- consolidation of two or more loans to one loan (many to 1);
- split of one loan to two or more loans (1 to many);
- modification of an SPPI compliant contract by introducing a features that is non-SPPI or modification of a non-SPPI contract by removing the features that are non-SPPI through commercial renegotiation;
- change of a commercial product or use of the same product but from updated bank commercial offer available at the change date for performing loans (commercial renegotiation);
- renewal of a performing revolving loan (regardless of new tenor) if a substantive risk analysis is performed.

3. Material accounting policies (continued)

d) Financial assets - derecognition (continued)

Derecognition other than for substantial modification

A financial asset is derecognized where either:
- The rights to receive cash flows from the assets have expired;
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either a) has transferred substantially all the risks and rewards of the asset, or b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially changed, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts are recognized in profit or loss.

Write-offs

A write-off is performed when the entire loan is deemed uncollectible (very high uncertainty regarding recoverable amount and timeframe). Write-off is not conditioned by the closure of the legal procedures, nor does it imply the forfeit of the bank's claims to the receivables / financial asset. A write-off is performed only where the chances of recoveries are remote.

The Bank performs permanent write-offs under certain situations, such as:
- the financial assets are considered immaterial, thus do not justify the initiation of the recovery process;
- the collaterals which cover the receivables have a recovery value deemed immaterial and no other recovery sources could be identified;
- exhaustion of all legal means;
- end of the statute of limitation period for enforcement rights, etc.

Any recoveries of previously written-off loans and receivables are recognized as income.

e) Financial assets - reclassification

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Bank acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3. Material accounting policies (continued)

f) Impairment model of financial assets

The Group assesses on a forward-looking basis the expected credit losses ("ECL") for the following categories of financial assets: loans and placed deposits measured at amortised cost, debt instruments measured at fair value to other comprehensive income, loan commitments and financial guarantee contracts, contract assets and trade receivables.

The group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The ECL calculation considers both the number of days past due recorded by the receivables and the credit risk analysis performed for clients with granted loans.

For contract assets and trade receivables the Group applies the simplified approach for measuring the expected credit losses and recognizes lifetime expected credit losses in accordance to the provisions of IFRS 9 "Financial Instruments". Based on an assessment of historical information the Bank recognizes expected credit loss for contract assets and the trade receivables with more than 90 days past due for the entire exposure amount.

Overview of the ECL principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The ECL is computed from the time of origination.

Consequently, financial assets subject to loss allowances can be classified in Stage 1, Stage 2, Stage 3 or POCI, as described below:

- **Stage 1** when there is insignificant or no impairment of credit quality since initial recognition; Loss allowance shall be equal to 12mECL.
- **Stage 2** when a financial asset shown significant increase in credit risk since initial recognition, though not impaired; Loss allowance shall be equal to LTECL.
- **Stage 3** financial assets classified as impaired; Loss allowance is represented by LTECL.
- **POCI** financial assets that are credit impaired on initial recognition. Loss allowance shall be equal to LTECL. ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses.

The expected credit loss may be calculated either individually or collectively in accordance with IFRS 9. The Bank model for computing the expected credit losses is:

- Individual or collective assessment for clients in Stage 3;
- Collective assessment for clients in Stage 2 or Stage 1.

3. Material accounting policies (continued)

f) Impairment model of financial assets (continued)

Staging criteria

The Bank has established criteria to perform the assessment of significant increase in credit risk since initial recognition on a monthly basis, considering both relative and absolute thresholds.

- For Non-Retail portfolio (Corporate and Public Authorities), the staging criteria are:
  Stage 3: criteria as provided by EBA default definition as presented below;
  Stage 2: assessment of
    Relative threshold: Doubling of the lifetime Probability of default (“PD”) since origination and the absolute increase exceeds a pre-defined quantitative threshold
    Absolute thresholds: Clients rated with the last three risk classes in term of risk (“sub-standard grade”, as detailed in Note 45.1), Clients with expired ratings for more than three months, Clients not rated as of reporting date, Healthy clients with restructured facilities in probation and DPD < 30, Clients with DPD > 30;
  Stage 1: include all clients not classified in Stage 2 or Stage 3 based on the above conditions.

- For Small Business, the staging criteria are:

  Stage 3: criteria as provided by EBA default definition as presented below;
  Stage 2: assessment of
    Relative threshold: Doubling of the lifetime PD since origination and the absolute increase exceeds a pre-defined quantitative threshold
    Absolute thresholds: Clients rated with the last three risk classes in term of risk (“sub-standard grade”, as detailed in Note 45.1), Healthy clients with restructured facilities in probation and DPD < 30, Clients with DPD > 30;
  Stage 1: include all clients not classified in Stage 2 or Stage 3 based on the above conditions.

- For Individuals and Professionals, the staging criteria are:

  Stage 3: criteria as provided by EBA default definition as presented below;
  Stage 2: assessment of
    Relative threshold: Doubling of the lifetime PD since origination and the absolute increase exceeds a pre-defined quantitative threshold
    Absolute thresholds: Clients rated with the last two risk classes in term of risk (“sub-standard grade”, as detailed in Note 45.1), Healthy clients with restructured facilities in probation and DPD < 30, Clients with DPD > 30;
  Stage 1: include all clients not classified in Stage 2 or Stage 3 based on the above conditions.

In accordance with EBA default definition, the main considerations for the loan impairment assessment include whether any payments of principal or interest are overdue by more than 90 days, whether a severe alteration in the counterparty’s financial standing is observed, entailing a high probability that the debtor will not be able to fully meet its credit obligations, whether concessions in the form of restructuring were consented under the circumstances of financial hardship experienced by the debtor, whether legal procedures were initiated or the debtor was transferred to specialized recovery structures (regardless of the number of days past due).

3. Material accounting policies (continued)

f) Impairment model of financial assets (continued)

ECL calculation techniques:

The key elements of ECL calculation are outlined below:

- PD *Probability of Default* models are based on a two-step approach: building of the through-the-cycle (TTC) marginal PD curve and Adjustment of the TTC curve to incorporate point in time and forward looking information;
- LGD *Loss Given Default* model takes into account cashbacks, portfolio sales and collateral recoveries;
- EAD Exposure at default estimation at each time step is based on internally modelled Credit Conversion Factor (“CCF”).
- Point in time and forward-looking transformation for ECL parameters.

Forward-looking information

Expected losses are computed based on three macroeconomic scenarios: optimistic, base and stress scenario. Consequently, expected credit losses are influenced both by changes in portfolio quality as well as changes in macroeconomic projections. Macroeconomic models are sensitive to GDP, RON/EUR exchange rate and unemployment rate. Final ECL is derived using the weighted average of the three scenarios (based on their probabilities of occurrence).

The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, the Bank assesses the need/opportunity for additional amounts of provisions in the form of overlays, in order to address:

- Sector of activity specific risks (adjustment of ECL on sectors that have a different default behaviour from the whole calibration segment)
- Visible macroeconomic threat impossible to be captured by the models (typically when the predicted stress did not occur in the observed past serving as a base for models).

Impairment/default principles

Impairment and recoverability are assessed, measured and recognized individually for loans and receivables that are individually significant, and on a portfolio basis for impaired loans and receivables that are not individually significant. Loans and receivables for which objective evidence of impairment was not identified, regardless the loans are individually significant or not, are included in a portfolio for collective impairment assessment. The carrying amount of the asset is reduced to its estimated recoverable amount through the use of an allowance account. The loss amount is recognised into profit and loss. If the amount of the impairment subsequently decreases due to an event occurring after the impairment, the release of the allowance is credited to the income statement.

The Group implemented the definition of the default status according to the criteria set by EBA. All the PD curves used as input elements in the ECL calculation were calibrated by applying the EBA definition retroactively, in order to ensure the consistency regarding the entry into default status at the time of calibration.

3. Material accounting policies (continued)

f) Impairment model of financial assets (continued)

Collateral valuation

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, letters of guarantees, real estate, etc.

Real estate collaterals are regularly valuated. Their market value is estimated by certified evaluators that can be either external or internal valuators. Depending on the collateral type, revaluation is performed:

- Yearly, for commercial / industrial / agricultural real-estate, plots of land
- At least once every 3 years, for residential real estate or with higher frequency if the real estate market displays a significant negative evolution.

The value of collateral affects the calculation of ECLs through LGD parameter, which is an estimate of the loss arising in the case where a default occurs at a given time, considering all the cash flows collected from the client, as well as the recovery value of collaterals (net of any cost and additional losses), by incorporating the effect of time value of money. The recovery value of a collateral is determined by applying discount coefficients to its market value when computing the provisions on individual assessment basis.

g) Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents comprise cash in hand, current accounts and short-term placements at other banks and the amounts representing minimum compulsory reserve held at National Bank of Romania, excluding amounts in transit and loans to banks with more than 90 days maturity from the date of acquisition.

h) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement convey a right to use the asset.

A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Group as a lessor

Finance leases are those which transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item and are recognized as assets at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are allocated both to the principal and the interest income on a pattern reflecting a constant periodic rate of return on the lessor's net investment outstanding in respect of the finance lease.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. For short-term leases or leases for which the underlying asset is of low value, the related lease payments are recognized as an expense on a straight-line basis over the lease term (please see Note 40).

3. Material accounting policies (continued)

h) Leases (continued)

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are presented within Note 15.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments can include fixed payments, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments can also include payments of penalties for terminating the lease.

i) Investment in associates and joint ventures

An associate is an enterprise in which the Group and Bank exercises significant influence and is neither a subsidiary nor a joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group recognizes its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 Investments in Associates. The Bank accounts its interest in joint venture in the separate financial statements at cost less impairment.

Associates and joint venture are accounted using the equity method for consolidation purposes and cost method for separate financial statements.

Under the equity method, an investment in an associate and joint venture is carried in the statement of financial position at cost plus post-acquisition changes in the Group and Bank's share of net assets of the associate or joint venture. Goodwill relating to an associate or joint venture is included in the carrying amount of the investment and is not amortized. The Group and Bank does an assessment of any additional impairment loss with respect to the net investment in associate or joint venture.

The income statement reflects the share of the results of operations of associates and joint ventures. Where there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity.

The reporting dates of associates and joint venture and the Group are identical and the associates' or joint ventures' major accounting policies conform to those used by the Group for like transactions and similar events in similar circumstances.

j) Tangible assets

The cost of tangible asset is recognized as an asset if, and only if: (a) it is probable that future economic benefits associated with the item will flow to the Group; and (b) the cost of the item can be measured reliably.

3. Material accounting policies (continued)

j) Tangible assets (continued)

Buildings and other tangible assets are stated at cost less accumulated depreciation and any impairment loss. In accordance with IAS 29 "Reporting in Hyperinflationary Economies", tangible assets have been restated, as appropriate, by applying the change in the consumer price index from the date of acquisition through December 31, 2003.

Depreciation is computed on a straight-line basis over the estimated useful life of the asset, as stated below:

Asset type	*Years*
Buildings and special constructions	10-40
Computers and equipment	3-5
Furniture and other equipment	15
Vehicles	5

The carrying amount of tangible assets is reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An asset's recoverable amount is the higher of an asset's or CGU (Cost Generation Unit)'s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Tangible assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

k) Investment properties

Assets are classified as investment property if the property (land or a building - or part of a building - or both) is held (by the Bank or Group as owner) to earn rentals or for capital appreciation or both, rather than for: use in the production or for administrative purposes; or sale in the ordinary course of business.

Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less any accumulated depreciation and any accumulated impairment losses. Investment properties are derecognized when either they have been disposed-off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the income statement in the year of retirement or disposal.

Transfers are made to investment property when and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party, or ending of construction or development. Transfers are made from investment property when and only when, there is a change in use evidenced by commencement of owner-occupation or commencement of development with a view to sale. The depreciation of buildings included in investment properties is computed using the linear method over the useful lives as presented in Note 3 j).

3. Material accounting policies (continued)

l) Assets held for sale

Non-current assets for which the carrying amount is estimated to be recovered principally through a sale transaction rather than continuing use are classified as held for sale. Assets held for sale represented by property, plant and equipment are initially and subsequently measured at the lower of the carrying amount and the fair value at the date of the measurement. For any decrease of the fair value below the carrying amount, impairment is recognised into profit and loss accounts. The increase of the fair value of a held for sale asset is accounted for as an impairment release. Fair value increase is recognised up to the level of the initial carrying amount of the asset. On the period an asset is classified as held for sale no depreciation charged is recognised. An asset that ceases to be classified as held for sale is measured at the lower of the carrying amount before the asset was classified as held for sale adjusted by the depreciation that would have been recognised had the asset was not classified as held for sale and its recoverable amount.

m) Goodwill

Goodwill acquired in a business combination is initially measured at the excess of the aggregate of consideration transferred and the amount of any non-controlling interest in the acquiree over the net amounts of the identifiable assets and liabilities acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment at each reporting date or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where the recoverable amount of cash-generating unit is less than the carrying amount, an impairment loss is recognized.

n) Intangible assets

Intangible assets are measured initially at cost. Following initial recognition intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. All intangible assets of the Group and Bank carried as of December 31, 2024 and 2023 have finite useful lives and are amortized on a straight-line basis over the estimated useful life of up to 5 years. The amortization period and the amortization method are reviewed at least at each financial year end. At each statement of financial position date or whenever events or changes in circumstances indicate the carrying value may not be recoverable, intangibles are reviewed for impairment. Where the carrying amount of an asset is greater than the estimated recoverable amount, it is written down to its recoverable amount by recognising impairment. An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

o) Employee benefits

Short-term employee benefits:
Short-term employee benefits include wages, salaries and social security contributions. Short-term employee benefits are recognized as expense when services are rendered.

3. Material accounting policies (continued)

o) Employee benefits (continued)

Social Security Contributions:
The Group and its subsidiaries as well as its employees are legally obliged to make contributions described in the financial statements as social security contributions to the National Pension Fund, managed by the Romanian State Social Security (a defined contribution plan financed on a pay-as-you-go basis).

The Group and Bank has no legal or constructive obligation to pay future benefits. Its only obligation is to pay the contributions as they fall due.
If the members of the Romanian State Social Security plan cease to be employed by either the Group or its subsidiary, there will be no obligation on the Group to pay the benefits earned by these employees in previous years. The Group and Bank's contributions are included in salaries and related expenses.

Post-employment benefits:
The Group and Bank has a contractual obligation to pay to retiring employees a benefit calculated considering the salary at the date of retirement and the number of years served by the individual. The cost of providing benefits under defined benefit plans is estimated annually using the projected unit credit actuarial valuation method and is recognized to the income statement on an accrual's basis. Differences arising from changes in calculation assumptions (early retirements, discount rates, etc.) or differences between actuarial assumptions and real performance are recognized as actuarial gains and losses. Actuarial gains and losses, excluding amounts expensed as net interest on the net defined benefit liability are components used to re-measure the net defined benefit liability. These components are immediately and fully recognised as unrealised gains and losses and presented under Reserves from defined benefit pension plan.

These items are subsequently never reclassified in income statement but transferred to retain earnings. Where a new or amended plan comes into force, the past service cost is immediately recognized in profit or loss.
An annual charge is recorded under Personnel expenses for defined benefit plans, consisting of:
- the additional entitlements vested by each employee (current service cost);
- past service cost resulting from a plan amendment or a curtailment;
- the financial expense resulting from the discount rate (net interest on the net defined benefit liability);
- the settlement of plans.

Share–based payment transactions:
Based on the annual performance certain employees of the Group and Bank receive remuneration in the form of SG share–based payment transactions, whereby employees render services as consideration for equity instruments ('equity–settled transactions'). The cost of equity–settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date', usually 3 years).

Additionally, according to the Bank's Remuneration Policy, the Executive Officers are entitled to a variable remuneration, which is granted based on quantitative and qualitative criteria and represents a cash-settled transaction, having two components' cash and share equivalents settled in cash (BRDTP - Bonus package for the executive officers). BRDTP or share equivalents is a component of the variable remuneration expressed in units, whose value is determined for a relevant reference period preceding the vesting date, based on the price of the Bank shares, listed on the Bucharest Stock Exchange.
In accordance with European and local legislation in force and the Bank's risk appetite targets whilst promoting alignment with shareholders' interests, vesting of at least 60% of the variable remuneration is deferred over five years, on a pro rata basis.

3. Material accounting policies (continued)

o) Employee benefits (continued)

This concerns both cash payments and share equivalents (BRDTP) granted subject to the achievement of long-term performance conditions related to Bank profitability. Another vesting condition refers to the presence of the Beneficiary (i.e. the mandate contract is not terminated). At least 50% from any variable remuneration must be composed of share equivalents.

Moreover, the employees of the Bank and of the Group can participate in SG International Saving Plan or Global Employee Share Ownership Plan, through which they can to acquire Société Générale shares at a preferential price under the following condition:

- Subscription price reduced by 20% versus the SG share reference price ;
- A gross premium for the first 20 shares acquired supported by the employer representing 100% of employee contribution, starting the 21st share the premium represent 50% of the employee contribution (classified as short term employee benefits). The overall gross premium paid by the employer cannot exceed a certain threshold.

Other benefits

The Bank also grants to all employees:

- ✓ annual contribution to a private pension fund (Pillar 3) in total amount of 200 EUR/year/employee (for the employees with a seniority in the Bank higher than 3 years)
- ✓ upon termination of the individual labour agreement for reasons not related to the employee (related with the number of years served by the employee)
- ✓ fidelity premium (related with the number of years served by the employee)
- ✓ on December 1st an amount equal to the basic salary
- ✓ holiday vouchers, meal vouchers
- ✓ social expenses: gifts for the employees' children given during Easter, Christmas and Children's Day, gifts for the women employees of the Bank on 8 March, for birth every newborn, for the civil marriage of the employee, for the death of a family member or in case of the death of the employee.

p) Provisions

Provisions are recognized when the Group and Bank has a present obligation (legal or constructive), because of a past event, it is probable that an outflow of embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as borrowing cost.

q) Contingencies

Contingent liabilities are not recognized in the financial statements, but they are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

r) Earnings per share

Basic earnings per share are calculated by dividing net profit/ (loss) for the reporting period attributable to ordinary equity holders of the parent by the weighted average number of shares outstanding during the year. As of December 31, 2024 and 2023 there were no dilutive equity instruments issued by the Group and Bank.

3. Material accounting policies (continued)

s) Dividends on ordinary shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Group and Bank’s shareholders.

t) Related parties

Parties are considered related with the Group and Bank when one party, either through ownership, contractual rights, family relationship or otherwise, could directly or indirectly control or significantly influence the other party in making financial and operating decisions. Related party transaction represents a transfer of resources or obligations between related parties, regardless of whether a price is charged.

u) Subsequent events

Post - balance sheet events that provide additional information about the Group and Bank’s position at the statement of financial position (adjusting events), or those that indicate that the going concern assumption is not appropriate are reflected in the financial statements. Post-balance sheet events that are not adjusting events are disclosed in the notes when significant.

4. Segment information

The segments used for management purposes are based on customer type and size, products and services offered and follow the aggregation criteria from IFRS 8.

The operating segments' operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

Each segment is assessed both from Statement of financial position and Statement of profit or loss perspective.

In Retail (Individuals & Small Business) category the following customer's segments are identified:

- Individuals – the Bank provides individual customers with a range of banking products such as: saving and deposits taking, consumer and housing loans, overdrafts, credit card facilities, funds transfer and payment facilities, etc.
- Small business – business entities with annual turnover lower than EUR 1 million and having an aggregated exposure at group level less than EUR 0.3 million. Standardised range of banking products is offered to small companies and professional: saving and deposits taking, loans and other credit facilities, etc.

Retail customers include clients with similar characteristics in terms of financing needs, complexity of the activity performed and size of business for which a range of banking products and services with medium to low complexity is provided.

In Non–Retail category the following customer's segments are identified:

- Small and medium enterprises (companies with annual turnover between EUR 1 million and EUR 50 million and the aggregated exposure at group level higher than EUR 0.3 million);
- Large corporate (corporate banking and companies with annual turnover higher than 50 million EUR, municipalities, public sector and other financial institutions).

The Bank provides these customers with a range of banking products and services, including saving and deposits taking, loans and other credit facilities, transfers and payment services, provides cash-management, investment advices, securities business, project and structured finance transaction, syndicated loans and asset backed transactions.

The Corporate Center includes: treasury activities, ALM and other categories unallocated to Retail and Non-Retail business lines.

The Executive Committee monitors the activity of each segment separately for the purpose of making decisions about resource allocation and performance assessment.

(Amounts in thousands RON)

4. Segment information (continued)

Group

	2024				**2023**			
	Total	**Retail**	**Non retail**	**Corporate Center**	**Total**	**Retail**	**Non retail**	**Corporate Center**
Net interest income	2,911,643	1,781,525	904,664	225,454	2,725,154	1,634,682	794,560	295,912
Fees and commissions, net	808,775	540,975	313,184	(45,384)	750,243	480,609	276,702	(7,068)
Total non-interest income	311,616	74,488	102,179	134,949	358,826	115,396	103,775	139,655
Net banking income	**4,032,034**	**2,396,988**	**1,320,027**	**315,019**	**3,834,223**	**2,230,687**	**1,175,037**	**428,499**
Total operating expenses	**(2,023,336)**	**(1,456,731)**	**(540,233)**	**(26,372)**	**(1,895,145)**	**(1,356,567)**	**(499,994)**	**(38,584)**
Cost of risk	(145,341)	(150,804)	5,285	178	57,378	(78,500)	142,473	(6,595)
Total income tax	(339,581)	(143,867)	(143,071)	(52,643)	(340,627)	(135,758)	(139,494)	(65,375)
Profit for the period	**1,523,776**	**645,586**	**642,008**	**236,182**	**1,655,829**	**659,862**	**678,022**	**317,945**
Cost Income Ratio	**50.2%**	**60.8%**	**40.9%**		**49.4%**	**60.8%**	**42.6%**	

(Amounts in thousands RON)

4. Segment information (continued)

	Group							
	December 31, 2024				December 31, 2023 Restated			
	Total	Retail	Non retail	Corporate Center	Total	Retail	Non retail	Corporate Center
Total assets	**88,479,703**	**28,596,010**	**21,132,667**	**38,751,026**	**83,848,961**	**25,532,562**	**16,416,194**	**41,900,205**
Loans and advances to customers, net & Finance lease receivables	49,728,677	28,596,010	21,132,667	-	41,738,870	25,322,676	16,416,194	-
Other assets	38,751,026	-	-	38,751,026	42,110,091	209,886	-	41,900,205
Total liabilities	**88,479,703**	**44,319,868**	**23,615,274**	**20,544,561**	**83,848,961**	**40,766,424**	**21,639,185**	**21,443,352**
Due to customers	67,935,142	44,319,868	23,615,274	-	62,405,609	40,766,424	21,639,185	-
Other liabilities	20,544,561	-	-	20,544,561	21,443,352	-	-	21,443,352

As of December 31, 2023 the category "Other assets" includes the loan portfolio of BRD Finance SA which is made of Retail consumer unsecured loans and that meets the criteria in IFRS 5 "Non-current assets held for sale and discontinued operations", for classification as non-current asset held for sale.
As of December 31, 2024 the loan portfolio of BRD Finance SA was sold to a third party.

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For details, please refer to note 2 a).

(Amounts in thousands RON)

5. Cash and cash equivalents

	Group		Bank	
	December 31, 2024	Restated December 31, 2023	December 31, 2024	Restated December 31, 2023
Cash in vaults and ATM	2,455,239	2,693,482	2,455,158	2,693,410
Current accounts with Central Bank	5,096,004	9,256,037	5,096,004	9,256,037
Current accounts and placements with other banks	1,106,792	512,372	1,106,792	512,372
Total	**8,658,035**	**12,461,891**	**8,657,954**	**12,461,819**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

The rating of cash equivalents is presented below:

	Group		Bank	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Current accounts with Central Bank	*5,096,004*	*9,256,037*	*5,096,004*	*9,256,037*
Very good grade	5,096,004	9,256,037	5,096,004	9,256,037
Current accounts and placements with other banks	*1,106,792*	*512,372*	*1,106,792*	*512,372*
Very good grade	985,831	511,745	985,831	511,745
Good grade	120,000	0	120,000	0
Standard grade	960	627	960	627

6. Due from banks

	Group		Bank	
	December 31, 2024	Restated December 31, 2023	December 31, 2024	Restated December 31, 2023
Deposits at foreign banks	-	15,366	-	-
Current accounts at Romanian banks	50,482	119,779	50,482	119,779
Current accounts at foreign banks	213,412	350,174	213,412	350,174
Reverse repo	6,049,529	4,650,402	6,049,529	4,650,402
Total	**6,313,423**	**5,135,721**	**6,313,423**	**5,120,355**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

The Due from banks portfolio is classified as Stage 1.

7. Derivatives and other financial instruments held for trading

Group

	December 31, 2024		
	Assets	Liabilities	Notional (total)
Interest rate swaps	35,248	151,439	5,529,920
Currency swaps	46,120	11,324	4,651,924
Forward foreign exchange contracts	21,945	10,937	1,700,164
Options	38,556	38,672	6,536,794
Total derivative financial instruments	**141,869**	**212,372**	**18,418,802**

	December 31, 2024	
	Assets	Liabilities
Treasury notes	809,797	226,548
Trading loans/deposits	224,827	-
Reverse repo/Repo	666,069	85,090
Total financial assets and liabilities held for trading	**1,700,693**	**311,638**
Total derivatives and other financial instruments held for trading	**1,842,562**	**524,010**

(Amounts in thousands RON)

7. Derivatives and other financial instruments held for trading (continued)

Group	December 31, 2023		
	Assets	Liabilities	Notional (total)
Interest rate swaps	27,661	253,207	4,912,352
Currency swaps	12,587	35,016	3,755,955
Forward foreign exchange contracts	3,177	3,537	1,030,494
Options	43,858	44,011	3,857,823
Total derivative financial instruments	**87,283**	**335,771**	**13,556,624**

	December 31, 2023	
	Assets	Liabilities
Treasury notes	1,219,076	522,637
Trading loans/deposits	-	344,613
Reverse repo/Repo	829,350	69,429
Total financial assets and liabilities held for trading	**2,048,426**	**936,679**
Total derivatives and other financial instruments held for trading	**2,135,709**	**1,272,450**

Bank	December 31, 2024		
	Assets	Liabilities	Notional (total)
Interest rate swaps	35,248	151,439	5,529,920
Currency swaps	46,120	11,324	4,651,924
Forward foreign exchange contracts	21,945	10,937	1,700,164
Options	38,556	38,672	6,536,794
Total derivative financial instruments	**141,869**	**212,372**	**18,418,802**

	December 31, 2024	
	Assets	Liabilities
Treasury notes	777,739	226,548
Trading loans/deposits	224,827	-
Reverse repo/Repo	666,069	85,090
Total financial assets and liabilities held for trading	**1,668,635**	**311,638**
Total derivatives and other financial instruments held for trading	**1,810,504**	**524,010**

Bank	December 31, 2023		
	Assets	Liabilities	Notional (total)
Interest rate swaps	27,661	253,207	4,912,352
Currency swaps	12,587	35,016	3,755,955
Forward foreign exchange contracts	3,177	3,537	1,030,494
Options	43,858	44,011	3,857,823
Total derivative financial instruments	**87,283**	**335,771**	**13,556,624**

	December 31, 2023	
	Assets	Liabilities
Treasury notes	1,194,028	522,637
Trading loans/deposits	-	344,613
Reverse repo/Repo	829,350	69,429
Total financial assets and liabilities held for trading	**2,023,378**	**936,679**
Total derivatives and other financial instruments held for trading	**2,110,661**	**1,272,450**

7. Derivatives and other financial instruments held for trading (continued)

The Bank continues to apply hedge accounting (fair value hedge) as of December 31, 2024 and has four hedging relationships (five hedging relationships as of December 31, 2023). The Bank applies EU carve-out.

- On June 30, 2018, the Bank initiated two macro fair value hedges one in EUR and one in USD of interest rate risk associated with the current accounts, using several interest rate swaps (pay variable, receive fixed). The change in the fair value of the macro fair value hedge swaps offsets the change in the fair value of the hedged portion of the current accounts. The hedged items are represented by the portion of the current accounts' portfolio equal to the swap's nominal values of:

  - 72 million EUR yearly with a fixed interest rate of 0.42%, the remaining period of 3.5 years.
  - 10 million EUR yearly with a fixed interest rate of 0.171%, the remaining period of 0.5 years.
  - 16 million USD yearly with a fixed interest rate of 2.813%, the remaining period of 3.5 years.

- In October 30, 2020 the Bank initiated a macro fair value hedge of interest rate risk associated with the current accounts, using several interest rate swaps (pay variable, receive fixed). The change in the fair value of the macro fair value hedge swaps offsets the change in the fair value of the hedged portion of the current accounts. The hedged item is represented by the portion of the current accounts' portfolio equal to the swaps nominal of 210 million EUR. The swap has a fixed interest rate of -0.403% and a remaining period of 5.84 years.

- On September 30, 2021 the Bank initiated a macro fair value hedge of interest rate risk associated with the current accounts, using several interest rate swaps (pay variable, receive fixed). The change in the fair value of the macro fair value hedge swaps offsets the change in the fair value of the hedged portion of the current accounts. The hedged item is represented by the portion of the current accounts' portfolio equal to the swaps nominal of 60 million EUR. The swap has a fixed interest rate of -0.337% and a remaining period of 1.75 years.

- On October 31, 2023 the Bank initiated two micro fair value hedges in EUR of interest rate risk associated with the purchased fixed rate bonds issued by French Republic in EUR, using an interest rate swap (pay fixed, receive variable). The purpose of the hedge is to protect the Bank against change in benchmark interest rate. The benchmark interest rate considered for EUR by the Bank is EURIBOR 3M. The hedged items are represented by bonds issued by French Republic which equal to the swap nominal values of:

  - 188 million EUR yearly with a fixed interest rate of 3.4375%
  - 125.5 million EUR yearly with a fixed interest rate of 3.162%.

  The micro fair value hedges were closed due to inefficiency reasons, one in December 2023 and the other one in January 2024.

All hedging relationships have quarterly settlement periods for both fixed and variable legs. The macro hedging relationships were effective throughout the reporting period.

Main source of hedge ineffectiveness that might be expected to affect the hedging relationships is the amortization model of current accounts. However, the amortization of the hedged item is based on a behavioral ALM model that is reviewed/back tested on a yearly basis. To avoid inefficiency generated by the underestimated amortization of the current accounts, maximum 70% of the current accounts portfolio per each time band is designated as hedged item.

The hedging relationship were designated on the date of the IRS origination. At that date, the theoretical derivative was built as to match the interest rate behavior of the current accounts, the hedged item (i.e. a

(Amounts in thousands RON)

7. Derivatives and other financial instruments held for trading (continued)

spread was added to the variable leg so that the fair value of the theoretical swap on the designation date to be zero). Consequently, no other major sources of ineffectiveness were identified.

As at December 31, 2024, the accumulated amount of fair value hedge adjustments on the current accounts hedged item are included in the carrying amount and presented in due to customer line in the statement of financial position and amounts to -112,338. The change in value of the hedged item during the period is explained by the cumulated effect of a loss from revaluation in amount of 71,246 and of the exchange rate evolution effect in amount of -89.

As at December 31, 2023, the accumulated amount of fair value hedge adjustments on the current accounts hedged item are included in the carrying amount and presented in due to customer line in the statement of financial position and amounts to -183,496. The change in value of the hedged item during the period is explained by the cumulated effect of a loss from revaluation in amount of 117,608 and of the exchange rate evolution effect in amount of 1,099.

The fair value of hedging instrument for Group and Bank was the following:

	December 31, 2024		
	Assets	**Liabilities**	**Notional (total)**
Interest rate swaps	-	118,645	1,827,312

	December 31, 2023		
	Assets	**Liabilities**	**Notional (total)**
Interest rate swaps	-	213,462	2,927,925

The summary of the transactions and impact in statement of financial position and statement of profit or loss is presented below for year 2024 and 2023:

December 31, 2024	**FVH IRS - IRS Hedging measured at:**		**TOTAL**
	Amortised cost	**Fair value through other comprehensive income**	
HEDGING INSTRUMENTS			
Nominal value	1,827,312	-	1,827,312
Carrying amounts - liabilities	118,645	-	118,645
Balance sheet item in which hedging instrument is reported	Derivatives and other financial instruments held for trading	Derivatives and other financial instruments held for trading	
Amount of changes in fair value of the hedging instrument in the reporting period used for estimating hedge inefficiency	71,246	-	71,246
HEDGED ITEM			
Carrying amounts - liabilities	1,827,312	-	1,827,312
Accumulated amount of the adjustment of the fair value of the hedged item included in the carrying amount of the hedged item recognized in the balance sheet	(112,338)		(112,338)
Balance sheet item in which hedged instrument is reported	Due to customers	Due to customers	-
Change in the value of the hedged item used for estimating hedged inefficiency in the reporting period	(71,246)		(71,246)

(Amounts in thousands RON)

7. Derivatives and other financial instruments held for trading (continued)

December 31, 2023	FVH IRS - IRS Hedging measured at:		TOTAL
	Amortised cost	Fair value through other comprehensive income	
HEDGING INSTRUMENTS			
Nominal value	2,303,613	624,312	2,927,925
Carrying amounts - liabilities	213,462	-	213,462
Balance sheet item in which hedging instrument is reported	Derivatives and other financial instruments held for trading	Derivatives and other financial instruments held for trading	-
Amount of changes in fair value of the hedging instrument in the reporting period used for estimating hedge inefficiency	117,608	(20,838)	96,770
HEDGED ITEM			
Carrying amounts - liabilities/assets	2,303,613	624,312	2,927,925
Accumulated amount of the adjustment of the fair value of the hedged item included in the carrying amount of the hedged item recognized in the balance sheet		25,211	25,211
Balance sheet item in which hedged instrument is reported	Due to customers	Debt securities	-
Change in the value of the hedged item used for estimating hedged inefficiency in the reporting period	(117,608)		(117,608)

The split on maturities for the nominal value for the hedging instruments is as follows:

December 31, 2024			RESIDUAL MATURITY					
Hedging relationship	Currency		UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 YEAR AND 5 YEARS	OVER 5 YEARS	TOTAL
FV Hedge IRS	EUR	Nominal value	-	-	49,741	656,581	1,044,561	**1,750,883**
		Average fixed interest rate (%)	-	-	0.171	0.042	(0.403)	
	USD	Nominal value	-	-	-	76,429	-	**76,429**
		Average fixed interest rate (%)	-	-	-	2.813	-	
Total nominal value					**49,741**	**733,010**	**1,044,561**	**1,827,312**

December 31, 2023			RESIDUAL MATURITY					
Hedging relationship	Currency		UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 YEAR AND 5 YEARS	OVER 5 YEARS	TOTAL
FV Hedge IRS	EUR	Nominal value	-	-	-	1,619,232	1,218,777	**2,838,009**
		Average fixed interest rate (%)	-	-	-	0.854	(0.403)	
	USD	Nominal value	-	-	-	89,916	-	**89,916**
		Average fixed interest rate (%)	-	-	-	2.813	-	
Total nominal value						**1,709,148**	**1,218,777**	**2,927,925**

7. Derivatives and other financial instruments held for trading (continued)

Forwards
Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Forwards are customised contracts transacted in the over-the-counter market.

Swaps
Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts, in relation to movements in a specified underlying index such as an interest rate, foreign currency rate or equity index.

Interest rate swaps relate to contracts concluded by the Bank with other financial institutions in which the Bank either receives or pays a floating rate of interest in return for paying or receiving, respectively, a fixed rate of interest. The payment flows are usually netted against each other, with the difference being paid by one party to the other. In a currency swap, the Bank pays a specified amount in one currency and receives a specified amount in another currency. Currency swaps are mostly gross settled.

Options
Options are contractual agreements that convey the right, but not the obligation, for the purchaser either to buy or sell a specific amount of a financial instrument at a fixed price, either at a fixed future date or at any time within a specified period. The Bank purchases and sells options in the over-the-counter markets.

Options purchased by the Bank provide the Bank with the opportunity to purchase (call options) or sell (put options) the underlying asset at an agreed-upon value either on or before the expiration of the option.

The Bank is exposed to credit risk on purchased options only to the extent of their carrying amount, which is their fair value. Options written by the Bank provide the purchaser the opportunity to purchase from or sell to the Bank the underlying asset at an agreed-upon value either on or before the expiration of the option. The options are kept to neutralize the customer deals.

(Amounts in thousands RON)

7. Derivatives and other financial instruments held for trading (continued)

Trading treasury notes are treasury discount notes and coupon bonds held for trading purposes. All the treasury notes in Bank's portfolio are issued by the Romanian Government in RON, EUR and USD.

Trading loans/deposits (including reverse repo/repo) are financial instruments originated by clients or interbank flow and the associated risk management, those resulting from Bank obligations as primary dealer and from Bank position al liquidity provider.

8. Financial assets at fair value through profit or loss

	Group		Bank	
	December 31, 2024	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**
Equity investments	9,208	11,376	9,208	11,376
Total	**9,208**	**11,376**	**9,208**	**11,376**

Equity investments represent shares in Romanian Commodities Exchange (Bursa de Valori Bucuresti), National Society for Transfer of Funds and Settlements-TransFonD (Societatea Nationala de Transfer de Fonduri si Decontari), SWIFT, Shareholders' Register for the National Securities Commission (Depozitarul Central S.A.), Bucharest Stock Exchange (Bursa Romana de Marfuri SA).

9. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include treasury notes, respectively treasury discount notes and coupon bonds issued by:

	Group		Bank	
	December 31, 2024	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**
Ministry of Public Finance	9,610,278	10,851,641	9,610,278	10,851,641
French State	2,019,141	2,030,930	2,019,141	2,030,930
Belgian State	535,445	549,558	535,445	549,558
Total	**12,164,864**	**13,432,129**	**12,164,864**	**13,432,129**

These financial assets at fair value through other comprehensive income are rated as very good according to internal rating. As of December 31, 2024, they are classified as Stage 1 and ECL impairment allowance amounts to 12 (December 31, 2023: 2,459).

10. Financial assets at amortised cost

10.1. Loans and advances to customers

	Group		Bank	
	December 31, 2024	**Restated December 31, 2023**	**December 31, 2024**	**Restated December 31, 2023**
Loans, gross	49,506,267	41,736,967	49,114,810	41,311,129
Loans impairment	(1,801,065)	(1,689,831)	(1,762,902)	(1,675,694)
Total	**47,705,202**	**40,047,136**	**47,351,908**	**39,635,435**

(Amounts in thousands RON)

10. Financial assets at amortised cost (continued)

10.1. Loans and advances to customers (continued)

The structure of loans is the following:

	Group		Bank	
	December 31, 2024	Restated December 31, 2023	December 31, 2024	Restated December 31, 2023
Working capital loans	14,078,497	10,208,630	14,078,497	10,208,630
Loans for equipment	4,946,556	4,446,600	4,555,099	4,016,253
Trade activities financing	1,206,331	1,181,285	1,206,331	1,181,285
Acquisition of real estate, including mortgage for individuals	16,724,796	15,063,829	16,724,796	15,063,829
Consumer loans	10,966,241	9,333,096	10,966,241	9,337,605
Other	1,583,846	1,503,527	1,583,846	1,503,527
Total	**49,506,267**	**41,736,967**	**49,114,810**	**41,311,129**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

During 2024 the gross loan portfolio increased by 7,804 million RON as compared with December 31, 2023.

As of December 31, 2024 the Bank's gross loan portfolio and movements were distributed as follows:

- Stage 1: 41,637 million RON, with a 8,717 million RON increase compared to December 31, 2023
- Stage 2: 6,285 million RON, with a 1,086 million RON decrease compared to December 31, 2023
- Stage 3: 1,137 million RON, with a 177 million RON increase compared to December 31, 2023
- POCI: 56 million RON, with 5 million RON decrease compared to December 31, 2023.

The main movements on gross exposure value are along the following dimensions:

- Stage 1 increase driven mainly by the commercial performance on both Retail and Non-Retail segment.
- The decrease in Stage 2 portfolio reflects the migrations to Stage 1, mainly observed on Retail, as a result of credit quality evolution.
- The Stage 3 and POCI evolution is characterized by a net inflow of 467 million RON from performing portfolios, offset by good recovery performance on already defaulted portfolios of 140 million RON and portfolio sale and write-off in amount of 154 million RON.

As of December 31, 2024 the amortized cost of loans granted to the 20 largest corporate clients (groups of connected borrowers) amounts to 4,479,192 (December 31, 2023: 5,071,590), while the value of letters of guarantee and letters of credit issued in favour of these clients registered in off balance sheet amounts for the Group and Bank to 4,840,044 (December 31, 2023: 5,248,249).

BRD-Groupe Société Générale and International Finance Corporation ("IFC"), a member of the World Bank Group, have closed in Q1 2024 a synthetic significant risk transfer (SRT) transaction that will free up capital for BRD. The transaction was closed between BRD and IFC on a reference loan portfolio of EUR 700 million, being representative of BRD core corporate activities with good diversification across industries, and product types. For this transaction BRD purchased a EUR 105 million financial guarantee which takes the form of a bilateral unfunded financial guarantee between IFC and BRD.

(Amounts in thousands RON)

10. Financial assets at amortised cost (continued)

10.1. Loans and advances to customers (continued)

Impairment allowance movement

Group

	Retail lending				
	Stage 1	Stage 2	Stage 3	POCI	**Total**
Impairment allowance as at 1st January 2024	142,904	443,058	578,818	4,006	**1,168,786**
New assets originated or purchased	136,362	25,467	14,712	5	**176,546**
Assets derecognised or repaid (excluding write offs)	(26,818)	(42,906)	(128,523)	(418)	**(198,665)**
Net provision movement for assets that did not change classification	(122,160)	(22,793)	2,283	1,555	**(141,115)**
Movements due to change in classification	(16,487)	(1,681)	296,003	(27)	**277,808**
Amounts written off	-	-	(56,324)	(1,014)	**(57,338)**
Other adjustments	(2)	(9)	(399)	(0)	**(410)**
Impairment allowance as at December 31, 2024	**113,799**	**401,136**	**706,570**	**4,107**	**1,225,612**

	Non-Retail lending				
	Stage 1	Stage 2	Stage 3	POCI	**Total**
Impairment allowance as at 1st January 2024	277,111	68,501	151,877	23,557	**521,046**
New assets originated or purchased	172,210	18,040	4,496	-	**194,746**
Assets derecognised or repaid (excluding write offs)	(115,435)	(13,941)	(27,507)	(203)	**(157,086)**
Net provision movement for assets that did not change classification	(35,341)	(7,172)	6,949	1,857	**(33,707)**
Movements due to change in classification	(1,748)	(7,269)	60,281	(1,191)	**50,073**
Amounts written off	-	-	(790)	(0)	**(790)**
Other adjustments	106	19	1,048	(3)	**1,170**
Impairment allowance as at December 31, 2024	**296,903**	**58,178**	**196,354**	**24,017**	**575,452**

	Total				
	Stage 1	Stage 2	Stage 3	POCI	**Total**
Impairment allowance as at 1st January 2024	420,015	511,559	730,694	27,563	**1,689,831**
New assets originated or purchased	308,572	43,507	19,208	5	**371,292**
Assets derecognised or repaid (excluding write offs)	(142,253)	(56,848)	(156,030)	(621)	**(355,751)**
Net provision movement for assets that did not change classification	(157,501)	(29,965)	9,231	3,412	**(174,823)**
Movements due to change in classification	(18,235)	(8,950)	356,284	(1,218)	**327,881**
Amounts written off	-	-	(57,115)	(1,014)	**(58,129)**
Other adjustments	103	13	651	(2)	**765**
Impairment allowance as at December 31, 2024	**410,701**	**459,316**	**902,923**	**28,124**	**1,801,065**

(Amounts in thousands RON)

10. Financial assets at amortised cost (continued)

10.1. Loans and advances to customers (continued)

Impairment allowance movement (continued)

Bank

	Retail lending				
	Stage 1	Stage 2	Stage 3	POCI	**Total**
Impairment allowance as at 1st January 2024	142,207	440,568	572,290	4,005	**1,159,070**
New assets originated or purchased	136,278	24,664	14,095	6	**175,043**
Assets derecognised or repaid (excluding write offs)	(26,770)	(42,876)	(127,823)	(418)	**(197,887)**
Net provision movement for assets that did not change classification	(122,059)	(25,045)	(5,065)	1,555	**(150,614)**
Movements due to change in classification	(16,043)	(1,641)	295,519	(27)	**277,808**
Amounts written off	-	-	(56,324)	(1,014)	**(57,338)**
Other adjustments	(2)	(9)	(1)	(0)	**(12)**
Impairment allowance as at December 31, 2024	**113,611**	**395,661**	**692,691**	**4,107**	**1,206,070**

	Non-Retail lending				
	Stage 1	Stage 2	Stage 3	POCI	**Total**
Impairment allowance as at 1st January 2024	276,311	66,110	150,647	23,557	**516,625**
New assets originated or purchased	171,894	17,803	3,853	-	**193,550**
Assets derecognised or repaid (excluding write offs)	(115,413)	(13,675)	(27,427)	(203)	**(156,718)**
Net provision movement for assets that did not change classification	(34,476)	(7,170)	(6,891)	1,857	**(46,680)**
Movements due to change in classification	(2,194)	(6,448)	59,906	(1,191)	**50,073**
Amounts written off	-	-	(790)	(0)	**(790)**
Other adjustments	106	19	651	(3)	**773**
Impairment allowance as at December 31, 2024	**296,228**	**56,639**	**179,949**	**24,017**	**556,833**

	Total				
	Stage 1	Stage 2	Stage 3	POCI	**Total**
Impairment allowance as at 1st January 2024	418,518	506,677	722,936	27,562	**1,675,694**
New assets originated or purchased	308,171	42,466	17,948	6	**368,592**
Assets derecognised or repaid (excluding write offs)	(142,183)	(56,551)	(155,251)	(621)	**(354,605)**
Net provision movement for assets that did not change classification	(156,535)	(32,215)	(11,956)	3,412	**(197,294)**
Movements due to change in classification	(18,237)	(8,089)	355,426	(1,218)	**327,882**
Amounts written off	-	-	(57,115)	(1,014)	**(58,129)**
Other adjustments	104	12	652	(3)	**764**
Impairment allowance as at December 31, 2024	**409,838**	**452,300**	**872,640**	**28,124**	**1,762,902**

(Amounts in thousands RON)

10. Financial assets at amortised cost (continued)

10.1. Loans and advances to customers (continued)

Impairment allowance movement (continued)

Group

	Retail lending				
	Stage 1	Stage 2	Stage 3	POCI	Total
Impairment allowance as at 1st January 2023 restated	135,308	505,549	584,804	3,219	**1,228,880**
New assets originated or purchased	117,579	29,159	13,802	8	**160,548**
Assets derecognised or repaid (excluding write offs)	(18,907)	(41,392)	(130,282)	(587)	**(191,168)**
Net provision movement for assets that did not change classification	(73,246)	(32,671)	(13,026)	1,548	**(117,394)**
Movements due to change in classification	(13,760)	(15,400)	193,383	274	**164,497**
Amounts written off	-	-	(54,773)	(459)	**(55,232)**
Other adjustments	(4,071)	(2,187)	(15,092)	3	**(21,347)**
Impairment allowance as at December 31, 2023 restated	**142,905**	**443,058**	**578,816**	**4,006**	**1,168,785**

	Non-Retail lending				
	Stage 1	Stage 2	Stage 3	POCI	Total
Impairment allowance as at 1st January 2023 restated	227,980	86,326	195,865	21,687	**531,858**
New assets originated or purchased	160,868	33,670	4,904	-	**199,442**
Assets derecognised or repaid (excluding write offs)	(103,024)	(26,775)	(18,177)	(0)	**(147,976)**
Net provision movement for assets that did not change classification	(24,930)	(5,371)	(2,183)	1,824	**(30,660)**
Movements due to change in classification	15,406	(19,643)	(25,115)	(73)	**(29,425)**
Amounts written off	-	-	(3,043)	(1)	**(3,044)**
Other adjustments	810	295	(374)	120	**852**
Impairment allowance as at December 31, 2023 restated	**277,111**	**68,502**	**151,877**	**23,557**	**521,047**

	Total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Impairment allowance as at 1st January 2023 restated	363,290	591,875	780,668	24,906	**1,760,739**
New assets originated or purchased	278,448	62,829	18,706	8	**359,991**
Assets derecognised or repaid (excluding write offs)	(121,932)	(68,167)	(148,459)	(587)	**(339,145)**
Net provision movement for assets that did not change classification	(98,177)	(38,042)	(15,209)	3,372	**(148,056)**
Movements due to change in classification	1,647	(35,043)	168,268	201	**135,073**
Amounts written off	-	-	(57,817)	(461)	**(58,278)**
Other adjustments	(3,261)	(1,892)	(15,466)	124	**(20,495)**
Impairment allowance as at December 31, 2023 restated	**420,015**	**511,560**	**730,691**	**27,563**	**1,689,830**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

Line Other adjustments refers mainly to the impairment allowance for the loan portfolio of BRD Finance SA that was reclassified into category Assets held for sale as of December 31, 2023.

(Amounts in thousands RON)

10. Financial assets at amortised cost (continued)

10.1. Loans and advances to customers (continued)

Impairment allowance movement (continued)

Bank

	Retail lending				
	Stage 1	Stage 2	Stage 3	POCI	**Total**
Impairment allowance as at 1st January 2023 restated	123,834	495,526	546,491	3,219	**1,169,070**
New assets originated or purchased	117,252	26,831	6,796	8	**150,887**
Assets derecognised or repaid (excluding write offs)	(18,879)	(40,929)	(130,111)	(587)	**(190,506)**
Net provision movement for assets that did not change classification	(70,213)	(32,144)	(15,005)	1,548	**(115,814)**
Movements due to change in classification	(9,946)	(9,409)	218,265	274	**199,184**
Amounts written off	-	-	(54,738)	(459)	**(55,197)**
Other adjustments	158	694	591	2	**1,445**
Impairment allowance as at December 31, 2023 restated	**142,206**	**440,569**	**572,289**	**4,005**	**1,159,069**

	Non-Retail lending				
	Stage 1	Stage 2	Stage 3	POCI	**Total**
Impairment allowance as at 1st January 2023 restated	227,447	82,792	194,896	21,687	**526,822**
New assets originated or purchased	160,420	32,477	4,556	-	**197,453**
Assets derecognised or repaid (excluding write offs)	(102,992)	(26,492)	(18,108)	(0)	**(147,592)**
Net provision movement for assets that did not change classification	(23,007)	(4,770)	(2,858)	1,824	**(28,811)**
Movements due to change in classification	13,645	(18,181)	(24,815)	(73)	**(29,424)**
Amounts written off	-	-	(3,043)	(1)	**(3,044)**
Other adjustments	798	284	19	120	**1,221**
Impairment allowance as at December 31, 2023 restated	**276,311**	**66,110**	**150,647**	**23,557**	**516,625**

	Total				
	Stage 1	Stage 2	Stage 3	POCI	**Total**
Impairment allowance as at 1st January 2023 restated	351,280	578,318	741,387	24,906	**1,695,891**
New assets originated or purchased	277,672	59,308	11,352	8	**348,340**
Assets derecognised or repaid (excluding write offs)	(121,871)	(67,421)	(148,219)	(587)	**(338,098)**
Net provision movement for assets that did not change classification	(93,219)	(36,914)	(17,863)	3,372	**(144,624)**
Movements due to change in classification	3,699	(27,590)	193,450	201	**169,760**
Amounts written off	-	-	(57,781)	(460)	**(58,241)**
Other adjustments	955	979	610	122	**2,666**
Impairment allowance as at December 31, 2023 restated	**418,516**	**506,680**	**722,936**	**27,562**	**1,675,694**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

(Amounts in thousands RON)

10. Financial assets at amortised cost (continued)

10.2. Debt securities

Debt securities measured at amortised cost include bonds classified as being Hold To Collect (HTC) rated as very good according to internal rating, municipal bonds rated as good and corporate bonds rated as good and standard grade for both periods.

	Group		Bank	
	December 31, 2024	Restated December 31, 2023	December 31, 2024	Restated December 31, 2023
Bonds HTC	**6,056,575**	**5,182,430**	**6,056,575**	**5,182,430**
Ministry of Public Finance	3,492,291	2,526,623	3,492,291	2,526,623
French Government	1,890,954	2,030,230	1,890,954	2,030,230
United States Government	673,330	625,577	673,330	625,577
Municipal bonds	**545,045**	**549,725**	**545,045**	**549,725**
Corporate bonds	**506,160**	**497,778**	**506,160**	**497,778**
Total	**7,107,780**	**6,229,933**	**7,107,780**	**6,229,933**

	Group		Bank	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Internal rating grade				
Gross carrying amount				
Very good grade	6,056,575	5,182,430	6,056,575	5,182,430
Good grade	1,047,771	1,045,098	1,047,771	1,045,098
Standard grade	6,929	6,928	6,929	6,928
Total	**7,111,274**	**6,234,456**	**7,111,274**	**6,234,456**
ECL allowance	(3,495)	(4,523)	(3,495)	(4,523)
Total net amount	**7,107,780**	**6,229,933**	**7,107,780**	**6,229,933**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

(Amounts in thousands RON)

11. Finance lease receivables

The Group acts as a lessor through the subsidiary BRD Sogelease IFN SA, having in the portfolio vehicles, equipment (industrial, agricultural) and real estate leases. The leases are denominated mainly in EUR and RON, with transfer of ownership of the leased asset at the end of the lease term. The receivables are secured by the underlying assets and by other collateral. The payment timing analysis of lease receivables is as follows:

	Group	
	December 31, 2024	**December 31, 2023**
Gross investment in finance lease:		
Under 1 year	895,858	786,312
Between 1 and 2 years	648,965	543,985
Between 2 and 3 years	430,520	357,616
Between 3 and 4 years	240,327	195,803
Between 4 and 5 years	81,452	67,690
Higher than 5 years	3,445	3,074
	2,300,567	**1,954,480**
Unearned finance income	(188,291)	(168,974)
Net investment in finance lease	**2,112,276**	**1,785,506**
Net investment in finance lease:		
Under 1 year	805,196	705,075
Between 1 and 2 years	593,074	494,295
Between 2 and 3 years	401,707	331,575
Between 3 and 4 years	229,494	185,751
Between 4 and 5 years	79,475	65,821
Higher than 5 years	3,330	2,990
	2,112,276	**1,785,506**

	December 31, 2024	**December 31, 2023**
Net investment in the lease	2,112,276	1,785,506
Accumulated allowance for uncollectible minimum lease payments receivable	(88,801)	(93,772)
Total	**2,023,475**	**1,691,734**

(Amounts in thousands RON)

11. Finance lease receivables (continued)

Impairment allowance movement

	Retail			
	Stage 1	Stage 2	Stage 3	**Total**
Impairment allowance as at 1st January 2024	2,500	6,945	25,266	**34,711**
New assets originated or purchased	1,651	2,121	3,125	**6,897**
Assets derecognised or fully repaid (excluding write offs)	7,165	(2,050)	(2,271)	**2,845**
Movements due to change in classification	(3,490)	(2,983)	1,063	**(5,410)**
Net movement for assets that did not change classification	(4,661)	1,049	5,540	**1,928**
Amounts written off	(1)	(19)	(815)	**(835)**
Other adjustments	(1)	(0)	(2)	**(3)**
Impairment allowance as at December 31, 2024	**3,163**	**5,063**	**31,907**	**40,133**

	Non-retail			
	Stage 1	Stage 2	Stage 3	**Total**
Impairment allowance as at 1st January 2024	3,492	11,211	44,358	**59,061**
New assets originated or purchased	2,292	2,432	3,901	**8,625**
Assets derecognised or fully repaid (excluding write offs)	4,255	(4,820)	(1,452)	**(2,016)**
Movements due to change in classification	1,557	(3,055)	811	**(688)**
Net movement for assets that did not change classification	(7,269)	630	(1,246)	**(7,885)**
Amounts written off	-	-	(168)	**(168)**
Other adjustments	(1)	(0)	(8,260)	**(8,261)**
Impairment allowance as at December 31, 2024	**4,326**	**6,398**	**37,944**	**48,668**

	Total			
	Stage 1	Stage 2	Stage 3	**Total**
Impairment allowance as at 1st January 2024	5,992	18,156	69,624	**93,772**
New assets originated or purchased	3,943	4,553	7,026	**15,522**
Assets derecognised or fully repaid (excluding write offs)	11,420	(6,870)	(3,723)	**828**
Movements due to change in classification	(1,933)	(6,038)	1,874	**(6,097)**
Net movement for assets that did not change classification	(11,930)	1,679	4,294	**(5,957)**
Amounts written off	(1)	(19)	(982)	**(1,002)**
Other adjustments	(2)	0	(8,262)	**(8,264)**
Impairment allowance as at December 31, 2024	**7,489**	**11,461**	**69,851**	**88,801**

(Amounts in thousands RON)

11. Finance lease receivables (continued)

Impairment allowance movement (continued)

	Retail			
	Stage 1	Stage 2	Stage 3	**Total**
Impairment allowance as at 1st January 2023	1,873	7,010	22,726	**31,609**
New assets originated or purchased	1,310	3,601	1,118	**6,029**
Assets derecognised or fully repaid (excluding write offs)	3,718	772	(1,749)	**2,741**
Movements due to change in classification	(2,567)	(3,277)	831	**(5,014)**
Net movement for assets that did not change classification	(1,849)	(1,142)	3,916	**925**
Amounts written off	(1)	(43)	(1,681)	**(1,725)**
Other adjustments	16	24	106	**146**
Impairment allowance as at December 31, 2023	**2,500**	**6,945**	**25,266**	**34,712**

	Non-retail			
	Stage 1	Stage 2	Stage 3	**Total**
Impairment allowance as at 1st January 2023	2,616	12,268	47,492	**62,377**
New assets originated or purchased	1,822	4,921	1,530	**8,273**
Assets derecognised or fully repaid (excluding write offs)	3,704	(2,620)	(2,876)	**(1,791)**
Movements due to change in classification	(56)	(1,470)	353	**(1,173)**
Net movement for assets that did not change classification	(4,628)	(1,931)	180	**(6,379)**
Amounts written off	-	(2)	(876)	**(878)**
Other adjustments	34	44	(1,445)	**(1,367)**
Impairment allowance as at December 31, 2023	**3,492**	**11,210**	**44,360**	**59,061**

	Total			
	Stage 1	Stage 2	Stage 3	**Total**
Impairment allowance as at 1st January 2023	4,489	19,278	70,219	**93,986**
New assets originated or purchased	3,132	8,522	2,648	**14,302**
Assets derecognised or fully repaid (excluding write offs)	7,423	(1,849)	(4,625)	**949**
Movements due to change in classification	(2,624)	(4,747)	1,184	**(6,187)**
Net movement for assets that did not change classification	(6,477)	(3,073)	4,096	**(5,453)**
Amounts written off	(1)	(45)	(2,557)	**(2,603)**
Other adjustments	50	68	(1,339)	**(1,221)**
Impairment allowance as at December 31, 2023	**5,992**	**18,155**	**69,626**	**93,773**

12. Assets held for sale

	Group		Bank	
	December 31, 2024	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**
Property, plant and equipment	4,265	7,106	4,265	7,106
Financial assets - Investments BRD Pensii	6,737	-	4,648	-
Financial assets - Loans and advances to customers BRD Finance	-	209,886	-	-
Total	**11,002**	**216,992**	**8,913**	**7,106**

The category Property, plant and equipment represents mainly buildings classified as held for sale with a gross value of 5,563 and a provision of 1,298 as of December 31, 2024 (gross value of 8,758 and 1,652 provision allowance as of December 31, 2023).

(Amounts in thousands RON)

12. Assets held for sale (continued)

As of December 31, 2023 the BRD Finance SA has entered into a process for selling its entire loan portfolio, which meets the criteria in IFRS 5 "Non-current assets held for sale and discontinued operations", for classification as non-current asset held for sale. The portfolio consists of Retail consumer unsecured loans.

On January 26, 2024 the BRD Finance SA Board of Directors approved the sale of the entire loan portfolio to a third party and the transfer of assets took place in July 2024.
In May 2024 it was signed the Business Transfer Agreement and Purchase Sale Agreement for the sale of investment in associate BRD Societate de Administrare a Fondurilor de Pensii Private SA including Pillar 2 and 3 Pension Funds to a third party. BRD–Groupe Société Générale decided to reclassify the investment from Investments in associates into Assets held for sale.

13. Investments in subsidiaries

Subsidiaries		**December 31, 2023**	**Other decreases**	**December 31, 2024**
BRD Sogelease IFN SA	99.98%	11,558	-	11,558
BRD Asset Management SAI SA	99.98%	4,321	-	4,321
BRD Finance SA	49.00%	53,019	13,125	39,894
		68,898	**13,125**	**55,773**

Subsidiaries		**December 31, 2022**	**December 31, 2023**
BRD Sogelease IFN SA	99.98%	11,558	11,558
BRD Asset Management SAI SA	99.98%	4,321	4,321
BRD Finance IFN SA	49.00%	53,019	53,019
		68,898	**68,898**

For BRD Finance SA subsidiary please see explanatory details in Note 2b) Basis for consolidation.

(Amounts in thousands RON)

13. Investments in subsidiaries (continued)

The subsidiaries' summary of financial position and income statement as of December 31, 2024 are as follows:

December 31, 2024	%	Current assets	Non-current assets	Net assets	% of net assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenue	Net profit/(loss)
Subsidiaries											
BRD Sogelease IFN SA	99.98%	1,189,459	1,497,141	311,110	n/a	2,686,600	865,199	1,510,291	2,375,490	193,941	31,057
BRD Finance SA	49.00%	104,675	171	97,664	n/a	104,846	7,182	-	7,182	(622)	(1,242)
BRD Asset Management SAI SA	99.98%	3,610	38,028	32,125	n/a	41,638	1,902	7,610	9,512	48,685	8,861

The subsidiaries' summary of financial position and income statement as of December 31, 2023 are as follows:

December 31, 2023	%	Current assets	Non-current assets	Net assets	% of net assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenue	Net profit/(loss)
Subsidiaries											
BRD Sogelease IFN SA	99.98%	1,156,014	1,253,515	280,046	n/a	2,409,529	754,203	1,375,280	2,129,483	158,454	50,010
BRD Finance IFN SA	49.00%	132,476	179,845	133,871	n/a	312,321	129,875	48,575	178,450	76,800	31,858
BRD Asset Management SAI SA	99.98%	9,522	31,874	24,673	n/a	41,396	3,354	13,370	16,724	32,324	1,300

(Amounts in thousands RON)

14. Investments in associates and joint ventures

Group

Associates	%	December 31, 2023	Reclassifications in assets held for sale	Increase / (decrease) in net assets	December 31, 2024
BRD Asigurari de Viata SA	49.00%	33,099	-	7,663	40,762
BRD Fond de Pensii S.A.	26.95%	6,069	6,737	668	(0)
Biroul de Credit S.A.	16.38%	4,125	-	281	4,406
BRD Sogelease Asset Rental SRL	20.00%	2,569	-	117	2,686
		45,862	**6,737**	**8,729**	**47,854**
Joint ventures					
CIT One SA	33.33%	19,021	-	6,509	25,530
Total associates and joint ventures		**64,883**	**6,737**	**15,238**	**73,384**

Associates	%	December 31, 2022	Disposals	Increase / (decrease) in net assets	December 31, 2023
BRD Asigurari de Viata SA	49.00%	33,966	-	(867)	33,099
BRD Fond de Pensii S.A.	26.95%	6,589	-	(520)	6,069
Fondul de Garantare a Creditului Rural	33.33%	19,482	19,429	(53)	(0)
ALD Automotive	20.00%	34,328	33,721	(607)	0
Biroul de Credit S.A.	16.38%	3,673	-	452	4,125
BRD Sogelease Asset Rental SRL	20.00%	1,979	-	590	2,569
		100,017	**53,150**	**(1,005)**	**45,862**
Joint ventures					
CIT One SA	33.33%	13,653	-	5,368	19,021
Total associates and joint ventures		**113,670**	**53,150**	**4,363**	**64,883**

Bank

Associates	%	December 31, 2023	Reclassifications in assets held for sale	December 31, 2024
BRD Asigurari de Viata SA	49.00%	17,697	-	17,697
BRD Fond de Pensii S.A.	26.95%	4,647	4,647	-
Biroul de Credit S.A.	16.38%	729	-	729
		23,073	**4,647**	**18,426**
Joint ventures				
CIT One SA	33.33%	11,900	-	11,900
Total associates and joint ventures		**34,973**	**4,647**	**30,326**

Bank

Associates	%	December 31, 2022	Disposals	December 31, 2023
BRD Asigurari de Viata SA	49.00%	17,697	-	17,697
BRD Fond de Pensii S.A.	26.95%	4,647	-	4,647
Fondul de Garantare a Creditului Rural	33.33%	14,220	14,220	-
ALD Automotive	20.00%	11,873	11,873	-
Biroul de Credit S.A.	16.38%	729	-	729
		49,166	**26,093**	**23,073**
Joint ventures				
CIT One SA	33.33%	11,900	-	11,900
Total associates and joint ventures		**61,066**	**26,093**	**34,973**

14. Investments in associates and joint ventures (continued)

Disposals during 2023:

The holding percentage in associate Biroul de Credit S.A. is 16.38%, so below 20%, but the management of the Bank considers the Bank has a significant influence by having members in Board of Directors of Biroul de Credit S.A.

In July 2023 the Bank and Group sold the investment in associate Fondul de Garantare a Creditului Rural and as a condition precedent to the sale the dividends accumulated over the years and for the year 2022 were distributed to the shareholders. The sale of the participation was reflected also in the Statement of cash flow and in Note 2 b).

In November 2023 the Bank and Group sold for a price of 33,721 the investment in associate ALD Automotive SRL within the Groupe Société Générale as a result of the reorganization after the acquisition of Lease Plan at Groupe Société Générale level.

Additionally, the Bank and Group did not participate to the increase of the share capital of BRD Societate de Administrare a Fondurilor de Pensii Private in July 2023 and therefore the ownership percentage was reduced from 49% to 26.95% following the approval from ONRC in October 2023.

(Amounts in thousands RON)

14. Investments in associates and joint ventures (continued)

The associates and joint venture summary of financial position and income statement as at December 31, 2024 are as follows:

December 31, 2024	%	Current assets	Non-current assets	Net assets	% of net assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenue	Net profit/(loss)
Associates and joint venture											
BRD Asigurari de Viata SA	49.00%	829,772	168,665	83,188	40,762	998,437	148,186	767,063	915,249	451,832	20,986
Biroul de Credit S.A.	16.38%	26,391	1,286	26,908	4,406	27,677	769	-	769	23,799	12,252
BRD Sogelease Asset Rental SRL	20.00%	11,366	3,238	13,426	2,685	14,604	179	1,000	1,179	3,944	(232)
CIT One S.A.	33.33%	73,795	84,034	76,593	25,531	157,830	46,541	34,696	81,237	338,290	18,899
Total					**73,384**						

The associates and joint venture summary of financial position and income statement as at December 31, 2023 are as follows:

December 31, 2023	%	Current assets	Non-current assets	Net assets	% of net assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenue	Net profit/(loss)
Associates and joint venture											
BRD Asigurari de Viata SA	49.00%	728,331	147,962	67,558	33,099	876,293	148,540	660,195	808,735	404,142	21,017
Biroul de Credit S.A.	16.38%	23,631	2,160	25,191	4,125	25,791	600	-	600	19,574	10,534
BRD Fond de Pensii S.A.	26.95%	107,119	1,405	22,519	6,069	108,524	906	85,098	86,004	19,258	(14,705)
BRD Sogelease Asset Rental SRL	20.00%	10,002	6,203	12,841	2,569	16,205	810	2,554	3,364	7,598	(2,924)
CIT One S.A.	33.33%	63,782	83,087	57,066	19,021	146,869	40,178	49,625	89,803	278,443	14,836
Total					**64,883**						

(Amounts in thousands RON)

14. Investments in associates and joint ventures (continued)

The joint ventures' summary of financial position and income statement is as follows:

Joint ventures CIT One S.A.	**December 31, 2024**	**December 31, 2023**
%	33.33%	33.33%
Current assets	73,795	63,782
Non-current assets	84,034	83,087
Net assets	76,593	57,066
% of net assets	25,531	19,019
Total assets	157,829	146,869
Current liabilities	46,541	40,178
Non-current liabilities	34,696	49,625
Total liabilities	81,237	89,803
Revenue	338,290	278,443
Net profit/(loss)	18,899	14,836
Cash and cash equivalents	24,778	30,399
Current financial liabilities	8,393	8,567
Depreciation and amortisation	18,997	18,136
Interest income	723	387
Interest expense	2,523	4,093
Income tax expense or income	5,770	3,040

(Amounts in thousands RON)

15. Property, plant and equipment

	Group						
	Land & Buildings	Office equipments	Materials and other assets	Construction in progress	Right of use	Total PPE	Investment properties
Cost:							
as of December 31, 2022	**1,279,432**	**289,437**	**459,660**	**99,487**	**486,018**	**2,614,034**	**37,013**
Additions	-	222	4	148,812	28,383	177,421	-
Transfers	44,985	43,385	71,843	(157,498)	-	2,715	(439)
Disposals and other movements	(20,459)	(28,674)	(61,356)	(1,847)	(52,033)	(164,369)	(1,068)
as of December 31, 2023	**1,303,958**	**304,370**	**470,151**	**88,954**	**462,368**	**2,629,801**	**35,506**
Additions	-	648	4	147,890	77,838	226,380	-
Transfers	48,392	37,152	39,777	(121,930)	-	3,391	(3,470)
Transfers into/from inventory	(756)	-	-	-	-	(756)	(15)
Disposals and other movements	(85,965)	(42,399)	(45,995)	(6,485)	(43,738)	(224,582)	(14,225)
as of December 31, 2024	**1,265,629**	**299,771**	**463,937**	**108,429**	**496,468**	**2,634,234**	**17,796**
Depreciation and impairment:							
as of December 31, 2022	**(801,687)**	**(227,673)**	**(368,819)**	**(1,954)**	**(150,038)**	**(1,550,171)**	**(21,510)**
Depreciation	(35,156)	(31,940)	(28,449)	-	(81,420)	(176,965)	(455)
Impairment	2,054	-	(551)	1,954	-	3,457	75
Disposals and other movements	15,063	28,597	57,984	-	66,392	168,036	658
Transfers	(244)	-	(18)	-	-	(262)	262
as of December 31, 2023	**(819,970)**	**(231,016)**	**(339,853)**	**-**	**(165,066)**	**(1,555,905)**	**(20,970)**
Depreciation	(38,944)	(35,275)	(34,801)	-	(77,347)	(186,367)	(442)
Impairment	19,071	-	(65)	-	-	19,006	142
Disposals and other movements	51,261	42,402	43,217	-	63,714	200,594	11,788
Transfers	(1,782)	(5)	5	-	-	(1,782)	1,782
as of December 31, 2024	**(790,364)**	**(223,894)**	**(331,497)**	**-**	**(178,699)**	**(1,524,454)**	**(7,700)**
Net book value:							
as of December 31, 2022	**477,745**	**61,764**	**90,841**	**97,533**	**335,980**	**1,063,863**	**15,503**
as of December 31, 2023	**483,988**	**73,354**	**130,298**	**88,954**	**297,302**	**1,073,896**	**14,536**
as of December 31, 2024	**475,265**	**75,877**	**132,440**	**108,429**	**317,769**	**1,109,780**	**10,096**

(Amounts in thousands RON)

15. Property, plant and equipment (continued)

Bank

	Land & Buildings	Office equipments	Materials and other assets	Construction in progress	Right of use	Total PPE	Investment properties
Cost:							
as of December 31, 2022	**1,269,433**	**280,540**	**459,394**	**99,485**	**468,218**	**2,577,070**	**37,013**
Additions	-	-	-	148,812	19,168	167,980	-
Transfers	44,985	43,385	71,843	(157,498)	-	2,715	(439)
Disposals and other movements	(20,459)	(28,185)	(61,348)	(1,846)	(48,738)	(160,576)	(1,069)
as of December 31, 2023	**1,293,959**	**295,740**	**469,889**	**88,953**	**438,648**	**2,587,189**	**35,505**
Additions	-	-	-	147,890	77,052	224,942	-
Transfers	48,392	37,152	39,777	(121,930)	-	3,391	(3,470)
Transfers into/from inventory	(756)	-	-	-	-	(756)	(15)
Disposals and other movements	(85,965)	(38,275)	(45,911)	(6,485)	(31,233)	(207,869)	(14,225)
as of December 31, 2024	**1,255,630**	**294,617**	**463,755**	**108,428**	**484,467**	**2,606,897**	**17,795**
Depreciation and impairment:							
as of December 31, 2022	**(796,075)**	**(219,883)**	**(368,625)**	**(1,954)**	**(144,089)**	**(1,530,626)**	**(21,510)**
Depreciation	(34,919)	(31,271)	(28,435)	-	(78,618)	(173,243)	(455)
Impairment	2,054	-	(551)	1,954	-	3,457	75
Disposals and other movements	15,061	28,177	57,976	-	63,509	164,723	659
Transfers	(244)	-	(18)	-	-	(262)	262
as of December 31, 2023	**(814,123)**	**(222,977)**	**(339,653)**	**-**	**(159,198)**	**(1,535,951)**	**(20,969)**
Depreciation	(38,712)	(34,728)	(34,786)	-	(75,087)	(183,313)	(441)
Impairment	19,071	-	(65)	-	-	19,006	142
Disposals and other movements	51,261	38,271	43,134	-	62,708	195,374	11,787
Transfers	(1,782)	(5)	5	-	-	(1,782)	1,782
as of December 31, 2024	**(784,285)**	**(219,439)**	**(331,365)**	**-**	**(171,577)**	**(1,506,666)**	**(7,699)**
Net book value:							
as of December 31, 2022	**473,358**	**60,657**	**90,769**	**97,531**	**324,129**	**1,046,444**	**15,503**
as of December 31, 2023	**479,836**	**72,763**	**130,236**	**88,953**	**279,450**	**1,051,238**	**14,536**
as of December 31, 2024	**471,345**	**75,178**	**132,390**	**108,428**	**312,890**	**1,100,231**	**10,096**

The Group and Bank holds investment property as a consequence of the ongoing rationalization of its Retail branch network. Investment properties comprise several commercial properties that are leased to third parties. The investment properties have a fair value of 9,721 as of December 31, 2024 (December 31, 2023: 12,738). The fair value has been determined based on a valuation issued by an independent valuer in 2025. Rental income from investment property is in amount of 1,520 (December 31, 2023: 2,406).

(Amounts in thousands RON)

15. Property, plant and equipment (continued)

Group	Right-of-use assets			
	Land & Buildings	IT Office equipments	Cars and other assets	Total
as of January 1, 2024	**275,244**	**10,817**	**11,241**	**297,302**
Additions	65,889	5,968	5,981	77,838
Depreciation expense	(67,132)	(3,639)	(6,576)	(77,347)
Disposals and other decreases	(17,225)	-	(120)	(17,345)
Contractual changes	36,994	-	327	37,321
as of December 31, 2024	**293,770**	**13,146**	**10,853**	**317,769**

	Lease liabilities
as of January 1, 2024	**308,752**
Additions	77,838
Disposals and other decreases	(29,939)
Other movements (FX, other contractual changes)	49,789
Interest expense	7,910
Payments	(85,044)
as of December 31, 2024	**329,306**

Bank	Right-of-use assets			
	Land & Buildings	IT Office equipments	Cars and other assets	Total
as of January 1, 2024	**259,990**	**9,284**	**10,176**	**279,450**
Additions	65,817	5,968	5,267	77,052
Depreciation expense	(65,934)	(3,639)	(5,514)	(75,087)
Disposals and other decreases	(5,519)	-	-	(5,519)
Contractual changes	36,994	-	-	36,994
as of December 31, 2024	**291,348**	**11,613**	**9,929**	**312,890**

	Lease liabilities
as of January 1, 2024	**290,502**
Additions	77,052
Disposals and other decreases	(17,503)
Other movements (FX, other contractual changes)	49,481
Interest expense	7,744
Payments	(83,080)
as of December 31, 2024	**324,196**

(Amounts in thousands RON)

15. Property, plant and equipment (continued)

Group	Right-of-use assets			
	Land & Buildings	IT Office equipments	Cars and other assets	Total
as of January 1, 2023	**316,560**	**11,031**	**8,389**	**335,980**
Additions	15,838	3,394	9,151	28,383
Depreciation expense	(71,390)	(3,608)	(6,422)	(81,420)
Disposals and other decreases	(26,242)	-	(68)	(26,310)
Contractual changes	40,478	-	191	40,669
as of December 31, 2023	**275,244**	**10,817**	**11,241**	**297,302**

	Lease liabilities
as of January 1, 2023	**339,746**
Additions	28,382
Disposals and other decreases	(24,059)
Other movements (FX, other contractual changes)	43,871
Interest expense	5,628
Payments	(84,816)
as of December 31, 2023	**308,752**

Bank	Right-of-use assets			
	Land & Buildings	IT Office equipments	Cars and other assets	Total
as of January 1, 2023	**305,781**	**9,498**	**8,850**	**324,129**
Additions	9,041	3,394	6,733	19,168
Depreciation expense	(69,603)	(3,608)	(5,407)	(78,618)
Disposals and other decreases	(26,242)	-	-	(26,242)
Contractual changes	41,013	-	-	41,013
as of December 31, 2023	**259,990**	**9,284**	**10,176**	**279,450**

	Lease liabilities
as of January 1, 2023	**327,522**
Additions	19,168
Disposals and other decreases	(23,259)
Other movements (FX, other contractual changes)	43,763
Interest expense	5,448
Payments	(82,140)
as of December 31, 2023	**290,502**

(Amounts in thousands RON)

16. Intangible assets

The balance of the intangible assets as of December 31, 2024 and December 31, 2023 represents mainly software, intangibles in progress and capitalization of internal IT effort on projects.

	Group	Bank
Cost:		
as of December 31, 2022	**988,339**	**961,050**
Additions	176,567	174,911
Disposals	(80,042)	(76,684)
Transfers	(2,275)	(2,275)
as of December 31, 2023	**1,082,589**	**1,057,002**
Additions	194,658	191,803
Disposals	(6,365)	(785)
Transfers	74	74
as of December 31, 2024	**1,270,956**	**1,248,094**
Amortization:		
as of December 31, 2022	**(580,852)**	**(555,384)**
Amortization expense	(74,916)	(74,082)
Disposals	79,137	76,685
as of December 31, 2023	**(576,631)**	**(552,781)**
Amortization expense	(88,715)	(87,532)
Disposals	5,132	239
as of December 31, 2024	**(660,214)**	**(640,074)**
Net book value:		
as of December 31, 2022	**407,487**	**405,666**
as of December 31, 2023	**505,958**	**504,221**
as of December 31, 2024	**610,742**	**608,020**

17. Goodwill

Goodwill represents the excess of the acquisition cost over the fair value of net identifiable assets transferred from Société Générale Bucharest to the Bank in 1999.

Following the acquisition, the branch become the present Sucursala Mari Clienti Corporativi ("SMCC") – the branch dedicated to large significant clients, most of them taken over from the former Société Générale Bucharest.

As of December 31, 2024, the branch had a number of 4,638 active customers (2023: 4,193), with loans representing approximately 16% from total loans managed by the network (2023: 16%) and with deposits representing about 12% of networks' deposits (2023: 13%). Most of the SMCC Non-Retail clients are large multinational and national customers.

Considering the stable base of clients and the contribution to the Bank's net banking income, the branch which generated the goodwill is considered profitable. The goodwill is tested annually for impairment and there is no need for an impairment adjustment.

(Amounts in thousands RON)

18. Other financial assets

	Group		Bank	
	December 31, 2024	Restated December 31, 2023	December 31, 2024	Restated December 31, 2023
Sundry receivables	399,162	402,789	366,516	371,286
ECL allowance	(142,970)	(92,192)	(127,017)	(78,030)
Total financial assets net	**256,192**	**310,598**	**239,499**	**293,256**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

The sundry receivables balances include various commissions, sundry debtors and are net of impairment allowance.

The movement in impairment allowance for sundry debtors is presented below:

Group

Sundry receivables	**Total (Stage 3)**
Impairment allowance as at January 1, 2024	92,192
Additional provisions	72,371
Reversals of provisions	(15,524)
Receivables written off	(6,031)
Foreign exchange differences	(38)
Impairment allowance as at December 31, 2024	**142,970**

	Total (Stage 3)
Impairment allowance as at 1 st January 2023	200,209
Additional provisions	75,359
Reversals of provisions	(10,248)
Receivables written off	(173,246)
Foreign exchange differences	118
Impairment allowance as at December 31, 2023	**92,192**

Bank

Sundry receivables	**Total (Stage 3)**
Impairment allowance as at January 1, 2024	78,030
Additional provisions	67,090
Reversals of provisions	(12,275)
Receivables written off	(5,940)
Foreign exchange differences	112
Impairment allowance as at December 31, 2024	**127,017**

	Total (Stage 3)
Impairment allowance as at 1 st January 2023	190,512
Additional provisions	70,073
Reversals of provisions	(9,465)
Receivables written off	(173,208)
Foreign exchange differences	118
Impairment allowance as at December 31, 2023	**78,030**

(Amounts in thousands RON)

19. Other non-financial assets

	Group		Bank	
	December 31, 2024	Restated December 31, 2023	December 31, 2024	Restated December 31, 2023
Advances to suppliers	91,606	83,406	-	-
Prepaid expenses	92,249	53,352	91,427	51,925
Repossessed assets	9,288	3,754	924	924
Other assets	7,653	19,198	3,969	1,742
Total non-financial assets	**200,796**	**159,710**	**96,320**	**54,591**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

20. Due to banks

	Group		Bank	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Demand deposits	587,996	680,497	587,996	680,497
Repo	560,720	460,500	560,720	460,500
Term deposits	328,577	5,543	328,577	5,543
Due to banks	**1,477,293**	**1,146,540**	**1,477,293**	**1,146,540**

21. Due to customers

	Group		Bank	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Demand deposits and current accounts	40,441,761	40,585,990	40,535,516	40,655,969
Term deposits	27,493,381	21,819,619	27,679,971	21,985,869
Due to customers	**67,935,142**	**62,405,609**	**68,215,487**	**62,641,838**

The category "Demand deposits and current accounts" includes the following elements:

	Group		Bank	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Current accounts	32,156,179	32,769,949	32,162,466	32,829,677
Transitory amounts	470,001	483,621	470,413	484,071
Other amounts due	502,022	647,303	502,022	647,303
Demand deposits	7,313,558	6,685,117	7,400,614	6,694,919
Total	**40,441,761**	**40,585,990**	**40,535,516**	**40,655,969**

22. Borrowed funds

	Group		Bank	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Borrowings from related parties	6,083,648	6,648,564	4,233,818	4,833,476
Borrowings from international financial institutions	471,267	355,798	287	749
Total	**6,554,915**	**7,004,362**	**4,234,105**	**4,834,225**

Borrowings from related parties include as at December 31, 2024 at Bank level four senior non-preferred loans from Société Générale in amount of:

- 450 million EUR, with a fixed interest rate of 4.26% and an initial term of three years (received in December 2023)

(Amounts in thousands RON)

22. Borrowed funds (continued)

- 100 million EUR, with a fixed interest rate of 4.68% and an initial term of seven years (received in December 2023)
- 150 million EUR, with a fixed interest rate of 4.78% and an initial term of eight years (received in December 2023)
- 150 million EUR, with a fixed interest rate of 4.79% and an initial term of six years (received in June 2024).

Other funds borrowed from related parties at Group level are in total amount of 1,849,830 as at December 31, 2024 (1,815,088 as at December 31, 2023) and are senior unsecured and used in the normal course of business.

The movements in borrowed funds are as follows:

	Group	Bank
Closing balance as at December 31, 2022	**5,625,488**	**3,567,262**
Received borrowings	4,552,537	3,484,856
Repayment of borrowings	(3,208,892)	(2,239,239)
Interest expensed	230,745	160,209
Interest paid	(222,615)	(157,616)
Fx differences	27,099	18,753
Closing balance as at December 31, 2023	**7,004,362**	**4,834,225**
Received borrowings	1,850,507	747,991
Repayment of borrowings	(2,295,164)	(1,343,469)
Interest expensed	313,898	225,530
Interest paid	(314,179)	(227,050)
Fx differences	(4,509)	(3,122)
Closing balance as at December 31, 2024	**6,554,915**	**4,234,105**

23. Subordinated debts

Two subordinated debts were received from Société Générale in amount of:

- 100 million EUR with an interest rate of EURIBOR 3M+1.98% and an initial term of ten years (received in December 2021)
- 150 million EUR with an interest rate of EURIBOR 3M+4.31% and an initial term of ten years (received in June 2022).

The movements in subordinated debts are as follows:

	Group	Bank
Closing balance as at December 31, 2022	**1,238,651**	**1,238,651**
Interest expensed	82,456	82,456
Interest paid	(82,517)	(82,517)
Fx differences	6,810	6,810
Closing balance as at December 31, 2023	**1,245,400**	**1,245,400**
Interest expensed	89,809	89,809
Interest paid	(89,626)	(89,626)
Fx differences	(125)	(125)
Closing balance as at December 31, 2024	**1,245,458**	**1,245,458**

(Amounts in thousands RON)

24. Provisions

The line Provisions includes provisions for financial guarantee and loan commitments and other provisions.

24.1 Financial guarantees and loan commitments provisions movement

Group	Retail lending			
	Stage 1	Stage 2	Stage 3	Total
Provision as at 1 st January 2024	5,580	3,145	4,055	**12,780**
New commitments originated or purchased	10,186	2,309	710	**13,205**
Commitments derecognised or transferred into assets	(919)	(899)	(1,037)	**(2,855)**
Net provision movement not resulting from changes in classification	(9,109)	(718)	(554)	**(10,381)**
Net movements due to change in classification	(750)	(412)	1,977	**815**
Provision as at December 31, 2024	**4,988**	**3,425**	**5,151**	**13,564**

	Non-Retail			
	Stage 1	Stage 2	Stage 3	Total
Provision as at 1 st January 2024	148,815	19,353	119,277	**287,445**
New commitments originated or purchased	143,943	20,782	1,990	**166,715**
Commitments derecognised or transferred into assets	(49,337)	(8,943)	(35,911)	**(94,191)**
Net provision movement not resulting from changes in classification	(101,356)	(4,031)	(11,131)	**(116,518)**
Net movements due to change in classification	4,390	(5,335)	20,176	**19,231**
Other adjustments	120	2	8,351	**8,473**
Provision as at December 31, 2024	**146,575**	**21,828**	**102,752**	**271,155**

	Total			
	Stage 1	Stage 2	Stage 3	Total
Provision as at 1 st January 2024	154,394	22,498	123,333	**300,225**
New commitments originated or purchased	154,129	23,091	2,700	**179,920**
Commitments derecognised or transferred into assets	(50,256)	(9,842)	(36,948)	**(97,046)**
Net provision movement not resulting from changes in classification	(110,465)	(4,749)	(11,685)	**(126,899)**
Net movements due to change in classification	3,640	(5,747)	22,153	**20,046**
Other adjustments	120	2	8,351	**8,473**
Provision as at December 31, 2024	**151,562**	**25,253**	**107,904**	**284,719**

(Amounts in thousands RON)

24. Provisions (continued)

24.1 Financial guarantees and loan commitments provisions movement (continued)

Bank	Retail lending			
	Stage 1	Stage 2	Stage 3	**Total**
Provision as at 1 st January 2024	5,527	3,074	4,029	**12,630**
New commitments originated or purchased	10,132	2,232	710	**13,074**
Commitments derecognised or transferred into assets	(867)	(827)	(1,037)	**(2,731)**
Net provision movement not resulting from changes in classification	(9,109)	(718)	(554)	**(10,381)**
Net movements due to change in classification	(751)	(412)	1,976	**813**
Provision as at December 31, 2024	**4,932**	**3,349**	**5,124**	**13,405**

	Non-Retail			
	Stage 1	Stage 2	Stage 3	**Total**
Provision as at 1 st January 2024	148,648	19,196	127,535	**295,379**
New commitments originated or purchased	143,824	20,637	1,408	**165,869**
Commitments derecognised or transferred into assets	(49,171)	(8,785)	(35,911)	**(93,867)**
Net provision movement not resulting from changes in classification	(101,356)	(4,031)	(11,105)	**(116,492)**
Net movements due to change in classification	4,390	(5,335)	20,176	**19,231**
Other adjustments	118	4	92	**214**
Provision as at December 31, 2024	**146,453**	**21,686**	**102,195**	**270,334**

	Total			
	Stage 1	Stage 2	Stage 3	**Total**
Provision as at 1 st January 2024	154,176	22,270	131,564	**308,010**
New commitments originated or purchased	153,956	22,869	2,118	**178,943**
Commitments derecognised or transferred into assets	(50,038)	(9,612)	(36,948)	**(96,598)**
Net provision movement not resulting from changes in classification	(110,465)	(4,749)	(11,659)	**(126,873)**
Net movements due to change in classification	3,639	(5,747)	22,152	**20,044**
Other adjustments	118	4	92	**214**
Provision as at December 31, 2024	**151,386**	**25,035**	**107,319**	**283,740**

(Amounts in thousands RON)

24. Provisions (continued)

24.1 Financial guarantees and loan commitments provisions movement (continued)

Group	Retail lending			
	Stage 1	Stage 2	Stage 3	**Total**
Provision as at 1 st January 2023	4,594	4,059	3,281	**11,934**
New commitments originated or purchased	10,463	2,131	1,519	**14,113**
Commitments derecognised or transferred into assets	(1,059)	(1,189)	(1,998)	**(4,246)**
Net provision movement not resulting from changes in classification	(8,048)	(775)	(818)	**(9,641)**
Net movements due to change in classification	(370)	(1,081)	2,071	**620**
Provision as at December 31, 2023	**5,580**	**3,145**	**4,055**	**12,780**

	Non-Retail			
	Stage 1	Stage 2	Stage 3	**Total**
Provision as at 1 st January 2023	128,239	50,188	147,471	**325,898**
New commitments originated or purchased	137,999	28,326	2,090	**168,415**
Commitments derecognised or transferred into assets	(66,634)	(23,959)	(15,846)	**(106,439)**
Net provision movement not resulting from changes in classification	(70,698)	(6,298)	(14,298)	**(91,294)**
Net movements due to change in classification	19,764	(28,941)	(1,807)	**(10,984)**
Other adjustments	145	37	1,667	**1,849**
Provision as at December 31, 2023	**148,815**	**19,353**	**119,277**	**287,445**

	Total			
	Stage 1	Stage 2	Stage 3	**Total**
Provision as at 1 st January 2023	132,833	54,247	150,753	**337,833**
New commitments originated or purchased	148,462	30,457	3,609	**182,528**
Commitments derecognised or transferred into assets	(67,693)	(25,148)	(17,844)	**(110,685)**
Net provision movement not resulting from changes in classification	(78,746)	(7,073)	(15,116)	**(100,935)**
Net movements due to change in classification	19,394	(30,022)	264	**(10,364)**
Other adjustments	146	37	1,667	**1,849**
Provision as at December 31, 2023	**154,396**	**22,498**	**123,333**	**300,226**

(Amounts in thousands RON)

24. Provisions (continued)

24.1 Financial guarantees and loan commitments provisions movement (continued)

Bank	Retail lending			
	Stage 1	Stage 2	Stage 3	**Total**
Provision as at 1 st January 2023	4,562	3,925	3,282	**11,769**
New commitments originated or purchased	10,414	2,059	1,492	**13,965**
Commitments derecognised or transferred into assets	(1,032)	(1,054)	(1,998)	**(4,084)**
Net provision movement not resulting from changes in classification	(8,048)	(775)	(818)	**(9,641)**
Net movements due to change in classification	(369)	(1,081)	2,071	**621**
Provision as at December 31, 2023	**5,527**	**3,074**	**4,029**	**12,630**

	Non-Retail			
	Stage 1	Stage 2	Stage 3	**Total**
Provision as at 1 st January 2023	128,092	49,811	157,351	**335,254**
New commitments originated or purchased	137,834	28,167	2,090	**168,091**
Commitments derecognised or transferred into assets	(66,489)	(23,580)	(15,845)	**(105,914)**
Net provision movement not resulting from changes in classification	(70,698)	(6,298)	(14,295)	**(91,291)**
Net movements due to change in classification	19,764	(28,941)	(1,807)	**(10,984)**
Other adjustments	145	37	41	**223**
Provision as at December 31, 2023	**148,648**	**19,196**	**127,535**	**295,379**

	Total			
	Stage 1	Stage 2	Stage 3	**Total**
Provision as at 1 st January 2023	132,654	53,736	160,633	**347,023**
New commitments originated or purchased	148,248	30,226	3,582	**182,056**
Commitments derecognised or transferred into assets	(67,521)	(24,634)	(17,843)	**(109,998)**
Net provision movement not resulting from changes in classification	(78,746)	(7,073)	(15,113)	**(100,932)**
Net movements due to change in classification	19,395	(30,022)	264	**(10,363)**
Other adjustments	145	37	41	**223**
Provision as at December 31, 2023	**154,175**	**22,270**	**131,564**	**308,009**

(Amounts in thousands RON)

24. Provisions (continued)

24.2 Other provisions

The Bank includes in the line Provisions: provisions for litigation in amount of 24,676 as of December 31, 2024 (11,886 as of December 31, 2023), provisions for risks related to banking activity in amount of 1,411 as of December 31, 2024 (1,418 as of December 31, 2023) and other provisions for risks and charges in amount of 17,373 as of December 31, 2024 (12,497 as of December 31, 2023).

The Group includes in the line Provisions: provisions for litigation in amount of 30,610 as of December 31, 2024 (17,004 as of December 31, 2023), provisions for risks related to banking activity in amount of 1,411 as of December 31, 2024 (1,418 as of December 31, 2023) and other provisions for risks and charges in amount of 17,894 as of December 31, 2024 (29,418 as of December 31, 2023).

The Bank has applied the individual assesment (case by case) for the abusive clause litigations to determine the provision amount.
The amount of the provision is reviewed periodically by the Bank based on the new court resolutions for litigations with clients for contracts which contain allegedly abusive clauses.
As at December 2024, the Bank has recorded provisions for abusive clause litigations which are subject to an individual litigation assesment in total amount of 9,531 (December 2023: 5,697).

The movements in provisions are as follows:

Group	**TOTAL**
Carrying value as of December 31, 2022	**55,618**
Additional expenses	33,621
Reversals of provisions	(28,662)
Usage	(12,737)
Carrying value as of December 31, 2023	**47,840**
Additional expenses	27,462
Reversals of provisions	(18,173)
Usage	(7,214)
Carrying value as of December 31, 2024	**49,915**
Bank	
Carrying value as of December 31, 2022	**33,149**
Additional expenses	13,771
Reversals of provisions	(8,382)
Usage	(12,737)
Carrying value as of December 31, 2023	**25,801**
Additional expenses	26,276
Reversals of provisions	(1,403)
Usage	(7,214)
Carrying value as of December 31, 2024	**43,460**

The usage of Other provisions is mainly related to litigation and salary compensation.

25. Other financial liabilities

	Group		**Bank**	
	December 31, 2024	**Restated December 31, 2023**	**December 31, 2024**	**Restated December 31, 2023**
Sundry creditors	297,765	272,526	260,761	191,408
Dividends payable	-	623,185	-	623,185
Creditors - Lease liabilities	329,306	308,752	324,196	290,502
Total financial liabilities	**627,071**	**1,204,463**	**584,957**	**1,105,095**

(Amounts in thousands RON)

25. Other financial liabilities (continued)

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).
Sundry creditors are expected to be settled in no more than twelve months after the reporting period.

26. Other non-financial liabilities

	Group		Bank	
	December 31, 2024	Restated December 31, 2023	December 31, 2024	Restated December 31, 2023
Other payables to State budget	110,249	85,030	109,591	84,273
Deferred income	52,269	51,165	52,269	51,165
Payables to employees	163,980	187,689	150,882	166,457
Total non-financial liabilities	**326,498**	**323,884**	**312,742**	**301,895**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

According to Law 296/2023, the Romanian Fiscal Code was amended to introduce, starting January 1st, 2024, a supplementary tax for credit institutions, i.e. the tax on turnover which is computed as follows: for 2024 and 2025 the tax is 2% from the turnover, while starting 2026 the rate is 1%. The tax is additional to the corporate income tax, it is computed and payable on a quarterly basis and is a non-deductible expense. The line "Other payables to State budget" includes the tax on turnover to be paid as of December 31, 2024 in amount of 33,871.

Payables to employees include, among other, gross bonuses, amounting 113,739 as of December 31, 2024 (December 31, 2023: 109,120) and post-employment benefits amounting 26,355 as of December 31, 2024 (December 31, 2023: 29,389).

Post-employment benefit plan

The Group/Bank has a defined benefit plan under which the amount of benefit that an employee is entitled to receive on retirement depends on years of service and salary. The plan covers substantially all the employees and the benefits are unfunded. A full actuarial valuation by a qualified independent actuary is carried out annually.

During 2024, the movements in defined benefit obligation is generated by the service cost and benefits paid, resulting in a change of obligation carrying value 26,355 as of December 31, 2024, from 29,389 as of December 31, 2023.

Movement in defined benefits obligations	December 31, 2024	December 31, 2023
Opening defined benefit obligation	**29,389**	**19,576**
Total service cost	3,565	2,470
Benefits paid	(1,052)	(1,007)
Interest cost on benefit obligation	1,997	1,776
Past service cost	(4,688)	-
Actuarial (gains) / losses arising from changes in demographic assumptions	(177)	-
Actuarial (gains) / losses arising from changes in financial assumptions	(2,679)	6,574
Closing defined benefit obligation	**26,355**	**29,389**

Main actuarial assumptions	December 31, 2024	December 31, 2023
Discount rate	6.85%	6.96%
Long term inflation rate	3.30%	3.30%
Average remaining working period (years)	11	12

26. Other non-financial liabilities (continued)

Sensitivities on the defined benefit obligation

The results of any valuation depend upon the assumptions employed. Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase.

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate used were 0.5% higher, then the defined benefit obligation would be lower by about 3.92% meaning 25,321.
- If the discount rate used were 0.5% lower, then the defined benefit obligation would be higher by about 4.14% meaning 27,447.
- If the salary increase rate used were 0.5% higher, then the defined benefit obligation would be higher by about 4.27% meaning 27,480.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the statement of financial position. The eventual cost of providing the benefits depends on the current future experience. Other factors such as the number of new employees could also change the cost.

27. Share capital

The nominal share capital, as registered with the Registry of Commerce is 696,901 (2023: 696,901). Included in the share capital there is an amount of 1,818,721 (2023: 1,818,721) representing hyperinflation restatement surplus. Share capital as of December 31, 2024 represents 696,901,518 (2023: 696,901,518) authorized common shares, issued and fully paid. The nominal value of each share is RON 1 (2023: RON 1). During 2024 and 2023, the Bank did not buy back any of its own shares.

The shares of the Bank are not divisible. The right of property over the shares is transmitted pursuant to the provisions regarding the transfer of securities of the companies admitted to trading on a regulated market. Any share entitles to one vote in the General Meeting of the Shareholders. The Bank may acquire its own shares only with the consent of the Extraordinary General Meeting of the Shareholders, in compliance with the law.

28. Taxation

Current income tax is calculated based on the taxable income as per the tax statement derived from the stand-alone accounts of each consolidated entity. As of December 31, 2024 the Group has a current tax liability in total amount of 3,221 (December 31, 2023: 36,181) and a current tax asset in amount of 25,119 (December 31, 2023: 0) and at Bank level a current tax liability in total amount of 0 (December 31, 2023: 35,074) and current tax asset in amount of 24,251 (December 31, 2023: 0).

The deferred tax asset is reconciled as follows:

(Amounts in thousands RON)

28. Taxation (continued)

	Group December 31, 2024			
	Temporary differences Asset / (Liability)	Consolidated Statement of Financial Position Asset / (Liability)	Consolidated Income Statement (Expense) / Income	Consolidated OCI (Expense) / Income
Elements generating deferred tax				
Defined benefit obligation	67,598	(10,815)	-	(457)
Financial assets at fair value through other comprehensive income	(1,527,564)	244,410	-	18,808
Tangible and intangible assets	75,185	(12,030)	(11,023)	-
Provisions and other liabilities	(539,752)	86,360	(8,492)	-
Taxable items	**(1,924,533)**			
Deferred tax		**307,925**	**(19,515)**	**18,351**

	Bank December 31, 2024			
	Temporary differences Asset / (Liability)	Individual Statement of Financial Position Asset / (Liability)	Individual Income Statement (Expense) / Income	Consolidated OCI (Expense) / Income
Elements generating deferred tax				
Defined benefit obligation	67,598	(10,816)	-	(457)
Financial assets at fair value through other comprehensive income	(1,527,564)	244,409	-	18,808
Tangible and intangible assets	75,185	(12,030)	(11,008)	-
Provisions and other liabilities	(527,752)	84,442	(4,490)	-
Taxable items	**(1,912,533)**			
Deferred tax		**306,005**	**(15,498)**	**18,351**

	Group December 31, 2023			
	Temporary differences Asset / (Liability)	Consolidated Statement of Financial Position Asset / (Liability)	Consolidated Income Statement (Expense) / Income	Consolidated OCI (Expense) / Income
Elements generating deferred tax				
Defined benefit obligation	64,741	(10,358)	-	1,051
Financial assets at fair value through other comprehensive income	(1,410,015)	225,602	-	(171,883)
Tangible and intangible assets	6,295	(1,007)	(2,571)	-
Provisions and other liabilities	(592,824)	94,852	(13,542)	-
Taxable items	**(1,931,803)**			
Deferred tax		**309,089**	**(16,113)**	**(170,832)**

	Bank December 31, 2023			
	Temporary differences Asset / (Liability)	Individual Statement of Financial Position Asset / (Liability)	Individual Income Statement (Expense) / Income	Consolidated OCI (Expense) / Income
Elements generating deferred tax				
Defined benefit obligation	64,741	(10,359)	-	1,051
Financial assets at fair value through other comprehensive income	(1,410,015)	225,602	-	(171,883)
Tangible and intangible assets	6,383	(1,021)	(2,584)	-
Provisions and other liabilities	(555,809)	88,930	(2,325)	-
Taxable items	**(1,894,700)**			
Deferred tax		**303,152**	**(4,909)**	**(170,832)**

(Amounts in thousands RON)

28. Taxation (continued)

Movement in deferred tax is as follows:

	Group			
	December 31, 2022	Deferred tax recognized in other comprehensive income	Deferred tax recognized in profit and loss	December 31, 2023
Tax effect of deductible/(taxable) temporary differences arising from:				
Defined benefit obligation	(11,410)	1,051	-	(10,359)
Financial assets at fair value through other comprehensive income	397,486	(171,882)	-	225,604
Tangible and intangible assets	1,564	-	(2,571)	(1,007)
Provisions and other liabilities	108,393	-	(13,542)	94,851
Deferred tax asset	**496,033**	**(170,831)**	**(16,113)**	**309,089**

	Group			
	December 31, 2023	Deferred tax recognized in other comprehensive income	Deferred tax recognized in profit and loss	December 31, 2024
Tax effect of deductible/(taxable) temporary differences arising from:				
Defined benefit obligation	(10,359)	(457)	-	(10,816)
Financial assets at fair value through other comprehensive income	225,603	18,808	-	244,411
Tangible and intangible assets	(1,007)		(11,023)	(12,030)
Provisions and other liabilities	94,852		(8,492)	86,360
Deferred tax asset	**309,089**	**18,351**	**(19,515)**	**307,925**

	Bank			
	December 31, 2022	Deferred tax recognized in other comprehensive income	Deferred tax recognized in profit and loss	December 31, 2023
Tax effect of deductible/(taxable) temporary differences arising from:				
Defined benefit obligation	(11,410)	1,051	-	(10,359)
Financial assets at fair value through other comprehensive income	397,486	(171,883)	-	225,603
Tangible and intangible assets	1,563	-	(2,584)	(1,021)
Provisions and other liabilities	91,254	-	(2,325)	88,929
Deferred tax asset	**478,893**	**(170,832)**	**(4,909)**	**303,152**

	Bank			
	December 31, 2023	Deferred tax recognized in other comprehensive income	Deferred tax recognized in profit and loss	December 31, 2024
Tax effect of deductible/(taxable) temporary differences arising from:				
Defined benefit obligation	(10,359)	(457)	-	(10,816)
Financial assets at fair value through other comprehensive income	225,603	18,808	-	244,411
Tangible and intangible assets	(1,021)		(11,008)	(12,029)
Provisions and other liabilities	88,929		(4,490)	84,439
Deferred tax asset	**303,152**	**18,351**	**(15,498)**	**306,005**

Reconciliation of total tax charge

	Group		Bank	
	2024	2023	2024	2023
Profit before income tax	**1,863,357**	**1,996,456**	**1,802,400**	**1,955,635**
Income tax (16%)	298,137	319,433	288,384	312,902
Fiscal credit and other adjustments	(1,365)	3,429	(1,382)	(4,480)
Non-deductible elements	60,432	46,783	49,872	31,762
Non-taxable elements	(17,623)	(29,018)	(9,297)	(18,729)
Expense from income tax at effective tax rate	**339,581**	**340,627**	**327,577**	**321,455**
Effective tax rate	18.2%	17.1%	18.2%	16.4%

(Amounts in thousands RON)

28. Taxation (continued)

Recognition of deferred tax asset is based on the management's profit forecasts, which indicates that it is probable that future taxable profits will be available against which the deferred tax assets can be utilized.

At the Bank level, as at December 31, 2024, permanent non-deductible elements include mainly the impact of provisions for overdue commissions 10,690 (December 31, 2023: 10,833), debt sales and other operations with limited deductibility in amount of 9,197 (December 31, 2023: 10,846) and tax on turnover with an impact of 20,588; permanent non-taxable elements are mainly a result of releases for provisions for overdue commissions in amount of 1,535 (December 31, 2023: 1,108), provisions for risks and charges/litigations 551 (December 31, 2023: 2,597) and dividends in amount of 3,484 (December 31, 2023: 11,067).

For 2024, the Bank has applied the effective tax rate (ETR) simplified calcution Safe Harbours. Based on this computation, the effective tax rate was above the minimum threshold of 15%. Therefore, no provision was booked in 2024 regarding Pillar 2 tax.

29. Interest and similar income

	Group		Bank	
		Restated		Restated
	2024	2023	2024	2023
Interest income calculated using the effective interest method	**4,630,922**	**4,110,695**	**4,589,143**	**4,022,905**
Interest on loans	3,575,485	3,146,354	3,533,904	3,059,175
Interest on deposit with banks	267,041	281,878	266,843	281,267
Interest on debt instruments	788,396	682,463	788,396	682,463
Other similar income	**150,893**	**109,129**	**358**	**1,388**
Interest on finance lease	150,535	107,741	-	-
Interest income from hedging instruments	358	1,388	358	1,388
Total interest and similar income	**4,781,815**	**4,219,824**	**4,589,501**	**4,024,293**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

The interest income for Stage 3 loans includes the accrued interest calculated on net loan exposure (after impairment allowance) in amount of 57,434 for Group (2023: 62,888) and 57,434 for Bank (2023: 60,011).

30. Interest and similar expense

	Group		Bank	
		Restated		Restated
	2024	2023	2024	2023
Interest expense	**1,777,048**	**1,398,527**	**1,697,933**	**1,336,474**
Interest on term deposits	1,084,998	876,854	1,088,688	877,748
Interest on demand deposits	288,068	209,714	293,871	217,303
Interest on borrowings	403,982	311,959	315,374	241,423
Other similar expense	**93,124**	**96,143**	**92,958**	**95,962**
Interest expense from hedging instruments	85,214	90,515	85,214	90,514
Interest expense on lease liabilities	7,910	5,628	7,744	5,448
Total interest and similar expense	**1,870,172**	**1,494,670**	**1,790,891**	**1,432,436**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

(Amounts in thousands RON)

31. Fees and commissions income and expense

	Group				Bank			
	2024		2023		2024		2023	
	Income	Expense	Income	Expense	Income	Expense	Income	Expense
Services	*1,092,401*	*474,262*	*984,673*	*398,644*	*1,064,273*	*467,930*	*968,140*	*393,823*
Management fees	103,836	0	107,034	0	103,836	0	107,034	0
Packages	93,326	0	82,186	0	93,326	0	82,186	0
Transfers	111,100	24,252	95,150	21,717	111,100	24,252	95,150	21,717
OTC withdrawal	56,151	11,559	63,392	9,078	56,151	11,559	63,392	9,078
Cards	563,045	363,682	499,342	314,475	563,045	363,682	499,342	314,475
Brokerage, custody and asset management	108,698	24,969	84,743	17,865	80,570	18,638	68,211	13,044
Other	56,245	49,800	52,825	35,509	56,245	49,800	52,825	35,509
Loan activity	*156,223*	*15,904*	*136,332*	*32,065*	*140,627*	*15,409*	*114,115*	*29,515*
Off balance sheet	*82,602*	*32,284*	*59,970*	*22*	*82,602*	*32,284*	*59,970*	*22*
Total	**1,331,225**	**522,450**	**1,180,975**	**430,732**	**1,287,502**	**515,623**	**1,142,224**	**423,361**

(Amounts in thousands RON)

32. Gain from derivatives and other financial instruments held for trading

	Group		Bank	
	2024	Restated 2023	2024	Restated 2023
Gain on instruments held for trading	94,034	94,908	92,563	93,743
Derivative financial instruments	151,271	(53,381)	151,271	(53,381)
Gain on interest rate derivatives	16,438	1,880	16,438	1,880
Gain on currency and interest swap	150	711	150	711
Gain /(loss) on forward foreign exchange contracts	126,040	(55,539)	126,040	(55,539)
Gain on currency options	9,882	6,958	9,882	6,958
(Loss) on derivatives on equity instruments	(2,406)	(855)	(2,406)	(855)
(Loss) on hedging	-	(6,178)	-	(6,178)
Other	1,167	(358)	1,167	(358)
Gain from derivatives and other financial instruments held for trading	**245,305**	**41,527**	**243,834**	**40,362**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

33. Other income/expense

	Group		Bank	
	2024	Restated 2023	2024	Restated 2023
Net provisions for litigations	(12,798)	7,951	(12,798)	7,951
Held for sale fixed assets expenses	(5,742)	(1,893)	-	-
Other income/(expenses)	(32,055)	(9,123)	(25,165)	(15,495)
Total income/(expense)	**(50,595)**	**(3,065)**	**(37,963)**	**(7,544)**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

34. Contribution to Guarantee Scheme and Resolution Fund

34.1 Contribution to Guarantee Scheme

According to the Romanian legislation (Law no. 311/2015 on Deposit Guarantee Schemes and the Bank Deposit Guarantee Fund), the deposits of individuals and certain entities, including small and medium enterprises and large companies are covered up to EUR 100,000 by the Bank Deposit Guarantee Fund ("Fund"). Each credit institution participating to deposit guarantee scheme shall pay the annual contribution as determined and notified by the Fund. The amount of the contribution refers to the total covered deposits at the end of the previous year and also reflects the degree of risk associated to each credit institution in the scheme.

The degree of risk is determined based on the financial and prudential indicators reported by the credit institutions to the National Bank of Romania. For this purpose, the Bank Deposits Guarantee Fund uses a methodology approved by the National Bank of Romania considering also the guidelines issued by the European Banking Authority.

For the year 2024 the expense related to the Deposit Guarantee Fund amounts to 16,447 (2023: 16,269).

(Amounts in thousands RON)

34. Contribution to Guarantee Scheme and Resolution Fund (continued)

34.2 Contribution to Resolution Fund

According to Law no. 312/2015 on recovery and resolution of credit institution and investment firms, each credit institution shall pay an annual contribution to Bank Resolution Fund as determined and notified by the National Bank of Romania.

The National Bank of Romania as the local resolution authority establish the credit institutions annual contributions to Bank Resolution Fund, in compliance with Commission Delegated Regulation EU 2015/63, supplementing Directive 2014/59 of the European Parliament and of the Council with regard to ex ante contributions to resolution financing arrangements.

For the year 2024 the expense related to the Bank Resolution Fund amounts to 27,118 (2023: 51,953).

Both contributions to the Bank Deposit Guarantee Fund and Bank Resolution Fund meet the criteria for recognition as taxes and accounted in accordance with IFRIC 21 “Levies” requirements. The liability is recognized at the date when the obligating event occurs and the contribution is recognized as an expense in full on 1st of January of the year in which the payment is made.

35. Personnel expenses

	Group		Bank	
	2024	**2023**	**2024**	**2023**
Salaries	946,210	870,204	904,317	827,006
Social security	22,222	20,321	20,977	19,146
Bonuses	88,832	78,195	88,202	76,262
Post-employment benefits	874	4,246	874	4,246
Capitalisation of internal projects	(62,093)	(48,098)	(62,093)	(48,098)
Other	14,072	38,090	13,068	36,429
Total	**1,010,117**	**962,958**	**965,345**	**914,991**

In 2024, the expense related to the Bank defined benefit plan was 3,789 (2023: 3,993).

36. Depreciation, amortization and impairment on tangible and intangible assets

	Group		Bank	
	2024	**2023**	**2024**	**2023**
Depreciation and impairment	167,281	173,507	164,228	169,786
Amortisation	88,715	74,916	87,532	74,082
Total	**255,996**	**248,423**	**251,760**	**243,868**

The difference as of December 31, 2024 between the amount presented in Note 15 and the amount presented in Note 36 represents depreciation of investment property in total amount of 469 and release of impairment of investment property in total amount of 92 (December 31, 2023: 455 depreciation of investment property and release of impairment in amount of 75).

(Amounts in thousands RON)

37. Other operating expenses

	Group		Bank	
	2024	**2023**	**2024**	**2023**
Administrative expenses	492,695	507,570	476,319	487,962
Publicity and sponsorships	40,493	38,566	40,071	38,261
Other expenses	51,845	69,534	58,824	61,622
Tax on turnover	128,673	-	128,673	-
Total	**713,706**	**615,670**	**703,887**	**587,845**

Administrative expenses include for the Bank maintenance expenses, various utilities such as energy and telecommunication, expenses related to short-term leases of 5,389 (December 31, 2023: 3,697) and to leases of low-value assets of 4,746 (December 31, 2023: 4,264). This line also includes audit fees amounting 6,081 for Group (out of which statutory and Group audit in amount of 3,280, other audit related fees in amount of 2,778 and non-audit fees in amount of 23) and 5,697 for Bank (out of which statutory and Group audit in amount of 2,896, other audit related fees in amount of 2,778 and non-audit fees in amount of 23).

According to Law 296/2023, the Romanian Fiscal Code was amended to introduce, starting January 1st, 2024, a supplementary tax for credit institutions, i.e. the tax on turnover which is computed as follows: for 2024 and 2025 the tax is 2% from the turnover, while starting 2026 the rate is 1%. The tax is additional to the corporate income tax, it is computed and payable on a quarterly basis and is a non-deductible expense. The line Tax on turnover represents the tax expense for the financial year 2024 in amount of 128,673.

38. Net impairment gain/(loss) on financial instruments

	Group		Bank	
	2024	**2023**	**2024**	**2023**
Net impairment allowance for loans	243,357	95,593	219,559	99,096
Net impairment allowance for sundry debtors	56,784	64,921	54,750	59,843
Net impairment allowance for finance lease	837	1,437	-	-
Income from recoveries of derecognized receivables & sales of bad debts	(137,984)	(201,623)	(123,035)	(179,446)
Write-offs	9,115	21,549	3,748	11,620
Financial guarantee and loan contracts provisions	(23,981)	(39,457)	(24,483)	(39,239)
Net impairment allowance for debt securities	(2,787)	202	(2,787)	202
Total	**145,341**	**(57,378)**	**127,752**	**(47,924)**

39. Earnings per share

Basic earnings per share are calculated by dividing net profit/(loss) for the reporting period attributable to ordinary equity owners of the parent by the weighted average number of shares outstanding during the year. As of December 31, 2024 and December 31, 2023 there were no dilutive equity instruments issued by the Group and Bank.

	Group		Bank	
	2024	**2023**	**2024**	**2023**
Ordinary shares on market	696,901,518	696,901,518	696,901,518	696,901,518
Profit attributable to shareholders	1,524,409	1,639,581	1,474,824	1,634,180
Earnings per share (in RON)	2.1874	2.3527	2.1163	2.3449

(Amounts in thousands RON)

40. Other commitments

	Group		Bank	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Tangible non-current assets	9,088	28,269	9,088	28,269
Intangible non-current assets	34,862	79,793	34,862	79,793
Commitments relating to short-term and low value leases	20,212	24,952	20,212	24,952
Total	**64,162**	**133,014**	**64,162**	**133,014**

The other commitments presented above include short term and low value leases, software maintenance contracts and other IT services.

As of December 31, 2024 and December 31, 2023 the future minimum lease payments regarding short term and low value assets, concluded by the Group and Bank as a lessee are:

	Group		Bank	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Less than one year	8,391	12,545	8,391	12,545
Between one and five years	8,894	9,769	8,894	9,769
More than five years	36	69	36	69
Total	**17,321**	**22,383**	**17,321**	**22,383**

As of December 31, 2024 and December 31, 2023, the future minimum lease receipts regarding short term and low value assets, concluded by the Group and Bank as a lessor are:

	Group		Bank	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Less than one year	405	1,641	405	1,641
Between one and five years	688	324	688	324
More than five years	257	41	257	41
Total	**1,350**	**2,006**	**1,350**	**2,006**

(Amounts in thousands RON)

41. Related parties

The Group entered into related party transactions with its parent, other related parties (include other SG entities and also other close family members of the key management of the institutions or other entities in which key management of the institution have interests), subsidiaries, associates, joint venture and key management personnel. All related party transactions were made on substantially the same terms, including interest rates and collateral requirements, as those prevailing for similar transactions with unrelated parties. The transactions/balances with subsidiaries were eliminated for consolidation purposes. The transactions/balances with related parties can be summarized as follows:

	Group									
	2024					2023 Restated				
	Parent	Other related parties	Associates	Joint ventures	Key management of the institution	Parent	Other related parties	Associates	Joint ventures	Key management of the institution
Assets	**4,758,906**	**81,519**	**879**	**19,631**	**4,120**	**3,295,712**	**34,603**	**2,236**	**23,655**	**2,879**
Nostro accounts	100,304	238	-	-	-	113,766	407	-	-	-
Deposits	4,490,556	-	-	-	-	2,919,555	-	-	-	-
Loans	-	81,101	-	19,631	4,120	-	34,058	-	23,655	2,879
Derivative financial instruments	44,218	0	-	-	-	57,482	(0)	-	-	-
Other assets	123,828	180	879	-	-	204,909	138	2,236	-	-
Liabilities	**7,661,753**	**224,319**	**19,358**	**20,757**	**9,927**	**8,651,529**	**218,232**	**26,554**	**10,758**	**6,992**
Loro accounts	61,013	1,124	-	-	-	28,833	13,530	-	-	-
Deposits and amounts in transit	58,630	208,180	19,358	9,922	9,925	55,072	178,941	26,554	1,508	6,991
Borrowings	6,083,648	-	-	-	-	6,648,564	-	-	-	-
Subordinated borrowings	1,245,458	-	-	-	-	1,245,400	-	-	-	-
Lease payable	-	10,905	-	-	-	-	11,221	-	-	-
Derivative financial instruments	154,091	0	-	-	-	244,002	10,601	-	-	-
Other liabilities	58,913	4,110	0	10,835	2	429,658	3,939	-	9,250	1
Commitments	**8,549,648**	**134,139**	**1,727**	**10,000**	**308**	**7,571,992**	**252,581**	**-**	**45,000**	**273**
Total commitments granted	209,815	67,515	-	-	308	250,611	144,673	-	-	273
Total commitments received	209,815	38,154	-	-	-	243,732	53,388	-	35,000	-
Uncommitted facilities granted	37,984	28,470	-	10,000	-	37,985	54,520	-	10,000	-
Notional amount of foreign exchange transactions	2,666,642	-	-	-	-	1,658,217	-	-	-	-
Notional amount of interest rate derivatives	5,401,885	-	-	-	-	5,320,934	-	-	-	-
Securities and other deliverable financial assets	14,274	-	-	-	-	29,945	-	-	-	-
Securities and other receivable financial assets	9,233	-	1,727	-	-	30,568	-	-	-	-

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly.

(Amounts in thousands RON)

41. Related parties (continued)

	Bank											
	2024						2023 Restated					
	Parent	Other related parties	Subsidiaries	Associates	Joint ventures	Key management of the institution	Parent	Other related parties	Subsidiaries	Associates	Joint ventures	Key management of the institution
Assets	**4,758,906**	**81,519**	**3,033**	**878**	**19,631**	**4,120**	**3,280,318**	**34,603**	**6,843**	**327**	**23,655**	**2,879**
Nostro accounts	100,304	238	-	-	-	-	113,766	407	-	-	-	-
Deposits	4,490,556	-	-	-	-	-	2,904,190	-	-	-	-	-
Loans	-	81,101	-	-	19,631	4,120	-	34,058	4,943	-	23,655	2,879
Derivative financial instruments	44,218	0	-	-	-	-	57,482	(0)	(0)	-	-	-
Other assets	123,828	180	3,033	878	-	-	204,880	138	1,900	327	-	-
Liabilities	**5,808,267**	**224,247**	**283,052**	**19,358**	**20,757**	**9,927**	**6,831,077**	**217,895**	**239,965**	**26,554**	**10,758**	**6,992**
Loro accounts	61,013	1,124	-	-	-	-	28,833	13,530	-	-	-	-
Deposits and amounts in transit	58,630	208,180	281,176	19,358	9,922	9,925	55,072	178,941	237,216	26,554	1,508	6,991
Borrowings	4,231,942	-	1,876	-	-	-	4,830,840	-	2,636	-	-	-
Subordinated borrowings	1,245,458	-	-	-	-	-	1,245,400	-	-	-	-	-
Lease payable	-	10,905	-	-	-	-	-	10,964	-	-	-	-
Derivative financial instruments	154,091	0	-	-	-	-	244,002	10,601	-	-	-	-
Other liabilities	57,133	4,038	-	-	10,835	2	426,930	3,859	113	-	9,250	1
Commitments	**8,549,648**	**134,139**	**37,447**	**-**	**10,000**	**308**	**7,571,992**	**252,581**	**51,630**	**-**	**45,000**	**273**
Total commitments granted	209,815	67,515	2,083	-	-	308	250,611	144,673	11,206	-	-	273
Total commitments received	209,815	38,154	-	-	-	-	243,732	53,388	-	-	35,000	-
Uncommitted facilities granted	37,984	28,470	35,364	-	10,000	-	37,985	54,520	40,424	-	10,000	-
Notional amount of foreign exchange transactions	2,666,642	-	-	-	-	-	1,658,217	-	-	-	-	-
Notional amount of interest rate derivatives	5,401,885	-	-	-	-	-	5,320,934	-	-	-	-	-
Securities and other deliverable financial assets	14,274	-	-	-	-	-	29,945	-	-	-	-	-
Securities and other receivable financial assets	9,233	-	-	-	-	-	30,568	-	-	-	-	-

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly.

(Amounts in thousands RON)

41. Related parties (continued)

	Group									
	2024					2023 Restated				
	Parent	Other related parties	Associates	Joint ventures	Key management of the institution	Parent	Other related parties	Associates	Joint ventures	Key management of the institution
Income statement	**(346,897)**	**1,397**	**41,095**	**(113,078)**	**(73)**	**(325,651)**	**1,758**	**83,926**	**(91,445)**	**(74)**
Interest and commision revenues	99,492	16,027	43,921	1,722	179	61,216	15,057	50,684	2,003	169
Interest and commission expenses	(486,458)	(7,317)	(3,275)	(39,729)	(184)	(403,101)	(4,814)	(3,515)	(25,468)	(74)
Net gain/(loss) on interest rate derivatives	80,484	-	-	-	-	57,783	-	-	-	-
Net gain/(loss) on foreign exchange derivatives	7,878	(21)	-	-	-	(1,601)	(104)	-	-	-
Dividend income	-	-	1,677	-	-	-	-	17,040	-	-
Other income/(expense) from banking activities	(1,039)	9	77	-	(1)	(118)	(2,046)	21,927	-	-
Other operating expenses	(47,254)	(7,301)	(1,305)	(75,071)	(67)	(39,830)	(6,335)	(2,210)	(67,980)	(169)

	Bank											
	2024						2023 Restated					
	Parent	Other related parties	Subsidiaries	Associates	Joint ventures	Key management of the institution	Parent	Other related parties	Subsidiaries	Associates	Joint ventures	Key management of the institution
Income statement	**(268,970)**	**2,343**	**18,203**	**39,367**	**(113,078)**	**(73)**	**(260,790)**	**2,767**	**49,464**	**76,895**	**(91,445)**	**(74)**
Interest and commision revenues	99,297	16,026	19,314	42,392	1,722	179	60,604	14,881	16,284	43,645	2,003	169
Interest and commission expenses	(409,198)	(7,317)	(9,500)	(3,275)	(39,729)	(184)	(339,425)	(4,814)	(8,503)	(3,515)	(25,468)	(74)
Net gain/(loss) on interest rate derivatives	80,484	-	-	-	-	-	57,783	-	-	-	-	-
Net gain/(loss) on foreign exchange derivatives	7,878	(21)	45	-	-	-	(1,601)	(104)	(164)	-	-	-
Dividend income	-	-	17,831	1,677	-	-	-	-	38,234	17,040	-	-
Other income/(expense) from banking activities	(1,039)	9	(13,129)	(0)	-	(1)	(118)	(2,046)	(104)	21,850	-	-
Other operating expenses	(46,392)	(6,354)	3,642	(1,427)	(75,071)	(67)	(38,033)	(5,150)	3,717	(2,125)	(67,980)	(169)

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly.

(Amounts in thousands RON)

41. Related parties (continued)

Other liabilities and other expenses include corporate and technical assistance with Société Générale Paris. Other liabilities do not include any amount representing dividends to be paid to Société Générale Paris as of December 31, 2024, dividends were already paid at the beginning of 2024 (December 31, 2023: 386,860).

The Bank has granted to SG Paris collaterals regarding derivative instruments in total amount of 121,496 as of December 31, 2024 (December 31, 2023: 201,869).

As of December 31, 2024 the Board of Directors and Managing Committee members own 1,030 shares (December 31, 2023: 21,030).

Key management personnel benefits for 2024 and 2023 are:

	Group		Bank	
	2024	**2023**	**2024**	**2023**
Short-term benefits	17,932	17,258	13,255	13,156
Long-term benefits	4,415	5,211	4,228	4,476
Termination benefits	1,272	273	1,272	273

42. Contingencies

As of December 31, 2024 the Bank is the defendant in a number of lawsuits arising in the course of business, amounting to approximately 68,945 (December 31, 2023: 80,404). The amounts disclosed represent the additional potential loss in the event of a negative court decision, the amounts not being provisioned. The management believes that the ultimate resolution of these matters will not have a material adverse effect on the Group's overall financial position and performance. The Bank already booked a provision of 24,676 (December 31, 2023: 11,886) and the Group 30,610 (December 31, 2023: 17,004) in relation with the litigations.

Competition Council

During the year ended December 31, 2023, the Bank (together with other banks) was subject of two investigations by the Competition Council:

- First investigation was launched ad-hoc in October 2022 and concerns a potential infringement of the completion regulations regarding the fixing of reference ROBOR rates. The investigation is still in the preliminary phase at the date of issue of these financial statements and no report has been delivered.
- Second investigation was launched in July 2023 and concerns the activity of the Credit Bureau and, more specifically, how usage of the FICO scoring is influenced by the number of banks' interrogations with the Credit Bureau. The investigation is also in its early phases and the Bank has not received yet a request of information from the Competition Council.

If applicable, in case of a negative outcome of the above investigations, the Competition Law 21/1996 provisions become applicable (i.e. subject to individualization, depending on gravity, length and potential mitigating and aggravating circumstances, the related fine might range between 0.5% and 10% from the turnover in the year prior to the sanction).

42. Contingencies (continued)

However, considering that:

- based on current info as of today, no specific element of non-compliance with competition law has been identified by the Bank,
- the investigation is in an incipient stage and no report has been issued by the Competition Council,

the Bank concludes that the risk is low and remote and therefore no provision should be recognized as of December 31, 2024.

National Agency for Consumer Protection ("ANPC 1")

During 2023, ANPC launched an investigation on a large number of banks concerning the observed most employed method of reimbursement schedule computation (i.e. equal instalments). The Bank was fined with 50 for deceiving marketing practice and received an ANPC order to stop these practices.
The Bank launched a series of Court actions concerning both the fine and the order. At this point in time the ANPC Order is suspended and the actions follow their legal course.

National Agency for Consumer Protection ("ANPC 2")

During 2024, ANPC has started an investigation concerning the loans granted under the Law 190/1999 and concluded during 2004-2010, with variable interest and management fee perceived simultaneously. The Bank was fined with 60 and remedial measures (reimburse the barrowers with the amount paid in excess) had been imposed to the Bank.
The Bank launched a series of Court actions concerning both the fine and the order. At this point in time the ANPC Order is suspended, and the actions follow their legal course.

National Agency for Consumer Protection ("ANPC 3")

In October, 2024, based on a client complaint, the ANPC started an investigation on the Bank regarding the lack of transparency regarding the applicable interest rate for the automatically renewed deposits.
The Bank was fined with 200 and remedial measures had been imposed to the Bank.

Considering the status of all above actions, the Bank assesses that as of December 31, 2024 and December 31, 2023, the criteria for booking a provision or a contingent liability are not met.

43. Fair value

Determination of fair value and fair value hierarchy

To determine and disclose the fair value hierarchy of the financial instruments, the Group follows the three-level classification of the inputs to valuation techniques used to measure fair value:

- **Level 1: quoted (unadjusted) prices** in active markets for identical assets or liabilities;
  Level 1 instruments contain the government bonds, priced directly by external counterparties on various dealing platforms (Bloomberg, Reuters etc.);

- **Level 2: other inputs** than those quoted princes included within Level 1, **that are observable** for that particular asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices);
  Level 2 instruments include in particular securities that cannot directly be quoted on the market (e.g. corporate bonds) and firm derivatives, with standard features and common maturities, whose value can be retrieved or derived from market data;

- **Level 3**: inputs that are not based on observable market data (**unobservable inputs**).
  Level 3 instruments include options traded over the counter and other derivatives with specifically-tailored return profiles and/or maturities extended over the normal spectrum;

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

(Amounts in thousands RON)

43. Fair value (continued)

	Group				Bank			
	December 31, 2024				December 31, 2024			
Assets measured at fair value	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivative financial instruments								
Interest rate swaps	-	35,248	-	**35,248**	-	35,248	-	**35,248**
Currency swaps	-	46,120	-	**46,120**	-	46,120	-	**46,120**
Forward foreign exchange contracts	-	21,945	-	**21,945**	-	21,945	-	**21,945**
Options	-	-	38,556	**38,556**	-	-	38,556	**38,556**
	-	**103,313**	**38,556**	**141,869**	**-**	**103,313**	**38,556**	**141,869**
Financial assets at fair value through other comprehensive income	12,164,852	-	-	**12,164,852**	12,164,852	-	-	**12,164,852**
Equity investments (listed)	4,649	-	-	**4,649**	4,649	-	-	**4,649**
Equity investments (not listed)	-	-	4,559	**4,559**	-	-	4,559	**4,559**
Total	**12,169,501**	**-**	**4,559**	**12,174,060**	**12,169,501**	**-**	**4,559**	**12,174,060**
Other financial instruments held for trading	809,797	890,896	-	**1,700,693**	777,739	890,896	-	**1,668,635**
Total	**12,979,298**	**994,209**	**43,115**	**14,016,622**	**12,947,240**	**994,209**	**43,115**	**13,984,564**
Assets for which fair value is disclosed								
Cash and cash equivalents	7,551,244	1,106,791	-	**8,658,035**	7,551,163	1,106,791	-	**8,657,954**
Due from banks	-	6,313,423	-	**6,313,423**	-	6,313,423	-	**6,313,423**
Loans and advances to customers	-	-	48,351,258	**48,351,258**	-	-	48,000,169	**48,000,169**
Debt securities	5,939,263	-	1,040,923	**6,980,186**	5,939,263	-	1,040,923	**6,980,186**
Financial lease receivables	-	-	2,015,072	**2,015,072**	-	-	-	**-**
Total	**13,490,507**	**7,420,214**	**51,407,253**	**72,317,974**	**13,490,426**	**7,420,214**	**49,041,092**	**69,951,732**

(Amounts in thousands RON)

43. Fair value (continued)

	Group				Bank			
	December 31, 2024				December 31, 2024			
Liabilities measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities								
Derivative financial instruments								
Interest rate swaps	-	151,439	-	**151,439**	-	151,439	-	**151,439**
Currency swaps	-	11,324	-	**11,324**	-	11,324	-	**11,324**
Forward foreign exchange contracts	-	10,937	-	**10,937**	-	10,937	-	**10,937**
Options	-	-	38,672	**38,672**	-	-	38,672	**38,672**
Total	**-**	**173,700**	**38,672**	**212,372**	**-**	**173,700**	**38,672**	**212,372**
Other financial instruments held for trading	226,548	85,090	-	**311,638**	226,548	85,090	-	**311,638**
Total	**226,548**	**258,790**	**38,672**	**524,010**	**226,548**	**258,790**	**38,672**	**524,010**
Liabilities for which fair value is disclosed								
Due to banks	-	1,477,293	-	**1,477,293**	-	1,477,293	-	**1,477,293**
Due to customers	-	67,964,469	-	**67,964,469**	-	68,244,935	-	**68,244,935**
Borrowed funds	-	6,557,966	-	**6,557,966**	-	4,219,899	-	**4,219,899**
Subordinated debts	-	1,245,458	-	**1,245,458**	-	1,245,458	-	**1,245,458**
Total	**-**	**77,245,187**	**-**	**77,245,187**	**-**	**75,187,585**	**-**	**75,187,585**

(Amounts in thousands RON)

43. Fair value (continued)

	Group				Bank			
	December 31, 2023 Restated				December 31, 2023 Restated			
Assets measured at fair value	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivative financial instruments								
Interest rate swaps	-	27,661	-	**27,661**	-	27,661	-	**27,661**
Currency swaps	-	12,587	-	**12,587**	-	12,587	-	**12,587**
Forward foreign exchange contracts	-	3,177	-	**3,177**	-	3,177	-	**3,177**
Options	-	-	43,858	**43,858**	-	-	43,858	**43,858**
	-	**43,425**	**43,858**	**87,283**	**-**	**43,425**	**43,858**	**87,283**
Financial assets at fair value through other comprehensive income	13,429,670	-	-	**13,429,670**	13,429,670	-	-	**13,429,670**
Equity investments (listed)	7,456	-	-	**7,456**	7,456	-	-	**7,456**
Equity investments (not listed)	-	-	3,919	**3,919**	-	-	3,919	**3,919**
Total	**13,437,126**	**-**	**3,919**	**13,441,045**	**13,437,126**	**-**	**3,919**	**13,441,045**
Other financial instruments held for trading	1,219,076	829,350	-	**2,048,426**	1,194,028	829,350	-	**2,023,378**
Total	**14,656,202**	**872,775**	**47,777**	**15,576,754**	**14,631,154**	**872,775**	**47,777**	**15,551,706**
Assets for which fair value is disclosed								
Cash and cash equivalents	11,949,519	512,372	-	**12,461,891**	11,949,447	512,372	-	**12,461,819**
Due from banks	-	5,135,720	-	**5,135,720**	-	5,120,355	-	**5,120,355**
Loans and advances to customers	-	-	40,409,198	**40,409,198**	-	-	40,003,152	**40,003,152**
Debt securities	5,275,613	-	1,108,370	**6,383,983**	5,275,613	-	1,108,370	**6,383,983**
Financial lease receivables	-	-	1,673,622	**1,673,622**	-	-	-	**-**
Assets held for sale	-	-	199,535	**199,535**	-	-	-	**-**
Total	**17,225,132**	**5,648,092**	**43,390,725**	**66,263,949**	**17,225,060**	**5,632,727**	**41,111,522**	**63,969,309**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

(Amounts in thousands RON)

43. Fair value (continued)

	Group				Bank			
	December 31, 2023 Restated				December 31, 2023 Restated			
Liabilities measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities								
Derivative financial instruments								
Interest rate swaps	-	253,207	-	**253,207**	-	253,207	-	**253,207**
Currency swaps	-	35,016	-	**35,016**	-	35,016	-	**35,016**
Forward foreign exchange contracts	-	3,537	-	**3,537**	-	3,537	-	**3,537**
Options	-	-	44,011	**44,011**	-	-	44,011	**44,011**
Total	**-**	**291,760**	**44,011**	**335,771**	**-**	**291,760**	**44,011**	**335,771**
Other financial instruments held for trading	522,637	414,042	**-**	**936,679**	522,637	414,042	**-**	**936,679**
Total	**522,637**	**705,802**	**44,011**	**1,272,450**	**522,637**	**705,802**	**44,011**	**1,272,450**
Liabilities for which fair value is disclosed								
Due to banks	-	1,146,540	-	**1,146,540**	-	1,146,540	-	**1,146,540**
Due to customers	-	62,424,534	-	**62,424,534**	-	62,660,775	-	**62,660,775**
Borrowed funds	-	6,996,236	-	**6,996,236**	-	5,090,605	-	**5,090,605**
Subordinated debts	-	1,245,400	-	**1,245,400**	-	1,245,400	-	**1,245,400**
Total	**-**	**71,812,710**	**-**	**71,812,710**	**-**	**70,143,320**	**-**	**70,143,320**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

43. Fair value (continued)

Financial instruments measured at fair value

The following is a description of the determination of fair value for financial instruments which are recorded at fair value using valuation techniques. These incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments.

Treasury notes are represented by treasury bills and bonds and are classified as financial assets at fair value through other comprehensive income or financial instruments held for trading measured at fair value through profit and loss, being measured using a valuation technique based on market quotes published by Bloomberg or by Reuters (market approach).

Derivatives
The fair value of the derivatives is determined using valuation techniques commonly known on the market, such as discounted cash flows for swaps or Black-Sholes formula for options.

Firm derivatives – interest rate swaps, currency swaps and forward foreign exchange contracts are the main derivative products measured using as valuation technique the income approach (discounting cash flows) and incorporating observable inputs from market (foreign exchange spot rate, forward rates, interest rate rates, futures), both directly observable ones (explicit parameters) and indirectly observable ones.

The directly observable parameters are variables that come directly from the market and are presumed to be easily available, accessible to each market participant. The main explicit parameters used in valuation of firm financial instruments are interbank fixing FX rates published by NBR, interbank swap points, interbank bid/ask interest rates, futures quotes on EUR and USD. Implicit parameters are variables obtained through standard intermediary calculation, using market prices for relevant financial instruments. The yield curves designated at the level of each product and currency are fed with explicit parameters according to the pre-set configuration, facilitating the computation of implicit parameters used in computing the fair value such as Zero-coupons, Discount Factors and Forward Interest Rates.

Conditional derivatives - FX options, interest rate options and equity options are valued daily, using the mark-to-model approach. The model is calibrated to derive the value of the option based on the current market conditions (spot rates) and the future values presumed to be attained by the underlying (forward exchange rates, FRAs etc.), integrating in the calculation the standard option-sensitivities (delta, gamma, vega, theta), along with information regarding the size of the positions and the liquidity of the instrument. The fair value is determined through SG's computation module, the values of the specific parameters being daily retrieved from the market and stored in the database, serving as direct input in the daily final formula or further used for the statistical calculation implied by the valuation process.

The Bank manages the group of these financial assets and liabilities (options) based on the entity's net exposure to a particular market risk (foreign exchange, interest rate, price risk) and, according to the trading book policy in place, The Bank assumes no residual market risk induced by option-trading. Any bought option is perfectly matched on the same day with a sold option, identical in terms of option type, underlying, exercise prices, maturity. The perfect back-to-back system is subject to daily controls performed at back-office level, to ensure that no mismatch occurred and there is no residual open position on options. Therefore, the impact of a specific change on the estimated value on one non-observable parameter used on the valuation of an option classified/accounted as financial asset is offset by same specific change on estimated value of the same non-observable parameter on the valuation of the mirror-replicated option classified/accounted as financial liability.

43. Fair value (continued)

Equities

These assets are valued using models which sometimes only incorporate data observable in the market and at other times use both observable and non-observable data. The non-observable inputs to the models include assumptions regarding the financial performance of the investee.

The fair value of equity instruments not listed classified as of fair value through profit and loss and consisting of ordinary shares of other entities is determined by using the net assets of the entities as of the end of the last closed reporting period. The entities net assets represent the best estimation of the current replacement cost that would be paid to replace the holding as it consists of the initial capital investment adjusted by the financial performance of the entity.

Fair value of financial assets and liabilities not carried at fair value

Financial assets

For deposits with banks amortized cost is estimated to approximate fair value due to their short–term nature, interest rates reflecting current market conditions and no significant transaction costs.

For loans and lease receivables the fair value is determined by using discounted cash-flows based on interest rate offered to similar products and similar time horizons.

Financial liabilities

The amortized cost of deposits from banks is considered to approximate their respective fair values, since these items have predominantly short maturities, carry interest rates reflecting current market conditions and are settled without significant transaction costs.

For due to customers, borrowings and subordinated debts the fair value is determined by using discounted cash-flows based on interest rate offered to similar products and customers and with similar time horizons.

(Amounts in thousands RON)

43. Fair value (continued)

The following table presents the fair value and the carrying amount per type of financial instrument:

	Group				Bank			
	December 31, 2024		December 31, 2023 Restated		December 31, 2024		December 31, 2023 Restated	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets								
Cash and cash equivalents	8,658,035	8,658,035	12,461,891	12,461,891	8,657,954	8,657,954	12,461,819	12,461,819
Due from banks	6,313,423	6,313,423	5,135,720	5,135,720	6,313,423	6,313,423	5,120,355	5,120,355
Loans and advances to customers	47,705,202	48,351,258	40,047,136	40,409,198	47,351,908	48,000,169	39,635,435	40,003,152
Debt securities	7,107,780	6,980,186	6,229,933	6,383,983	7,107,780	6,980,186	6,229,933	6,383,983
Financial lease receivables	2,023,475	2,015,072	1,691,734	1,673,622	-	-	-	-
Assets held for sale	-	-	209,886	199,535	-	-	-	-
Total	**71,807,915**	**72,317,974**	**65,776,300**	**66,263,949**	**69,431,065**	**69,951,732**	**63,447,542**	**63,969,309**
Financial liabilities								
Due to banks	1,477,293	1,477,293	1,146,540	1,146,540	1,477,293	1,477,293	1,146,540	1,146,540
Due to customers	67,935,142	67,964,469	62,405,609	62,424,534	68,215,487	68,244,935	62,641,838	62,660,775
Borrowed funds	6,554,915	6,557,966	7,004,362	6,996,236	4,234,105	4,219,899	4,834,225	5,090,605
Subordinated debts	1,245,458	1,245,458	1,245,400	1,245,400	1,245,458	1,245,458	1,245,400	1,245,400
Total	**77,212,808**	**77,245,187**	**71,801,911**	**71,812,710**	**75,172,343**	**75,187,585**	**69,868,003**	**70,143,320**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

(Amounts in thousands RON)

43. Fair value (continued)

The methods and significant assumptions applied in determining the fair value of the elements in the table above are listed below.

The fair value of fixed rate instruments is estimated by discounting the maturing cash flows with discount factors derived from December 31, 2024 rates offered to similar clients, for similar products on similar maturities. The fair value of floating instruments is estimated by discounting from the next re-pricing date using as discount factors rates offered to similar clients, for similar products on similar time horizons.

Changes in the credit quality of loans within the portfolio are not considered in determining gross fair values, as the impact of impairment is recognized separately by deducting the amount of the allowance for credit losses from both carrying and fair values.

For the purposes of the fair value disclosure, the interest accrued to date is included in the carrying value of the financial instruments.

There were no transfers between fair value hierarchy levels during the period.

Movement in level 3:

Fair value of equity investments not listed is estimated based on net assets of the investments.

	Group / Bank		
	Equity investments (not listed)	**Options (A)**	**Options (L)**
Closing balance as at December 31, 2022	**4,120**	**65,609**	**65,645**
Acquisitions	-	8,001	8,001
Sales	-	(296)	(296)
Reimbursements	-	(6,144)	(6,144)
Gain losses from change in fair value	(201)	(23,312)	(23,195)
Closing balance as at December 31, 2023	**3,919**	**43,858**	**44,011**
Acquisitions	347	15,304	15,304
Sales	(286)	(496)	(496)
Reimbursements	-	(6,404)	(6,404)
Gains/losses from change in fair value	579	(13,706)	(13,743)
Closing balance as at December 31, 2024	**4,559**	**38,556**	**38,672**

44. Subsequent events

No subsequent events were identified after the reporting period.

45. Risk management

Risk management within the Group and Bank is based on an integrated concept that considers the statutory and regulatory norms as defined and required by the National Bank of Romania, Société Générale risk management standards as well as best practices accepted by the banking industry. The level of risk appetite fully reflects the Group's and Bank's risk management strategy, aiming to support a sustainable growth of its lending activity while reinforcing the Bank's and Group's market position.

Risk governance relies on the three lines of defense model, which reinforces segregation of duties between various control functions.

The *first line* of defense is represented by the business units, which are primarily responsible for the ongoing management of the risks arisen in conducting their daily activities, considering the Bank's risk appetite and its existing policies, procedures and controls.

The *second line* of defense is represented by the independent functions overseeing risks, which are responsible for further identifying, measuring, monitoring and reporting risks, while ensuring the compliance with internal and external requirements and providing support to the business/operational functions in executing their duties.

The *third line* of defense is represented by the internal audit function which provides independent review and objective assurance on the quality and effectiveness of the Bank's internal control system, the first and second lines of defense and the risk governance framework.

The Group and Bank's risk management governance is centered along the following axes:

- continuous process of identification, assessment, monitoring, reporting and control, considering risk limits, approval competences, segregation of duties and other mitigation techniques;
- risks are taken within the defined risk appetite approved by the Board of Directors;
- strong involvement of the Bank's management body in the risk management system and promotion of risk culture, throughout the entire organizational structure, from the Board of Directors down to operational teams;
- clearly defined internal rules and procedures;
- communication of information regarding risk management across the organization in a timely, accurate, comprehensible and meaningful manner;
- continuous supervision by an independent risk function to monitor risks and to enforce rules and procedures.

The Group and Bank's risk management is organized around two key principles:

- risk assessment departments must be independent from the business divisions;
- the risk management approach and risk monitoring must be consistent throughout the Group and Bank.

The Group and the Bank is exposed to the risks inherent to its core businesses. The main financial assets and liabilities are the loans and advances, lease receivables, amounts placed with NBR, demand and term deposits and borrowings. These instruments are exposed to a series of risks such as credit risk, foreign exchange risk, interest rate risk, liquidity risk and market risk which are discussed below.

45. Risk management (continued)

45.1 Credit risk

Credit risk represents current or future risk of negative impact on profits and capital arising from a debtor's failure to fulfil the contractual obligations or failure to perform as agreed. The credit risk is inherent to traditional banking products - loans, commitments to lend and other contingent liabilities such as letters of credit - and to fair value derivative contracts (refer to the Notes 7, 9, 10, 11 and 42).

The Group and Bank's credit policy is based on the principle that approval of any credit risk undertaking must rely on a sound knowledge of a given client and its business, an understanding of the purpose and structure of the transaction and the sources of debt repayment. As part of Group Société Générale, the Bank has a cash flow based lending approach, meaning the bank expects debt to be serviced primarily through the future cash flow (legal entities)/income (individuals) generated by the client.

The Group and Bank assesses the quality of its Non-Retail portfolio by use of Société Générale's rating system, with a scale from 1 to 10 (1 to 7- in bonis exposures, 8 to 10 – defaulted exposures). Within the in bonis portfolio, the most vulnerable counterparties are grouped into a distinct category (referred to as sensitive, rating class 7) which is subject to increased monitoring requirements, to improve reactivity through timely implementation of corrective measures.

The internal rating system is based on models that include both quantitative and qualitative assessment criteria, differentiated by counterparty type and size, in which the expert judgment is a key element. Internal models are developed based on the Group and Bank's available data history and the use of rating model is regulated by internal norms and procedures. Rating review is performed at least once per year, or as soon as new and significant aspects impacting the credit quality of the counterparty occur. This process results in the classification of exposures between sound, sensitive and non-performing client status.

Throughout the post approval period, the monitoring of counterparties is conducted on a continuous basis, so that potential vulnerabilities can be identified early and reacted upon. The outcome of monitoring activity is analysed as an inherent responsibility of commercial and risk structures. Risky counterparties defined according to internally prescribed criteria are closely monitored through dedicated committees, with the aim of defining a strategy towards them and ensuring consistent rating and loss recognition.

Retail counterparties are assessed at origination, based on application scorecards and/or behavioral rating models, and monitored throughout the lifespan of the loans using behavioral rating models.

Security, in the form of collateral (funded protection) or guarantee (unfunded protection), is accepted by the Bank in order to mitigate credit risk and do not serve as a substitute for the borrower's ability to meet obligations. The collaterals accepted by the Bank in support of granted commitments primarily include real estate, both residential and commercial, guarantees issued by other banks and guarantee funds, equipment and inventories.

Concentration risk related to credit risk is managed primarily through a set of limits established based on the Bank's risk appetite and the expectations on the evolution of the economic environment. The limits are monitored periodically and revised whenever necessary, but at least annually. The set of limits is related to the following dimensions: individual concentration (single name or group of connected clients), economic sector concentration, geographical concentration, concentration by product type/transaction type and credit risk mitigations technique types.

The Bank has in place a process of continuous monitoring of exposure by concentration dimensions, set out in the local normative guidelines, meant to prevent any excessive concentration.

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Maximum exposure to credit risk before considering any collaterals or guarantees

	Group	
	December 31, 2024	Restated December 31, 2023
ASSETS		
Cash and cash equivalents	6,202,796	9,768,409
Due from banks	6,313,423	5,135,720
Derivatives and other financial instruments held for trading	1,842,562	2,135,709
Financial assets at fair value through other comprehensive income	12,164,852	13,429,670
Financial assets at amortised cost	**54,812,982**	**46,277,069**
Loans, gross	*49,506,267*	*41,736,967*
Expected credit loss	*(1,801,065)*	*(1,689,831)*
Loans and advances to customers	47,705,202	40,047,136
Debt securities	7,107,780	6,229,933
Finance lease receivables	2,023,475	1,691,734
Other financial assets	256,192	310,598
Assets held for sale	-	209,886
Total assets	**83,616,282**	**78,958,795**
Letters of guarantee granted	3,812,725	3,795,868
Financing commitments granted	10,553,532	10,057,188
Total commitments granted	**14,366,257**	**13,853,056**
Total credit risk exposure	**97,982,539**	**92,811,851**

	Bank	
	December 31, 2024	Restated December 31, 2023
ASSETS		
Cash and cash equivalents	6,202,796	9,768,409
Due from banks	6,313,423	5,120,355
Derivatives and other financial instruments held for trading	1,810,504	2,110,661
Financial assets at fair value through other comprehensive income	12,164,852	13,429,670
Financial assets at amortised cost	**54,459,688**	**45,865,368**
Loans, gross	*49,114,810*	*41,311,129*
Expected credit loss	*(1,762,902)*	*(1,675,694)*
Loans and advances to customers	47,351,908	39,635,435
Debt securities	7,107,780	6,229,933
Other financial assets	239,499	293,256
Total assets	**81,190,762**	**76,587,719**
Letters of guarantee granted	3,814,807	3,806,209
Financing commitments granted	10,506,324	10,002,377
Total commitments granted	**14,321,131**	**13,808,586**
Total credit risk exposure	**95,511,893**	**90,396,305**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

Performance guarantees were included in “Financing commitments granted“ position in total amount of 3,954,091 as at December 31, 2024 for Group and Bank (3,133,601 as at December 31, 2023).

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Analyses of the inputs to the ECL model is made under multiple economic scenarios.

An overview of the approach to estimate ECLs is set out in Note 2 e) Significant accounting judgments and estimates and Note 3 Material accounting policy information. Economic input data is obtained from a team of economists in the Bank and Group Société Générale. To ensure accuracy and completeness, inputs are corroborated with third party sources – economic forecasts issued by specialized institutions.

Expected losses are computed based on three macroeconomic scenarios, each with a corresponding weight: optimistic (10%), baseline (56%) and stress scenario (34%) for year 2024. The weights for year 2023 were: optimistic (10%), baseline (62%) and stress scenario (28%). The table below shows the values of the key forward looking economic variables/ assumptions used in the base, optimistic and stress economic scenario for the ECL calculation.

The Bank presents the estimation of key drivers for 2024 because these scenarios have produced effects during the year and have been used in the computation of ECL as of December 31, 2024.

December 31, 2024

Key drivers	ECL Scenario	2025	2026	2027
GDP growth [%]	Baseline/Central	2.8	2.8	3.2
	Stress	-1.7	0.2	1.9
	Optimistic	4.1	4.5	4.2
Unemployment rate [%]	Baseline/Central	5.4	5.2	5.0
	Stress	6.9	7.4	7.3
	Optimistic	4.5	4.2	4.4
Exchange rate RON/EUR [RON]	Baseline/Central	5	5	5
	Stress	6.5	6.2	6.2
	Optimistic	5	5	5

The sensitivity assessment of ECL to key inputs shows that a +/- 1 p.p. change in LGD would result in an increase/decrease of ECL with 36.4 million RON.

The sensitivity assessment of ECL to the macroeconomic scenarios used is described below:

- A change of +/- 1 p.p. of the optimistic scenario weight correlated with a -/+ 1 p.p. change in base scenario weight, will generate an ECL increase/decrease of 0.3 million RON
- A change of +/- 1 p.p. of the pessimistic scenario weight correlated with a -/+ 1 p.p. change in base scenario weight, will generate an ECL increase/decrease of 1.5 million RON.

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Considering the internal rating quality, the exposures of the counterparties are split in 4 categories which are defined below:

Very good – The counterparty is considered to be very reliable. The capacity to service its debt is very strong.

Good – The counterparty is judged to be of good quality. The capacity to service its debt is strong but counterparty is somewhat more sensitive to adverse changes in circumstances and economic conditions.

Standard grade – The counterparty has an average solvency. The ability to service its debt is still sufficient, but more likely to be undermined by unfavourable economic conditions and changes in circumstances.

Sub-standard grade - The counterparty reflected credit behaviour or financial deterioration implying increased credit risk. Timely debt service repayment is uncertain and depends on favourable economic and financial conditions. Close and more frequent monitoring of the client's capacity to service the bank debt is needed, to be able to react to a potential deterioration via implementation of corrective measures.

Analysis of due from banks by credit rating

	Group		Bank	
		Restated		Restated
	2024	2023	2024	2023
Internal rating grade				
Very good grade	6,302,164	5,092,954	6,302,164	5,077,589
Good grade	9,133	38,888	9,133	38,888
Standard grade	1,802	3,035	1,802	3,035
Not rated internally	324	843	324	843
Total	**6,313,423**	**5,135,720**	**6,313,423**	**5,120,355**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Sector analysis of loans granted and impairment allowance

Group

	December 31, 2024									
	Stage 1		**Stage 2**		**Stage 3**		**POCI**		**Total**	
	Gross carrying amount	**Impairment allowance**	**Gross carrying amount**	**Impairment allowance**	**Gross carrying amount**	**Impairment allowance**	**Gross carrying amount**	**Impairment allowance**	**Gross carrying amount**	**Impairment allowance**
Individuals	21,185,547	101,158	5,175,939	373,149	850,925	649,588	22,143	3,869	27,234,554	1,127,764
Agriculture, forestry and fishing	1,567,201	31,548	337,487	24,302	52,916	31,033	47	-	1,957,651	86,883
Mining and quarrying	26,106	407	320	11	0	0	-	-	26,426	418
Manufacturing	3,294,366	56,008	166,943	14,250	48,684	38,643	2,553	919	3,512,546	109,820
Electricity, gas, steam and air conditioning supply	1,225,085	18,634	41,914	57	295	170	-	-	1,267,294	18,861
Water supply	117,403	2,041	33,843	1,184	645	432	-	-	151,891	3,657
Construction	1,270,694	21,298	103,679	7,179	76,480	59,102	3,889	30	1,454,742	87,609
Wholesale and retail trade	5,725,904	86,358	393,448	26,744	24,954	17,362	2,461	238	6,146,767	130,702
Transport and storage	1,077,290	16,897	37,230	2,932	69,783	54,840	1,536	680	1,185,839	75,348
Accommodation and food service activities	519,141	9,861	16,067	1,334	31,498	23,591	(0)	-	566,706	34,786
Information and communication	876,667	14,424	3,608	266	1,338	853	-	-	881,613	15,543
Financial institutions	748,469	12,911	2,957	198	308	200	-	-	751,734	13,309
Real estate activities	480,134	9,778	15,138	595	19,677	19,087	22,444	22,388	537,393	51,848
Professional, scientific and technical activities	356,570	2,381	24,219	2,027	5,360	3,717	-	-	386,149	8,125
Administrative and support service activities	277,681	4,671	7,534	633	1,549	921	1,380	-	288,144	6,225
Public administration and defence, compulsory social security	2,344,095	8,771	178	6	223	223	-	-	2,344,496	9,000
Education	10,574	96	17,839	1,251	81	45	-	-	28,494	1,392
Human health services and social work activities	599,491	11,300	24,324	2,622	1,831	1,409	-	-	625,646	15,331
Arts, entertainment and recreation	63,939	1,204	2,581	285	632	434	-	-	67,152	1,923
Other services	85,103	955	3,913	291	2,013	1,274	-	-	91,029	2,520
Total	**41,851,460**	**410,702**	**6,409,161**	**459,315**	**1,189,192**	**902,924**	**56,453**	**28,124**	**49,506,267**	**1,801,065**

Loans to individuals include mortgage loans, consumer loans and overdrafts.

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Sector analysis of loans granted and impairment allowance (continued)

Bank	December 31, 2024									
	Stage 1		Stage 2		Stage 3		POCI		Total	
	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance
Individuals	21,185,547	101,158	5,175,939	373,149	850,925	649,588	22,143	3,869	27,234,554	1,127,764
Agriculture, forestry and fishing	1,545,227	31,465	228,174	18,003	13,220	8,042	47	-	1,786,668	57,510
Mining and quarrying	26,106	407	320	11	0	0	-	-	26,426	418
Manufacturing	3,291,430	55,996	165,961	14,202	48,684	38,643	2,553	919	3,508,628	109,760
Electricity, gas, steam and air conditioning supply	1,225,085	18,634	41,914	57	295	170	-	-	1,267,294	18,861
Water supply	117,071	2,039	33,843	1,184	620	421	-	-	151,534	3,644
Construction	1,267,497	21,284	102,271	7,097	76,426	59,078	3,889	30	1,450,083	87,489
Wholesale and retail trade	5,709,308	86,289	387,254	26,452	23,272	16,545	2,461	238	6,122,295	129,524
Transport and storage	914,622	16,241	30,837	2,645	60,307	49,074	1,536	680	1,007,302	68,640
Accommodation and food service activities	519,064	9,861	16,029	1,332	30,414	23,103	(0)	-	565,507	34,296
Information and communication	876,289	14,422	3,608	266	1,338	853	-	-	881,235	15,541
Financial institutions	748,469	12,911	2,957	198	308	200	-	-	751,734	13,309
Real estate activities	480,056	9,778	15,138	595	19,677	19,087	22,444	22,388	537,315	51,848
Professional, scientific and technical activities	352,826	2,365	24,081	2,021	5,106	3,604	-	-	382,013	7,990
Administrative and support service activities	275,392	4,661	7,534	633	1,549	921	1,380	-	285,854	6,215
Public administration and defence, compulsory social security	2,344,095	8,771	178	6	223	223	-	-	2,344,496	9,000
Education	10,574	96	17,839	1,251	81	45	-	-	28,494	1,392
Human health services and social work activities	599,491	11,300	24,324	2,622	1,831	1,409	-	-	625,646	15,331
Arts, entertainment and recreation	63,939	1,204	2,581	285	632	434	-	-	67,152	1,923
Other services	84,950	956	3,913	291	1,716	1,200	-	-	90,579	2,447
Total	**41,637,039**	**409,838**	**6,284,694**	**452,300**	**1,136,624**	**872,640**	**56,453**	**28,124**	**49,114,810**	**1,762,902**

Loans to individuals include mortgage loans, consumer loans and overdrafts.

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Sector analysis of loans granted and impairment allowance (continued)

Group	Restated December 31, 2023									
	Stage 1		Stage 2		Stage 3		POCI		Total	
	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance
Individuals	17,267,881	133,122	6,341,473	428,861	737,356	551,528	24,567	3,987	24,371,277	1,117,498
Agriculture, forestry and fishing	1,458,670	31,330	208,784	19,760	17,205	9,961	-	-	1,684,659	61,051
Mining and quarrying	25,271	463	537	38	0	0	-	-	25,808	501
Manufacturing	2,760,480	50,555	152,231	11,220	23,332	19,164	2,381	153	2,938,424	81,092
Electricity, gas, steam and air conditioning supply	1,263,339	18,885	377,223	20,164	2,608	501	-	-	1,643,170	39,550
Water supply	174,607	2,784	7,236	772	352	196	-	-	182,195	3,752
Construction	1,174,078	24,339	49,068	3,952	49,192	38,329	-	-	1,272,338	66,620
Wholesale and retail trade	4,554,877	77,528	184,422	16,159	7,941	6,064	9,827	743	4,757,067	100,494
Transport and storage	841,971	15,281	39,894	2,937	51,150	39,463	74	67	933,089	57,747
Accommodation and food service activities	325,500	6,649	18,207	1,581	36,674	26,237	0	0	380,381	34,467
Information and communication	453,317	6,975	2,486	67	4,158	2,378	-	-	459,961	9,420
Financial institutions	845,205	13,448	206	12	75	62	-	-	845,486	13,522
Real estate activities	551,834	11,688.74	14,435	775	34,744	29,925	22,144	22,143	623,157	64,532
Professional, scientific and technical activities	121,703	1,236	11,926	1,026	3,625	2,717	-	-	137,254	4,978
Administrative and support service activities	168,359	3,143	10,450	575	485	336	1,561	470	180,855	4,524
Public administration and defence, compulsory social security	637,613	7,893	1,810	176	2,993	2,951	-	-	642,416	11,020
Education	17,470	275	20,692	1,926	0	0	-	-	38,162	2,201
Human health services and social work activities	471,991	12,090	15,382	1,193	1,293	693	-	-	488,666	13,976
Arts, entertainment and recreation	63,909	1,362	1,912	155	156	88	-	-	65,977	1,605
Other services	63,619	971	2,837	207	169	101	-	-	66,625	1,279
Total	**33,241,694**	**420,018**	**7,461,211**	**511,556**	**973,508**	**730,694**	**60,554**	**27,563**	**41,736,967**	**1,689,831**

Loans to individuals include mortgage loans, consumer loans and overdrafts.

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Sector analysis of loans granted and impairment allowance (continued)

Bank	Restated December 31, 2023									
	Stage 1		Stage 2		Stage 3		POCI		Total	
	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance
Individuals	17,267,881	133,122	6,341,473	428,861	737,356	551,528	24,567	3,987	24,371,277	1,117,498
Agriculture, forestry and fishing	1,305,071	30,597	140,626	16,004	8,412	5,331	-	-	1,454,109	51,932
Mining and quarrying	25,271	463	537	38	0	0	-	-	25,808	501
Manufacturing	2,757,975	50,544	151,326	11,176	23,332	19,164	2,381	153	2,935,014	81,037
Electricity, gas, steam and air conditioning supply	1,263,339	18,885	377,223	20,164	2,608	501	-	-	1,643,170	39,550
Water supply	174,312	2,783	7,236	772	274	161	-	-	181,822	3,716
Construction	1,172,880	24,333	46,619	3,833	49,042	38,262	-	-	1,268,541	66,428
Wholesale and retail trade	4,531,240	77,418	178,744	15,875	7,417	5,785	9,827	743	4,727,228	99,821
Transport and storage	702,233	14,670	28,972	2,398	46,714	36,717	74	67	777,993	53,852
Accommodation and food service activities	325,500	6,649	16,885	1,502	36,674	26,237	0	0	379,059	34,388
Information and communication	453,317	6,975	2,486	67	4,158	2,378	-	-	459,961	9,420
Financial institutions	850,149	13,448	206	12	75	62	-	-	850,430	13,522
Real estate activities	551,834	11,689	14,328	770	34,744	29,925	22,144	22,143	623,050	64,527
Professional, scientific and technical activities	119,051	1,223	11,223	984	3,625	2,717	-	-	133,899	4,924
Administrative and support service activities	165,621	3,131	10,450	575	485	336	1,561	470	178,117	4,512
Public administration and defence, compulsory social security	637,613	7,893	1,810	176	2,993	2,951	-	-	642,416	11,020
Education	17,470	275	20,692	1,926	0	0	-	-	38,162	2,201
Human health services and social work activities	471,991	12,090	15,382	1,193	1,293	693	-	-	488,666	13,976
Arts, entertainment and recreation	63,909	1,362	1,912	155	156	88	-	-	65,977	1,605
Other services	63,618	968	2,643	195	169	101	-	-	66,430	1,264
Total	**32,920,275**	**418,518**	**7,370,773**	**506,676**	**959,527**	**722,937**	**60,554**	**27,563**	**41,311,129**	**1,675,694**

Loans to individuals include mortgage loans, consumer loans and overdrafts.

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Analysis of collateral coverage – Loans and advances

Group
December 31, 2024

	Over - collateralized exposure	Collaterals & Guarantees	Under- collateralized exposure	Collaterals & Guarantees
Non-retail lending	2,563,722	5,439,452	17,827,322	3,468,394
Retail lending	16,766,491	32,870,793	12,348,732	746,309
Small business lending	408,541	862,330	1,471,450	503,679
Consumer lending	7,184	26,062	10,566,646	1,740
Residential mortgages	16,350,766	31,982,401	310,636	240,890
Total	**19,330,213**	**38,310,245**	**30,176,054**	**4,214,703**
out of which non-performing				
Non-retail lending	121,989	262,342	158,560	75,290
Retail lending	324,571	824,842	597,881	20,251
Small business lending	7,521	22,350	54,867	10,617
Consumer lending	1,252	1,420	530,502	65
Residential mortgages	315,798	801,072	12,512	9,569
Total	**446,560**	**1,087,184**	**756,441**	**95,541**

December 31, 2023
Restated

	Over - collateralized exposure	Collaterals & Guarantees	Under- collateralized exposure	Collaterals & Guarantees
Non-retail lending	1,978,983	4,551,097	13,877,804	2,453,984
Retail lending	15,545,644	29,060,659	10,334,537	516,934
Small business lending	379,595	836,057	1,127,996	303,850
Consumer lending	10,485	34,126	8,939,305	1,480
Residential mortgages	15,155,564	28,190,476	267,236	211,604
Total	**17,524,627**	**33,611,756**	**24,212,341**	**2,970,918**
out of which non-performing				
Non-retail lending	127,244	292,803	99,192	57,139
Retail lending	300,725	750,177	473,688	23,768
Small business lending	5,209	21,414	22,714	8,793
Consumer lending	1,131	1,786	430,290	79
Residential mortgages	294,385	726,977	20,684	14,896
Total	**427,969**	**1,042,980**	**572,880**	**80,907**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Analysis of collateral coverage – Loans and advances (continued)

Bank
December 31, 2024

	Over - collateralized exposure	Collaterals & Guarantees	Under- collateralized exposure	Collaterals & Guarantees
Non-retail lending	2,335,050	5,041,036	17,815,722	3,466,342
Retail lending	16,631,084	32,618,222	12,332,955	734,905
Small business lending	273,674	609,759	1,455,673	492,275
Consumer lending	7,184	26,062	10,566,646	1,740
Residential mortgages	16,350,226	31,982,401	310,636	240,890
Total	**18,966,134**	**37,659,258**	**30,148,677**	**4,201,247**
out of which non-performing				
Non-retail lending	106,890	228,637	147,146	73,238
Retail lending	324,571	824,842	597,881	20,251
Small business lending	7,521	22,350	54,867	10,617
Consumer lending	1,252	1,420	530,502	65
Residential mortgages	315,798	801,072	12,512	9,569
Total	**431,461**	**1,053,479**	**745,027**	**93,489**

December 31, 2023
Restated

	Over - collateralized exposure	Collaterals & Guarantees	Under- collateralized exposure	Collaterals & Guarantees
Non-retail lending	1,761,139	4,185,246	13,856,764	2,430,292
Retail lending	15,377,769	28,768,006	10,315,457	501,057
Small business lending	213,023	543,404	1,108,916	287,973
Consumer lending	10,485	34,126	8,939,305	1,480
Residential mortgages	15,154,261	28,190,476	267,236	211,604
Total	**17,138,908**	**32,953,252**	**24,172,221**	**2,931,349**
out of which non-performing				
Non-retail lending	124,652	287,135	98,937	57,139
Retail lending	300,725	750,177	473,688	23,768
Small business lending	5,209	21,414	22,714	8,793
Consumer lending	1,131	1,786	430,290	79
Residential mortgages	294,385	726,977	20,684	14,896
Total	**425,377**	**1,037,312**	**572,625**	**80,907**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Analysis of collateral coverage for finance lease receivables

December 31, 2024

	Over - collateralized exposure	Collaterals & Guarantees	Under- collateralized exposure	Collaterals & Guarantees
Non-retail lending	1,289,367	1,856,739	76,376	45,622
Retail lending	733,122	1,155,246	13,413	8,321
Small business lending (retail) & residential	733,122	1,155,246	13,363	8,321
Consumer lending	-	-	50	-
Total	**2,022,489**	**3,011,985**	**89,789**	**53,943**

December 31, 2023

	Over - collateralized exposure	Collaterals & Guarantees	Under- collateralized exposure	Collaterals & Guarantees
Non-retail lending	1,057,804	1,563,964	81,709	52,595
Retail lending	629,044	1,008,969	16,949	6,258
Small business lending (retail) & residential	629,044	1,008,969	16,899	6,258
Consumer lending	-	-	50	-
Total	**1,686,848**	**2,572,933**	**98,658**	**58,853**

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Rating analysis of loans

Group	Retail lending December 31, 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount					
Internal rating grade					
Very good grade	15,768,153	57,012	-	-	15,825,165
Good grade	4,994,898	3,352,984	-	-	8,347,882
Standard grade	1,803,961	1,390,142	-	-	3,194,103
Sub-standard grade	-	660,766	-	13,018	673,784
Non- performing	-	-	913,024	9,428	922,452
(out of which) Individual assessment	-	-	11,944	681	12,625
Not rated internally	36,375	89,410	26,052	-	151,837
Total	22,603,387	5,550,314	939,076	22,446	29,115,223
ECL allowance					
Internal rating grade					
Very good grade	(44,639)	(610)	-	-	(45,249)
Good grade	(31,103)	(85,005)	-	-	(116,108)
Standard grade	(37,868)	(149,956)	-	-	(187,824)
Sub-standard grade	-	(160,090)	-	(103)	(160,193)
Non- performing	-	-	(692,691)	(4,004)	(696,695)
(out of which) Individual assessment	-	-	(10,458)	(326)	(10,784)
Not rated internally	(189)	(5,476)	(13,879)	-	(19,544)
Total	(113,799)	(401,137)	(706,570)	(4,107)	(1,225,613)
Net Carying amount	**22,489,588**	**5,149,177**	**232,506**	**18,339**	**27,889,610**

	Non-Retail lending December 31, 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount					
Internal rating grade					
Good grade	14,128,391	135,658	-	-	14,264,049
Standard grade	5,119,681	59,745	-	-	5,179,426
Sub-standard grade	-	663,444	-	3,574	667,018
Non- performing	-	-	250,116	30,434	280,550
(out of which) Individual assessment	-	-	189,267	30,375	219,642
Total	19,248,072	858,847	250,116	34,008	20,391,043
ECL allowance					
Internal rating grade					
Good grade	(193,425)	(2,745)	-	-	(196,170)
Standard grade	(103,478)	(3,287)	-	-	(106,765)
Sub-standard grade	-	(52,146)	-	-	(52,146)
Non- performing	-	-	(196,354)	(24,016)	(220,370)
(out of which) Individual assessment	-	-	(158,107)	(23,970)	(182,077)
Total	(296,903)	(58,178)	(196,354)	(24,016)	(575,451)
Net Carying amount	**18,951,169**	**800,669**	**53,762**	**9,992**	**19,815,592**

	Total December 31, 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount					
Internal rating grade					
Very good grade	15,768,153	57,012	-	-	15,825,165
Good grade	19,123,290	3,488,642	-	-	22,611,932
Standard grade	6,923,643	1,449,887	-	-	8,373,530
Sub-standard grade	-	1,324,210	-	16,592	1,340,802
Non- performing	-	-	1,163,140	39,862	1,203,002
(out of which) Individual assessment	-	-	201,211	31,056	232,267
Not rated internally	36,374	89,410	26,052	-	151,836
Total	41,851,460	6,409,161	1,189,192	56,454	49,506,267
ECL allowance					
Internal rating grade					
Very good grade	(44,639)	(610)	-	-	(45,249)
Good grade	(224,528)	(87,750)	-	-	(312,278)
Standard grade	(141,346)	(153,243)	-	-	(294,589)
Sub-standard grade	-	(212,236)	-	(103)	(212,339)
Non- performing	-	-	(889,044)	(28,021)	(917,065)
(out of which) Individual assessment	-	-	(168,566)	(24,295)	(192,861)
Not rated internally	(190)	(5,476)	(13,879)	-	(19,545)
Total	(410,703)	(459,315)	(902,923)	(28,124)	(1,801,065)
Net Carying amount	**41,440,757**	**5,949,846**	**286,269**	**28,330**	**47,705,202**

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Rating analysis of loans (continued)

Bank	Retail lending December 31, 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount					
Internal rating grade					
Very good grade	15,768,152	57,012	-	-	15,825,164
Good grade	4,994,898	3,352,984	-	-	8,347,882
Standard grade	1,803,961	1,390,142	-	-	3,194,103
Sub-standard grade	-	660,766	-	13,018	673,784
Non- performing	-	-	913,024	9,428	922,452
(out of which) Individual assessment	-	-	11,944	681	12,625
Not rated internally	653	-	-	-	653
Total	22,567,664	5,460,904	913,024	22,446	28,964,038
ECL allowance					
Internal rating grade					
Very good grade	(44,639)	(610)	-	-	(45,249)
Good grade	(31,103)	(85,005)	-	-	(116,108)
Standard grade	(37,868)	(149,956)	-	-	(187,824)
Sub-standard grade	-	(160,090)	-	(103)	(160,193)
Non- performing	-	-	(692,691)	(4,004)	(696,695)
(out of which) Individual assessment	-	-	(10,458)	(326)	(10,784)
Total	(113,610)	(395,661)	(692,691)	(4,107)	(1,206,069)
Net Carying amount	**22,454,054**	**5,065,243**	**220,333**	**18,339**	**27,757,969**

	Non-Retail lending December 31, 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount					
Internal rating grade					
Good grade	14,014,487	133,130	-	-	14,147,617
Standard grade	5,054,884	39,508	-	-	5,094,392
Sub-standard grade	-	651,154	-	3,574	654,728
Non- performing	-	-	223,601	30,434	254,035
(out of which) Individual assessment	-	-	189,267	30,375	219,642
Total	19,069,371	823,792	223,601	34,008	20,150,772
ECL allowance					
Internal rating grade					
Good grade	(192,995)	(2,635)	-	-	(195,630)
Standard grade	(103,233)	(2,395)	-	-	(105,628)
Sub-standard grade	-	(51,610)	-	-	(51,610)
Non- performing	-	-	(179,949)	(24,017)	(203,966)
(out of which) Individual assessment	-	-	(158,107)	(23,970)	(182,077)
Total	(296,228)	(56,640)	(179,949)	(24,017)	(556,834)
Net Carying amount	**18,773,143**	**767,152**	**43,652**	**9,991**	**19,593,938**

	Total December 31, 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount					
Internal rating grade					
Very good grade	15,768,151	57,012	-	-	15,825,163
Good grade	19,009,385	3,486,114	-	-	22,495,499
Standard grade	6,858,846	1,429,649	-	-	8,288,495
Sub-standard grade	-	1,311,920	-	16,592	1,328,512
Non- performing	-	-	1,136,626	39,862	1,176,488
(out of which) Individual assessment	-	-	201,211	31,056	232,267
Not rated internally	653	-	-	-	653
Total	41,637,035	6,284,695	1,136,626	56,454	49,114,810
ECL allowance					
Internal rating grade					
Very good grade	(44,639)	(610)	-	-	(45,249)
Good grade	(224,097)	(87,640)	-	-	(311,737)
Standard grade	(141,101)	(152,351)	-	-	(293,452)
Sub-standard grade	-	(211,700)	-	(103)	(211,803)
Non- performing	-	-	(872,640)	(28,021)	(900,661)
(out of which) Individual assessment	-	-	(168,566)	(24,295)	(192,861)
Total	(409,837)	(452,301)	(872,640)	(28,124)	(1,762,902)
Net Carying amount	**41,227,198**	**5,832,394**	**263,986**	**28,330**	**47,351,908**

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Rating analysis of loans (continued)

Group	Retail lending December 31, 2023 Restated				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount					
Internal rating grade					
Very good grade	10,396,982	7,948	-	-	10,404,930
Good grade	6,530,116	4,239,029	-	-	10,769,145
Standard grade	1,473,739	1,533,399	-	-	3,007,138
Sub-standard grade	-	721,628	-	15,437	737,065
Non- performing	-	-	765,104	9,309	774,413
(out of which) Individual assessment	-	-	13,013	224	13,237
Not rated internally	134,790	41,567	11,134	-	187,491
Total	18,535,627	6,543,571	776,238	24,746	25,880,182
ECL allowance					
Internal rating grade					
Very good grade	(53,161)	(104)	-	-	(53,265)
Good grade	(50,174)	(96,320)	-	-	(146,494)
Standard grade	(38,873)	(164,082)	-	-	(202,955)
Sub-standard grade	-	(180,061)	-	(96)	(180,157)
Non- performing	-	-	(572,290)	(3,909)	(576,199)
(out of which) Individual assessment	-	-	(11,836)	(224)	(12,060)
Not rated internally	(698)	(2,491)	(6,528)	-	(9,717)
Total	(142,906)	(443,058)	(578,818)	(4,005)	(1,168,787)
Net Carying amount	**18,392,721**	**6,100,513**	**197,420**	**20,741**	**24,711,395**

	Non-Retail lending December 31, 2023 Restated				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount					
Internal rating grade					
Very good grade					
Good grade	9,713,830	464,256	-	-	10,178,086
Standard grade	4,992,238	99,956	-	-	5,092,194
Sub-standard grade	-	353,428	-	6,643	360,071
Non- performing	-	-	197,271	29,166	226,437
(out of which) Individual assessment	-	-	174,952	29,091	204,043
Total	14,706,068	917,640	197,271	35,809	15,856,788
ECL allowance					
Internal rating grade					
Very good grade					
Good grade	(158,349)	(23,983)	-	-	(182,332)
Standard grade	(118,763)	(7,484)	-	-	(126,247)
Sub-standard grade	-	(37,034)	-	(3)	(37,037)
Non- performing	-	-	(151,877)	(23,554)	(175,431)
(out of which) Individual assessment	-	-	(136,955)	(23,487)	(160,442)
Total	(277,112)	(68,501)	(151,877)	(23,557)	(521,047)
Net Carying amount	**14,428,956**	**849,139**	**45,394**	**12,252**	**15,335,741**

	Total December 31, 2023 Restated				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount					
Internal rating grade					
Very good grade	10,396,982	7,948	-	-	10,404,930
Good grade	16,243,946	4,703,285	-	-	20,947,231
Standard grade	6,465,977	1,633,354	-	-	8,099,331
Sub-standard grade	-	1,075,056	-	22,080	1,097,136
Non- performing	-	-	962,375	38,475	1,000,850
(out of which) Individual assessment	-	-	187,966	29,315	217,281
Not rated internally	134,787	41,567	11,134	-	187,488
Total	33,241,692	7,461,210	973,509	60,555	41,736,966
ECL allowance					
Internal rating grade					
Very good grade	(53,161)	(104)	-	-	(53,265)
Good grade	(208,522)	(120,303)	-	-	(328,825)
Standard grade	(157,635)	(171,566)	-	-	(329,201)
Sub-standard grade	-	(217,095)	-	(99)	(217,194)
Non- performing	-	-	(724,166)	(27,462)	(751,628)
(out of which) Individual assessment	-	-	(148,791)	(23,711)	(172,502)
Not rated internally	(698)	(2,491)	(6,528)	-	(9,717)
Total	(420,016)	(511,559)	(730,694)	(27,561)	(1,689,830)
Net Carying amount	**32,821,676**	**6,949,651**	**242,815**	**32,994**	**40,047,136**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details, please refer to note 2 a).

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Rating analysis of loans (continued)

Bank	Retail lending December 31, 2023 Restated				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount					
Internal rating grade					
Very good grade	10,396,982	7,948	-	-	10,404,930
Good grade	6,530,116	4,239,029	-	-	10,769,145
Standard grade	1,473,739	1,533,399	-	-	3,007,138
Sub-standard grade	-	721,628	-	15,437	737,065
Non- performing	-	-	765,104	9,309	774,413
(out of which) Individual assessment	-	-	13,013	224	13,237
Not rated internally	535	-	-	-	535
Total	18,401,372	6,502,004	765,104	24,746	25,693,226
ECL allowance					
Internal rating grade					
Very good grade	(53,161)	(104)	-	-	(53,265)
Good grade	(50,174)	(96,320)	-	-	(146,494)
Standard grade	(38,873)	(164,082)	-	-	(202,955)
Sub-standard grade	-	(180,061)	-	(96)	(180,157)
Non- performing	-	-	(572,290)	(3,909)	(576,199)
(out of which) Individual assessment	-	-	(11,836)	(224)	(12,060)
Total	(142,208)	(440,567)	(572,290)	(4,005)	(1,159,070)
Net Carying amount	**18,259,164**	**6,061,437**	**192,814**	**20,741**	**24,534,156**

	Non-Retail lending December 31, 2023 Restated				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount					
Internal rating grade					
Very good grade					
Good grade	9,654,783	457,398	-	-	10,112,181
Standard grade	4,864,118	70,541	-	-	4,934,659
Sub-standard grade	-	340,831	-	6,643	347,474
Non- performing	-	-	194,424	29,166	223,590
(out of which) Individual assessment	-	-	174,952	29,091	204,043
Total	14,518,901	868,770	194,424	35,809	15,617,904
ECL allowance					
Internal rating grade					
Very good grade					
Good grade	(158,082)	(23,648)	-	-	(181,730)
Standard grade	(118,230)	(6,045)	-	-	(124,275)
Sub-standard grade	-	(36,417)	-	(3)	(36,420)
Non- performing	-	-	(150,647)	(23,554)	(174,201)
(out of which) Individual assessment	-	-	(136,955)	(23,487)	(160,442)
Total	(276,312)	(66,110)	(150,647)	(23,557)	(516,626)
Net Carying amount	**14,242,589**	**802,660**	**43,777**	**12,252**	**15,101,278**

	Total December 31, 2023 Restated				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount					
Internal rating grade					
Very good grade	10,396,982	7,948	-	-	10,404,930
Good grade	16,184,899	4,696,426	-	-	20,881,325
Standard grade	6,337,856	1,603,940	-	-	7,941,796
Sub-standard grade	-	1,062,459	-	22,080	1,084,539
Non- performing	-	-	959,528	38,475	998,003
(out of which) Individual assessment	-	-	187,966	29,315	217,281
Not rated internally	535	-	-	-	535
Total	32,920,272	7,370,773	959,528	60,555	41,311,128
ECL allowance					
Internal rating grade					
Very good grade	(53,160)	(104)	-	-	(53,264)
Good grade	(208,255)	(119,968)	-	-	(328,223)
Standard grade	(157,103)	(170,127)	-	-	(327,230)
Sub-standard grade	-	(216,479)	-	(99)	(216,578)
Non- performing	-	-	(722,936)	(27,462)	(750,398)
(out of which) Individual assessment	-	-	(148,791)	(23,711)	(172,502)
Total	(418,518)	(506,678)	(722,936)	(27,561)	(1,675,693)
Net Carying amount	**32,501,754**	**6,864,095**	**236,592**	**32,994**	**39,635,435**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly**.** For more details, please refer to note 2 a).

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Rating analysis of Finance Lease receivables

	Retail December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount				
Not rated internally	589,277	82,285	74,971	746,533
Total	589,277	82,285	74,971	746,533
ECL allowance	(3,162)	(5,062)	(31,909)	(40,133)
Net Carying amount	**586,115**	**77,223**	**43,062**	**706,400**

	Non-Retail December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount				
Internal rating grade				
Good grade	718,715	27,758	-	746,473
Standard grade	433,975	65,224	-	499,199
Sub-standard grade	-	44,725	-	44,725
Non- performing	-	-	65,436	65,436
Not rated internally	-	9,451	459	9,910
Total	1,152,690	147,158	65,895	1,365,743
ECL allowance	(4,327)	(6,397)	(37,944)	(48,668)
Net Carying amount	**1,148,363**	**140,761**	**27,951**	**1,317,075**

	Total December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount				
Internal rating grade				
Good grade	718,715	27,758	-	746,473
Standard grade	433,975	65,223	-	499,198
Sub-standard grade	-	44,725	-	44,725
Non- performing	-	-	65,436	65,436
Not rated internally	589,277	91,736	75,431	756,444
Total	1,741,967	229,442	140,867	2,112,276
ECL allowance	(7,489)	(11,459)	(69,853)	(88,801)
Net Carying amount	**1,734,478**	**217,984**	**71,014**	**2,023,475**

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Rating analysis of Finance Lease receivables:

	Retail December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount				
Not rated internally	472,694	115,322	57,978	645,994
Total	472,694	115,322	57,978	645,994
ECL allowance	(2,505)	(6,940)	(25,267)	(34,712)
Net Carying amount	**470,189**	**108,382**	**32,711**	**611,282**

	Non-Retail December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount				
Internal rating grade				
Good grade	379,509	56,363	-	435,872
Standard grade	465,656	132,466	-	598,122
Sub-standard grade	-	34,400	-	34,400
Non- performing	-	-	62,956	62,956
Not rated internally	-	7,584	580	8,164
Total	845,165	230,813	63,536	1,139,514
ECL allowance	(3,486)	(11,214)	(44,360)	(59,060)
Net Carying amount	**841,679**	**219,599**	**19,176**	**1,080,454**

	Total December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount				
Internal rating grade				
Good grade	379,509	56,363	-	435,872
Standard grade	465,656	132,466	-	598,122
Sub-standard grade	-	34,400	-	34,400
Non- performing	-	-	62,956	62,956
Not rated internally	472,693	122,905	58,558	654,156
Total	1,317,858	346,134	121,514	1,785,506
ECL allowance	(5,992)	(18,154)	(69,626)	(93,772)
Net Carying amount	**1,311,866**	**327,980**	**51,888**	**1,691,734**

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Guarantees and other credit commitments

Guarantees and letters of credit

The Group and Bank issues guarantees and letters of credit for its customers. The primary purpose of letters of credit is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group and Bank will make payments in the event that a customer cannot meet its obligations (delivery of goods, documents submitting, etc.) to third parties with which it entered previously into a contractual relationship, carry a similar credit risk as loans once they are executed.

The market and credit risks on these financial instruments, as well as the operational risk are similar to those arising from granting of loans. In the event of a claim on the Group and Bank as a result of a customer's default on a guarantee these instruments also present a degree of liquidity risk to the Group and Bank.

Credit related commitments

Financing commitments represent unused amounts of approved credit facilities.

The Group and Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments. The total outstanding contractual amount of commitments does not necessarily represent future cash requirements since many of these commitments will expire or be terminated without being funded.

	Group		Bank	
		Restated		Restated
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Letters of guarantee granted	3,812,725	3,795,868	3,814,807	3,806,209
Financing commitments granted	10,553,532	10,057,188	10,506,324	10,002,377
Total commitments granted	**14,366,257**	**13,853,056**	**14,321,131**	**13,808,586**
Uncommitted facilities granted	**12,534,451**	**11,600,816**	**12,569,814**	**11,641,240**
Letters of guarantee received	32,614,640	28,441,140	32,614,640	28,441,140
Total commitments received	**32,614,640**	**28,441,140**	**32,614,640**	**28,441,140**

Performance guarantees were included in "Financing commitments granted" position in total amount of 3,954,091 as at December 31, 2024 for Group and Bank (3,133,601 as at December 31, 2023).

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Guarantees and other credit commitments (continued)

Credit quality analysis of commitments granted

Group				
Retail				
December 31, 2024				
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Very good grade	1,644,568	1,190	-	1,645,758
Good grade	611,054	39,811	-	650,865
Standard grade	104,796	22,535	-	127,331
Sub-standard grade	59	11,217	-	11,276
Non- performing	-	-	7,768	7,768
Not rated internally	10,279	1,267	-	11,546
Total commitments granted	**2,370,755**	**76,020**	**7,768**	**2,454,543**
Non-retail				
December 31, 2024				
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Very good grade	-	-	-	-
Good grade	9,169,203	705,245	-	9,874,448
Standard grade	1,587,909	220,779	-	1,808,688
Sub-standard grade	-	103,875	-	103,875
Non- performing	-	-	124,702	124,702
Total commitments granted	**10,757,112**	**1,029,899**	**124,702**	**11,911,713**
Total				
December 31, 2024				
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Very good grade	1,644,568	1,190	-	1,645,758
Good grade	9,780,257	745,056	-	10,525,313
Standard grade	1,692,705	243,314	-	1,936,019
Sub-standard grade	59	115,092	-	115,151
Non- performing	-	-	132,470	132,470
Not rated internally	10,279	1,267	-	11,546
Total commitments granted	**13,127,868**	**1,105,918**	**132,470**	**14,366,256**

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Guarantees and other credit commitments (continued)

Credit quality analysis of commitments granted (continued)

	Bank			
	Retail			
	December 31, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Very good grade	1,644,568	1,190	-	1,645,758
Good grade	611,054	39,811	-	650,865
Standard grade	104,796	22,535	-	127,331
Sub-standard grade	59	11,217	-	11,276
Non- performing	-	-	7,768	7,768
Not rated internally	-	-	-	-
Total commitments granted	**2,360,477**	**74,752**	**7,768**	**2,442,997**
	Non-retail			
	December 31, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Very good grade	-	-	-	-
Good grade	9,148,655	704,840	-	9,853,495
Standard grade	1,579,040	218,762	-	1,797,803
Sub-standard grade	-	103,875	-	103,875
Non- performing	-	-	122,961	122,961
Total commitments granted	**10,727,696**	**1,027,477**	**122,961**	**11,878,134**
	Total			
	December 31, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Very good grade	1,644,568	1,190	-	1,645,758
Good grade	9,759,710	744,651	-	10,504,360
Standard grade	1,683,836	241,297	-	1,925,134
Sub-standard grade	59	115,092	-	115,151
Non- performing	-	-	130,729	130,729
Not rated internally	-	-	-	-
Total commitments granted	**13,088,173**	**1,102,229**	**130,729**	**14,321,131**

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Guarantees and other credit commitments (continued)

Credit quality analysis of commitments granted (continued)

Group				
Retail				
December 31, 2023				
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Very good grade	1,162,947	105	-	1,163,051
Good grade	762,843	49,977	-	812,821
Standard grade	114,640	17,146	-	131,786
Sub-standard grade	58	9,839	-	9,898
Non- performing	-	-	6,094	6,094
Not rated internally	10,251	1,200	106	11,557
Total commitments granted	**2,050,739**	**78,268**	**6,200**	**2,135,207**
Non-retail				
December 31, 2023				
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Very good grade	-	-	-	-
Good grade	8,653,302	905,161	-	9,558,463
Standard grade	1,930,269	19,916	-	1,950,186
Sub-standard grade	-	62,542	-	62,542
Non- performing	-	-	146,658	146,658
Total commitments granted	**10,583,572**	**987,620**	**146,658**	**11,717,849**
Total				
December 31, 2023				
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Very good grade	1,162,947	105	-	1,163,051
Good grade	9,416,145	955,138	-	10,371,283
Standard grade	2,044,910	37,063	-	2,081,972
Sub-standard grade	58	72,382	-	72,440
Non- performing	-	-	152,752	152,752
Not rated internally	10,251	1,200	106	11,557
Total commitments granted	**12,634,311**	**1,065,887**	**152,858**	**13,853,056**

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Guarantees and other credit commitments (continued)

Credit quality analysis of commitments granted (continued)

	Bank			
	Retail			
	December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Very good grade	1,162,947	105	-	1,163,051
Good grade	762,843	49,977	-	812,821
Standard grade	114,640	17,146	-	131,786
Sub-standard grade	58	9,839	-	9,898
Non- performing	-	-	6,094	6,094
Not rated internally	-	-	-	-
Total commitments granted	**2,040,488**	**77,068**	**6,094**	**2,123,650**

	Non-retail			
	December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Very good grade	-	-	-	-
Good grade	8,636,753	904,380	-	9,541,133
Standard grade	1,908,891	18,795	-	1,927,685
Sub-standard grade	-	61,963	-	61,963
Non- performing	-	-	154,155	154,155
Total commitments granted	**10,545,643**	**985,138**	**154,155**	**11,684,936**

	Total			
	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Very good grade	1,162,947	105	-	1,163,051
Good grade	9,399,596	954,357	-	10,353,953
Standard grade	2,023,531	35,941	-	2,059,471
Sub-standard grade	58	71,803	-	71,861
Non- performing	-	-	160,249	160,249
Not rated internally	-	-	-	-
Total commitments granted	**12,586,132**	**1,062,205**	**160,249**	**13,808,586**

(Amounts in thousands RON)

45. Risk management (continued)

45.1 Credit risk (continued)

Guarantees and other credit commitments (continued)

Credit quality analysis of uncommitted facilities granted

	Group		Bank	
	Retail		Retail	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Internal rating grade				
Good grade	27,623	20,610	27,623	20,610
Standard grade	4,635	1,123	4,635	1,123
Sub-standard grade	890	2,200	890	2,200
Non- performing	678	-	678	-
Total uncommited facilities granted	**33,826**	**23,933**	**33,826**	**23,933**
	Non-retail		**Non-retail**	
	December 31, 2024	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**
Internal rating grade				
Good grade	9,800,169	8,884,400	9,835,532	8,924,823
Standard grade	2,388,557	2,409,349	2,388,557	2,409,349
Sub-standard grade	271,036	263,010	271,036	263,010
Non- performing	40,863	20,124	40,863	20,124
Total uncommited facilities granted	**12,500,625**	**11,576,883**	**12,535,988**	**11,617,306**
	Total		**Total**	
	December 31, 2024	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**
Internal rating grade				
Good grade	9,827,792	8,905,010	9,863,155	8,945,433
Standard grade	2,393,192	2,410,472	2,393,192	2,410,472
Sub-standard grade	271,926	265,211	271,926	265,211
Non- performing	41,541	20,124	41,541	20,124
Total uncommited facilities granted	**12,534,451**	**11,600,817**	**12,569,814**	**11,641,240**

45. Risk management (continued)

45.2 Market risk

Market risk is defined as the risk of registering losses related to the on and off-balance sheet positions, arising from unfavorable movements of market parameters (FX rates, interest rates, share prices, etc.) and that might be incurred both by the trading book portfolio and by certain banking book positions (structural portfolio).

The management of market risks is a continuous process, whose primary aim is to identify and measure the market risks induced by the business activities undergone by the entity.

Trading Book related market risks

The trading activity's business model is mainly driven by the clients' requests, the trading portfolio comprising mostly foreign exchange spot transactions, transactions with bonds issued by the Romanian Government (outright or reversible transactions), forward and swap deals on foreign exchange or interest rate, as well as options on different underlying (foreign exchange, interest rates and equities).

Although the trading book portfolio generates a small portion of the Bank's entire exposure to market risks (mainly interest rate risk and foreign exchange risk), it is monitored separately from the banking book portfolio. The identified risks are further reported to the bank's management and to the Group, ensuring timely distribution of accurate information for the decision-making processes.

The risk awareness related to the trading book activity is embraced by all actors pertaining to the Financial Markets perimeter, several sets of controls, some of them with daily frequency, being undertaken within each involved department. The functional independence conferred to the risk line from the business line, translated in an independent follow-up of risks conducted at the Market Risk Department level, guarantees a fair, unbiased picture of BRD's exposure to assumed market risks.

The foundation of an efficient management framework addressing market risks relies on the main principles listed below:

- frequent update of the risk management policy and framework, to comply with regulatory requisites, permanently adapted to market evolutions and internal changes;
- ongoing improvement of the market risk practice, aligned with the best market practices;
- validation of valuation techniques used to calculate risks metrics and results;
- defining risk measurement models and provisions for the market risks assumed (reserves);
- authorization of various market risk limits, consistent with the stated market risk appetite;
- approval of the instruments allowed for trading (new products or significant changes of existing products);
- involvement in designing the functionalities of the IT systems, data flows and operational procedures;
- monitoring and analyzing exposures and compliance with the limits, periodical dissemination of essential data mirroring the bank's exposure to market risks to the management bodies.

On an annual basis, the market risk appetite is approved by the Board of Directors, being aligned with the Bank's business strategy. The top-down approach transposes this high-level indicator into limits, notified to middle management and executive functions, calibrated on different measurement types (nominal, sensitivity, stress test results, VaR and SVaR levels).

To properly support the trading activities, a daily report, presenting all the market risk indicators, is delivered to the personnel acting within the Financial Markets perimeter, to the management of Risk Department and to the Group.

(Amounts in thousands RON)

45. Risk management (continued)

45.2 Market risk (continued)

The process of monitoring the compliance with the limits includes the daily metrics report, the monthly analysis of the trading book activity, and the quarterly summaries submitted to the General Management.

The assesment process of trading book related market risks is designed according with the Group's methodology, combining three main risk approaches:

- Trading VaR, accompanied by SVaR;
- Stress test scenarios, based on shocks derived from historical and hypothetical scenarios;
- Complementary indicators (sensitivities, nominal, etc.) which decompose the global indicators into specific ones, enabling the identification of risk areas, concentration on products and/or maturities that might generate important risks unrevealed by the global risk metrics.

Value at Risk (VaR)

The purpose of VaR is to determine a maximum potential loss the bank might incur from the trading activity, over a given period of time, with a certain level of confidence. BRD computes daily the VaR level for 1-day holding period, based on historical approach, with a confidence level of 99%.

The relevance of the VaR model is assessed through back testing, by comparing the daily trading result with the loss estimated by the model, and is performed with daily frequency, in order to forewarn of the need to recalibrate the computational model or to reconsider the observation period of the market parameters. The model's accuracy is tested by comparing the number of days with negative P&L exceeding the VaR figure with the number of expected overshoots (induced by the model's assumptions).

Should a breach occur, an investigation is conducted to identify its root cause and the event is escaladed to the management of the Financial Markets' perimeter.

The VaR model developed in BRD is used for trading position management purposes only and it is not transposed into capital requirements.

99% VAR (1 DAY) - KEY FIGURES (IN MEUR)

	Begin of year	End of year	Minimum	Average	Maximum
2022	0.18	0.42	0.12	0.35	0.97
2023	0.40	0.16	0.12	0.31	0.83
2024	0.28	0.28	0.14	0.24	0.38

Stressed VAR (SVaR)

SVaR estimates a maximum potential loss from trading activity, for 1-day horizon and with 99% confidence level, because of adverse market movements associated with a financial crisis. SVaR is computed using the same approach as VaR, the only difference being that, in the case of SVaR, the observation period for the risk factors is fixed to a window of 12 consecutive months marked by extreme market events.

(Amounts in thousands RON)

45. Risk management (continued)

45.2 Market risk (continued)

The appropriateness of the one-year chosen window is assessed by comparing the SVaR level with the VaR level. If the VaR/SVaR ratio exceeds the 90% threshold at least three times during a quarter, the suitability of the window must be reassessed. The range of daily VaR/SVaR values is analyzed periodically for signals on the need to review the SVaR period.

99% SVAR (1 DAY) - KEY FIGURES (IN MEUR)

	Begin of year	End of year	Minimum	Average	Maximum
2022	0.98	0.73	0.26	0.86	2.30
2023	0.50	1.04	0.44	1.05	2.85
2024	2.21	1.57	0.45	2.08	3.12

Stress test assessment

Methodology

The stress test assessment is one of the main pillars of the market risk management framework, being complementary to VaR and compensating the limitation of the historical VaR methodology. While the VaR model considers historical movements of the risk factors occurred in the past, the stress testing environment embeds theoretical hypothesis or market event-specific scenarios describing large, abrupt changes of the underlying risk factors. On a daily basis, a range of hypothetical models picturing extreme shocks are mixed with various historical scenarios and are applied for the entire trading book portfolio of the bank.

A global stress test metric is computed and compared against the approved limit, derived from the market risk appetite stated in Bank's strategy.

The various stress test scenarios are subject to review and improvement, the accuracy of the assumptions used under the active patterns being regularly monitored. The hypothesis validation aims to certify that the shocks applied are still severe enough and that they model an unlikely event, otherwise timely detecting the necessity to recalibrate them.

The table below presents the result of applying the stress test methodology on the trading book portfolio.

STRESS TEST ASSESSMENT - KEY NEGATIVE FIGURES (IN MEUR)

	Begin of year	End of year	Minimum	Average	Maximum
2022	2.91	2.78	0.00	2.36	5.70
2023	1.25	4.84	0.01	4.57	10.30
2024	11.24	9.68	2.30	11.94	15.78

Foreign exchange risk

The foreign exchange risk is the risk of loss resulting from changes in exchange rates, monitored for all books. The Group and Bank manages the foreign currency risk by using limits for the open foreign currency positions both by currency and at the level of global foreign currency position.

(Amounts in thousands RON)

45. Risk management (continued)

45.2 Market risk (continued)

The table below indicates the currencies to which the Group and Bank had an exposure as of December 31 on its assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the currency rate against RON, with all other variables held constant, on the income statement and equity. A negative amount in the table reflects a potential net reduction in income statement or equity, while a positive amount reflects a net potential increase. An equivalent decrease in each of the below currencies against RON would have resulted in an equivalent but opposite impact.

The estimated impact below does not include the impact recorded in income statement of the period:

2024	Group			Bank		
Currency	Change in currency rate %	Effect on profit before tax	Effect on equity	Change in currency rate %	Effect on profit before tax	Effect on equity
EUR	+5	(204,542)	(24,352)	+5	(204,633)	(24,352)
Other	+5	(8,962)	(1,676)	+5	(8,943)	(1,676)

2023	Group			Bank		
Currency	Change in currency rate %	Effect on profit before tax	Effect on equity	Change in currency rate %	Effect on profit before tax	Effect on equity
EUR	+5	(229,617)	(28,036)	+5	(229,147)	(28,036)
Other	+5	(9,273)	(966)	+5	(9,254)	(966)

(Amounts in thousands RON)

45. Risk management (continued)

45.2 Market risk (continued)

The Group and the Bank financial assets and liabilities position structured by currency is presented below:

	Group				Bank			
	December 31, 2024				December 31, 2024			
ASSETS	**Total**	**RON**	**EUR**	**Other**	**Total**	**RON**	**EUR**	**Other**
Cash and cash equivalents	8,658,035	6,188,426	2,097,804	371,805	8,657,954	6,188,345	2,097,804	371,805
Due from banks	6,313,423	220,738	6,078,128	14,557	6,313,423	220,738	6,078,128	14,557
Derivatives and other financial instruments held for trading	1,842,562	1,382,505	431,765	28,292	1,810,504	1,350,447	431,765	28,292
Financial assets at fair value through profit and loss	9,208	7,928	1,280	-	9,208	7,928	1,280	-
Financial assets at fair value through other comprehensive income	12,164,852	7,861,780	4,111,232	191,840	12,164,852	7,861,780	4,111,232	191,840
Financial assets at amortised cost	54,812,982	41,597,552	12,352,574	862,856	54,459,688	41,595,572	12,001,260	862,856
Loans and advances to customers	47,705,202	37,079,435	10,436,241	189,526	47,351,906	37,077,455	10,084,926	189,526
Debt securities	7,107,780	4,518,117	1,916,333	673,330	7,107,781	4,518,117	1,916,334	673,330
Financial lease receivables	2,023,475	77,907	1,945,568	-	-	-	-	-
Other financial assets	256,192	123,028	132,812	352	239,499	106,335	132,812	352
Total assets	**86,080,729**	**57,459,864**	**27,151,163**	**1,469,702**	**83,655,128**	**57,331,145**	**24,854,281**	**1,469,702**
LIABILITIES								
Due to banks	1,477,293	1,360,605	86,562	30,126	1,477,293	1,360,605	86,562	30,126
Derivatives and other financial instruments held for trading	524,010	359,216	161,397	3,397	524,010	359,216	161,397	3,397
Due to customers	67,935,142	46,556,690	17,593,232	3,785,220	68,215,487	46,808,952	17,621,314	3,785,221
Borrowed funds	6,554,915	288	6,554,627	-	4,234,105	288	4,233,817	-
Subordinated debts	1,245,458	-	1,245,458	-	1,245,458	-	1,245,458	-
Other financial liabilities	627,070	269,110	349,428	8,532	584,957	236,867	339,943	8,147
Total liabilities	**78,363,888**	**48,545,909**	**25,990,704**	**3,827,275**	**76,281,310**	**48,765,928**	**23,688,491**	**3,826,891**
Position		8,913,955	1,160,459	(2,357,573)	-	8,565,217	1,165,790	(2,357,189)
Position off BS		(1,324,713)	(1,055,908)	2,380,621	-	(1,324,713)	(1,055,908)	2,380,621
Position total		7,589,242	104,551	23,048	-	7,240,504	109,882	23,432

(Amounts in thousands RON)

45. Risk management (continued)

45.2 Market risk (continued)

	Group				Bank			
	December 31, 2023 Restated				December 31, 2023 Restated			
ASSETS	**Total**	**RON**	**EUR**	**Other**	**Total**	**RON**	**EUR**	**Other**
Cash and cash equivalents	12,461,891	10,409,234	1,883,154	169,503	12,461,819	10,409,163	1,883,153	169,503
Due from banks	5,135,720	376,593	4,699,293	59,834	5,120,355	361,228	4,699,293	59,834
Derivatives and other financial instruments held for trading	2,135,709	1,821,239	216,313	98,157	2,110,661	1,796,191	216,313	98,157
Financial assets at fair value through profit and loss	11,376	10,488	888	-	11,376	10,488	888	-
Financial assets at fair value through other comprehensive income	13,429,670	8,654,503	4,583,537	191,630	13,429,670	8,654,503	4,583,537	191,630
Financial assets at amortised cost	46,277,069	33,168,359	12,299,923	808,787	45,865,368	33,170,064	11,886,517	808,787
Loans and advances to customers	40,047,136	29,610,763	10,253,163	183,210	39,635,435	29,612,468	9,839,757	183,210
Debt securities	6,229,933	3,557,596	2,046,760	625,577	6,229,933	3,557,596	2,046,760	625,577
Financial lease receivables	1,691,734	72,571	1,619,163	-	-	-	-	-
Other financial assets	310,598	66,535	243,853	210	293,256	50,418	242,628	210
Total assets	**81,453,767**	**54,579,522**	**25,546,124**	**1,328,121**	**79,292,505**	**54,452,055**	**23,512,329**	**1,328,121**
LIABILITIES								
Due to banks	1,146,540	1,024,778	96,793	24,969	1,146,540	1,024,778	96,793	24,969
Derivatives and other financial instruments held for trading	1,272,450	697,041	572,494	2,915	1,272,450	697,041	572,494	2,915
Due to customers	62,405,609	43,411,950	15,750,165	3,243,494	62,641,838	43,625,666	15,772,676	3,243,496
Borrowed funds	7,004,362	118,781	6,885,581	-	4,834,225	750	4,833,475	-
Subordinated debts	1,245,400	-	1,245,400	-	1,245,400	-	1,245,400	-
Other financial liabilities	1,204,463	910,537	285,713	8,213	1,105,095	830,400	266,853	7,842
Total liabilities	**74,278,824**	**46,163,087**	**24,836,146**	**3,279,591**	**72,245,548**	**46,178,635**	**22,787,691**	**3,279,222**
Position		8,416,435	709,978	(1,951,470)	-	8,273,420	724,638	(1,951,101)
Position off BS		(1,337,787)	(636,209)	1,973,995	-	(1,337,787)	(636,209)	1,973,995
Position total		7,078,648	73,769	22,525	-	6,935,633	88,429	22,894

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly**.** For more details, please refer to note 2 a).

(Amounts in thousands RON)

45. Risk management (continued)

45.2 Market risk (continued)

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. BRD - Groupe Société Générale manages interest rate risk mainly through the sensitivity of the net present value (NPV), measured as the sensitivity to a set of interest rate shocks of the present value of the future principal and interest cash flows of all items in the banking book, balance sheet and off-balance sheet. This measure is calculated for all currencies to which the Bank is exposed.

Assets and liabilities are analyzed without a prior allocation of resources to uses. Maturities of outstanding amounts are determined by considering the contractual characteristics of the transactions, adjusted for the results of customer behavior modelling (in particular for demand deposits, savings and early loan repayments).

In accordance with the Group's policy, positions are monitored on a regular basis and appropriate strategies are used to ensure that they are maintained within the established limits.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Group's and Bank's banking book.

Group December 31, 2024		Bank December 31, 2024	
Change in interest rate (b.p)	Sensitivity (MRON)	Change in interest rate (b.p)	Sensitivity (MRON)
10	5	10	4
(10)	(5)	(10)	(4)

December 31, 2023		December 31, 2023	
Change in interest rate (b.p)	Sensitivity (MRON)	Change in interest rate (b.p)	Sensitivity (MRON)
10	8	10	6
(10)	(8)	(10)	(8)

45. Risk management (continued)

45.3 Liquidity risk

The liquidity risk is associated either with the difficulty of an enterprise to raise necessary funds in order to meet commitments or with its inability to monetize a financial asset quickly and for an amount close to its fair value.

The Group manages the exposure to the liquidity risk using a specific framework designed to manage it both under normal day-to-day conditions and in the event of a potential liquidity crisis. The liquidity risk management approach starts at the intraday level managing the daily payments flows, forecasting and managing cash flows, and factoring in the access to central bank monetary policy operations and standing facilities. It then covers a longer-term perspective, comprising the maturity profile of all assets and liabilities and the funding strategy.

The liquidity risk position, under normal conditions, is measured at consolidated level using the static liquidity gaps indicator and the two liquidity ratios defined by CRD IV: Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). Static liquidity gap is defined as the difference between the expected future inflows and outflows related to the current transactions (no new business included), determined for each time bucket and currency based on the contractual maturity of the transactions, considering also embedded options (e.g. prepayment for loans, term deposits) or, for non-maturing products (the main ones being: current accounts, fixed assets, other assets, equity, other liabilities), based on a maturity modelled using historical client behaviour or a conventional maturity. For each budgeting and planning exercise, the future funding needs are assessed starting from the actual liquidity position and budgeted evolution of assets and liabilities. When a deficit is expected, funding solutions are assessed and appropriate actions are planned.

As regards LCR and NSFR, the limits imposed by the regulation in force was respected throughout the entire year.

The Group performs liquidity risk stress tests on a quarterly basis to identify and quantify its exposures to possible liquidity stresses, analysing potential impacts on the cash flows and liquidity position. The Group is considering 3 liquidity crisis scenarios: specific to the Group (idiosyncratic), systemic and a combination of both. The Group maintains a liquidity buffer of unencumbered, high quality liquid assets as an insurance against a range of liquidity stress scenarios. A contingency funding plan is designed to protect the stakeholders' interests and to ensure positive outcome in the event of a liquidity crisis.

Liquidity management

As of December 31, 2024 and December 31, 2023 the Bank has complied with all the regulatory requirements regarding liquidity management. The Bank has a solid and diversified deposits base, with 66% in Retail deposits and 89% of customer deposits in total liabilities.

The Bank uses external funding, which is provided by Société Générale to answer MREL and capital requirements. At the end of December 2024, the amount of funding is in amount of 1,100,000 KEUR, which consist on 850,000 KEUR of SNP and 250,000 KEUR of subordinated loans. The NSFR was above the regulatory limits as of December 31, 2024.

The structure of funding base confirms the stability of funding resources and a proper calibration to minimize potential impacts of liquidity crisis on bank's liquidity situation. The stress testing exercise shows a solid level of LCR, well above the regulatory threshold. The Bank holds sufficient liquidity buffer to cover the outflows under the combined scenario. The unencumbered high-quality assets, eligible as collateral for funding attraction is at 36% of customer resources. The follow up of the liquidity buffer is

45. Risk management (continued)

45.3 Liquidity risk (continued)

done on a daily basis as part of the daily liquidity dashboard which allows to properly monitor its sufficiency.

At the end of December 2024 all liquidity ratios are within the thresholds and limits according to approved risk appetite statement and at the same time in compliance with regulatory requirements, being well above minimum levels.

The maturity structure of the Group's and the Bank's assets and liabilities as at December 31, 2024 and 2023, presented according to the mentions above, is as follows:

(Amounts in thousands RON)

45. Risk management (continued)

45.3 Liquidity risk (continued)

Group

December 31, 2024	Total	0-1 months	1-3 months	3-12 months	1-5 years	Over 5 years
ASSETS						
Cash and cash equivalents	8,658,035	2,308,728	1,219,522	5,129,785	-	-
Due from banks	6,313,423	795,131	5,518,292	-	-	-
Derivatives and other financial instruments held for trading	1,842,562	759,480	349,258	185,199	339,977	208,648
Financial assets at fair value through profit and loss	9,208	77	154	691	3,683	4,603
Financial assets at fair value through other comprehensive income	12,164,852	(1,698,845)	1,172,631	1,638,687	4,566,628	6,485,751
Financial assets at amortised cost	54,812,982	3,292,506	2,770,782	11,585,986	22,333,931	14,829,777
Loans and advances to customers	47,705,202	3,142,573	2,770,782	11,044,133	19,704,720	11,042,994
Debt securities	7,107,780	149,933	-	541,853	2,629,211	3,786,783
Financial lease receivables	2,023,475	259,875	742,189	359,032	662,379	-
Other financial assets	256,192	4,270	8,540	38,429	204,953	-
Total assets	**86,080,729**	**5,721,222**	**11,781,368**	**18,937,809**	**28,111,551**	**21,528,779**
LIABILITIES						
Due to banks	1,477,293	1,477,293	-	-	-	-
Derivatives and other financial instruments held for trading	524,010	524,010	-	-	-	-
Due to customers	67,935,142	16,616,970	5,755,785	13,115,074	21,885,966	10,561,347
Borrowed funds	6,554,915	87,303	1,208,711	2,548,078	1,922,117	788,706
Subordinated debts	1,245,458	1,933	-	-	1,243,525	-
Other financial liabilities	627,070	8,078	17,855	56,095	412,199	132,843
Total liabilities	**78,363,888**	**18,715,587**	**6,982,351**	**15,719,247**	**25,463,807**	**11,482,896**
Gap		**(12,994,365)**	**4,799,017**	**3,218,562**	**2,647,744**	**10,045,883**
Cumulative gap		**(12,994,365)**	**(8,195,348)**	**(4,976,786)**	**(2,329,042)**	**7,716,841**

(Amounts in thousands RON)

45. Risk management (continued)

45.3 Liquidity risk (continued)

Group

December 31, 2023 Restated	Total	0-1 months	1-3 months	3-12 months	1-5 years	Over 5 years
ASSETS						
Cash and cash equivalents	12,461,891	6,605,257	1,111,408	4,745,226	-	-
Due from banks	5,135,720	1,743,262	3,377,505	12,553	2,400	-
Derivatives and other financial instruments held for trading	2,135,709	1,045,882	54,392	410,943	347,602	276,890
Financial assets at fair value through profit and loss	11,376	95	190	853	4,550	5,688
Financial assets at fair value through other comprehensive income	13,429,670	(1,500,841)	-	1,363,302	5,655,238	7,911,971
Financial assets at amortised cost	46,277,069	1,764,097	2,252,454	9,516,660	18,923,517	13,820,341
Loans and advances to customers	40,047,136	1,650,887	2,252,454	8,914,218	16,503,139	10,726,438
Debt securities	6,229,933	113,210	-	602,442	2,420,378	3,093,903
Financial lease receivables	1,691,734	77,576	214,766	465,015	934,377	-
Other financial assets	310,598	8,055	10,256	46,150	246,137	-
Total assets	**81,453,767**	**9,743,383**	**7,020,971**	**16,560,702**	**26,113,821**	**22,014,890**
LIABILITIES						
Due to banks	1,146,540	1,146,540	-	-	-	-
Derivatives and other financial instruments held for trading	1,272,450	1,247,450	20,000	5,000	-	-
Due to customers	62,405,609	14,533,612	4,879,431	12,980,650	20,004,669	10,007,247
Borrowed funds	7,004,362	93,557	379,005	3,049,375	2,238,776	1,243,649
Subordinated debts	1,245,400	1,750	-	-	1,243,650	-
Other financial liabilities	1,204,463	754,031	30,866	48,146	252,216	119,204
Total liabilities	**74,278,824**	**17,776,940**	**5,309,302**	**16,083,171**	**23,739,311**	**11,370,100**
Gap		**(8,033,557)**	**1,711,669**	**477,531**	**2,374,510**	**10,644,790**
Cumulative gap		**(8,033,557)**	**(6,321,888)**	**(5,844,357)**	**(3,469,847)**	**7,174,943**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly**.** For more details, please refer to note 2 a).

(Amounts in thousands RON)

45. Risk management (continued)

45.3 Liquidity risk (continued)

Bank

December 31, 2024	Total	0-1 months	1-3 months	3-12 months	1-5 years	Over 5 years
ASSETS						
Cash and cash equivalents	8,657,954	2,308,647	1,219,522	5,129,785	-	-
Due from banks	6,313,423	795,131	5,518,292	-	-	-
Derivatives and other financial instruments held for trading	1,810,504	759,480	349,258	185,199	307,919	208,648
Financial assets at fair value through profit and loss	9,208	77	154	691	3,683	4,603
Financial assets at fair value through other comprehensive income	12,164,852	(1,698,845)	1,172,631	1,638,687	4,566,628	6,485,751
Financial assets at amortised cost	54,459,688	3,264,884	2,664,056	11,472,656	22,228,314	14,829,778
Loans and advances to customers	47,351,907	3,114,951	2,664,056	10,930,802	19,599,102	11,042,996
Debt securities	7,107,781	149,933	-	541,854	2,629,212	3,786,782
Other financial assets	239,499	3,992	7,983	35,925	191,599	-
Total assets	**83,655,128**	**5,433,366**	**10,931,896**	**18,462,943**	**27,298,143**	**21,528,780**
LIABILITIES						
Due to banks	1,477,293	1,477,293	-	-	-	-
Derivatives and other financial instruments held for trading	524,010	524,010	-	-	-	-
Due to customers	68,215,487	16,806,145	5,846,785	13,115,074	21,885,966	10,561,517
Borrowed funds	4,234,105	4,009	109	2,239,096	1,244,775	746,116
Subordinated debts	1,245,458	1,933	-	-	1,243,525	-
Other financial liabilities	584,957	7,376	16,451	49,778	378,508	132,844
Total liabilities	**76,281,310**	**18,820,766**	**5,863,345**	**15,403,948**	**24,752,774**	**11,440,477**
Gap		**(13,387,400)**	**5,068,551**	**3,058,995**	**2,545,369**	**10,088,303**
Cumulative gap		**(13,387,400)**	**(8,318,849)**	**(5,259,854)**	**(2,714,485)**	**7,373,818**

(Amounts in thousands RON)

45. Risk management (continued)

45.3 Liquidity risk (continued)

Bank

December 31, 2023 Restated	Total	0-1 months	1-3 months	3-12 months	1-5 years	Over 5 years
ASSETS						
Cash and cash equivalents	12,461,819	6,605,185	1,111,408	4,745,226	-	-
Due from banks	5,120,355	1,742,850	3,377,505	-	-	-
Derivatives and other financial instruments held for trading	2,110,661	1,045,882	54,392	410,943	322,554	276,890
Financial assets at fair value through profit and loss	11,376	95	190	853	4,550	5,688
Financial assets at fair value through other comprehensive income	13,429,670	(1,500,841)	-	1,363,302	5,655,238	7,911,971
Financial assets at amortised cost	45,865,368	1,745,013	2,204,123	9,402,254	18,693,637	13,820,341
Loans and advances to customers	39,635,435	1,631,803	2,204,123	8,799,812	16,273,259	10,726,438
Debt securities	6,229,933	113,210	-	602,442	2,420,378	3,093,903
Other financial assets	293,256	7,766	9,678	43,549	232,263	-
Total assets	**79,292,505**	**9,645,950**	**6,757,296**	**15,966,127**	**24,908,243**	**22,014,891**
LIABILITIES						
Due to banks	1,146,540	1,146,540	-	-	-	-
Derivatives and other financial instruments held for trading	1,272,450	1,247,450	20,000	5,000	-	-
Due to customers	62,641,838	14,739,670	4,894,431	12,995,650	20,004,669	10,007,418
Borrowed funds	4,834,225	5,551	302	1,344,163	2,240,559	1,243,650
Subordinated debts	1,245,400	1,750	-	-	1,243,650	-
Other financial liabilities	1,105,095	752,375	27,554	33,241	172,721	119,204
Total liabilities	**72,245,548**	**17,893,336**	**4,942,287**	**14,378,054**	**23,661,599**	**11,370,272**
Gap		**(8,247,388)**	**1,815,009**	**1,588,073**	**1,246,644**	**10,644,619**
Cumulative gap		**(8,247,388)**	**(6,432,379)**	**(4,844,306)**	**(3,597,662)**	**7,046,957**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly**.** For more details, please refer to note 2 a).

(Amounts in thousands RON)

45. Risk management (continued)

45.3 Liquidity risk (continued)

Future undiscounted cash flows

The tables below summarize the maturity profile of the financial liabilities based on contractual undiscounted repayment obligations.

Group

December 31, 2024	**Total**	**0-1 months**	**1-3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
LIABILITIES						
Due to banks	1,480,363	1,480,363	-	-	-	-
Derivatives and other financial instruments held for trading	615,024	511,607	(11,864)	25,828	85,228	4,225
Due to customers	69,893,620	16,813,207	5,995,779	13,701,692	22,718,405	10,664,537
Borrowed funds	7,292,860	98,473	1,254,731	2,757,022	2,393,928	788,706
Subordinated debt	1,256,256	3,866	8,787	78	1,243,525	-
Creditors - Lease liabilities	329,305	3,546	7,092	31,916	153,907	132,844
Other financial liabilities except for fair values of derivatives	297,765	4,532	10,762	24,179	258,292	-
Letters of guarantee granted	3,812,725	3,812,725	-	-	-	-
Financing commitments granted	10,553,532	10,553,532	-	-	-	-
Total liabilities	**95,531,450**	**33,281,851**	**7,265,287**	**16,540,715**	**26,853,285**	**11,590,312**

Group

December 31, 2023 Restated	**Total**	**0-1 months**	**1-3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
LIABILITIES						
Due to banks	1,150,401	1,149,229	468	704	-	-
Derivatives and other financial instruments held for trading	1,558,280	1,270,008	30,165	75,594	160,945	21,568
Due to customers	64,299,417	19,332,204	8,832,183	14,830,111	12,907,422	8,397,497
Borrowed funds	7,866,185	115,792	466,086	3,276,404	2,668,421	1,339,482
Subordinated debt	1,259,639	3,500	12,326	163	1,243,650	-
Creditors - Lease liabilities	308,752	3,396	6,793	30,566	148,793	119,204
Other financial liabilities except for fair values of derivatives	895,711	750,635	24,073	17,580	103,422	1
Letters of guarantee granted	3,795,868	3,795,868	-	-	-	-
Financing commitments granted	10,057,188	10,057,188	-	-	-	-
Total liabilities	**91,191,441**	**36,477,820**	**9,372,094**	**18,231,122**	**17,232,653**	**9,877,752**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly**.** For more details, please refer to note 2 a).

(Amounts in thousands RON)

45. Risk management (continued)

45.3 Liquidity risk (continued)

Future undiscounted cash flows (continued)

Bank

December 31, 2024	Total	0-1 months	1-3 months	3-12 months	1-5 years	Over 5 years
LIABILITIES						
Due to banks	1,480,363	1,480,363	-	-	-	-
Derivatives and other financial instruments held for trading	614,810	511,607	(11,885)	25,772	85,091	4,225
Due to customers	70,175,990	17,164,570	6,082,296	13,677,111	22,587,305	10,664,708
Borrowed funds	4,833,045	7,966	32,882	2,398,998	1,647,084	746,115
Subordinated debt	1,256,256	3,866	8,787	78	1,243,525	-
Creditors - Lease liabilities	324,196	3,461	6,922	31,150	149,819	132,844
Other financial liabilities except for fair values of derivatives	260,761	3,915	9,529	18,628	228,689	-
Letters of guarantee granted	3,814,807	3,814,807	-	-	-	-
Financing commitments granted	10,506,324	10,506,324	-	-	-	-
Total liabilities	**93,266,552**	**33,496,879**	**6,128,531**	**16,151,737**	**25,941,513**	**11,547,892**

Bank

December 31, 2023 Restated	Total	0-1 months	1-3 months	3-12 months	1-5 years	Over 5 years
LIABILITIES						
Due to banks	1,150,401	1,149,229	468	704	-	-
Derivatives and other financial instruments held for trading	1,557,083	1,270,008	30,070	75,334	160,103	21,568
Due to customers	64,538,537	15,081,528	5,038,402	13,596,881	20,664,069	10,157,657
Borrowed funds	5,535,298	11,029	73,380	1,520,642	2,590,765	1,339,482
Subordinated debt	1,259,639	3,500	12,326	163	1,243,650	-
Creditors - Lease liabilities	290,502	3,092	6,184	27,829	134,193	119,204
Other financial liabilities except for fair values of derivatives	814,593	749,283	21,369	5,412	38,528	1
Letters of guarantee granted	3,806,209	3,806,209	-	-	-	-
Financing commitments granted	10,002,377	10,002,377	-	-	-	-
Total liabilities	**88,954,639**	**32,076,255**	**5,182,199**	**15,226,965**	**24,831,308**	**11,637,912**

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly**.**
For more details, please refer to note 2 a).

45. Risk management (continued)

45.4 Environmental, Social and Governance risk

ESG (Environmental, Social, and Governance) risks are defined as the risk of losses arising from any negative financial impact stemming from the current or prospective impacts of environmental, social or governance (ESG) factors on the BRD's counterparties or invested assets. The type of environmental risk that has been most widely researched and recognised is **climate-related risk** (***physical risks*** that arise from the physical effect of climate change and environmental degradation and the ***transition risks*** that refer to the uncertainty related to the timing and speed of the process of adjustment to an environmentally sustainable economy).

ESG risks represent an aggravating factor for the existing risk categories. They can have a negative impact on BRD's financial performance by materializing through risk categories, such as credit risk that is primarily affected.

BRD takes into account the concept of double materiality, by analyzing the potential negative financial impact of ESG factors on its counterparties or invested assets, taking into account:

1. **environmental and social materiality** may arise from the impact of BRD's economic and financial activities on the environment and human rights, which could in turn become financially material when this impact affects the value (returns) of the bank's activities.
2. **financial materiality** may arise from the impact of ESG factors on a BRD's economic and financial activities throughout their entire value chain (both upstream and downstream), affecting the value (returns) of such activities.

The assessment of the potential impact of ESG risks factors on existing risk categories is based on a qualitative approach by using ESG risk drivers and their transmissions channels. At this point, the analysis remained largely focused on the climate-related and environmental risk

The processes for identifying, assessing and managing sustainability-related impacts, risks and opportunities are integrated into the overall risk management and strategic management processes. These processes are primarily driven by the double materiality assessment and Business Environment Scan (resilience analysis of Group BRD), which enable BRD to evaluate both financial and non-financial aspects of sustainability risks and opportunities across its value chain.

The Risk Management Function is responsible for overseeing these processes independently from operational and support structures, ensuring objective evaluation and alignment with the Bank's strategic goals. The Deputy CEO in charge of Risk (Chief Risk Officer) leads the centralized risk management function and reports findings, conclusions and recommendations to the Executive Committee and relevant committees, ensuring that sustainability-related risks and opportunities are considered into decision-making. Sustainability risks, such as climate change adaptation and mitigation, regulatory compliance and financial impacts of environmental policies, are assessed within BRD Group's overall risk framework, allowing BRD Group to anticipate potential disruptions, financial strain and reputational impacts while aligning with regulatory requirements such as CSRD and the EU Taxonomy.

(Amounts in thousands RON)

46. Capital management

The Bank calculates the capital requirements in accordance with Basel III principles, implemented in the European Union law by the capital Directive (CRD IV - 36/2013), Regulation (CRR – 575/2013), technical regulatory standards and technical implementation standards issued by the European Banking Authority, with all subsequent amendments as of date. Locally, the European requirements are also adopted through National Bank of Romania (NBR) prudential regulations for credit institutions and investment firms: OUG 99/2006 on credit institutions and capital adequacy and NBR Regulation no. 5/2013 regarding prudential requirements.

Group and Bank's own funds comprises Tier 1 and Tier 2 capital. Two subordinated loans in total amount of 250 million EUR (received in December 2021 and June 2022) are included as Tier 2 capital.

Tier 1 capital includes CET 1 capital, namely eligible capital, eligible reserves and other comprehensive income less regulatory deductions.

A summary of the capital requirements indicators is presented below, in million RON:

	Group		Bank	
	December 31, 2024	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**
Total Tier 1 capital	8,762	7,186	8,437	6,859
Total Tier 2 capital	1,244	1,244	1,244	1,244
TOTAL OWN FUNDS	**10,006**	**8,430**	**9,681**	**8,103**
Total capital requirement	**3,009**	**2,976**	**2,840**	**2,823**
Credit risk (including counterparty risk)	34,891	34,598	32,825	32,769
Market risk	184	146	183	139
Operational risk	2,406	2,308	2,371	2,238
CVA risk	127	145	127	145
Total risk exposure amount	**37,608**	**37,197**	**35,506**	**35,291**
Regulatory CAR	26.61%	22.66%	27.26%	22.96%
Tier 1 ratio	23.30%	19.32%	23.76%	19.44%

The Bank was compliant with the capital adequacy ratios throughout the year.

The increase in own funds is mainly explained by the application, starting with July 2024 of art. 468 of CRR3 (OCI – quick fix, as per Regulation (EU) 2024/1623) regarding the temporary treatment of unrealized gains and losses resulting from the valuation of assets at fair value through OCI.