

RAIFFEISEN BANK S.A.

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

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS
ENDORSED BY THE EUROPEAN UNION

30 JUNE 2024

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In RON thousand	Note	Group		Bank	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
		Unaudited	Unaudited	Unaudited	Unaudited
Interest income according to effective interest method		2,029,962	1,849,272	2,045,854	1,857,924
Interest income other		284,493	103,283	237,948	67,081
Interest expense		(803,117)	(572,606)	(793,835)	(566,730)
Net interest income	8	1,511,338	1,379,949	1,489,967	1,358,275
Fees and commissions income		471,365	403,474	449,257	385,278
Fees and commissions expense		(169,457)	(152,569)	(168,015)	(149,683)
Net fee and commission income	9	301,908	250,905	281,242	235,595
Net trading income	10	165,551	199,704	166,422	200,016
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net	26	1,746	18,577	1,219	18,082
Net gains/(losses) on derecognition of financial assets measured at fair value through other comprehensive income		(786)	-	(786)	-
Gains or (-) losses from hedge accounting, net	27	850	654	850	654
Other operating income	11	22,858	25,564	34,576	23,680
Operating income		2,003,465	1,875,353	1,973,490	1,836,302
Operating expenses	12	(537,106)	(465,929)	(529,318)	(456,752)
Personnel expenses	13	(465,712)	(407,171)	(444,961)	(390,210)
Impairment (losses)/reversals	14	2,217	87,020	3,551	83,758
Share of gain from associates and joint ventures	25	3,866	3,823	-	-
Profit before income tax		1,006,730	1,093,096	1,002,762	1,073,098
Income tax expense	15, 16	(183,831)	(203,233)	(180,703)	(199,565)
Net profit for the year		822,899	889,863	822,059	873,533
Profit is attributable to:		822,899	889,863		
Profit attributable to parent		822,898	889,862		
Profit attributable to non-controlling interests		1	1		
Items that may be reclassified subsequently to profit or loss					
Net gains (losses) on financial assets at fair value through other comprehensive income		23,378	105,709	23,405	105,399
Related tax for above position		(3,741)	(16,863)	(3,745)	(16,863)
Items that may not be reclassified subsequently to profit or loss					
Actuarial gains/losses on defined benefit pension plans		(2,985)	(3,638)	(2,985)	(3,638)
Fair value changes of the equity instruments at fair value through other comprehensive income		11,962	7,066	11,962	7,066
Related tax for above positions		(1,435)	(549)	(1,435)	(549)
Other comprehensive income for the year, net of income tax		27,179	91,725	27,202	91,415
Total comprehensive income for the year, net of income tax		850,078	981,588	849,261	964,948
Total comprehensive income for the year, net of income tax is attributable to:		850,078	981,588		
Parent		850,077	981,587		
Non controlling interests		1	1		

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

The interim condensed consolidated and separate financial statements were approved by the Management Board on 27 September 2024 and were signed on its behalf by:

Alina Rus
Vice-president & Chief Financial Officer



Monica Curea
Accounting Director



RAIFFEISEN BANK S.A.
INTERIM CONDENSED CONSOLIDATED AND SEPARATE
STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED
30 JUNE 2024



<i>In RON thousand</i>	Note	Group		Bank	
		30 June 2024	31 December 2023	30 June 2024	31 December 2023
		Unaudited	Audited	Unaudited	Audited
Assets					
Cash and cash with Central Bank	17	13,984,842	13,867,449	13,917,225	13,802,815
Loans and advances to banks at amortised cost	20	1,874,598	484,640	1,834,363	495,257
Derivative assets held for risk management	19	11,384	18,185	11,384	18,185
Trading assets	18	436,464	181,316	436,464	181,316
Financial assets mandatorily at fair value through profit or loss	26	167,728	178,427	142,788	156,113
Investment securities at fair value through other comprehensive income	22	2,875,850	2,725,206	2,875,850	2,704,878
Equity instruments at fair value through other comprehensive income	23	102,542	90,579	102,542	90,579
Investment in subsidiaries, associates and joint ventures	25	22,719	18,853	110,475	110,475
Loans and advances to customers at amortised cost	21	41,629,575	41,813,234	41,017,315	41,259,437
Derivatives Asset- Hedge accounting	27	39,730	37,793	39,730	37,793
Fair value changes of the hedged items-Assets-Hedge accounting	27	1,523	-	1,523	-
Investment securities at amortised cost	24	12,180,984	10,026,621	12,168,922	10,013,097
Income tax receivable	15	49,462	49,462	49,462	49,462
Other assets	28	355,649	349,478	313,483	311,555
Deferred tax assets	29	36,506	52,504	36,105	52,155
Property, equipment and right-of-use assets	30	430,114	436,738	423,809	431,424
Intangible assets	31	475,234	447,362	470,926	443,117
Total assets		74,674,904	70,777,847	73,952,366	70,157,658
Liabilities					
Trading liabilities	18	92,875	9,440	92,875	9,440
Derivative liabilities held for risk management	19	963	675	963	675
Deposits from banks	32	498,555	494,928	498,555	494,928
Deposits from customers	33	57,236,345	54,400,238	57,355,760	54,488,871
Loans from banks and other financial institutions	34	785,847	488,558	172,294	1,745
Fair value changes of the hedged items-liability	27	3,330	4,940	3,330	4,940
Derivatives - hedge accounting	27	4,017	709	4,017	709
Current tax liabilities		76,386	77,896	74,997	77,099
Other liabilities	35	2,344,841	1,631,186	2,286,243	1,580,082
Debt securities issued	34	5,589,691	5,555,004	5,589,691	5,555,004
Subordinated loans	34	326,106	326,115	326,106	326,015
Provisions	36	171,749	159,977	163,561	149,381
Deferred tax liabilities		-	4	-	-
Total liabilities		67,130,705	63,149,670	66,568,392	62,688,889
Equity					
Share capital	37	1,200,000	1,200,000	1,200,000	1,200,000
Other equity instruments	38	609,298	609,298	609,298	609,298
Retained earnings		5,527,496	5,638,654	5,367,847	5,479,844
Other reserves	39	207,378	180,199	206,829	179,627
Total equity attributable to parent		7,544,172	7,628,151	7,383,974	7,468,769
Non-controlling interests		27	26		
Total equity		7,544,199	7,628,177	7,383,974	7,468,769
Total liabilities and equity		74,674,904	70,777,847	73,952,366	70,157,658

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

The interim condensed consolidated and separate financial statements were approved by the Management Board on 27 September 2024 and were signed on its behalf by:

Alina Rus
Vice-president & Chief Financial Officer

Monica Curea
Accounting Director

Group

<i>In RON thousand</i>	Note	Share capital	Other equity instruments	Other reserves	Retained earnings	Non controlling interests	Total
Balance at 1 January 2023		1,200,000	609,440	24,761	4,619,746	25	6,453,972
Net profit for the year		-	-	-	889,862	1	889,863
Other comprehensive income, net of income tax		-	-	91,725	-	-	91,725
Total comprehensive income for the period, net of income tax		-	-	91,725	889,862	1	981,588
Issue Additional Tier 1 instrument		-	(118)	-	-	-	(118)
Distribution related to AT1 instruments		-	-	-	(64,458)	-	(64,458)
Distribution of dividends		-	-	-	-	-	-
Balance at 30 June 2023*		1,200,000	609,322	116,486	5,445,150	26	7,370,984
Balance at 1 January 2024		1,200,000	609,298	180,199	5,638,654	26	7,628,177
Net profit for the year		-	-	-	822,898	1	822,899
Other comprehensive income, net of income tax		-	-	27,179	-	-	27,179
Total comprehensive income for the period, net of income tax		-	-	27,179	822,898	1	850,078
Issue Additional Tier 1 instrument	38	-	-	-	-	-	-
Distribution related to AT1 instruments	38	-	-	-	(73,656)	-	(73,656)
Distribution of dividends	37	-	-	-	(860,400)	-	(860,400)
Balance at 30 June 2024*		1,200,000	609,298	207,378	5,527,496	27	7,544,199

*Unaudited

Bank

<i>In RON thousand</i>	Note	Share capital	Other equity instruments	Other reserves	Retained earnings	Total
Balance at 1 January 2023		1,200,000	609,440	24,325	4,442,212	6,275,977
Net profit for the year		-	-	-	873,533	873,533
Other comprehensive income, net of income tax		-	-	91,415	-	91,415
Total comprehensive income for the period, net of income tax		-	-	91,415	873,533	964,948
Issue Additional Tier 1 instrument		-	(118)	-	-	(118)
Distribution related to AT1 instruments		-	-	-	(64,458)	(64,458)
Distribution of dividends		-	-	-	-	-
Balance at 30 June 2023*		1,200,000	609,322	115,740	5,251,287	7,176,349
Balance at 1 January 2024		1,200,000	609,298	179,627	5,479,844	7,468,769
Net profit for the year		-	-	-	822,059	822,059
Other comprehensive income, net of income tax		-	-	27,202	-	27,202
Total comprehensive income for the period, net of income tax		-	-	27,202	822,059	849,261
Issue Additional Tier 1 instrument	38	-	-	-	-	-
Distribution related to AT1 instruments	38	-	-	-	(73,656)	(73,656)
Distribution of dividends	37	-	-	-	(860,400)	(860,400)
Balance at 30 June 2024*		1,200,000	609,298	206,829	5,367,847	7,383,974

*Unaudited

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

<i>In RON thousand</i>	Note	Group		Bank	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
		Unaudited	Unaudited	Unaudited	Unaudited
Cash flows from operating activities					
Profit before income tax		1,006,730	1,093,096	1,002,762	1,073,098
Adjustments for non-cash items:					
Depreciation and amortization	12	130,082	123,705	128,212	122,252
Net impairment loss (income from recoveries is not included)	14	32,757	4,452	31,016	7,470
Group share of gain from associates and joint ventures	25	(3,866)	(3,823)	-	-
Loss on the sale of property, plant and equipment and of intangible assets		4,274	11,499	5,442	5,560
Net charge of provisions for litigation and other provisions	11, 12	3,385	9,690	6,233	9,969
Net gains on non-trading financial assets mandatorily at fair value through profit or loss	26	(1,746)	(18,577)	(1,219)	(18,082)
Other fair value adjustments		7,089	(21,175)	7,088	(21,175)
Net interest income	8	(1,511,338)	(1,379,949)	(1,489,967)	(1,358,275)
Unrealized foreign exchange losses		(25,326)	(193)	(25,326)	(193)
Income from dividends	11	(3,510)	(2,896)	(16,740)	(2,896)
Operating profit before changes in operating assets and liabilities		(361,469)	(184,171)	(352,499)	(182,272)
Change in operating assets:					
(Increase)/Decrease in trading assets and derivatives held for risk management		(255,148)	(96,009)	(255,148)	(96,006)
(Increase)/Decrease in loans and advances to banks at amortised cost		(318,025)	764	(318,642)	805
(Increase)/Decrease in loans and advances to customers at amortised cost and at fair value through profit or loss		83,914	(1,763,925)	146,624	(1,738,183)
(Increase)/Decrease in investment securities at fair value through other comprehensive income		(111,144)	(142,597)	(131,449)	(83,950)
(Increase)/Decrease in investment securities at amortised cost		(2,003,884)	(1,973,813)	(2,005,346)	(2,027,058)
(Increase)/Decrease in other assets		(966)	33,278	2,837	30,711
Proceeds from sale of loans and recoveries from write-offs	14	34,974	91,472	34,567	91,228
Change in operating liabilities:					
Increase/(Decrease) in trading liabilities		83,435	8,243	83,435	8,243
Increase/(Decrease) in deposits from banks		3,627	(171,135)	3,627	(171,135)
Increase/(Decrease) in deposits from customers		2,805,588	3,433,067	2,836,370	3,432,515
Increase/(Decrease) in other liabilities		(153,400)	(264,428)	(161,517)	(252,945)
Taxation paid		(174,529)	(90,197)	(171,936)	(87,464)
Interest paid		(714,166)	(461,778)	(704,784)	(455,938)
Interest received		2,192,185	1,868,594	2,161,532	1,841,044
Cash flows from operating activities		1,110,992	287,365	1,167,671	309,595
Investing activities:					
Proceeds from sale of property, plant and equipment		330	221	330	221
Acquisition of property, plant and equipment	30	(16,964)	(17,106)	(15,391)	(16,532)
Acquisition of intangible assets	31	(80,451)	(62,593)	(79,645)	(61,469)
Dividends received		3,510	2,896	16,740	2,896
Cash flows used in investing activities		(93,575)	(76,582)	(77,966)	(74,884)

<i>In RON thousand</i>	Note	Group		Bank	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
		Unaudited	Unaudited	Unaudited	Unaudited
Financing activities					
Cash from loans from banks and subordinated loans		501,981	134,012	170,747	–
Proceeds from debt securities issued		–	119,175	–	119,175
Repayments of loans from banks and subordinated loans		(204,882)	(119,763)	(388)	(1,411)
Proceeds from issue of additional Tier I instruments		–	(118)	–	(118)
Distribution related to AT1 instruments	37	(73,656)	(64,458)	(73,656)	(64,458)
Repayment of principal portion of lease liability	30	(51,534)	(45,143)	(51,534)	(45,143)
Cash flows from financing activities		171,909	23,705	45,169	8,045
Net increase/(decrease) in cash and cash equivalents		1,189,326	234,488	1,134,874	242,756
Cash and cash equivalents at 1 January		14,128,158	8,404,501	14,062,090	8,355,111
Cash and cash equivalents at 30 June		15,317,484	8,638,989	15,196,964	8,597,867

Analysis of cash and cash equivalents

<i>In RON thousand</i>	Note	Group		Bank	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
		Unaudited	Unaudited	Unaudited	Unaudited
Cash and cash equivalents comprise:					
Cash on hand		1,630,784	1,555,765	1,630,774	1,555,388
Cash with Central Bank		12,354,058	5,856,515	12,286,451	5,856,515
	17	13,984,842	7,412,280	13,917,225	7,411,903
Loans and advances to banks – less than 3 months		1,332,642	1,226,709	1,279,739	1,185,964
Cash and cash equivalents in the cash flows statement		15,317,484	8,638,989	15,196,964	8,597,867

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

1. REPORTING ENTITY

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

The Bank is licensed by the National Bank of Romania to conduct banking activities. The current registered office is located in FCC Office Building, Calea Floreasca, no. 246 D, district 1, Bucharest, Romania.

The interim condensed consolidated financial statements of the Bank for the period ended June 30, 2024 comprise the Bank and its subsidiaries (together referred to as the "Group").

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

The main activity of the Bank is to provide day-to-day banking services to corporate and individual clients. These include: accounts opening, domestic and international payments, foreign exchange transactions, working capital finance, medium term facilities, bank guarantees and letters of credit. The Group also provides financial leasing services, home saving loan services and asset management services. The Group operates through the Head Office located in Bucharest and through its network of 276 branches as at June 30, 2024 (December 31, 2023: 284 branches).

The Bank is managed in accordance with the dual management system by a Supervisory Board made up of 8 members and a Management Board made up of 7 members.

The members of the Supervisory Board as of June 30, 2024 are as follows:

- Johann Strobl – Chairman
- Hannes Mösenbacher – Deputy Chairman
- Andreas Gschwenter – Member
- Łukasz Janusz Januszewski – Member
- Andrii Stepanenko – Member
- Pedro Miguel Weiss – Independent Member
- Claudia Patricia Pendred – Independent Member
- Mihaela Mitroi – Independent Member

The structure of the Management Board as of June 30, 2024 is as follows:

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

2. BASIS OF PREPARATION

a) Basis of preparation

The interim consolidated financial statements for the six months period ended June 30, 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

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

b) Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICIES

a) Accounting policies

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

b) Basis of consolidation

(i) Subsidiaries

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

The Bank holds:

- 99.99% (2023: 99.99%) interest and voting rights in Raiffeisen Leasing IFN S.A.;
- 99.99% (2023: 99.99%) interest and voting rights in Aedificium Banca pentru Locuinte S.A.;
- 99.99% (2023: 99.99%) investment and voting rights in Raiffeisen Asset Management S.A., an asset management company with the purpose of funds administration.

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

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

Aedificium Banca pentru Locuinte S.A. manages a product denominated in RON that is based on the combination of the saving and the lending phase (Bauspar).

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

In the separate financial statements, the accounting policy of the Bank regarding its subsidiaries is cost less impairment. The Bank is performing impairment analysis for all its subsidiaries at each reporting period, including June 30, 2024.

(ii) Associates

The Bank holds 33.33% (2023: 33.33%) interest in CIT One S.R.L.

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

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

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

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

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

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective for reporting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

Standard	Title
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants. Amendments issued on January 2020 provide more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments issued on October 2022 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability and set the effective date for both amendments to annual periods beginning on or after 1 January 2024.
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements. Amendments add disclosure requirements, and 'signposts' within existing disclosure requirements to provide qualitative and quantitative information about supplier finance arrangements.
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback. Amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

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

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

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

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

Standard	Title	EU adoption status
Amendments to IAS 21	Lack of Exchangeability (IASB effective date: 1 January 2025). Amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	Not yet adopted by EU
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments (IASB effective date: 1 January 2026). Amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features. Amendments also clarify the date on which a financial asset or financial liability is derecognised and introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.	Not yet adopted by EU
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards - Volume 11 (IASB effective date: 1 January 2026). These amendments include clarifications, simplifications, corrections and changes in the following areas: (a) hedge accounting by a first-time adopter (IFRS 1); (b) gain or loss on derecognition (IFRS 7); (c) disclosure of deferred difference between fair value and transaction price (IFRS 7); (d) introduction and credit risk disclosures (IFRS 7); (e) lessee derecognition of lease liabilities (IFRS 9); (f) transaction price (IFRS 9); (g) determination of a 'de facto agent' (IFRS 10); (h) cost method (IAS 7).	Not yet adopted by EU
IFRS 18	Presentation and Disclosures in Financial Statements (IASB effective date: 1 January 2027). Standard introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies. The main changes in the new standard compared with IAS 1 comprise: (a) The introduction of categories (operating, investing, financing, income tax and discontinued operations) and defined subtotals in the statement of profit or loss; (b) the introduction of requirements to improve aggregation and disaggregation; (c) The introduction of disclosures on Management-defined Performance Measures (MPMs) in the notes to the financial statements.	Not yet adopted by EU
IFRS 19	Subsidiaries without Public Accountability: Disclosures (IASB effective date: 1 January 2027). Standard permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.	Not yet adopted by EU

IFRS 14	Regulatory Deferral Accounts (IASB effective date: 1 January 2016). This standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.	European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred by IASB indefinitely but earlier application permitted). The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.	Endorsement process postponed indefinitely until the research project on the equity method has been concluded

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

IFRS 9 grants accounting options for hedge accounting. The Group continues to apply the provisions on hedge accounting pursuant to IAS 39 while, however, taking the changes in the disclosures in the notes pursuant to IFRS 7 into account.

5. FINANCIAL RISK MANAGEMENT

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

a) Credit risk

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

In RON thousand

	Group	Group
	30 June 2024	31 December 2023
Non-retail customers, of which:		
Corporate lending	14,557,931	14,660,748
Project finance	2,839,664	2,804,534
Financial institution non-bank	928,816	1,395,284
Small business (SMB)	2,523,324	2,330,751
Public sector	1,250,402	1,271,629
Sovereign	51,987	48,995
Retail customers, of which:		
Personal loan	8,967,411	8,441,373
Mortgage	7,145,670	7,454,930
Consumer loan guaranteed with mortgage	637,191	703,055
Credit Card	1,314,858	1,360,665
Overdraft	523,641	558,055
Micro	2,113,472	2,010,623
Total gross exposure	42,854,367	43,040,642
Impairment allowance	(1,224,792)	(1,227,408)
Total loans and advances to customers at amortised cost	41,629,575	41,813,234

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

In RON thousand

	Bank	Bank
	30 June 2024	31 December 2023
Non-retail customers, of which:		
Corporate lending	14,129,496	14,309,448
Project finance	2,839,664	2,804,534
Financial institution non-bank	1,949,314	2,141,268
Small business (SMB)	1,832,515	1,814,102
Public sector	1,250,402	1,271,629
Sovereign	51,987	48,995
Retail customers, of which:		
Personal loan	8,967,411	8,441,373
Mortgage	7,145,578	7,454,830
Consumer loan guaranteed with mortgage	637,191	703,055
Credit Card	1,314,858	1,360,665
Overdraft	523,641	558,055
Micro	1,561,403	1,541,920
Total gross exposure	42,203,460	42,449,874
Impairment allowance	(1,186,145)	(1,190,437)
Total loans and advances to customers at amortised cost	41,017,315	41,259,437

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

Group <i>in RON thousand</i>	30 June 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to customers at amortised cost					
Non-retail:	19,296,344	2,584,170	238,522	33,088	22,152,124
Corporate lending	13,561,361	791,641	174,120	30,809	14,557,931
Project finance	2,184,446	646,903	8,315	–	2,839,664
Financial institution non-bank	891,189	37,627	–	–	928,816
Small and medium business	1,948,228	516,730	56,087	2,279	2,523,324
Public sector	659,133	591,269	–	–	1,250,402
Sovereign	51,987	–	–	–	51,987
Retail:	16,804,102	2,843,779	885,322	169,040	20,702,243
Personal loan	7,859,278	588,186	513,318	6,629	8,967,411
Mortgage	5,428,466	1,536,231	138,838	42,135	7,145,670
Micro	1,681,945	308,605	118,502	4,420	2,113,472
Consumer loan guaranteed with mortgage	328,150	133,611	75,441	99,989	637,191
Credit card	1,076,397	198,544	24,050	15,867	1,314,858
Overdraft	429,866	78,602	15,173	–	523,641
Total gross exposure	36,100,446	5,427,949	1,123,844	202,128	42,854,367
Impairment allowance	(215,283)	(213,988)	(734,305)	(61,216)	(1,224,792)
Net exposure	35,885,163	5,213,961	389,539	140,912	41,629,575

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

Group <i>in RON thousand</i>	31 December 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to customers at amortised cost					
Non-retail:	20,175,925	2,081,654	216,080	38,282	22,511,941
Corporate lending	13,718,446	748,141	158,146	36,015	14,660,748
Project finance	2,066,684	730,986	6,864	–	2,804,534
Financial institution non-bank	1,348,548	46,736	–	–	1,395,284
Small and medium business	1,735,578	541,836	51,070	2,267	2,330,751
Public sector	1,257,833	13,796	–	–	1,271,629
Sovereign	48,836	159	–	–	48,995
Retail:	16,594,728	2,965,013	792,227	176,733	20,528,701
Personal loan	7,178,562	826,060	430,862	5,889	8,441,373
Mortgage	6,024,665	1,245,596	138,164	46,505	7,454,930
Micro	1,565,414	338,609	102,331	4,269	2,010,623
Consumer loan guaranteed with mortgage	334,102	175,239	85,036	108,678	703,055
Credit card	1,048,892	277,068	23,313	11,392	1,360,665
Overdraft	443,093	102,441	12,521	–	558,055
Total gross exposure	36,770,653	5,046,667	1,008,307	215,015	43,040,642
Impairment allowance	(230,334)	(268,221)	(663,089)	(65,764)	(1,227,408)
Net exposure	36,540,319	4,778,446	345,218	149,251	41,813,234

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

Bank <i>in RON thousand</i>	30 June 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to customers at amortised cost					
Non-retail:	19,498,007	2,300,498	221,785	33,088	22,053,378
Corporate lending	13,291,160	640,739	166,788	30,809	14,129,496
Project finance	2,184,446	646,903	8,315	–	2,839,664
Financial institution non-bank	1,911,687	37,627	–	–	1,949,314
Small and medium business	1,399,594	383,960	46,682	2,279	1,832,515
Public sector	659,133	591,269	–	–	1,250,402
Sovereign	51,987	–	–	–	51,987
Retail:	16,331,231	2,781,419	868,392	169,040	20,150,082
Personal loan	7,859,278	588,186	513,318	6,629	8,967,411
Mortgage	5,428,374	1,536,231	138,838	42,135	7,145,578
Micro	1,209,166	246,245	101,572	4,420	1,561,403
Consumer loan guaranteed with mortgage	328,150	133,611	75,441	99,989	637,191
Credit card	1,076,397	198,544	24,050	15,867	1,314,858
Overdraft	429,866	78,602	15,173	–	523,641
Total gross exposure	35,829,238	5,081,917	1,090,177	202,128	42,203,460
Impairment allowance	(211,484)	(201,320)	(712,125)	(61,216)	(1,186,145)
Net exposure	35,617,754	4,880,597	378,052	140,912	41,017,315

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

Bank <i>in RON thousand</i>	31 December 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to customers at amortised cost					
Non-retail:	20,368,735	1,782,670	200,289	38,282	22,389,976
Corporate lending	13,504,489	616,702	152,242	36,015	14,309,448
Project finance	2,066,684	730,986	6,864	–	2,804,534
Financial institution non-bank	2,094,532	46,736	–	–	2,141,268
Small and medium business	1,396,361	374,291	41,183	2,267	1,814,102
Public sector	1,257,833	13,796	–	–	1,271,629
Sovereign	48,836	159	–	–	48,995
Retail:	16,213,528	2,891,756	777,881	176,733	20,059,898
Personal loan	7,178,562	826,060	430,862	5,889	8,441,373
Mortgage	6,024,565	1,245,596	138,164	46,505	7,454,830
Micro	1,184,314	265,352	87,985	4,269	1,541,920
Consumer loan guaranteed with mortgage	334,102	175,239	85,036	108,678	703,055
Credit card	1,048,892	277,068	23,313	11,392	1,360,665
Overdraft	443,093	102,441	12,521	–	558,055
Total gross exposure	36,582,263	4,674,426	978,170	215,015	42,449,874
Impairment allowance	(227,332)	(255,189)	(642,152)	(65,764)	(1,190,437)
Net exposure	36,354,931	4,419,237	336,018	149,251	41,259,437

The tables below present the split of loans and advances to retail customers by credit quality. The internal rating grade is presented in the annual financial statements of the Group as of December 31, 2023.

Group

in RON thousand

30 June 2024

Internal rating grade	Stage 1	Stage 2	Stage 3	POCI	Total
Minimal Risk	3,233,605	510,616	–	30	3,744,251
Excellent Credit Standing	3,011,427	765,700	–	35,299	3,812,426
Very Good Credit Standing	2,469,597	87,496	–	26,345	2,583,438
Good Credit Standing	2,753,548	158,758	–	17,338	2,929,644
Sound Credit Standing	2,593,766	149,398	–	9,403	2,752,567
Acceptable Credit Standing	1,796,557	286,181	–	2,815	2,085,553
Marginal Credit Standing	425,350	376,861	–	8,441	810,652
Weak Credit Standing	40,170	197,730	–	4,687	242,587
Very Weak Credit Standing	4,449	214,654	–	4,426	223,529
Default	–	–	885,223	60,256	945,479
Not Rated	475,633	96,385	99	–	572,117
Total	16,804,102	2,843,779	885,322	169,040	20,702,243

Group

in RON thousand

31 December 2023

Internal rating grade	Stage 1	Stage 2	Stage 3	POCI	Total
Minimal Risk	3,568,641	290,547	–	11	3,859,199
Excellent Credit Standing	2,875,700	597,066	–	19,371	3,492,137
Very Good Credit Standing	1,393,293	170,947	–	21,209	1,585,449
Good Credit Standing	3,563,134	203,830	–	30,249	3,797,213
Sound Credit Standing	2,643,242	247,942	–	14,932	2,906,116
Acceptable Credit Standing	1,449,455	312,733	–	9,453	1,771,641
Marginal Credit Standing	540,023	410,795	–	9,440	960,258
Weak Credit Standing	166,518	254,203	–	5,978	426,699
Very Weak Credit Standing	11,415	385,255	–	5,691	402,361
Default	–	–	792,109	60,245	852,354
Not Rated	383,307	91,695	118	154	475,274
Total	16,594,728	2,965,013	792,227	176,733	20,528,701

The tables below present the split of loans and advances to retail customers by credit quality. The internal rating grade is presented in the annual financial statements of the Group as of December 31, 2023.

Bank

in RON thousand

30 June 2024

Internal rating grade	Stage 1	Stage 2	Stage 3	POCI	Total
Minimal Risk	3,233,605	510,616	–	30	3,744,251
Excellent Credit Standing	3,011,427	765,700	–	35,299	3,812,426
Very Good Credit Standing	2,469,597	87,496	–	26,345	2,583,438
Good Credit Standing	2,753,548	158,758	–	17,338	2,929,644
Sound Credit Standing	2,593,766	149,398	–	9,403	2,752,567
Acceptable Credit Standing	1,796,557	286,181	–	2,815	2,085,553
Marginal Credit Standing	425,350	376,861	–	8,441	810,652
Weak Credit Standing	40,170	197,730	–	4,687	242,587
Very Weak Credit Standing	4,449	214,654	–	4,426	223,529
Default	–	–	868,293	60,256	928,549
Not Rated	2,762	34,025	99	–	36,886
Total	16,331,231	2,781,419	868,392	169,040	20,150,082

Bank

in RON thousand

31 December 2023

Internal rating grade	Stage 1	Stage 2	Stage 3	POCI	Total
Minimal Risk	3,568,641	290,547	–	11	3,859,199
Excellent Credit Standing	2,875,700	597,066	–	19,371	3,492,137
Very Good Credit Standing	1,393,293	170,947	–	21,209	1,585,449
Good Credit Standing	3,563,134	203,830	–	30,249	3,797,213
Sound Credit Standing	2,643,242	247,942	–	14,932	2,906,116
Acceptable Credit Standing	1,449,455	312,733	–	9,453	1,771,641
Marginal Credit Standing	540,023	410,795	–	9,440	960,258
Weak Credit Standing	166,518	254,203	–	5,978	426,699
Very Weak Credit Standing	11,415	385,255	–	5,691	402,361
Default	–	–	777,763	60,245	838,008
Not Rated	2,107	18,438	118	154	20,817
Total	16,213,528	2,891,756	777,881	176,733	20,059,898

The tables below present the split of loans and advances to non - retail customers by credit quality. The internal rating grade is presented in the annual financial statements of the Group as of December 31, 2023.

Group

In RON thousand

30 June 2024

Internal rating grade	Stage 1	Stage 2	Stage 3	POCI	Total
Excellent	47,549	835	-	-	48,384
Strong	1,732,089	31,761	-	-	1,763,850
Good	12,735,716	1,277,504	-	-	14,013,220
Satisfactory	4,754,043	1,212,660	-	-	5,966,703
Substandard	25,004	56,318	-	-	81,322
Impaired	479	-	238,515	33,088	272,082
Unrated	1,464	5,092	7	-	6,563
Total	19,296,344	2,584,170	238,522	33,088	22,152,124

Group

In RON thousand

31 December 2023

Internal rating grade	Stage 1	Stage 2	Stage 3	POCI	Total
Excellent	22,471	399	-	-	22,870
Strong	2,499,451	30,685	-	-	2,530,136
Good	12,532,021	753,889	-	-	13,285,910
Satisfactory	5,120,955	1,261,800	-	-	6,382,755
Substandard	746	25,905	-	-	26,651
Impaired	-	-	216,073	38,282	254,355
Unrated	281	8,976	7	-	9,264
Total	20,175,925	2,081,654	216,080	38,282	22,511,941

Bank

In RON thousand

30 June 2024

Internal rating grade	Stage 1	Stage 2	Stage 3	POCI	Total
Excellent	41,355	494	-	-	41,849
Strong	1,687,405	19,912	-	-	1,707,317
Good	13,440,764	1,152,497	-	-	14,593,261
Satisfactory	4,302,061	1,083,816	-	-	5,385,877
Substandard	24,745	43,456	-	-	68,201
Impaired	479	-	221,778	33,088	255,345
Unrated	1,198	323	7	-	1,528
Total	19,498,007	2,300,498	221,785	33,088	22,053,378

Bank

In RON thousand

31 December 2023

Internal rating grade	Stage 1	Stage 2	Stage 3	POCI	Total
Excellent	22,175	9	-	-	22,184
Strong	2,446,072	19,882	-	-	2,465,954
Good	13,011,466	655,521	-	-	13,666,987
Satisfactory	4,888,958	1,085,927	-	-	5,974,885
Substandard	64	21,163	-	-	21,227
Impaired	-	-	200,282	38,282	238,564
Unrated	-	168	7	-	175
Total	20,368,735	1,782,670	200,289	38,282	22,389,976

At Group level, loans and advances to banks in amount of RON 1,874,598 thousand (December 31, 2023: RON 484,640 thousand) are all classified in Stage 1.

At Bank level, loans and advances to banks in amount of RON 1,834,363 thousand (December 31, 2023: RON 495,257 thousand), are all classified in Stage 1.

Loans and advances to banks as of June 30, 2024 mainly represent short term loans, term deposits and collateral deposits in correspondent bank accounts. Nostro accounts are always available to the Group, are not restricted, not overdue or impaired. Bank counterparties are financial institutions presenting strong financial strength.

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

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

Group	30 June 2024				
<i>In RON thousand</i>					
Non retail	Stage 1	Stage 2	Stage 3	POCI	Total
A. Agriculture, forestry and fishing	720,960	181,208	11,995	370	914,533
B. Mining and quarrying	690,263	1,645	309	–	692,217
C. Manufacturing	2,632,128	256,389	41,628	1,943	2,932,088
D. Electricity, gas, steam and air conditioning supply	1,582,809	–	8,322	–	1,591,131
E. Water supply	230,317	152,715	215	–	383,247
F. Construction	1,079,893	262,622	12,434	1,694	1,356,643
G. Wholesale and retail trade	4,996,454	335,787	97,701	78	5,430,020
H. Transport and storage services	1,403,563	143,062	39,811	–	1,586,436
I. Accommodation and restaurant services	288,734	171,340	11,728	–	471,802
J. Information and communications	129,099	6,561	4,821	29,003	169,484
K. Financial and insurance activities	1,065,481	80,816	4	–	1,146,301
L. Real estate activities	2,144,348	320,868	14	–	2,465,230
M. Professional, scientific and technical activities	580,593	17,834	3,599	–	602,026
N. Administrative and support service activities	360,087	14,447	2,169	–	376,703
O. Public administration and defense, compulsory social security	711,183	573,896	1	–	1,285,080
P. Education	25,317	224	1	–	25,542
Q. Human health services and social work activities	568,114	16,937	4	–	585,055
R. Arts, entertainment and recreation	6,397	21,885	984	–	29,266
S. Other services	80,604	25,934	2,782	–	109,320
TOTAL	19,296,344	2,584,170	238,522	33,088	22,152,124

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

Group	31 December 2023				
<i>In RON thousand</i>					
Non retail	Stage 1	Stage 2	Stage 3	POCI	Total
A. Agriculture, forestry and fishing	863,693	153,875	15,018	3,417	1,036,003
B. Mining and quarrying	789,681	6,762	321	–	796,764
C. Manufacturing	2,582,334	292,339	33,895	2,294	2,910,862
D. Electricity, gas, steam and air conditioning supply	2,039,999	7,118	6,870	–	2,053,987
E. Water supply	313,343	63,026	352	–	376,721
F. Construction	863,072	296,037	11,227	3,532	1,173,868
G. Wholesale and retail trade	4,800,309	341,509	91,351	25	5,233,194
H. Transport and storage services	1,250,836	155,527	32,803	–	1,439,166
I. Accommodation and restaurant services	188,767	270,431	12,621	–	471,819
J. Information and communications	140,257	4,977	4,817	29,001	179,052
K. Financial and insurance activities	1,563,780	80,298	4	–	1,644,082
L. Real estate activities	2,153,727	320,563	11	–	2,474,301
M. Professional, scientific and technical activities	262,362	21,915	801	–	285,078
N. Administrative and support service activities	344,456	15,564	2,489	13	362,522
O. Public administration and defense, compulsory social security	1,334,719	13,955	–	–	1,348,674
P. Education	27,297	323	–	–	27,620
Q. Human health services and social work activities	556,296	12,441	–	–	568,737
R. Arts, entertainment and recreation	17,724	15,519	793	–	34,036
S. Other services	83,273	9,475	2,707	–	95,455
TOTAL	20,175,925	2,081,654	216,080	38,282	22,511,941

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

Bank		30 June 2024				
<i>In RON thousand</i>						
Non retail		Stage 1	Stage 2	Stage 3	POCI	Total
A. Agriculture, forestry and fishing		693,299	166,017	10,161	370	869,847
B. Mining and quarrying		686,284	121	233	–	686,638
C. Manufacturing		2,561,795	230,348	35,062	1,943	2,829,148
D. Electricity, gas, steam and air conditioning supply		1,582,470	–	8,322	–	1,590,792
E. Water supply		214,919	100,750	8	–	315,677
F. Construction		924,220	231,926	11,653	1,694	1,169,493
G. Wholesale and retail trade		4,806,878	252,876	95,542	78	5,155,374
H. Transport and storage services		1,147,509	83,968	36,076	–	1,267,553
I. Accommodation and restaurant services		265,494	170,464	11,728	–	447,686
J. Information and communications		119,630	5,171	3,707	29,003	157,511
K. Financial and insurance activities		2,085,050	80,816	4	–	2,165,870
L. Real estate activities		2,141,767	319,777	14	–	2,461,558
M. Professional, scientific and technical activities		552,726	15,695	3,599	–	572,020
N. Administrative and support service activities		346,535	7,784	1,904	–	356,223
O. Public administration and defense, compulsory social security		711,121	573,896	1	–	1,285,018
P. Education		25,317	114	1	–	25,432
Q. Human health services and social work activities		560,026	13,764	4	–	573,794
R. Arts, entertainment and recreation		6,092	21,867	984	–	28,943
S. Other services		66,875	25,144	2,782	–	94,801
TOTAL		19,498,007	2,300,498	221,785	33,088	22,053,378

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

Bank		31 December 2023				
<i>In RON thousand</i>						
Non retail		Stage 1	Stage 2	Stage 3	POCI	Total
A. Agriculture, forestry and fishing		843,121	139,864	13,203	3,417	999,605
B. Mining and quarrying		783,530	6,108	233	–	789,871
C. Manufacturing		2,516,818	262,627	26,798	2,294	2,808,537
D. Electricity, gas, steam and air conditioning supply		2,039,267	7,118	6,870	–	2,053,255
E. Water supply		301,582	2,177	8	–	303,767
F. Construction		735,361	264,174	10,739	3,532	1,013,806
G. Wholesale and retail trade		4,658,311	273,428	88,670	25	5,020,434
H. Transport and storage services		1,107,053	104,037	31,009	–	1,242,099
I. Accommodation and restaurant services		187,391	246,171	12,552	–	446,114
J. Information and communications		135,555	3,871	3,703	29,001	172,130
K. Financial and insurance activities		2,308,537	80,298	4	–	2,388,839
L. Real estate activities		2,152,249	319,677	11	–	2,471,937
M. Professional, scientific and technical activities		251,862	19,810	801	–	272,473
N. Administrative and support service activities		338,067	7,460	2,188	13	347,728
O. Public administration and defense, compulsory social security		1,334,559	13,955	–	–	1,348,514
P. Education		27,297	200	–	–	27,497
Q. Human health services and social work activities		553,243	7,826	–	–	561,069
R. Arts, entertainment and recreation		17,556	15,222	793	–	33,571
S. Other services		77,376	8,647	2,707	–	88,730
TOTAL		20,368,735	1,782,670	200,289	38,282	22,389,976

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

Group		30 June 2024				
<i>In RON thousand</i>						
Retail		Stage 1	Stage 2	Stage 3	POCI	Total
A. Agriculture, forestry and fishing		263,980	77,107	8,168	983	350,238
B. Mining and quarrying		586	102	53	–	741
C. Manufacturing		151,520	18,166	11,351	184	181,221
D. Electricity, gas, steam and air conditioning supply		828	130	17	–	975
E. Water supply		5,829	892	304	24	7,049
F. Construction		165,413	45,568	21,929	597	233,507
G. Wholesale and retail trade		412,803	66,952	29,250	1,465	510,470
H. Transport and storage services		266,603	38,268	27,284	242	332,397
I. Accommodation and restaurant services		74,410	9,878	6,082	113	90,483
J. Information and communications		53,604	9,826	2,586	64	66,080
K. Financial and insurance activities		2,980	117	3	–	3,100
L. Real estate activities		12,858	6,857	141	–	19,856
M. Professional, scientific and technical activities		114,502	15,216	4,956	381	135,055
N. Administrative and support service activities		60,060	8,486	3,435	352	72,333
O. Public administration and defense, compulsory social security		731	211	2	–	944
P. Education		7,361	665	211	14	8,251
Q. Human health services and social work activities		39,695	3,209	732	–	43,636
R. Arts, entertainment and recreation		14,634	1,793	1,161	–	17,588
S. Other services		26,355	5,164	836	–	32,355
Private individuals		15,129,350	2,535,172	766,821	164,621	18,595,964
TOTAL		16,804,102	2,843,779	885,322	169,040	20,702,243

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

Group		31 December 2023				
<i>In RON thousand</i>						
Retail		Stage 1	Stage 2	Stage 3	POCI	Total
A. Agriculture, forestry and fishing		236,239	76,029	5,953	306	318,527
B. Mining and quarrying		686	152	51	–	889
C. Manufacturing		149,393	26,150	7,986	110	183,639
D. Electricity, gas, steam and air conditioning supply		986	134	16	–	1,136
E. Water supply		6,305	978	369	28	7,680
F. Construction		149,052	49,741	19,764	623	219,180
G. Wholesale and retail trade		398,445	82,155	25,254	1,818	507,672
H. Transport and storage services		246,846	44,019	23,649	304	314,818
I. Accommodation and restaurant services		64,623	11,266	4,515	202	80,606
J. Information and communications		47,932	10,510	2,898	176	61,516
K. Financial and insurance activities		2,257	168	5	–	2,430
L. Real estate activities		12,634	1,316	143	–	14,093
M. Professional, scientific and technical activities		109,263	16,079	5,102	366	130,810
N. Administrative and support service activities		55,384	8,419	3,087	283	67,173
O. Public administration and defense, compulsory social security		641	–	2	–	643
P. Education		5,955	1,284	345	43	7,627
Q. Human health services and social work activities		36,195	3,685	725	–	40,605
R. Arts, entertainment and recreation		11,526	1,956	1,337	–	14,819
S. Other services		23,546	4,569	1,123	9	29,247
Private individuals		15,036,820	2,626,403	689,903	172,465	18,525,591
TOTAL		16,594,728	2,965,013	792,227	176,733	20,528,701

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

Bank					
<i>In RON thousand</i>					
30 June 2024					
Retail	Stage 1	Stage 2	Stage 3	POCI	Total
A. Agriculture, forestry and fishing	234,513	75,802	6,849	983	318,147
B. Mining and quarrying	15	81	13	–	109
C. Manufacturing	120,974	9,968	10,289	184	141,415
D. Electricity, gas, steam and air conditioning supply	577	3	17	–	597
E. Water supply	3,466	659	298	24	4,447
F. Construction	105,695	38,654	20,540	597	165,486
G. Wholesale and retail trade	336,262	53,726	27,844	1,465	419,297
H. Transport and storage services	152,199	21,089	16,613	242	190,143
I. Accommodation and restaurant services	60,939	8,804	5,831	113	75,687
J. Information and communications	26,241	6,926	2,503	64	35,734
K. Financial and insurance activities	324	3	3	–	330
L. Real estate activities	5,716	5,913	141	–	11,770
M. Professional, scientific and technical activities	66,250	12,002	4,475	381	83,108
N. Administrative and support service activities	45,839	5,864	3,359	352	55,414
O. Public administration and defense, compulsory social security	648	211	2	–	861
P. Education	5,550	473	211	14	6,248
Q. Human health services and social work activities	25,448	2,563	653	–	28,664
R. Arts, entertainment and recreation	10,031	1,436	1,098	–	12,565
S. Other services	8,478	2,070	832	–	11,380
Private individuals	15,122,066	2,535,172	766,821	164,621	18,588,680
TOTAL	16,331,231	2,781,419	868,392	169,040	20,150,082

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

Bank					
<i>In RON thousand</i>					
31 December 2023					
Retail	Stage 1	Stage 2	Stage 3	POCI	Total
A. Agriculture, forestry and fishing	213,397	73,323	5,222	306	292,248
B. Mining and quarrying	56	112	11	–	179
C. Manufacturing	123,575	15,198	7,139	110	146,022
D. Electricity, gas, steam and air conditioning supply	845	3	16	–	864
E. Water supply	3,985	877	343	28	5,233
F. Construction	99,437	41,854	18,322	623	160,236
G. Wholesale and retail trade	330,585	67,592	24,139	1,818	424,134
H. Transport and storage services	167,795	24,361	14,604	304	207,064
I. Accommodation and restaurant services	52,565	10,104	4,213	202	67,084
J. Information and communications	24,687	7,692	2,756	176	35,311
K. Financial and insurance activities	2	32	5	–	39
L. Real estate activities	5,793	376	143	–	6,312
M. Professional, scientific and technical activities	69,477	12,024	4,735	366	86,602
N. Administrative and support service activities	43,582	5,502	2,999	283	52,366
O. Public administration and defense, compulsory social security	542	–	2	–	544
P. Education	4,643	816	345	43	5,847
Q. Human health services and social work activities	24,019	2,685	697	–	27,401
R. Arts, entertainment and recreation	8,414	1,488	1,223	–	11,125
S. Other services	10,915	1,314	1,073	9	13,311
Private individuals	15,029,214	2,626,403	689,894	172,465	18,517,976
TOTAL	16,213,528	2,891,756	777,881	176,733	20,059,898

b) Liquidity risk

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

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

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

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

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

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

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

Group

The financial assets and liabilities analyzed over the remaining period from the balance sheet date to contractual maturity are as at June 30, 2024 as follows:

<i>In RON thousand</i>	Up to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	Without maturity	Total
Financial Assets						
Cash and cash with Central Bank	13,984,842	–	–	–	–	13,984,842
Loans and advances to banks at amortised cost	1,346,781	151,361	264,555	111,370	531	1,874,598
Derivative assets held for risk management	37	–	11,347	–	–	11,384
Trading assets	26,181	53,704	188,217	168,362	–	436,464
Financial assets mandatorily at fair value through profit or loss	34,122	3,637	22,023	87,972	19,974	167,728
Investment securities at fair value through other comprehensive income	–	580,199	1,269,530	1,026,121	–	2,875,850
Equity instruments at fair value through other comprehensive income	–	–	–	–	102,542	102,542
Loans and advances to customers at amortised cost	5,879,316	7,961,049	17,686,328	10,009,143	93,739	41,629,575
Derivatives Asset- Hedge accounting	–	–	37,027	2,703	–	39,730
Fair value changes of the hedged items-Assets-Hedge accounting	–	–	1,523	–	–	1,523
Investment securities at amortised cost	248	388,716	5,161,059	6,630,961	–	12,180,984
Other assets	273,280	113	–	–	–	273,393
Total financial assets	21,544,807	9,138,779	24,641,609	18,036,632	216,786	73,578,613
Financial Liabilities						
Trading liabilities	90,600	2,153	122	–	–	92,875
Derivative liabilities held for risk management	963	–	–	–	–	963
Deposits from banks	498,555	–	–	–	–	498,555
Deposits from customers	48,745,724	7,956,231	334,864	199,526	–	57,236,345
Loans from banks and other financial institutions	171,093	37,814	115,486	461,454	–	785,847
Fair value changes of the hedged items-liability	–	–	3,330	–	–	3,330
Derivatives – hedge accounting	–	–	4,017	–	–	4,017
Debt securities issued	12,100	–	5,096,533	481,058	–	5,589,691
Subordinated loans	–	125,121	200,985	–	–	326,106
Other liabilities	1,969,618	57,182	192,272	3,386	–	2,222,458
Total financial liabilities	51,488,653	8,178,501	5,947,609	1,145,424	–	66,760,187
Maturity surplus/ (shortfall)	(29,943,846)	960,278	18,694,000	16,891,208	216,786	6,818,426

Group

The financial assets and liabilities analyzed over the remaining period from the balance sheet date to contractual maturity are as at December 31, 2023 as follows:

<i>In RON thousand</i>	Up to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	Without maturity	Total
Financial Assets						
Cash and cash with Central Bank	13,867,449	–	–	–	–	13,867,449
Loans and advances to banks at amortised cost	281,043	151,253	50,098	2,242	4	484,640
Derivative assets held for risk management	1,799	2,411	13,975	–	–	18,185
Trading assets	7,367	7,145	118,965	47,839	–	181,316
Financial assets mandatorily at fair value through profit or loss	32,357	3,859	23,138	100,520	18,553	178,427
Investment securities at fair value through other comprehensive income	95,804	918,901	1,179,074	531,427	–	2,725,206
Equity instruments at fair value through other comprehensive income	–	–	–	–	90,579	90,579
Loans and advances to customers at amortised cost	3,890,583	9,250,380	17,971,252	10,624,538	76,481	41,813,234
Derivatives Asset- Hedge accounting	–	–	35,729	2,064	–	37,793
Investment securities at amortised cost	151,511	1,068,953	4,660,051	4,146,106	–	10,026,621
Other assets	193,483	154	–	–	–	193,637
Total financial assets	18,521,396	11,403,056	24,052,282	15,454,736	185,617	69,617,087
Financial Liabilities						
Trading liabilities	7,456	1,861	123	–	–	9,440
Derivative liabilities held for risk management	297	378	–	–	–	675
Deposits from banks	435,001	484	–	–	59,443	494,928
Deposits from customers	46,585,130	7,270,762	294,374	249,972	–	54,400,238
Loans from banks and other financial institutions	345	38,779	93,444	355,990	–	488,558
Derivatives – Hedge accounting	–	–	709	–	–	709
Fair value changes of the hedged items-liability	4,940	–	–	–	–	4,940
Debt securities issued	36,577	–	5,037,234	481,193	–	5,555,004
Subordinated loans	–	–	125,050	201,065	–	326,115
Other liabilities	1,279,326	61,537	174,383	3,100	–	1,518,346
Total financial liabilities	48,349,072	7,373,801	5,725,317	1,291,320	59,443	62,798,953
Maturity surplus/ (shortfall)	(29,827,676)	4,029,255	18,326,965	14,163,416	126,174	6,818,134

Bank

The financial assets and liabilities analyzed over the remaining period from the balance sheet date to contractual maturity are as of June 30, 2024 as follows:

<i>In RON thousand</i>	Up to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	Without maturity	Total
Financial Assets						
Cash and cash with Central Bank	13,917,225	–	–	–	–	13,917,225
Loans and advances to banks at amortised cost	1,294,409	151,361	264,555	124,038	–	1,834,363
Derivative assets held for risk management	37	–	11,347	–	–	11,384
Trading assets	26,181	53,704	188,217	168,362	–	436,464
Financial assets mandatorily at fair value through profit or loss	9,182	3,637	22,023	87,972	19,974	142,788
Investment securities at fair value through other comprehensive income	–	580,199	1,269,530	1,026,121	–	2,875,850
Equity instruments at fair value through other comprehensive income	–	–	–	–	102,542	102,542
Loans and advances to customers at amortised cost	5,638,486	7,867,053	17,939,114	9,572,662	–	41,017,315
Derivatives Asset- Hedge accounting	–	–	37,027	2,703	–	39,730
Fair value changes of the hedged items-Assets-Hedge accounting	–	–	1,523	–	–	1,523
Investment securities at amortised cost	248	388,496	5,149,217	6,630,961	–	12,168,922
Other assets	238,210	–	–	–	–	238,210
Total financial assets	21,123,978	9,044,450	24,882,553	17,612,819	122,516	72,786,316
Financial Liabilities						
Trading liabilities	90,600	2,153	122	–	–	92,875
Derivative liabilities held for risk management	963	–	–	–	–	963
Deposits from banks	498,555	–	–	–	–	498,555
Deposits from customers	48,869,824	7,952,291	334,119	199,526	–	57,355,760
Loans from banks and other financial institutions	171,092	557	645	–	–	172,294
Fair value changes of the hedged items-liability	–	–	3,330	–	–	3,330
Derivatives – hedge accounting	–	–	4,017	–	–	4,017
Debt securities issued	12,100	–	5,096,533	481,058	–	5,589,691
Subordinated loans	–	125,121	200,985	–	–	326,106
Other liabilities	1,935,485	57,301	189,606	3,386	–	2,185,778
Total financial liabilities	51,578,619	8,137,423	5,829,357	683,970	–	66,229,369
Maturity surplus/ (shortfall)	(30,454,641)	907,027	19,053,196	16,928,849	122,516	6,556,947

Bank

The financial assets and liabilities analyzed over the remaining period from the balance sheet date to contractual maturity are as of December 31, 2023 as follows:

<i>In RON thousand</i>	Up to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	Without maturity	Total
Financial Assets						
Cash and cash with Central Bank	13,802,815	–	–	–	–	13,802,815
Loans and advances to banks at amortised cost	279,614	151,253	50,098	14,292	–	495,257
Derivative assets held for risk management	1,799	2,411	13,975	–	–	18,185
Trading assets	7,367	7,145	118,965	47,839	–	181,316
Financial assets mandatorily at fair value through profit or loss	10,043	3,859	23,138	100,520	18,553	156,113
Investment securities at fair value through other comprehensive income	75,476	918,901	1,179,074	531,427	–	2,704,878
Equity instruments at fair value through other comprehensive income	–	–	–	–	90,579	90,579
Loans and advances to customers at amortised cost	3,675,061	9,164,342	18,142,758	10,277,276	–	41,259,437
Derivatives Asset- Hedge accounting	–	–	35,729	2,064	–	37,793
Investment securities at amortised cost	149,776	1,057,164	4,660,051	4,146,106	–	10,013,097
Other assets	161,302	–	–	–	–	161,302
Total financial assets	18,163,253	11,305,075	24,223,788	15,119,524	109,132	68,920,772
Financial Liabilities						
Trading liabilities	7,456	1,861	123	–	–	9,440
Derivative liabilities held for risk management	297	378	–	–	–	675
Deposits from banks	435,001	484	–	–	59,443	494,928
Deposits from customers	46,679,120	7,266,522	293,265	249,964	–	54,488,871
Loans from banks and other financial institutions	346	518	881	–	–	1,745
Derivatives – Hedge accounting	–	–	709	–	–	709
Fair value changes of the hedged items-liability	4,940	–	–	–	–	4,940
Debt securities issued	36,577	–	5,037,234	481,193	–	5,555,004
Subordinated loans	–	–	125,050	200,965	–	326,015
Other liabilities	1,245,880	60,660	171,487	3,100	–	1,481,127
Total financial liabilities	48,409,617	7,330,423	5,628,749	935,222	59,443	62,363,454
Maturity surplus/ (shortfall)	(30,246,364)	3,974,652	18,595,039	14,184,302	49,689	6,557,318

The most significant liquidity gap typically occurs in the first interval (up to 3 months) because non-banking customers prefer short-term deposits and long-term loans. This behaviour results in a negative gap in the first interval, creating positive gaps in intervals beyond 3 months. In practice, the negative gap in the first bucket does not lead to outflows, as most customer deposits are rolled over or replaced with new deposits.

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

Group

The negative liquidity gap for the first band increased in 2024 by RON 116,170 thousand compared to 2023, being determined by the increase in deposits from customers in the first maturity by RON 2,160,594 thousand and other liabilities by RON 690,292 thousand, partially offset by the increase of loans and advances to banks at amortised cost by RON 1,065,738 thousand and loans and advances to customers at amortised cost by RON 1,988,733 compared to 2023.

As for the other maturity bands, on the 3 months - 1 year tenor, the liquidity surplus decreased by RON 3,068,977 thousand, as this was a result of a decrease in loans and advances to customers at amortised cost by RON 1,289,331, a reduction in investment securities at amortised cost by RON 680,237 and an increase in customer deposits by RON 685,469 thousand within this maturity band. On the maturity band of 1 - 5 years, the liquidity surplus increased by RON 367,035 thousand, the main factor is represented by investment securities at amortised cost which increased by RON 501,008 thousand on this maturity band. On the maturity band of over 5 years, the liquidity surplus increased by RON 2,727,792 thousand, being mainly influenced by the increase in investment securities at amortised cost by RON 2,484,855 thousand on this maturity band.

Bank

The negative liquidity gap for the first band increased in 2024 by RON 208,277 thousand compared to 2023, being determined by the increase in deposits from customers in the first maturity band by RON 2,190,704 thousand and other liabilities by RON 689,605 thousand, partially offset by the increase in the loans and advances to banks at amortised cost by RON 1,014,795 thousand and loans and advances to customers at amortised cost by RON 1,963,425 thousand compared to 2023.

As for the other maturity bands, on the 3 months - 1 year tenor, the liquidity surplus decreased by RON 3,067,625 thousand, this was a result of a decrease in loans and advances to customers at amortised cost by RON 1,289,331 thousand, a reduction in investment securities at amortised cost by RON 680,237 thousand and an increase in customer deposits by RON 685,469 thousand within this maturity band. On the maturity band of 1 - 5 years, the liquidity surplus increased by RON 458,157 thousand, the main factor is represented by investment securities at amortised cost which increased by RON 489,166 thousand on this maturity band. On the maturity band of over 5 years, the liquidity surplus increased by RON 2,744,547 thousand, being mainly influenced by the increase in investment securities at amortised cost by RON 2,484,855 thousand on this maturity band.

Analysis of financial liabilities by remaining contractual maturities

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

Group

Financial liabilities analyzed over the remaining period from the reporting date, using undiscounted cash flows as of June 30, 2024 are as follows:

<i>In RON thousand</i>	Up to 1 Month	1 Month to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	Total
Financial Liabilities						
Net settled trading liabilities	–	–	4	122	–	126
Gross settled trading liabilities	433,483	795,870	991,406	1,860	–	2,222,619
Deposits from banks	498,151	–	494	–	–	498,645
Deposits from customers	41,505,821	7,309,650	8,125,744	344,093	231,319	57,516,627
Loans from banks and other financial institutions	170,943	30,101	83,544	405,451	–	690,039
Debt securities issued	–	56,399	317,317	6,034,704	504,445	6,912,865
Subordinated loans	1,030	4,190	140,001	254,003	–	399,224
Lease liabilities	2,200	13,571	60,038	201,065	5,353	282,227
Total financial liabilities	42,611,628	8,209,781	9,718,548	7,241,298	741,117	68,522,372
Undrawn commitments	2,843,342	1,251,729	4,411,074	7,036,585	1,911,763	17,454,493
Financial guarantees and Letters of credit	367,047	101,568	1,355,281	911,388	1,050,893	3,786,177
Other financial guarantees	–	4,444	19,058	16,678	11,581	51,761
Total commitments and guarantees	3,210,389	1,357,741	5,785,413	7,964,651	2,974,237	21,292,431
Contractual amounts receivable	303,075	161,910	–	–	–	464,985
Contractual amounts payable	(303,055)	(162,970)	–	–	–	(466,025)
Gross settled derivative liabilities held for risk management	20	(1,060)	–	–	–	(1,040)

Group

Financial liabilities analyzed over the remaining period from the reporting date, using undiscounted cash flows as of December 31, 2023 are as follows:

<i>In RON thousand</i>	Up to 1 Month	1 Month to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	Total
Financial Liabilities						
Net settled trading liabilities	–	–	11	123	–	134
Gross settled trading liabilities	166,357	287,268	472,817	–	–	926,442
Net settled derivative liabilities held for risk management	–	–	87	–	–	87
Deposits from banks	484,444	–	10,484	–	–	494,928
Deposits from customers	39,857,464	6,796,001	7,454,476	307,403	313,602	54,728,946
Loans from banks and other financial institutions	6	30,429	69,447	318,758	–	418,640
Debt securities issued	–	11,830	363,568	6,118,637	526,340	7,020,375
Subordinated loans	1,030	4,323	15,221	179,108	203,749	403,431
Lease liabilities	10,439	15,924	62,693	182,851	3,492	275,399
Total financial liabilities	40,519,740	7,145,775	8,448,804	7,106,880	1,047,183	64,268,382
Undrawn commitments	2,164,671	1,453,556	4,970,774	5,538,137	1,598,317	15,725,455
Financial guarantees and Letters of credit	501,669	1,271,880	1,024,997	896,533	1,144,055	4,839,134
Other financial guarantees	793	782	25,326	9,502	13,118	49,521
Total commitments and guarantees	2,667,133	2,726,218	6,021,097	6,444,172	2,755,490	20,614,110
Contractual amounts receivable	1,026,723	232,979	49,746	–	–	1,309,448
Contractual amounts payable	(1,026,402)	(232,502)	(50,985)	–	–	(1,309,889)
Gross settled derivative liabilities held for risk management	321	477	(1,239)	–	–	(441)

Bank

Financial liabilities analyzed over the remaining period from the reporting date, using undiscounted cash flows as of June 30, 2024 are as follows:

<i>In RON thousand</i>	Up to 1 Month	1 Month to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	Total
Financial Liabilities						
Net settled trading liabilities	–	–	4	122	–	126
Gross settled trading liabilities	433,483	795,870	991,406	1,860	–	2,222,619
Deposits from banks	498,151	–	494	–	–	498,645
Deposits from customers	41,503,387	7,432,244	8,124,999	344,093	231,319	57,636,042
Loans from banks and other financial institutions	170,943	–	–	1,352	–	172,295
Debt securities issued	–	56,399	317,317	6,034,704	504,445	6,912,865
Subordinated loans	1,030	4,190	140,001	254,003	–	399,224
Lease liabilities	2,200	13,571	60,038	198,399	5,353	279,561
Total financial liabilities	42,609,194	8,302,274	9,634,259	6,834,533	741,117	68,121,377
Undrawn commitments	2,843,342	1,227,494	4,390,054	7,187,264	1,902,667	17,550,821
Financial guarantees and Letters of credit	367,047	101,568	1,355,281	911,388	1,050,893	3,786,177
Other financial guarantees	–	4,444	19,058	16,678	11,581	51,761
Total commitments and guarantees	3,210,389	1,333,506	5,764,393	8,115,330	2,965,141	21,388,759
Contractual amounts receivable	303,075	161,910	–	–	–	464,985
Contractual amounts payable	(303,055)	(162,970)	–	–	–	(466,025)
Gross settled derivative liabilities held for risk management	20	(1,060)	–	–	–	(1,040)

Bank

Financial liabilities analyzed over the remaining period from the reporting date, using undiscounted cash flows as of December 31, 2023 are as follows:

<i>In RON thousand</i>	Up to 1 Month	1 Month to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	Total
Financial Liabilities						
Net settled trading liabilities	-	-	11	123	-	134
Gross settled trading liabilities	166,357	287,268	472,817	-	-	926,442
Net settled derivative liabilities held for risk management	-	-	87	-	-	87
Deposits from banks	484,444	-	10,484	-	-	494,928
Deposits from customers	39,846,448	6,896,767	7,453,367	307,395	313,602	54,817,579
Loans from banks and other financial institutions	6	-	-	1,739	-	1,745
Debt securities issued	-	11,830	363,568	6,118,637	526,340	7,020,375
Subordinated loans	1,030	4,323	15,221	179,008	203,749	403,331
Lease liabilities	10,439	15,924	62,693	180,023	3,492	272,571
Total financial liabilities	40,508,724	7,216,112	8,378,248	6,786,925	1,047,183	63,937,192
Undrawn commitments	2,164,831	1,440,762	4,952,501	5,485,437	1,594,068	15,637,599
Financial guarantees and Letters of credit	501,669	1,271,880	1,024,997	896,533	1,144,055	4,839,134
Other financial guarantees	793	782	25,326	9,502	13,118	49,521
Total commitments and guarantees	2,667,293	2,713,424	6,002,824	6,391,472	2,751,241	20,526,254
Contractual amounts receivable	1,026,723	232,979	49,746	-	-	1,309,448
Contractual amounts payable	(1,026,402)	(232,502)	(50,985)	-	-	(1,309,889)
Gross settled derivative liabilities held for risk management	321	477	(1,239)	-	-	(441)

c) Market risk

Group

An analysis of the Group's sensitivity of the economic value of banking book assets and liabilities to interest rates movements (under a defined set of interest rate scenarios) is as follows.

For comparability purposes, the impact of interest curve shocks on the economic value of equity considering shocks according to the European Banking Authority's Guidelines on the management of interest rate risk associated with activities outside the trading book (EBA/GL/2018/02) of 19.07.2018 is presented below, as of May 2024, the interest shocks applicable to currencies are according to Delegated Regulation (EU) 2024/856:

<i>in RON million</i>	30 June 2024	30 June 2023
Applied shock on Economic Value of Equity*		
Parallel +200bp	261	278
Parallel -200bp	300	284
Steepening 5Y +200bp	228	176
Flattening 5Y -200bp	264	174
Flattening 1D +200bp	70	105
Steepening 1D -200bp	72	107
Minimum impact**	70	105
Maximum impact**	300	284

Below is the impact of interest curve shocks on economic value of equity considering the shocks according to the new regulation in force starting May 2024, Delegated Regulation (EU) 2024/856.

In RON million

Applied shock economic value of equity***	Jun-24
Parallel +200bp/+350bp	(430)
Parallel -200bp/-350bp	270
Steepening long term rate increase	(234)
Flattening long term rate decrease	113
Flattening 1D short term rate increase	(206)
Steepening 1D short term rate decrease	120

Bank

An analysis of the Bank's sensitivity of the economic value of banking book assets and liabilities to interest rates movements (under a defined set of interest rate scenarios) is as follows.

in RON million

Applied shock on Economic Value of Equity*	30 June 2024	30 June 2023
Parallel +200bp	256	275
Parallel -200bp	293	281
Steepening 5Y +200bp	221	175
Flattening 5Y -200bp	257	172
Flattening 1D +200bp	69	103
Steepening 1D -200bp	70	105
Minimum impact**	69	103
Maximum impact**	293	281

Below is the impact of interest curve shocks on economic value of equity considering the shocks according to the new regulation in force starting May 2024, Delegated Regulation (EU) 2024/856.

In RON million

Applied shock economic value of equity***	Jun-24
Parallel +200bp/+350bp	(422)
Parallel -200bp/-350bp	265
Steepening long term rate increase	(230)
Flattening long term rate decrease	110
Flattening 1D short term rate increase	(203)
Steepening 1D short term rate decrease	119

* Starting with May 2024, a new regulation is in force, COMMISSION DELEGATED REGULATION (EU) 2024/856 of 1 December 2023 supplementing Directive 2013/36/EU of the European Parliament and of the Council, in regards to the economic value of equity, the above June 2024 results are presented for comparison purposes considering the previous EBA shock scenario.

** maximum / minimum impact in the first semester of the reporting period.

***the shocks for each currency are applied in accordance with the new COMMISSION DELEGATED REGULATION (EU) 2024/856 of 1 December 2023 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the supervisory shock scenarios, the common modelling and parametric assumptions and what constitutes a large decline, implementing EBA/RTS/2022/10 - Technical Standards specifying supervisory shock scenarios, common modelling and parametric assumptions and what constitutes a large decline for the calculation of the economic value of equity and of the net interest income. Minimum/maximum parallel shocks for RON are -/+350bps and for EUR -/+200bps.

According to EBA requirements (EBA/GL/2022/14) and NBR requirements (Regulation no. 5/2013), measurement and monitoring of interest rate risk in the banking book is done based on two approaches: economic value and net interest income (NII) volatility. In order to assess the impact of interest rate changes on net interest income, a set of scenarios and assumptions are defined and used to measure net interest income volatility and potential losses.

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

For comparability purposes, the impact of interest curve shocks on net interest income considering shocks according to the European Banking Authority's Guidelines on the management of interest rate risk associated with activities outside the trading book (EBA/GL/2018/02) of 19.07.2018 is presented below, as of May 2024, the interest shocks applicable to currencies are according to Delegated Regulation (EU) 2024/856:

In RON million

Bank

Applied shock on Net Interest Income*

	<u>30 June 2024</u>	<u>30 June 2023</u>
Parallel +200bp	(82)	104
Parallel -200bp	(145)	(297)
Steepening 5Y +200bp	(8)	60
Flattening 5Y -200bp	3	(66)
Flattening 1D +200bp	(74)	44
Steepening 1D -200bp	(147)	(230)
Maximum positive impact**	130	144
Maximum negative impact**	(357)	(372)

* Starting with May 2024, a new regulation is in force, COMMISSION DELEGATED REGULATION (EU) 2024/856 of 1 December 2023 supplementing Directive 2013/36/EU of the European Parliament and of the Council , in regards to net interest income volatility under supervisory shock scenario, the above June 2024 results are presented for comparison purposes considering the previous EBA shock scenario

** maximum/minimum impact in the reporting period

Below is the impact of interest curve shocks on net interest income considering the shocks according to the new regulation in force starting May 2024, Delegated Regulation (EU) 2024/856:

In RON million

Bank

Applied shock on Net Interest Income*

	<u>30 June 2024</u>
Parallel +200bp/+350bp	(164)
Parallel -200bp/-350bp	(150)
Steepening long term rate increase	(8)
Flattening long term rate decrease	3
Flattening 1D short term rate increase	(220)
Steepening 1D short term rate decrease	(255)

*the shocks for each currency are applied are in accordance with the new COMMISSION DELEGATED REGULATION (EU) 2024/856 of 1 December 2023 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the supervisory shock scenarios, the common modelling and parametric assumptions and what constitutes a large decline, implementing EBA/RTS/2022/10 - Technical Standards specifying supervisory shock scenarios, common modelling and parametric assumptions and what constitutes a large decline for the calculation of the economic value of equity and of the net interest income. Minimum/maximum shocks for RON are -/+350bps and for EUR -/+200bps

Exposure to currency risk

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

Group

The monetary assets and liabilities held in RON and in foreign currencies at June 30, 2024 are presented below:

<i>In RON thousand</i>	RON	USD	EUR	OTHER	Total
Monetary assets					
Cash and cash with Central Bank	11,083,134	16,156	2,879,979	5,573	13,984,842
Loans and advances to banks at amortised cost	283,026	491,484	1,096,997	3,091	1,874,598
Derivative assets held for risk management	8,006	–	3,374	4	11,384
Trading assets	398,338	–	38,126	–	436,464
Financial assets mandatorily at fair value through profit or loss	127,694	19,974	6,845	13,215	167,728
Investment securities at fair value through other comprehensive income	2,531,761	–	344,089	–	2,875,850
Equity instruments at fair value through other comprehensive income	33,967	68,575	–	–	102,542
Investment in subsidiaries, associates and joint ventures	22,719	–	–	–	22,719
Loans and advances to customers at amortised cost	28,279,284	883,144	12,336,082	131,065	41,629,575
Derivatives Asset- Hedge accounting	179	–	39,551	–	39,730
Fair value changes of the hedged items-Assets-Hedge accounting	–	–	1,523	–	1,523
Investment securities at amortised cost	10,622,043	44,173	1,514,768	–	12,180,984
Other assets	210,815	2,280	60,179	119	273,393
Total monetary assets	53,600,966	1,525,786	18,321,513	153,067	73,601,332
Monetary liabilities					
Trading liabilities	92,705	–	170	–	92,875
Derivative liabilities held for risk management	–	–	963	–	963
Deposits from banks	349,026	221	149,307	1	498,555
Deposits from customers	39,378,610	1,795,049	15,854,032	208,654	57,236,345
Loans from banks and other financial institutions	172,642	–	613,205	–	785,847
Derivatives – hedge accounting	684	–	3,333	–	4,017
Fair value changes of the hedged items-liability	3,330	–	–	–	3,330
Other liabilities	1,599,154	74,515	534,907	13,882	2,222,458
Debt securities issued	4,014,478	–	1,575,213	–	5,589,691
Subordinated loans	–	–	326,106	–	326,106
Total monetary liabilities	45,610,629	1,869,785	19,057,236	222,537	66,760,187
Net currency position	7,990,337	(343,999)	(735,723)	(69,470)	6,841,145

Group

The monetary assets and liabilities held in RON and in foreign currencies at December 31, 2023 are presented below:

<i>In RON thousand</i>	RON	USD	EUR	OTHER	Total
Monetary assets					
Cash and cash with Central Bank	10,613,248	14,942	3,232,806	6,453	13,867,449
Loans and advances to banks at amortised cost	87,254	26,043	368,560	2,783	484,640
Derivative assets held for risk management	15,083	–	3,035	67	18,185
Trading assets	139,015	–	42,301	–	181,316
Financial assets mandatorily at fair value through profit or loss	135,535	18,553	8,034	16,305	178,427
Investment securities at fair value through other comprehensive income	2,380,278	18	344,910	–	2,725,206
Equity instruments at fair value through other comprehensive income	24,798	65,781	–	–	90,579
Investment in subsidiaries, associates and joint ventures	18,853	–	–	–	18,853
Loans and advances to customers at amortised cost	28,539,624	696,023	12,427,526	150,061	41,813,234
Derivatives Asset- Hedge accounting	559	–	37,234	–	37,793
Investment securities at amortised cost	8,414,356	191,093	1,421,172	–	10,026,621
Other assets	143,161	783	49,497	195	193,636
Total monetary assets	50,511,764	1,013,236	17,935,075	175,864	69,635,939
Monetary liabilities					
Trading liabilities	9,271	–	169	–	9,440
Derivative liabilities held for risk management	87	97	291	200	675
Deposits from banks	441,124	105	53,183	516	494,928
Deposits from customers	36,333,993	2,055,742	15,773,533	236,970	54,400,238
Loans from banks and other financial institutions	8,603	–	479,955	–	488,558
Derivatives – hedge accounting	709	–	–	–	709
Fair value changes of the hedged items-liability	4,940	–	–	–	4,940
Other liabilities	630,264	89,665	783,919	14,498	1,518,346
Debt securities issued	4,007,815	–	1,547,189	–	5,555,004
Subordinated loans	100	–	326,015	–	326,115
Total monetary liabilities	41,436,906	2,145,609	18,964,254	252,184	62,798,953
Net currency position	9,074,858	(1,132,373)	(1,029,179)	(76,320)	6,836,986

Bank

The monetary assets and liabilities held in RON and in foreign currencies at June 30, 2024 are presented below:

<i>In RON thousand</i>	RON	USD	EUR	OTHER	Total
Monetary assets					
Cash and cash with Central Bank	11,015,517	16,156	2,879,979	5,573	13,917,225
Loans and advances to banks at amortised cost	295,077	490,946	1,045,249	3,091	1,834,363
Derivative assets held for risk management	8,006	–	3,374	4	11,384
Trading assets	398,338	–	38,126	–	436,464
Financial assets mandatorily at fair value through profit or loss	102,754	19,974	6,845	13,215	142,788
Investment securities at fair value through other comprehensive income	2,531,761	–	344,089	–	2,875,850
Equity instruments at fair value through other comprehensive income	33,967	68,575	–	–	102,542
Investment in subsidiaries, associates and joint ventures	110,475	–	–	–	110,475
Loans and advances to customers at amortised cost	28,158,975	883,144	11,844,131	131,065	41,017,315
Derivatives Asset- Hedge accounting	179	–	39,551	–	39,730
Fair value changes of the hedged items-Assets-Hedge accounting	–	–	1,523	–	1,523
Investment securities at amortised cost	10,609,981	44,173	1,514,768	–	12,168,922
Other assets	191,498	2,280	44,313	119	238,210
Total monetary assets	53,456,528	1,525,248	17,761,948	153,067	72,896,791
Monetary liabilities					
Trading liabilities	92,705	–	170	–	92,875
Derivative liabilities held for risk management	–	–	963	–	963
Deposits from banks	349,026	221	149,307	1	498,555
Deposits from customers	39,420,094	1,795,049	15,931,963	208,654	57,355,760
Loans from banks and other financial institutions	172,294	–	–	–	172,294
Derivatives – hedge accounting	684	–	3,333	–	4,017
Fair value changes of the hedged items-liability	3,330	–	–	–	3,330
Other liabilities	1,563,479	74,501	533,916	13,882	2,185,778
Debt securities issued	4,014,478	–	1,575,213	–	5,589,691
Subordinated loans	–	–	326,106	–	326,106
Total monetary liabilities	45,616,090	1,869,771	18,520,971	222,537	66,229,369
Net currency position	7,840,438	(344,523)	(759,023)	(69,470)	6,667,422

Bank

The monetary assets and liabilities held in RON and in foreign currencies at December 31, 2023 are presented below:

<i>In RON thousand</i>	RON	USD	EUR	OTHER	Total
Monetary assets					
Cash and cash with Central Bank	10,548,620	14,939	3,232,803	6,453	13,802,815
Loans and advances to banks at amortised cost	99,482	26,031	366,961	2,783	495,257
Derivative assets held for risk management	15,083	–	3,035	67	18,185
Trading assets	139,015	–	42,301	–	181,316
Financial assets mandatorily at fair value through profit or loss	113,221	18,553	8,034	16,305	156,113
Investment securities at fair value through other comprehensive income	2,359,950	18	344,910	–	2,704,878
Equity instruments at fair value through other comprehensive income	24,798	65,781	–	–	90,579
Investment in subsidiaries, associates and joint ventures	110,475	–	–	–	110,475
Loans and advances to customers at amortised cost	28,428,090	696,023	11,985,263	150,061	41,259,437
Derivatives Asset- Hedge accounting	559	–	37,234	–	37,793
Investment securities at amortised cost	8,400,832	191,093	1,421,172	–	10,013,097
Other assets	119,255	783	41,069	195	161,302
Total monetary assets	50,359,380	1,013,221	17,482,782	175,864	69,031,247
Monetary liabilities					
Trading liabilities	9,271	–	169	–	9,440
Derivative liabilities held for risk management	87	97	291	200	675
Deposits from banks	441,124	105	53,183	516	494,928
Deposits from customers	36,375,122	2,055,742	15,821,037	236,970	54,488,871
Loans from banks and other financial institutions	1,745	–	–	–	1,745
Derivatives – Hedge accounting	709	–	–	–	709
Fair value changes of the hedged items-liability	4,940	–	–	–	4,940
Other liabilities	613,821	89,651	763,157	14,498	1,481,127
Debt securities issued	4,007,815	–	1,547,189	–	5,555,004
Subordinated loans	–	–	326,015	–	326,015
Total monetary liabilities	41,454,634	2,145,595	18,511,041	252,184	62,363,454
Net currency position	8,904,746	(1,132,374)	(1,028,259)	(76,320)	6,667,793

Derivative financial instruments used by the Group to mitigate currency risk include foreign exchange swaps.

6. USE OF ESTIMATES AND JUDGMENTS

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

Impairment allowance on loans and advances

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

Fair value of financial instruments

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

Valuation of financial instruments

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

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

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

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

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

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

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

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

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

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

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

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

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

Market development

Economy remained on an upward trend in the first half of 2024, but economic growth unexpectedly decelerated. Real GDP from the first half of 2024 was only 0.7% above its level from the similar period in 2023. Industrial activity failed to rebound as initially was expected, while modest gains were recorded in the sectors of services and construction. However, both households' consumption and investments showed solid gains in H1 2024, increasing by 5.8% YoY and by 6% YoY respectively. Strong increase in real disposable income was the key driver of solid gain in households' consumption in H1 2024, while public investment also increased rapidly.

Macroeconomic imbalances enlarged during the first half of the year. Exports of goods and services suffered due to weak external demand, while imports increased on the back of solid domestic demand. As a result, both foreign trade deficit and the current account deficit were on the increase in H1 2024. Also, the public budget deficit increased substantially in H1 2024 on the back of a surge in public expenses.

Disinflation process was on track in the first half of 2024, and annual inflation rate decreased to 4.9% in June 2024 from 6.6% in December 2023. Central bank remained on hold in the first half of the year, but favourable inflation dynamics started to fuel expectations regarding the start of the key rate cutting cycle. A very large liquidity surplus persisted in the money market, resulting in some decreases of ROBOR rates with maturities above one month during H1 2024. Interest rates on banking loans and deposits were also on a decreasing path during H1 2024.

The national aid package of state guarantees and interest subsidies to support the financing of the SME sector under the IMM INVEST program (and the subprograms and program components, all related to the state aid scheme initiated to combat the effects of the Covid pandemic) and IMM INVEST PLUS (and program components, related to the state aid scheme that supports companies affected by the effects of the war in Ukraine for the year 2023) was worth 26.1 billion RON. Within them, the eligible clients received grants in the form of interest for the financing from these programs/subprograms, subsidizing the commissions related to the financing and, for part of the IMM INVEST subprograms, a non-refundable component of 10% of the used value of the financing. On June 30, 2024, the Bank held a number of 5,138 active contracts, with a financed value of 5.8 billion RON.

The methodology of **Non-retail** impairment estimation was revised and adapted periodically to support a prudent approach and to capture the expected credit risk evolution by monitoring the current economic environment. During 2024 Non Retail impairment methodology was revised as follows:

- Reviewing and maintaining SRFs in place ('Office RE' of 7.5 million EUR, 'Refinancing risk' of 3.9 million EUR and 'Fiscal measures' of 23.7 million EUR) since no significant changes in the current economic environment was noticed from the implementation;
- Updating parameters and macroeconomic scenarios.

Compared to 2023 the cumulated effect of the measures described above is a release of EUR 0.3 million in provision amount for Stage 1&2 Non-retail portfolio.

The methodology of **Retail** impairment calculation was revised and adapted periodically to support a prudent approach and to capture the expected credit risk evolution by monitoring the current economic environment. During 2024, Retail impairment methodology consists in:

- Preserving “Defaulted Portfolio” PMA for PI in order to maintain an adequate provisioning coverage. As of June 30, 2024, the total allocated PMA for Stage 3 PI loans is EUR 15.4 million;
- Maintaining “Inflation/Energy” PMA for PI portfolio and “Fiscal measures” PMA for Micro, considering the potential risks and challenges which derive from: fiscal uncertainties correlated with upcoming elections, new pension legislation and energy grants scheme (which will be eliminated in March 2025). As of June 30, 2024, the total allocated PMA for Retail Stage 2 provisions is EUR 9.6 million (EUR 5.6 millions for PI loans and EUR 4 million for Micro loans);
- Updating IFRS parameters, calibration and macroeconomic scenarios. The cumulated effect as of June 30, 2024 is a release of EUR 9.4 million (EUR 8.6 million PI and EUR 0.8 million Micro).

7. FINANCIAL ASSETS AND LIABILITIES

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

Group

<i>In RON thousand</i>	Note	Level 1	Level 2	Level 3	Total	Carrying amount
30 June 2024						
Financial assets						
Financial instruments measured at fair value						
Trading assets, out of which:	18	430,102	6,362	-	436,464	436,464
<i>Debt securities</i>		430,102	-	-	430,102	430,102
<i>Foreign exchange contracts</i>		-	6,319	-	6,319	6,319
<i>Interest rate swaps</i>		-	43	-	43	43
Derivative assets held for risk management	19	-	11,384	-	11,384	11,384
Financial assets mandatorily at fair value through profit or loss, out of which:	26	24,940	19,974	122,814	167,728	167,728
<i>Loans and advances to customers</i>		-	-	122,814	122,814	122,814
<i>Debt securities and equity instruments</i>		24,940	19,974	-	44,914	44,914
Investment securities at fair value through other comprehensive income, out of which:	22	2,169,408	252,797	453,645	2,875,850	2,875,850
<i>Bonds issued by General Governments</i>		2,169,408	-	-	2,169,408	2,169,408
<i>Bonds issued by credit institutions</i>		-	252,797	-	252,797	252,797
<i>Bonds issued by other public sector</i>		-	-	453,645	453,645	453,645
Equity instruments at fair value through other comprehensive income	23	68,575	-	33,967	102,542	102,542
Derivatives Asset- Hedge accounting	27	-	39,730	-	39,730	39,730
Fair value changes of the hedged items-Assets-Hedge accounting	27	-	1,523	-	1,523	1,523
Financial instruments for which fair value is disclosed						
Cash and cash with Central Bank	17	13,984,842	-	-	13,984,842	13,984,842
Loans and advances to banks at amortised cost	20	1,874,598	-	-	1,874,598	1,874,598
Loans and advances to customers at amortised cost	21	-	-	41,762,985	41,762,985	41,629,575
Investment securities at amortised cost	24	11,515,272	313,295	75,153	11,903,720	12,180,984
Other assets	28	-	-	273,393	273,393	273,393
Financial liabilities						
Financial instruments measured at fair value						
Trading liabilities	18	-	92,875	-	92,875	92,875
Derivative liabilities held for risk management	19	-	963	-	963	963
Derivatives - hedge accounting	27	-	4,017	-	4,017	4,017
Fair value changes of the hedged items-liability	27	-	3,330	-	3,330	3,330
Financial instruments for which fair value is disclosed						
Deposits from banks	32	498,556	-	-	498,556	498,555
Deposits from customers	33	-	-	57,190,356	57,190,356	57,236,345
Loans from banks and other financial institutions	34	-	-	785,822	785,822	785,847
Debt securities issued	34	-	5,535,051	-	5,535,051	5,589,691
Subordinated loans	34	-	-	327,866	327,866	326,106
Other liabilities	35	-	-	2,222,458	2,222,458	2,222,458

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

Group

<i>In RON thousand</i>	Note	Level 1	Level 2	Level 3	Total	Carrying amount
31 December 2023						
Financial assets						
Financial instruments measured at fair value						
Trading assets, out of which:	18	177,901	3,415	–	181,316	181,316
<i>Debt securities</i>		177,901	–	–	177,901	177,901
<i>Foreign exchange contracts</i>		–	3,355	–	3,355	3,355
<i>Interest rate swaps</i>		–	60	–	60	60
Derivative assets held for risk management	19	–	18,185	–	18,185	18,185
Financial assets mandatorily at fair value through profit or loss, out of which:	26	22,314	18,553	137,560	178,427	178,427
<i>Loans and advances to customers</i>		–	–	137,560	137,560	137,560
<i>Debt securities and equity instruments</i>		22,314	18,553	–	40,867	40,867
Investment securities at fair value through other comprehensive income, out of which:	22	1,994,966	252,967	477,273	2,725,206	2,725,206
<i>Bonds issued by the Government of Romania</i>		1,994,966	–	–	1,994,966	1,994,966
<i>Bonds issued by credit institutions</i>		–	252,967	–	252,967	252,967
<i>Bonds issued by other public sector</i>		–	–	477,273	477,273	477,273
Equity instruments at fair value through other comprehensive income	23	65,781	–	24,798	90,579	90,579
Derivatives Asset- Hedge accounting	27	–	37,793	–	37,793	37,793
Financial instruments for which fair value is disclosed						
Cash and cash with Central Bank	17	13,867,449	–	–	13,867,449	13,867,449
Loans and advances to banks at amortised cost	20	484,640	–	–	484,640	484,640
Loans and advances to customers at amortised cost	21	–	–	41,810,068	41,810,068	41,813,234
Investment securities at amortised cost	24	9,464,052	309,882	71,951	9,845,885	10,026,621
Other assets	28	–	–	193,637	193,637	193,637
Financial liabilities						
Financial instruments measured at fair value						
Trading liabilities	18	–	9,440	–	9,440	9,440
Derivative liabilities held for risk management	19	–	675	–	675	675
Fair value changes of the hedged items-liability	27	–	4,940	–	4,940	4,940
Derivatives – hedge accounting	27	–	709	–	709	709
Financial instruments for which fair value is disclosed						
Deposits from banks	32	494,933	–	–	494,933	494,928
Deposits from customers	33	–	–	54,346,579	54,346,579	54,400,238
Loans from banks and other financial institutions	34	–	–	488,502	488,502	488,558
Debt securities issued	34	–	5,423,599	–	5,423,599	5,555,004
Subordinated loans	34	–	–	328,008	328,008	326,115
Other liabilities	35	–	–	1,518,346	1,518,346	1,518,346

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

Bank

<i>In RON thousand</i>	Note	Level 1	Level 2	Level 3	Total	Carrying amount
30 June 2024						
Financial assets						
Financial instruments measured at fair value						
Trading assets, out of which:	18	430,102	6,362	–	436,464	436,464
<i>Debt securities</i>		430,102	–	–	430,102	430,102
<i>Foreign exchange contracts</i>		–	6,319	–	6,319	6,319
<i>Interest rate swaps</i>		–	43	–	43	43
Derivative assets held for risk management	19	–	11,384	–	11,384	11,384
Financial assets mandatorily at fair value through profit or loss, out of which:	26	–	19,974	122,814	142,788	142,788
<i>Loans and advances to customers</i>		–	–	122,814	122,814	122,814
<i>Debt securities and equity instruments</i>		–	19,974	–	19,974	19,974
Investment securities at fair value through other comprehensive income, out of which:	22	2,169,408	252,797	453,645	2,875,850	2,875,850
<i>Bonds issued by General Governments</i>		2,169,408	–	–	2,169,408	2,169,408
<i>Bonds issued by credit institutions</i>		–	252,797	–	252,797	252,797
<i>Bonds issued by other public sector</i>		–	–	453,645	453,645	453,645
Equity instruments at fair value through other comprehensive income	23	68,575	–	33,967	102,542	102,542
Derivatives Asset- Hedge accounting	27	–	39,730	–	39,730	39,730
Fair value changes of the hedged items-Assets-Hedge accounting	27	–	1,523	–	1,523	1,523
Financial instruments for which fair value is disclosed						
Cash and cash with Central Bank	17	13,917,225	–	–	13,917,225	13,917,225
Loans and advances to banks at amortised cost	20	1,834,363	–	–	1,834,363	1,834,363
Loans and advances to customers at amortised cost	21	–	–	41,150,725	41,150,725	41,017,315
Investment securities at amortised cost	24	11,503,479	313,295	75,153	11,891,927	12,168,922
Other assets	28	–	–	238,210	238,210	238,210
Financial liabilities						
Financial instruments measured at fair value						
Trading liabilities	18	–	92,875	–	92,875	92,875
Derivative liabilities held for risk management	19	–	963	–	963	963
Derivatives – hedge accounting	27	–	4,017	–	4,017	4,017
Fair value changes of the hedged items-liability	27	–	3,330	–	3,330	3,330
Financial instruments for which fair value is disclosed						
Deposits from banks	32	498,556	–	–	498,556	498,555
Deposits from customers	33	–	–	57,309,771	57,309,771	57,355,760
Loans from banks and other financial institutions	34	–	–	172,269	172,269	172,294
Debt securities issued	34	–	5,535,051	–	5,535,051	5,589,691
Subordinated loans	34	–	–	327,866	327,866	326,106
Other liabilities	35	–	–	2,185,778	2,185,778	2,185,778

The table below analyses financial instruments by using the valuation methods described in Note 6:

Bank

<i>In RON thousand</i>	Note	Level 1	Level 2	Level 3	Total	Carrying amount
31 December 2023						
Financial assets						
Financial instruments measured at fair value						
Trading assets, out of which:	18	177,901	3,415	–	181,316	181,316
<i>Debt securities</i>		177,901	–	–	177,901	177,901
<i>Foreign exchange contracts</i>		–	3,355	–	3,355	3,355
<i>Interest rate swaps</i>		–	60	–	60	60
Derivative assets held for risk management	19	–	18,185	–	18,185	18,185
Financial assets mandatorily at fair value through profit or loss, out of which:	26	–	18,553	137,560	156,113	156,113
<i>Loans and advances to customers</i>		–	–	137,560	137,560	137,560
<i>Debt securities and equity instruments</i>		–	18,553	–	18,553	18,553
Investment securities at fair value through other comprehensive income, out of which:	22	1,974,638	252,967	477,273	2,704,878	2,704,878
<i>Bonds issued by the Government of Romania</i>		1,974,638	–	–	1,974,638	1,974,638
<i>Bonds issued by credit institutions</i>		–	252,967	–	252,967	252,967
<i>Bonds issued by other public sector</i>		–	–	477,273	477,273	477,273
Equity instruments at fair value through other comprehensive income	23	65,781	–	24,798	90,579	90,579
Derivatives Asset- Hedge accounting	27	–	37,793	–	37,793	37,793
Financial instruments for which fair value is disclosed						
Cash and cash with Central Bank	17	13,802,815	–	–	13,802,815	13,802,815
Loans and advances to banks at amortised cost	20	495,257	–	–	495,257	495,257
Loans and advances to customers at amortised cost	21	–	–	41,256,270	41,256,270	41,259,437
Investment securities at amortised cost	24	9,450,902	309,883	71,951	9,832,736	10,013,097
Other assets	28	–	–	161,302	161,302	161,302
Financial liabilities						
Financial instruments measured at fair value						
Trading liabilities	18	–	9,440	–	9,440	9,440
Derivative liabilities held for risk management	19	–	675	–	675	675
Fair value changes of the hedged items-liability	27	–	4,940	–	4,940	4,940
Derivatives – Hedge accounting	27	–	709	–	709	709
Financial instruments for which fair value is disclosed						
Deposits from banks	32	494,933	–	–	494,933	494,928
Deposits from customers	33	–	–	54,435,212	54,435,212	54,488,871
Loans from banks and other financial institutions	34	–	–	1,688	1,688	1,745
Debt securities issued	34	–	5,423,599	–	5,423,599	5,555,004
Subordinated loans	34	–	–	328,008	328,008	326,015
Other liabilities	35	–	–	1,481,127	1,481,127	1,481,127

The below table presents the measurements categories for financial instruments:

Group

<i>In RON thousand</i>	Note	Held for trading	Mandatorily at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount	Fair value
30 June 2024							
Financial assets							
Cash and cash with Central Bank	17	-	-	-	13,984,842	13,984,842	13,984,842
Trading assets	18	436,464	-	-	-	436,464	436,464
Derivative assets held for risk management	19	11,384	-	-	-	11,384	11,384
Financial assets mandatorily at fair value through profit or loss	26	-	167,728	-	-	167,728	167,728
Loans and advances to banks at amortised cost	20	-	-	-	1,874,598	1,874,598	1,874,598
Loans and advances to customers at amortised cost	21	-	-	-	41,629,575	41,629,575	41,762,985
Investment securities	22, 23, 24	-	-	2,978,392	12,180,984	15,159,376	14,882,112
Derivatives Asset- Hedge accounting	27	39,730	-	-	-	39,730	39,730
Fair value changes of the hedged items-Assets-Hedge accounting	27	1,523	-	-	-	1,523	1,523
Other assets	28	-	-	-	273,393	273,393	273,393
Total financial assets		489,101	167,728	2,978,392	69,943,392	73,578,613	73,434,759
Financial liabilities							
Trading liabilities	18	92,875	-	-	-	92,875	92,875
Derivative liabilities held for risk management	19	963	-	-	-	963	963
Fair value changes of the hedged items-liability	27	3,330	-	-	-	3,330	3,330
Derivatives – Hedge accounting	27	4,017	-	-	-	4,017	4,017
Deposits from banks	32	-	-	-	498,555	498,555	498,556
Deposits from customers	33	-	-	-	57,236,345	57,236,345	57,190,356
Loans from banks and other financial institutions	34	-	-	-	785,847	785,847	785,822
Debt securities issued	34	-	-	-	5,589,691	5,589,691	5,535,051
Subordinated loans	34	-	-	-	326,106	326,106	327,866
Other liabilities	35	-	-	-	2,222,458	2,222,458	2,222,458
Total financial liabilities		101,185	-	-	66,659,002	66,760,187	66,661,294

The below table presents the measurements categories for financial instruments:

Group

<i>In RON thousand</i>	Note	Held for trading	Mandatorily at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount	Fair value
31 December 2023							
Financial assets							
Cash and cash with Central Bank	17	–	–	–	13,867,449	13,867,449	13,867,449
Trading assets	18	181,316	–	–	–	181,316	181,316
Derivative assets held for risk management	19	18,185	–	–	–	18,185	18,185
Financial assets mandatorily at fair value through profit or loss	26	–	178,427	–	–	178,427	178,427
Loans and advances to banks at amortised cost	20	–	–	–	484,640	484,640	484,640
Loans and advances to customers at amortised cost	21	–	–	–	41,813,234	41,813,234	41,810,068
Derivatives Asset– Hedge accounting	27	37,793	–	–	–	37,793	37,793
Investment securities	22, 23, 24	–	–	2,815,785	10,026,621	12,842,406	12,661,670
Other assets	28	–	–	–	193,637	193,637	193,637
Total financial assets		237,294	178,427	2,815,785	66,385,581	69,617,087	69,433,185
Financial liabilities							
Trading liabilities	18	9,440	–	–	–	9,440	9,440
Derivative liabilities held for risk management	19	675	–	–	–	675	675
Fair value changes of the hedged items-liability	27	4,940	–	–	–	4,940	4,940
Derivatives – Hedge accounting	27	709	–	–	–	709	709
Deposits from banks	32	–	–	–	494,928	494,928	494,933
Deposits from customers	33	–	–	–	54,400,238	54,400,238	54,346,579
Loans from banks and other financial institutions	34	–	–	–	488,558	488,558	488,502
Debt securities issued	34	–	–	–	5,555,004	5,555,004	5,423,599
Subordinated loans	34	–	–	–	326,115	326,115	328,008
Other liabilities	35	–	–	–	1,518,346	1,518,346	1,518,346
Total financial liabilities		15,764	–	–	62,783,189	62,798,953	62,615,731

The below table presents the measurements categories for financial instruments:

Bank

<i>In RON thousand</i>	Note	Held for trading	Mandatorily at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount	Fair value
30 June 2024							
Financial assets							
Cash and cash with Central Bank	17	–	–	–	13,917,225	13,917,225	13,917,225
Trading assets	18	436,464	–	–	–	436,464	436,464
Derivative assets held for risk management	19	11,384	–	–	–	11,384	11,384
Financial assets mandatorily at fair value through profit or loss	26	–	142,788	–	–	142,788	142,788
Loans and advances to banks at amortised cost	20	–	–	–	1,834,363	1,834,363	1,834,363
Loans and advances to customers at amortised cost	21	–	–	–	41,017,315	41,017,315	41,150,725
Investment securities	22, 23, 24	–	–	2,978,392	12,168,922	15,147,314	14,870,319
Derivatives Asset– Hedge accounting	27	39,730	–	–	–	39,730	39,730
Fair value changes of the hedged items-Assets-Hedge accounting	27	1,523	–	–	–	1,523	1,523
Other assets	28	–	–	–	238,210	238,210	238,210
Total financial assets		489,101	142,788	2,978,392	69,176,035	72,786,316	72,642,731
Financial liabilities							
Trading liabilities	18	92,875	–	–	–	92,875	92,875
Derivative liabilities held for risk management	19	963	–	–	–	963	963
Fair value changes of the hedged items-Liability	27	3,330	–	–	–	3,330	3,330
Derivatives – Hedge accounting	27	4,017	–	–	–	4,017	4,017
Deposits from banks	32	–	–	–	498,555	498,555	498,556
Deposits from customers	33	–	–	–	57,355,760	57,355,760	57,309,771
Loans from banks and other financial institutions	34	–	–	–	172,294	172,294	172,269
Debt securities issued	34	–	–	–	5,589,691	5,589,691	5,535,051
Subordinated loans	34	–	–	–	326,106	326,106	327,866
Other liabilities	35	–	–	–	2,185,778	2,185,778	2,185,778
Total financial liabilities		101,185	–	–	66,128,184	66,229,369	66,130,476

The below table presents the measurements categories for financial instruments:

Bank

<i>In RON thousand</i>	Note	Held for trading	Mandatorily at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount	Fair value
31 December 2023							
Financial assets							
Cash and cash with Central Bank	17	–	–	–	13,802,815	13,802,815	13,802,815
Trading assets	18	181,316	–	–	–	181,316	181,316
Derivative assets held for risk management	19	18,185	–	–	–	18,185	18,185
Financial assets mandatorily at fair value through profit or loss	26	–	156,113	–	–	156,113	156,113
Loans and advances to banks at amortised cost	20	–	–	–	495,257	495,257	495,257
Loans and advances to customers at amortised cost	21	–	–	–	41,259,437	41,259,437	41,256,270
Derivatives Asset- Hedge accounting	27	37,793	–	–	–	37,793	37,793
Investment securities	22, 23, 24	–	–	2,795,457	10,013,097	12,808,554	12,628,193
Other assets	28	–	–	–	161,302	161,302	161,302
Total financial assets		237,294	156,113	2,795,457	65,731,908	68,920,772	68,737,244
Financial liabilities							
Trading liabilities	18	9,440	–	–	–	9,440	9,440
Derivative liabilities held for risk management	19	675	–	–	–	675	675
Fair value changes of the hedged items-Liability	27	4,940	–	–	–	4,940	4,940
Derivatives – Hedge accounting	27	709	–	–	–	709	709
Deposits from banks	32	–	–	–	494,928	494,928	494,933
Deposits from customers	33	–	–	–	54,488,871	54,488,871	54,435,212
Loans from banks and other financial institutions	34	–	–	–	1,745	1,745	1,688
Debt securities issued	34	–	–	–	5,555,004	5,555,004	5,423,599
Subordinated loans	34	–	–	–	326,015	326,015	328,008
Other liabilities	35	–	–	–	1,481,127	1,481,127	1,481,127
Total financial liabilities		15,764	–	–	62,347,690	62,363,454	62,180,331

8. NET INTEREST INCOME

	Group		Bank	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
<i>In RON thousand</i>				
Interest income according to effective interest method				
Current accounts and loans and advances to banks	67,541	13,831	65,697	13,028
Loans and advances to customers (i)	1,609,646	1,572,355	1,628,261	1,583,916
Investments measured at fair value through other comprehensive income	54,744	61,280	54,149	60,363
Investment securities measured at amortised cost	298,031	201,806	297,747	200,617
	2,029,962	1,849,272	2,045,854	1,857,924
Interest income other				
Current accounts and loans and advances to banks	236,735	65,057	236,380	65,059
Finance leasing activity	46,190	36,204	-	-
Derivatives - Hedge accounting, interest rate risk	1,568	2,022	1,568	2,022
	284,493	103,283	237,948	67,081
Total interest income	2,314,455	1,952,555	2,283,802	1,925,005
Interest expense				
Deposits from banks	(6,892)	(5,562)	(6,892)	(5,562)
Deposits from customers	(576,563)	(414,444)	(576,520)	(414,307)
Debt securities issued	(166,438)	(108,856)	(166,438)	(108,856)
Loans from banks and subordinated liabilities	(43,119)	(40,554)	(33,991)	(34,922)
Leasing	(3,115)	(1,734)	(3,001)	(1,640)
Negative interest on financial assets	7	(14)	7	(14)
Derivatives - Hedge accounting, interest rate risk	(5,828)	(18)	(5,828)	(18)
Interest cost on benefit obligation	(1,169)	(1,424)	(1,172)	(1,411)
	(803,117)	(572,606)	(793,835)	(566,730)
Net interest income	1,511,338	1,379,949	1,489,967	1,358,275

(i) The amount of interest income from impaired loans amounts to RON 20,918 thousand (June 30, 2023: RON 17,748 thousand).

9. NET FEE AND COMMISSION INCOME

	Group		Bank	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
<i>In RON thousand</i>				
Fee and commission income				
Transactions from payments transfer business	325,250	301,188	325,250	301,188
Loans administration and guarantee issuance	40,532	36,548	40,526	36,530
Asset management fee (i)	21,475	13,106	-	-
Commissions from insurance premium collections(ii)	52,560	32,469	52,560	32,469
Finance leasing administration	7,328	6,337	-	-
Other (iii)	24,220	13,826	30,921	15,091
Total fee and commission income	471,365	403,474	449,257	385,278
Fees and commissions expense				
Commissions for payment transfer business	(144,925)	(140,120)	(144,925)	(140,120)
Loan and guarantees received from banks	(11,987)	(8,426)	(11,987)	(8,426)
For securities business	(1,846)	(2,657)	(1,815)	(1,111)
Commissions for buying/selling cash	(5,419)	-	(5,419)	-
Others	(5,280)	(1,366)	(3,869)	(26)
Total fee and commission expense	(169,457)	(152,569)	(168,015)	(149,683)
Net fee and commission income	301,908	250,905	281,242	235,595

(i) The caption "Asset management fees" includes fees obtained by Raiffeisen Asset Management S.A. from its customers and are based on the value of assets under management.

(ii) The caption "Commissions from insurance premium collections" represents fees earned by the Bank for the intermediation of insurance policies between its customers and insurance companies.

(iii) Under "Other", the Group records mainly fees for its custody activity.

10. NET TRADING INCOME

	Group		Bank	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
<i>In RON thousand</i>				
Net trading income from:				
<i>Currency based instruments (i), out of which:</i>				
• Gain/(loss) from foreign exchange derivative transactions	(1,102)	13,303	(1,102)	13,300
• Net gain on revaluation of monetary assets and foreign currency transactions	152,432	178,046	153,303	178,361
<i>Interest rate instruments (ii), out of which:</i>				
• Net trading result from government securities and corporate debt securities	13,058	7,607	13,058	7,607
• Interest rate swaps gain/(loss)	1,163	748	1,163	748
Net trading income	165,551	199,704	166,422	200,016

(i) Net foreign exchange income from currency based transactions includes gains and losses from spot and forward contracts, money market instruments, currency swaps and from the translation of foreign currency assets and liabilities.

(ii) Net trading income from interest rate instruments includes the net result on trading in government securities, corporate debt securities and interest rate swaps.

11. OTHER OPERATING INCOME

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Revenues from additional leasing services	1,996	1,561	-	-
Reversal of other provisions	4,002	876	4,002	597
Dividend income	3,510	2,896	16,740	2,896
Income from repossessed assets	133	110	133	110
Sundry income (i)	13,217	20,121	13,701	20,077
Total	22,858	25,564	34,576	23,680

(i) In "sundry income" position, the Group includes revenues from: various recoveries on sundry debtors, liabilities of the Bank which reached the prescription term and were derecognised, amounts resulted from cash reconciliation process etc.

12. OPERATING EXPENSES

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Office space expenses (i)	(37,975)	(42,349)	(37,378)	(41,320)
IT repairs and maintenance	(86,950)	(73,296)	(84,117)	(70,826)
Depreciation and amortization (Note 30 and 31)	(130,082)	(123,705)	(128,212)	(122,252)
Bank levies (iv)	(58,781)	-	(58,781)	-
Deposit insurance fees (ii)	(18,279)	(17,969)	(18,279)	(17,969)
Resolution fund fee (iii)	(21,071)	(30,635)	(21,048)	(30,605)
Security expenses	(21,709)	(24,454)	(21,704)	(24,428)
Advertising	(32,067)	(29,811)	(31,724)	(29,572)
Expenses for short term lease	-	(2,851)	-	(2,851)
Charge of litigation provision	(1,841)	(7,161)	(1,841)	(7,161)
Legal, advisory and consulting expenses	(18,590)	(17,340)	(17,893)	(16,528)
Postal and telecommunication expenses	(56,950)	(48,083)	(56,688)	(47,849)
Office supplies	(18,679)	(15,772)	(18,618)	(15,699)
Sundry operating expenses	(18,166)	(16,868)	(15,703)	(15,434)
Charge of other provisions	(5,546)	(3,405)	(8,394)	(3,405)
Training expenses for staff	(2,318)	(5,873)	(2,179)	(5,578)
Travelling expenses	(2,133)	(1,500)	(2,052)	(1,435)
Transport costs	(3,574)	(3,109)	(3,326)	(2,897)
Other taxes	(2,395)	(1,748)	(1,381)	(943)
Total	(537,106)	(465,929)	(529,318)	(456,752)

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

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

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

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

(iv) Within a package of tax reforms, Law 296/2023 introduced starting with 2024 an additional permanent banking fee, applicable to all credit institutions in Romania, regardless of the recorded financial result, with the introduction of differentiated tax rates, as follows:

- a) 2% of turnover, for the period 1 January 2024 – 31 December 2025 inclusive.
- b) 1% of turnover, as of 1 January 2026.

This tax on the operational income of banks was introduced to be paid in addition to the corporate income tax.

13. PERSONNEL EXPENSES

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Salary expense	(420,372)	(378,727)	(400,898)	(362,699)
Social contributions	(13,433)	(11,943)	(12,949)	(11,609)
Other staff expenses	(22,277)	(14,041)	(21,500)	(13,385)
Expenses for defined benefit pension plans	(7,120)	(271)	(7,120)	(271)
Long term employee benefits	(2,510)	(2,189)	(2,494)	(2,246)
Total	(465,712)	(407,171)	(444,961)	(390,210)

The number of employees at Group level as at June 30, 2024 was 5,011 (December 31, 2023: 5,037). The number of employees at Bank level as at June 30, 2024 was 4,858 (December 31, 2023: 4,879).

14. IMPAIRMENT (LOSSES)/REVERSALS

Group	30 June 2024				
<i>In RON thousand</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Non-retail					
Loans and advances to banks at amortised cost	(25)	78	–	–	53
Loans and advances to customers at amortised cost	4,892	(4,161)	(2,213)	5,572	4,090
Loan commitments and financial guarantees	(1,512)	(1,134)	318	–	(2,328)
Investment securities at amortised cost	(2,537)	–	–	–	(2,537)
Loans written-off	–	(160)	(109)	(2,478)	(2,747)
Recoveries from loans and advances to customers	–	–	6,255	684	6,939
Total non-retail	818	(5,377)	4,251	3,778	3,470
Retail					
Loans and advances to customers at amortised cost	10,137	53,836	(82,548)	7,000	(11,575)
Loan commitments and financial guarantees	140	305	(969)	–	(524)
Loans written-off	–	(2,324)	(801)	(14,064)	(17,189)
Recoveries from loans and advances to customers	–	1,918	18,505	7,612	28,035
Total retail	10,277	53,735	(65,813)	548	(1,253)
Total	11,095	48,358	(61,562)	4,326	2,217
Group	30 June 2023				
<i>In RON thousand</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Non-retail					
Loans and advances to customers at amortised cost	1,662	(2,876)	(625)	3,146	1,307
Loan commitments and financial guarantees	5,956	172	18,129	–	24,257
Investment securities at amortised cost	(116)	–	–	–	(116)
Loans written-off	–	(1,052)	(14,820)	–	(15,872)
Recoveries from loans and advances to customers	–	–	23,281	3,160	26,441
Total non-retail	7,502	(3,756)	25,965	6,306	36,017
Retail					
Loans and advances to customers at amortised cost	26,915	25,200	(77,473)	6,768	(18,590)
Loan commitments and financial guarantees	2,163	3,988	2,015	–	8,166
Loans written-off	–	(955)	(2,437)	(212)	(3,604)
Recoveries from loans and advances to customers	–	–	63,404	1,627	65,031
Total retail	29,078	28,233	(14,491)	8,183	51,003
Total	36,580	24,477	11,474	14,489	87,020

Bank	30 June 2024				
<i>In RON thousand</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Non-retail					
Loans and advances to banks at amortised cost	(25)	78	–	–	53
Loans and advances to customers at amortised cost	5,753	(4,528)	(978)	5,606	5,853
Loan commitments and financial guarantees	(1,512)	(1,134)	318	–	(2,328)
Investment securities at amortised cost	(2,537)	–	–	–	(2,537)
Loans written-off	–	(160)	(58)	(2,478)	(2,696)
Recoveries from loans and advances to customers	–	–	6,255	684	6,939
Total non-retail	1,679	(5,744)	5,537	3,812	5,284
Retail					
Loans and advances to customers at amortised cost	10,096	53,833	(82,577)	7,000	(11,648)
Loan commitments and financial guarantees	140	305	(969)	–	(524)
Loans written-off	–	(2,324)	(801)	(14,064)	(17,189)
Recoveries from loans and advances to customers	–	1,918	18,098	7,612	27,628
Total retail	10,236	53,732	(66,249)	548	(1,733)
Total	11,915	47,988	(60,712)	4,360	3,551

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

The release of impairment loss in 2023 was generated by the following factors: new IFRS models implementation in February 2023 together with the positive outlook for the macro factors.

The contractual amount outstanding on credit exposures that were written off and are still subject to enforcement activity during the period as of June 30, 2024 is RON 38,438 thousand (December 31, 2023: RON 46,701 thousand), out of which non-retail exposures in amount of RON 14,141 thousand (December 31, 2023: RON 5,028 thousand) and retail exposures in amount of RON 24,297 thousand (December 31, 2023: RON 41,673 thousand).

15. INCOME TAX EXPENSE

i) INCOME TAX EXPENSE

	Group		Bank	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
<i>In RON thousand</i>				
Current tax expenses at 16% (2023:16%) of taxable profits determined in accordance with Romanian law	(170,305)	(168,429)	(167,124)	(165,763)
Adjustments recognized in the period for current tax of prior periods	(2,709)	–	(2,710)	–
Deferred tax expense / (income) (Note 29)	(10,817)	(34,804)	(10,869)	(33,802)
Total	(183,831)	(203,233)	(180,703)	(199,565)

ii) INCOME TAX RECEIVABLE

	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
<i>In RON thousand</i>				
Non current tax receivable – Gross Book Value *	143,246	143,246	143,246	143,246
Provision for Non current tax receivable	(93,784)	(93,784)	(93,784)	(93,784)
Total	49,462	49,462	49,462	49,462

*According to IFRIC 23, as of June 30, 2024, the carrying amount of income taxes with uncertain treatment is RON 143,246 thousand (December 31, 2023: RON 143,246 thousand) and the correspondent provision is RON 93,784 thousand (December 31, 2023: RON 93,784 thousand) and resulted from the tax audit detailed in note 28 "Other assets". This amount includes income tax (principal and related penalties). In this respect, the taxation authority and the court represent the bodies that decide whether tax treatments are acceptable under tax law.

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

	Group		Bank	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
<i>In RON thousand</i>				
Gross profit before tax	1,006,730	1,093,096	1,002,762	1,073,098
Taxation at statutory rate of 16% (2023: 16%)	(161,077)	(174,895)	(160,442)	(171,696)
Non-deductible expenses	(43,523)	(47,105)	(41,853)	(48,191)
Non-taxable revenues	23,039	15,690	23,862	17,245
Corporate income tax before fiscal credit	(181,561)	(206,310)	(178,433)	(202,642)
Fiscal credit	440	3,077	440	3,077
Adjustments recognized in the period for current tax of prior periods	(2,710)	–	(2,710)	–
Corporate income tax	(183,831)	(203,233)	(180,703)	(199,565)
Income tax resulted from tax inspection	–	–	–	–
Income tax expense	(183,831)	(203,233)	(180,703)	(199,565)

The main non-taxable income is from reversal of provisions and dividends received. Non-deductible expenses are from provisions, sponsorships, accruals and other non-deductible expenses according to the Fiscal Code. In 2024 the non deductible expenses are affected by the turnover tax, applicable starting with 1st of January 2024.

17. CASH AND CASH WITH CENTRAL BANK

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Cash and cash equivalents	1,645,025	2,108,370	1,645,015	2,108,360
Minimum compulsory reserve	8,182,739	11,759,079	8,115,132	11,694,455
Other demand deposits	4,157,078	–	4,157,078	–
Total	13,984,842	13,867,449	13,917,225	13,802,815

The Bank maintains with the National Bank of Romania the minimum compulsory reserve established under Regulation no. 6/2002 issued by the National Bank of Romania, with subsequent amendments and addendums. As of June 30, 2024, the mandatory minimum reserve ratio was 8% (December 31, 2023: 8%) for funds raised in RON and 5% (December 31, 2023: 5%) for funds in foreign currency with residual maturity of less than 2 years, at the end of the observation period. For liabilities having residual maturity over 2 years at the end of the observation period, without reimbursement, conversion or early retirement clauses, compulsory minimum reserve ratio was set at 0% (December 31, 2023: 0%).

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

18. TRADING ASSETS / LIABILITIES

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Trading assets				
Debt instruments	430,102	177,901	430,102	177,901
Derivative financial instruments	6,362	3,415	6,362	3,415
Total	436,464	181,316	436,464	181,316
Trading liabilities				
Derivative financial instruments	8,340	6,539	8,340	6,539
Short position	84,535	2,901	84,535	2,901
Total	92,875	9,440	92,875	9,440

19. DERIVATIVES HELD FOR RISK MANAGEMENT

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

Group

30 June 2024

In RON thousand

OTC products:

Cross currency Interest rate swaps

FX swap

Interest rate swaps

Total

	Notional buy	Notional sell	Fair value	
			Assets	Liabilities
Cross currency Interest rate swaps	147,305	147,305	8,005	-
FX swap	361,928	362,970	37	963
Interest rate swaps	49,771	49,771	3,342	-
Total			11,384	963

31 December 2023

In RON thousand

OTC products:

Cross currency Interest rate swaps

FX swap

Interest rate swaps

Total

	Notional buy	Notional sell	Fair value	
			Assets	Liabilities
Cross currency Interest rate swaps	177,153	177,153	13,351	-
FX swap	1,309,448	1,309,889	589	588
Interest rate swaps	146,746	146,746	4,245	87
Total			18,185	675

Bank

30 June 2024

In RON thousand

OTC products:

Cross currency Interest rate swaps

FX swap

Interest rate swaps

Total

	Notional buy	Notional sell	Fair value	
			Assets	Liabilities
Cross currency Interest rate swaps	147,305	147,305	8,005	-
FX swap	361,928	362,970	37	963
Interest rate swaps	49,771	49,771	3,342	-
Total			11,384	963

31 December 2023

In RON thousand

OTC products:

Cross currency Interest rate swaps

FX swap

Interest rate swaps

Total

	Notional buy	Notional sell	Fair value	
			Assets	Liabilities
Cross currency Interest rate swaps	177,153	177,153	13,351	-
FX swap	1,309,448	1,309,889	589	588
Interest rate swaps	146,746	146,746	4,245	87
Total			18,185	675

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

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

20. LOANS AND ADVANCES TO BANKS AT AMORTISED COST

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Refundable at request	77,485	94,551	25,425	93,307
Sight deposits	529,730	164,872	529,730	164,872
Term deposits	2,922	22,827	2,922	22,827
Reverse repo	915,547	2,918	915,547	2,918
Term loans	348,914	199,472	348,914	199,472
Subordinated loans	-	-	11,825	11,861
Total	1,874,598	484,640	1,834,363	495,257

21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST

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

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Non-retail				
Gross exposure	22,152,124	22,511,941	22,053,378	22,389,976
Impairment allowance	(396,845)	(397,070)	(373,673)	(374,935)
Net exposure	21,755,279	22,114,871	21,679,705	22,015,041
Retail				
Gross exposure	20,702,243	20,528,701	20,150,082	20,059,898
Impairment allowance	(827,947)	(830,338)	(812,472)	(815,502)
Net exposure	19,874,296	19,698,363	19,337,610	19,244,396
Total net exposure	41,629,575	41,813,234	41,017,315	41,259,437

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

Group	30 June 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<i>In RON thousand</i>					
Non-retail					
Gross carrying amount as at 1 January 2024	20,175,925	2,081,654	216,080	38,282	22,511,941
New assets originated or purchased	5,233,851	271,806	20,135	547	5,526,339
Assets derecognised or repaid (excluding write offs)	(5,315,098)	(536,108)	(42,949)	(5,741)	(5,899,896)
Transfers to Stage 1	623,285	(623,285)	-	-	-
Transfers to Stage 2	(1,435,141)	1,438,757	-	-	3,616
Transfers to Stage 3	(5,175)	(49,815)	54,991	-	1
Decrease due to write-offs	-	-	(9,764)	-	(9,764)
Foreign exchange adjustments	18,697	1,161	29	-	19,887
Total non-retail gross carrying amount as at 30 June 2024	19,296,344	2,584,170	238,522	33,088	22,152,124
<i>In RON thousand</i>					
Retail					
Gross carrying amount as at 1 January 2024	16,594,728	2,965,013	792,227	176,733	20,528,701
New assets originated or purchased	4,257,581	110,074	2,627	5,895	4,376,177
Assets derecognised or repaid (excluding write offs)	(3,401,498)	(666,015)	(94,887)	(12,718)	(4,175,118)
Transfers to Stage 1	2,910,004	(2,896,649)	(13,355)	-	-
Transfers to Stage 2	(3,533,270)	3,573,604	(43,950)	-	(3,616)
Transfers to Stage 3	(23,825)	(237,255)	261,080	-	-
Decrease due to write-offs	-	-	(15,939)	-	(15,939)
Foreign exchange adjustments	382	(4,993)	(2,481)	(870)	(7,962)
Total retail gross carrying amount as at 30 June 2024	16,804,102	2,843,779	885,322	169,040	20,702,243
Total gross carrying amount	36,100,446	5,427,949	1,123,844	202,128	42,854,367

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

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

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

Bank	30 June 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<i>In RON thousand</i>					
Non-retail					
Gross carrying amount as at 1 January 2024	20,368,735	1,782,670	200,289	38,282	22,389,976
New assets originated or purchased	5,221,102	222,822	19,866	547	5,464,337
Assets derecognised or repaid (excluding write offs)	(5,272,825)	(491,362)	(41,130)	(5,741)	(5,811,058)
Transfers to Stage 1	578,617	(578,617)	-	-	-
Transfers to Stage 2	(1,412,583)	1,412,583	-	-	-
Transfers to Stage 3	(3,736)	(48,759)	52,495	-	-
Decrease due to write-offs	-	-	(9,764)	-	(9,764)
Foreign exchange adjustments	18,697	1,161	29	-	19,887
Total non-retail gross carrying amount as at 30 June 2024	19,498,007	2,300,498	221,785	33,088	22,053,378
<i>In RON thousand</i>					
Retail					
Gross carrying amount as at 1 January 2024	16,213,528	2,891,756	777,881	176,733	20,059,898
New assets originated or purchased	4,089,769	105,139	2,583	5,895	4,203,386
Assets derecognised or repaid (excluding write offs)	(3,335,497)	(649,474)	(91,612)	(12,718)	(4,089,301)
Transfers to Stage 1	2,908,125	(2,895,607)	(12,518)	-	-
Transfers to Stage 2	(3,524,396)	3,568,346	(43,950)	-	-
Transfers to Stage 3	(20,680)	(233,748)	254,428	-	-
Decrease due to write-offs	-	-	(15,939)	-	(15,939)
Foreign exchange adjustments	382	(4,993)	(2,481)	(870)	(7,962)
Total retail gross carrying amount as at 30 June 2024	16,331,231	2,781,419	868,392	169,040	20,150,082
Total gross carrying amount	35,829,238	5,081,917	1,090,177	202,128	42,203,460

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

Bank

In RON thousand

Non-retail

	30 June 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1 January 2023	17,402,955	2,541,618	219,746	48,051	20,212,370
New assets originated or purchased	7,377,108	420,391	12,121	423	7,810,043
Assets derecognised or repaid (excluding write offs)	(5,416,513)	(801,171)	(102,514)	(5,537)	(6,325,735)
Transfers to Stage 1	1,077,661	(1,077,661)	-	-	-
Transfers to Stage 2	(1,420,141)	1,421,378	(1,237)	-	-
Transfers to Stage 3	(3,020)	(40,280)	43,300	-	-
Decrease due to write-offs	-	-	(5)	-	(5)
Foreign exchange adjustments	32,353	4,200	(195)	20	36,378
Total non-retail gross carrying amount as at 30 June 2023	19,050,403	2,468,475	171,216	42,957	21,733,051

In RON thousand

Retail

	30 June 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1 January 2023	17,438,371	2,132,357	703,664	178,007	20,452,399
New assets originated or purchased	2,563,799	597,024	5,433	7,516	3,173,772
Assets derecognised or repaid (excluding write offs)	(2,520,904)	(506,795)	(181,859)	(1,355)	(3,210,913)
Transfers to Stage 1	3,445,625	(3,432,488)	(13,137)	-	-
Transfers to Stage 2	(3,957,116)	4,000,291	(43,175)	-	-
Transfers to Stage 3	(20,662)	(254,405)	275,067	-	-
Decrease due to write-offs	-	-	(9,916)	-	(9,916)
Foreign exchange adjustments	3,371	2,179	772	441	6,763
Total retail gross carrying amount as at 30 June 2023	16,952,484	2,538,163	736,849	184,609	20,412,105

Total gross carrying amount

36,002,887	5,006,638	908,065	227,566	42,145,156
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The tables below present an analysis of changes in the ECL allowances as follows:

Group	30 June 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<i>In RON thousand</i>					
Non-retail					
ECL allowance as at 1 January 2024	142,805	85,661	136,647	31,957	397,070
New assets originated or purchased	43,117	5,391	10,285	-	58,793
Assets derecognised or repaid (excluding write offs)	(14,554)	(2,321)	(13,195)	(1,029)	(31,099)
Transfers to Stage 1	12,277	(12,277)	-	-	-
Transfers to Stage 2	(5,021)	5,021	-	-	-
Transfers to Stage 3	(3)	(1,144)	1,147	-	-
Impact on year end ECL of exposures transferred between stages during the year	(41,050)	8,574	7,341	(1,387)	(26,522)
Decrease in allowance account due to write-offs	-	-	(1,764)	-	(1,764)
Foreign exchange adjustments	296	44	27	-	367
Total non-retail ECL as at 30 June 2024	137,867	88,949	140,488	29,541	396,845
<i>In RON thousand</i>					
Retail					
ECL allowance as at 1 January 2024	87,529	182,560	526,442	33,807	830,338
New assets originated or purchased	48,635	4,980	3,591	-	57,206
Assets derecognised or repaid (excluding write offs)	(14,063)	(23,527)	(19,756)	(1,441)	(58,787)
Transfers to Stage 1	142,850	(139,346)	(3,504)	-	-
Transfers to Stage 2	(24,053)	38,230	(14,177)	-	-
Transfers to Stage 3	(233)	(32,271)	32,504	-	-
Impact on year end ECL of exposures transferred between stages during the year	(163,252)	94,660	85,966	(350)	17,024
Decrease in allowance account due to write-offs	-	-	(15,586)	-	(15,586)
Foreign exchange adjustments	3	(247)	(1,663)	(341)	(2,248)
Total retail ECL as at 30 June 2024	77,416	125,039	593,817	31,675	827,947
Total impairment allowance	215,283	213,988	734,305	61,216	1,224,792

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

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

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

Bank	30 June 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<i>In RON thousand</i>					
Non-retail					
ECL allowance as at 1 January 2024	142,653	75,777	124,548	31,957	374,935
New assets originated or purchased	42,377	3,647	10,285	-	56,309
Assets derecognised or repaid (excluding write offs)	(14,479)	(2,216)	(12,840)	(1,029)	(30,564)
Transfers to Stage 1	12,277	(12,277)	-	-	-
Transfers to Stage 2	(5,021)	5,021	-	-	-
Transfers to Stage 3	(3)	(1,144)	1,147	-	-
Impact on year end ECL of exposures transferred between stages during the year	(40,891)	10,432	6,244	(1,387)	(25,602)
Decrease in allowance account due to write-offs	-	-	(1,764)	-	(1,764)
Foreign exchange adjustments	296	40	23	-	359
Total non-retail ECL as at 30 June 2024	137,209	79,280	127,643	29,541	373,673
<i>In RON thousand</i>					
Retail					
ECL allowance as at 1 January 2024	84,679	179,412	517,604	33,807	815,502
New assets originated or purchased	47,631	4,735	3,591	-	55,957
Assets derecognised or repaid (excluding write offs)	(14,007)	(23,334)	(19,350)	(1,441)	(58,132)
Transfers to Stage 1	142,850	(139,346)	(3,504)	-	-
Transfers to Stage 2	(24,053)	38,230	(14,177)	-	-
Transfers to Stage 3	(233)	(32,271)	32,504	-	-
Impact on year end ECL of exposures transferred between stages during the year	(162,593)	94,862	85,066	(350)	16,985
Decrease in allowance account due to write-offs	-	-	(15,586)	-	(15,586)
Foreign exchange adjustments	1	(248)	(1,666)	(341)	(2,254)
Total retail ECL as at 30 June 2024	74,275	122,040	584,482	31,675	812,472
Total impairment allowance	211,484	201,320	712,125	61,216	1,186,145

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

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

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

Group	30 June 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<i>In RON thousand</i>					
Non-retail					
Gross carrying amount as at 1 January 2024	15,621,593	989,756	81,644	546	16,693,539
New assets originated or purchased	4,874,404	108,969	6,776	5	4,990,154
Assets derecognised or repaid (excluding write offs)	(4,364,198)	(135,303)	(10,671)	(43)	(4,510,215)
Transfers to Stage 1	209,142	(209,142)	-	-	-
Transfers to Stage 2	(635,548)	635,548	-	-	-
Transfers to Stage 3	(14)	(2,307)	2,321	-	-
Foreign exchange adjustments	13,340	120	162	-	13,622
Total non-retail gross carrying amount as at 30 June 2024	15,718,719	1,387,641	80,232	508	17,187,100
<i>In RON thousand</i>					
Retail					
Gross carrying amount as at 1 January 2024	2,683,441	1,220,952	12,458	3,720	3,920,571
New assets originated or purchased	397,105	235,918	3,988	590	637,601
Assets derecognised or repaid (excluding write offs)	(349,223)	(96,427)	(6,390)	(773)	(452,813)
Transfers to Stage 1	1,356,832	(1,356,164)	(668)	-	-
Transfers to Stage 2	(842,026)	844,308	(2,282)	-	-
Transfers to Stage 3	(2,212)	(4,557)	6,769	-	-
Foreign exchange adjustments	(29)	1	-	-	(28)
Total retail gross carrying amount as at 30 June 2024	3,243,888	844,031	13,875	3,537	4,105,331
Total gross carrying amount	18,962,607	2,231,672	94,107	4,045	21,292,431

Group	30 June 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
<i>In RON thousand</i>					
Non-retail					
Gross carrying amount as at 1 January 2023	15,977,322	829,294	123,363	160	16,930,139
New assets originated or purchased	5,105,720	128,605	18,094	115	5,252,534
Assets derecognised or repaid (excluding write offs)	(4,805,891)	(179,580)	(15,574)	(22)	(5,001,067)
Transfers to Stage 1	584,262	(584,262)	-	-	-
Transfers to Stage 2	(405,094)	430,212	(25,118)	-	-
Transfers to Stage 3	(1)	(104)	105	-	-
Foreign exchange adjustments	301,407	144	104	-	301,655
Total non-retail gross carrying amount as at 30 June 2023	16,757,725	624,309	100,974	253	17,483,261
<i>In RON thousand</i>					
Retail					
Gross carrying amount as at 1 January 2023	2,396,414	1,412,583	12,499	3,752	3,825,248
New assets originated or purchased	227,892	322,898	3,928	488	555,206
Assets derecognised or repaid (excluding write offs)	(405,482)	(96,546)	(6,028)	(500)	(508,556)
Transfers to Stage 1	1,190,495	(1,189,527)	(968)	-	-
Transfers to Stage 2	(1,104,385)	1,107,709	(3,324)	-	-
Transfers to Stage 3	(2,202)	(4,618)	6,820	-	-
Foreign exchange adjustments	108	(43)	-	-	65
Total retail gross carrying amount as at 30 June 2023	2,302,840	1,552,456	12,927	3,740	3,871,963
Total gross carrying amount	19,060,565	2,176,765	113,901	3,993	21,355,224

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

Bank	30 June 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<i>In RON thousand</i>					
Non-retail					
Gross carrying amount as at 1 January 2024	15,537,674	998,805	81,914	546	16,618,939
New assets originated or purchased	5,113,150	108,969	6,776	5	5,228,900
Assets derecognised or repaid (excluding write offs)	(4,399,564)	(137,079)	(10,671)	(43)	(4,547,357)
Transfers to Stage 1	219,142	(219,142)	-	-	-
Transfers to Stage 2	(635,548)	635,548	-	-	-
Transfers to Stage 3	(14)	(2,307)	2,321	-	-
Foreign exchange adjustments	13,340	120	162	-	13,622
Total non-retail gross carrying amount as at 30 June 2024	15,848,180	1,384,914	80,502	508	17,314,104
<i>In RON thousand</i>					
Retail					
Gross carrying amount as at 1 January 2024	2,670,606	1,220,801	12,188	3,720	3,907,315
New assets originated or purchased	379,369	235,918	3,988	590	619,865
Assets derecognised or repaid (excluding write offs)	(349,223)	(96,111)	(6,390)	(773)	(452,497)
Transfers to Stage 1	1,356,832	(1,356,164)	(668)	-	-
Transfers to Stage 2	(842,026)	844,308	(2,282)	-	-
Transfers to Stage 3	(2,212)	(4,557)	6,769	-	-
Foreign exchange adjustments	(29)	1	-	-	(28)
Total retail gross carrying amount as at 30 June 2024	3,213,317	844,196	13,605	3,537	4,074,655
Total gross carrying amount	19,061,497	2,229,110	94,107	4,045	21,388,759

Bank	30 June 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
<i>In RON thousand</i>					
Non-retail					
Gross carrying amount as at 1 January 2023	16,082,181	826,236	123,633	160	17,032,210
New assets originated or purchased	5,154,528	128,605	18,094	115	5,301,342
Assets derecognised or repaid (excluding write offs)	(4,788,626)	(177,024)	(15,574)	(22)	(4,981,246)
Transfers to Stage 1	584,262	(584,262)	-	-	-
Transfers to Stage 2	(405,094)	430,212	(25,118)	-	-
Transfers to Stage 3	(1)	(104)	105	-	-
Foreign exchange adjustments	301,407	144	104	-	301,655
Total non-retail gross carrying amount as at 30 June 2023	16,928,657	623,807	101,244	253	17,653,961
<i>In RON thousand</i>					
Retail					
Gross carrying amount as at 1 January 2023	2,374,527	1,412,291	12,229	3,752	3,802,799
New assets originated or purchased	227,824	322,898	3,928	488	555,138
Assets derecognised or repaid (excluding write offs)	(405,481)	(95,810)	(6,028)	(500)	(507,819)
Transfers to Stage 1	1,190,495	(1,189,527)	(968)	-	-
Transfers to Stage 2	(1,104,385)	1,107,709	(3,324)	-	-
Transfers to Stage 3	(2,202)	(4,618)	6,820	-	-
Foreign exchange adjustments	108	(43)	-	-	65
Total retail gross carrying amount as at 30 June 2023	2,280,886	1,552,900	12,657	3,740	3,850,183
Total gross carrying amount	19,209,543	2,176,707	113,901	3,993	21,504,144

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

Group	30 June 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<i>In RON thousand</i>					
Non-retail					
ECL allowance as at 1 January 2024	9,813	1,363	31,028	109	42,313
New assets originated or purchased	4,029	538	5,621	-	10,188
Assets derecognised or repaid (excluding write offs)	(1,295)	(320)	(4,646)	-	(6,261)
Transfers to Stage 1	429	(429)	-	-	-
Transfers to Stage 2	(216)	216	-	-	-
Transfers to Stage 3	-	(6)	6	-	-
Impact on changes due to change in credit risk (net)	(1,463)	1,201	(1,837)	10	(2,089)
Foreign exchange adjustments	9	1	25	-	35
Total non-retail ECL as at 30 June 2024	11,306	2,564	30,197	119	44,186
<i>In RON thousand</i>					
Retail					
ECL allowance as at 1 January 2024	2,401	2,403	5,792	1,309	11,905
New assets originated or purchased	2,424	571	219	150	3,364
Assets derecognised or repaid (excluding write offs)	(313)	(719)	(2,918)	(311)	(4,261)
Transfers to Stage 1	3,456	(3,045)	(411)	-	-
Transfers to Stage 2	(522)	1,489	(980)	13	-
Transfers to Stage 3	(1)	(29)	30	-	-
Impact on changes due to change in credit risk (net)	(4,739)	1,404	5,172	345	2,182
Foreign exchange adjustments	-	-	-	-	-
Total retail ECL as at 30 June 2024	2,706	2,074	6,904	1,506	13,190
Total ECL allowance	14,012	4,638	37,101	1,625	57,376

Group	30 June 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
<i>In RON thousand</i>					
Non-retail					
ECL allowance as at 1 January 2023	15,977	2,029	47,918	-	65,924
New assets originated or purchased	4,037	105	6,052	-	10,194
Assets derecognised or repaid (excluding write offs)	(2,213)	(374)	(7,215)	-	(9,802)
Transfers to Stage 1	814	(814)	-	-	-
Transfers to Stage 2	(251)	16,859	(16,608)	-	-
Transfers to Stage 3	-	(12)	12	-	-
Impact on changes due to change in credit risk (net)	(8,607)	(15,973)	(147)	-	(24,727)
Foreign exchange adjustments	11	6	10	-	27
Total non-retail ECL as at 30 June 2023	9,768	1,826	30,022	-	41,616
<i>In RON thousand</i>					
Retail					
ECL allowance as at 1 January 2023	4,826	6,765	7,505	2,215	21,311
New assets originated or purchased	1,526	3,213	143	109	4,991
Assets derecognised or repaid (excluding write offs)	(1,004)	(2,138)	(3,757)	(346)	(7,245)
Transfers to Stage 1	8,888	(8,281)	(605)	(2)	-
Transfers to Stage 2	(1,296)	2,818	(1,537)	15	-
Transfers to Stage 3	(6)	(69)	75	-	-
Impact on changes due to change in credit risk (net)	(10,471)	407	4,504	(551)	(6,111)
Foreign exchange adjustments	-	1	2	-	3
Total retail ECL as at 30 June 2023	2,463	2,716	6,330	1,440	12,949
Total ECL allowance	12,231	4,542	36,352	1,440	54,565

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

Bank	30 June 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<i>In RON thousand</i>					
Non-retail					
ECL allowance as at 1 January 2024	9,401	1,345	31,028	109	41,883
New assets originated or purchased	3,493	454	5,621	-	9,568
Assets derecognised or repaid (excluding write offs)	(883)	(302)	(4,646)	-	(5,831)
Transfers to Stage 1	429	(429)	-	-	-
Transfers to Stage 2	(216)	216	-	-	-
Transfers to Stage 3	-	(6)	6	-	-
Impact on changes due to change in credit risk (net)	(1,463)	1,201	(1,837)	10	(2,089)
Foreign exchange adjustments	9	1	25	-	35
Total non-retail ECL as at 30 June 2024	10,770	2,480	30,197	119	43,566
<i>In RON thousand</i>					
Retail					
ECL allowance as at 1 January 2024	2,325	2,362	5,798	1,309	11,794
New assets originated or purchased	2,252	551	219	150	3,172
Assets derecognised or repaid (excluding write offs)	(237)	(684)	(2,918)	(311)	(4,150)
Transfers to Stage 1	3,456	(3,045)	(411)	-	-
Transfers to Stage 2	(522)	1,489	(980)	13	-
Transfers to Stage 3	(1)	(29)	30	-	-
Impact on changes due to change in credit risk (net)	(4,739)	1,411	5,165	345	2,182
Foreign exchange adjustments	-	-	-	-	-
Total retail ECL as at 30 June 2024	2,534	2,055	6,903	1,506	12,998
Total ECL allowance	13,304	4,535	37,100	1,625	56,564

Bank	30 June 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
<i>In RON thousand</i>					
Non-retail					
ECL allowance as at 1 January 2023	15,795	1,992	47,918	-	65,705
New assets originated or purchased	3,898	105	6,052	-	10,055
Assets derecognised or repaid (excluding write offs)	(2,031)	(337)	(7,215)	-	(9,583)
Transfers to Stage 1	814	(814)	-	-	-
Transfers to Stage 2	(251)	16,859	(16,608)	-	-
Transfers to Stage 3	-	(12)	12	-	-
Impact on changes due to change in credit risk (net)	(8,607)	(15,973)	(147)	-	(24,727)
Foreign exchange adjustments	11	6	10	-	27
Total non-retail ECL as at 30 June 2023	9,629	1,826	30,022	-	41,477
<i>In RON thousand</i>					
Retail					
ECL allowance as at 1 January 2023	4,541	6,702	7,504	2,215	20,962
New assets originated or purchased	1,377	3,213	143	109	4,842
Assets derecognised or repaid (excluding write offs)	(719)	(2,075)	(3,757)	(346)	(6,897)
Transfers to Stage 1	8,888	(8,281)	(605)	(2)	-
Transfers to Stage 2	(1,296)	2,818	(1,537)	15	-
Transfers to Stage 3	(6)	(69)	75	-	-
Impact on changes due to change in credit risk (net)	(10,471)	406	4,506	(551)	(6,110)
Foreign exchange adjustments	-	1	2	-	3
Total retail ECL as at 30 June 2023	2,314	2,715	6,331	1,440	12,800
Total ECL allowance	11,943	4,541	36,353	1,440	54,277

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

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Exposure	1,217,672	1,106,655	1,184,005	1,076,519
out of which retail:	945,579	852,289	928,649	837,944
out of which non-retail:	272,093	254,366	255,356	238,575
Impairment allowance	794,988	727,982	772,808	707,046
out of which retail:	625,316	559,736	615,624	550,541
out of which non-retail:	169,672	168,246	157,184	156,505
Net Book Value	422,684	378,673	411,197	369,473
out of which retail:	320,263	292,553	313,025	287,403
out of which non-retail:	102,421	86,120	98,172	82,070

During the financial year 2024, the following existing loans were modified, and have not resulted in derecognition:

Group	Stage 1	Stage 2	Stage 3	POCI	Total
<i>In Ron thousand</i>					
Amortised cost before modification	136,981	58,609	8,745	142	204,477
Net modification gain/loss	(3,169)	(1,556)	(229)	(3)	(4,957)
Amortised cost after modification	133,812	57,053	8,516	139	199,520
Bank	Stage 1	Stage 2	Stage 3	POCI	Total
<i>In Ron thousand</i>					
Amortised cost before modification	136,981	58,609	8,745	142	204,477
Net modification gain/loss	(3,169)	(1,556)	(229)	(3)	(4,957)
Amortised cost after modification	133,812	57,053	8,516	139	199,520

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

Group	Stage 1	Stage 2	Stage 3	POCI	Total
<i>In RON thousand</i>					
Amortised cost before modification	235,585	138,378	33,594	991	408,548
Net modification gain/loss	(7,636)	(3,399)	(805)	(20)	(11,860)
Amortised cost after modification	227,949	134,979	32,789	971	396,688
Bank	Stage 1	Stage 2	Stage 3	POCI	Total
<i>In RON thousand</i>					
Amortised cost before modification	235,585	138,378	33,594	991	408,548
Net modification gain/loss	(7,636)	(3,399)	(805)	(20)	(11,860)
Amortised cost after modification	227,949	134,979	32,789	971	396,688

Financial lease

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

<i>In RON thousand</i>	30 June 2024
Less than one year	92,254
1 to 2 years	270,577
Two to 3 years	340,282
Three to 4 years	525,928
Four to 5 years	510,905
More than 5 years	115,389
Total undiscounted lease payments receivables	1,855,335
Unearned finance income	(184,023)
Net investment in lease	1,671,312
 <i>In RON thousand</i>	 31 December 2023
Less than one year	97,239
1 to 2 years	217,564
Two to 3 years	288,854
Three to 4 years	376,890
Four to 5 years	408,479
More than 5 years	95,902
Total undiscounted lease payments receivables	1,484,928
Unearned finance income	(148,276)
Net investment in lease	1,336,652

The goals which the Bank pursues with respect to its securitization activities

In December 2010, Raiffeisen Bank S.A. concluded a synthetic securitization transaction under the JEREMIE initiative (closed in 2024), through which the European Investment Fund (EIF) offers partial credit risk protection for a portfolio of loans granted by the Bank to medium and small enterprises (SME). COSME program was concluded in 2017, EASI in 2020, ROOF synthetic securitization of existing portfolio in December 2022 and Microfinance in June 2023.

The financial instrument used in this transaction is a first loss portfolio guarantee and mezzanine guarantee for ROOF transaction. By joining this program, the Bank's objective is to improve the utilization of capital, the benefit being passed to the end-customer, in the form of a lower price of loan and diminished collateral requirements.

Raiffeisen Bank as originator

- Under COSME program, by contract, EIF guarantees 50% or 80% of each eligible loan included in the portfolio, covering losses up to a maximum cap of 9.7% of the total portfolio volume.
- Under EASI program, by contract, EIF guarantees 90% of each eligible loan included in the portfolio, covering losses up to a maximum cap of 15% of the total portfolio volume.
- Under ROOF program, by contract, EIF guarantees 95% of each eligible loan included in the portfolio, covering losses up to a maximum cap of 12% of the total portfolio volume after the first loss retained by the Bank is exceed (app 4%).
- Under Microfinance program, by contract, EIF guarantees 80% of each eligible loan included in the portfolio, covering losses up to a maximum cap of 12% of the total portfolio volume.

The below stated amounts represent the securitized portfolio and the underlying receivables as well as the externally placed tranche as of 30 June 2024:

in RON million	Date of contract	End of Maturity	Maximum volume	Securitized Portfolio	Outstanding contractual amount	Portfolio Type	Externally placed tranche	Amount of externally placed tranche
EIF COSME	2017	2034	2,119	280	506	SME	Junior	72
EIF EASI	2020	2032	298	50	58	SME	Junior	50
EIF ROOF	2022	2037	1,535	1,352	1,426	SME	Mezzanine	131
EIF MICROFINANCE	2023	2027	264	90	112	SME	Junior	11

22. INVESTMENT SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Stage 1				
Bonds issued by General Governments	2,169,408	1,994,966	2,169,408	1,974,638
Bonds issued by other public sector	449,018	471,751	449,018	471,751
Bonds issued by credit institutions	229,926	230,816	229,926	230,816
Total	2,848,352	2,697,533	2,848,352	2,677,205
Stage 2				
Bonds issued by other public sector	4,627	5,522	4,627	5,522
Bonds issued by credit institutions	22,871	22,151	22,871	22,151
Total	27,498	27,673	27,498	27,673
Total investment securities at fair value through other comprehensive income	2,875,850	2,725,206	2,875,850	2,704,878

Treasury securities issued by the Government of Romania include discount and coupon securities denominated in RON. As at June 30, 2024, treasury securities amounting to RON 264,067 thousand (December 31, 2023: RON 183,207 thousand) are pledged as security in order to comply with National Bank of Romania prudential regulations for settlement of inter-banking operations. Income from debt instruments is recognized in interest and similar income.

Bonds issued by the Government of Romania include bonds issued by the Ministry of Finance denominated in RON, EUR and USD, bearing fixed interest rate between 1.38% p.a. and 8.9% p.a.

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

23. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Unquoted equity instruments	33,967	24,798	33,967	24,798
Quoted equity instruments	68,575	65,781	68,575	65,781
Total equity instruments at fair value through other comprehensive income	102,542	90,579	102,542	90,579

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

The Group received dividends at June 30, 2024 amounting to RON 3,510 thousand (2023: RON 2,896 thousand).

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

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

In July 2022 a second conversion of Visa Inc. C-shares into tradeable A-shares took place and the Bank received 17,821 Class A Preferred Stock with an approximate market value of EUR 3,7 million. The remaining Class C Stock has an indicative value of EUR 3.6 million after completion of the conversion. The shares representing Series C Preferred Stock are restricted from sale, but are convertible into Class A Common Stock of Visa Inc in a maximum period of 12 years from the date in which they were granted.

As of June 30, 2024 VISA shares are as follows: Class A 56,200 shares with a market value of RON 68.6 million and Class C 5,606 share with a market value of RON 20 million.

24. INVESTMENT SECURITIES AT AMORTISED COST

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Stage 1				
Bonds issued by credit institutions	394,620	387,920	394,620	387,920
Bonds issued by General Governments	11,786,364	9,638,701	11,774,302	9,625,177
Total investment securities at amortised cost	12,180,984	10,026,621	12,168,922	10,013,097

As at June 30, 2024, the Group has one micro hedge relationship and the hedged instrument is a debt security at amortised cost. The carrying amount of the hedged item is RON 27,651 thousand (2023: RON 28,469 thousand).

25. INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Subsidiaries, associates and joint ventures

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Balance at 1 January	18,853	32,891	181,962	188,031
Disposals (i)	–	–	–	–
Dividends received	–	–	–	–
Group's share of gain from associates	3,866	3,823	–	–
Total	22,719	36,714	181,962	188,031
Impairment allowance	–	–	(71,487)	(81,160)
Balance at the end of reporting period	22,719	36,714	110,475	106,871

(i) Considering the Bank's strategy of concentration on the basic activities and implicitly on the holdings considered strategic, Raiffeisen Bank reviewed its entire portfolio of holdings. In this context, during July 2023 the formalities for the sale of the bank's share in Fondul Roman de Garantare a Creditului Rural IFN S.A. (33.331%) for the price of RON 1,667 thousand. Fondul de Garantare a Creditului Rural IFN S.A. paid in 2023 dividends in amount of RON 12,116 thousand.

During 2022, ABL transferred most of the loan portfolio to Raiffeisen Bank S.A.. In accordance with its strategy, during 2024 ABL gradually decreased its activity, with the main objective to fulfil its existing contractual obligations, while adopting optimal solutions required to serve its clients. The management estimates that this process will extend over a horizon of more than 12 months. The Group will continue to provide support for fulfilment of the objectives proposed by the ABL.

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

<i>In RON thousand</i>	Assets	Liabilities	Revenues	Interest expense	Income taxes	Profit	Net assets	Interest held%	% Net assets	Carrying amount
30 June 2024										
CIT One	119,248	79,334	168,181	1,432	2,428	10,901	39,914	33.33 %	13,303	22,719
31 December 2023										
CIT One	142,192	85,197	278,791	4,093	3,680	287	56,995	33.33 %	18,996	18,853

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

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

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Loans and advances to customers	122,813	137,560	122,814	137,560
Debt instruments	44,915	40,867	19,974	18,553
Total	167,728	178,427	142,788	156,113

Group: Net gains on non-trading financial assets mandatorily at fair value through profit or loss for the period ended June 30, 2024 are in amount of RON 1,746 thousand (June 30, 2023: RON 18,577 thousand).

Bank: Net gains on non-trading financial assets mandatorily at fair value through profit or loss for the period ended June 30, 2024 are in amount of RON 1,219 thousand (June 30, 2023: RON 18,082 thousand).

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

The Bank applies both micro and macro fair value hedge.

Micro fair value hedge

For the micro fair value hedge, the Bank uses as hedging instrument interest rate swaps, while the hedged items are debt securities at amortised cost purchased or issued.

In March 2018 the Bank initiated a micro fair value hedge accounting relation to hedge the interest rate risk from an investment into a fixed rate bond in amount of EUR 6 million.

In October 2023 the Bank initiated a micro fair value hedge accounting relation in order to hedge the interest rate risk of the MREL fixed rate bond issued in amount of EUR 300 million and to decrease the net interest income volatility.

The net loss resulted from this hedge relationship at June 30, 2024 is RON -170 thousand, while at June 30, 2023 the gain is RON 37 thousand. The remaining term for the hedging item is more than 5 years (February 2030) for debt securities at amortised cost and less than 3 years for the debt securities issued (October 2026).

The total accumulated amount of fair value adjustments of the hedged item is disclosed under the balance sheet position together with the hedged instrument and for hedging instrument is disclosed under "Derivatives – hedge accounting position" in the statement of financial position.

Macro fair value hedge

The macro fair value hedge started in 2020 and the Bank uses as hedging instruments four interest rate swaps, while the hedged item is a loan portfolio at amortised cost. Total hedged amount is RON 125 million.

The net gain resulted from this hedge relationship at June 30, 2024 is RON 786 thousand, while at June 30, 2023 the gain is RON 616 thousand. The remaining term for the hedging items is less than 5 years.

In April 2024 the Bank initiated four macro fair value hedge accounting relations in amount of EUR 50 million each with tenors of 1.5, 2.5, 3.5 and 4.5 years, total hedged amount is EUR 200 million. The hedged items are the existing EUR non maturing deposits - retail current accounts/saving accounts modelled for interest rate risk. The designated hedged risk is the exposure to interest benchmark rate EURIBOR from the bank's payer position opened by the modelled retail current accounts/saving accounts with administrated interest rate.

The hedging instruments are EUR IRS receive fixed rate and pay variable (EURIBOR 3M) with a duration equal to average modelled duration of the modelled retail current accounts/saving accounts from each bucket (e.g. for bucket 2-3y the duration considered will be 2.5y for IRS). The IRS for hedging purposes is always booked as IFRS hedge accounting deal and designated to hedge relationship based on the position it hedges.

The net gain resulted from these hedge relations at June 30, 2024 is RON 234 thousand. The remaining weighted average term for the hedging items included in the macro fair value hedge is less than 3 years (2.8 years).

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

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

30 June 2024	Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items	
	Assets	Liabilities	Assets	Liabilities
<i>In RON thousand</i>				
Micro fair value hedges				
Debt securities	27,651	-	-	-
Debt securities issued	-	1,575,213	-	-
	27,651	1,575,213	-	-
Macro fair value hedges				
Loan portfolio measured at amortised cost	215,000	-	-	3,330
Current accounts	-	6,366,397	1,523	-
	215,000	6,366,397	1,523	3,330
Total	242,651	7,941,610	1,523	3,330

31 December 2023	Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items	
	Assets	Liabilities	Assets	Liabilities
<i>In RON thousand</i>				
Micro fair value hedges				
Debt securities	28,469	-	-	-
Debt securities issued	-	1,548,754	-	-
	28,469	1,548,754	-	-
Macro fair value hedges				
Loan portfolio measured at amortised cost	238,947	-	-	4,940
	238,947	-	-	4,940
Total	267,416	1,548,754	-	4,940

<i>In RON thousand</i>	30 June 2024			31 December 2023		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Micro fair value hedges						
Interest rate swap	1,522,993	39,551	-	1,522,228	37,234	-
	1,522,993	39,551	-	1,522,228	37,234	-
Macro fair value hedges						
Interest rate swaps	1,120,420	179	4,017	125,000	559	709
	1,120,420	179	4,017	125,000	559	709
Total	2,643,413	39,730	4,017	1,647,228	37,793	709

During the period, the results of the hedge effectiveness assessments showed that the hedge relationships were effective.

28. OTHER ASSETS

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Prepayments	59,542	46,241	52,969	40,818
Tax audit (i)	93,606	93,606	93,606	93,606
Clearing claims from payment transfer business (ii)	160,055	148,205	160,055	148,205
Dividends to receive	13,328	–	13,328	–
Sundry debtors (iii)	138,688	168,429	103,504	136,094
Inventories	7,116	7,629	7,098	7,611
Repossessed assets	23,734	24,614	23,343	24,467
Gross Book Value	496,069	488,724	453,903	450,801
Impairment	(140,420)	(139,246)	(140,420)	(139,246)
Net Book Value	355,649	349,478	313,483	311,555

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

The fiscal audit report indicated total additional charges of RON 262,413 thousand which includes income tax, withholding tax and related penalties. The Bank has paid all the charges resulting from the fiscal inspection.

In response, the Bank submitted an administrative appeal against the inspection report, requesting its cancellation. During 2020, the Bank received the answer to the appeal according to which the Bank is entitled to receive back 10% of all charges included in the tax report. The Bank continued legal procedures for the recovery of the remaining amounts and initiated a litigation in this respect.

As of June 30, 2024 the maximum exposure related to fiscal audit is RON 195,965 thousand resulted from:

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

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

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

The amounts receivable from the tax audit are presented under two balance sheet positions: other assets (the part representing withholding taxes and related penalties) and income tax receivable (the part representing income tax and related penalties). As of June 30, 2024, the amount reflected under other assets is RON 93,606 thousand (December 31, 2023: RON 93,606 thousand) and the correspondent provision is RON 85,431 thousand (December 31, 2023: RON 85,431 thousand). As of June 30, 2024, the amount reflected under income tax receivable is RON 143,246 thousand (December 31, 2023: RON 143,246 thousand) and the correspondent provision is RON 93,784 thousand (December 31, 2023: RON 93,784 thousand).

ii) Clearing claims from payment transfer business include amounts to be settled as of June 30, 2024 like cards transactions of RON 142,576 thousand (December 31, 2023: RON 123,825 thousand).

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

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

Group	Impairment as at 1 January 2024	Increase	Decrease	Other movements	Impairment as at 30 June 2024
<i>In RON thousand</i>					
Sundry debtors	37,562	2,591	(1,347)	–	38,806
Tax audit	85,431	–	–	–	85,431
Repossessed assets	14,954	1	–	–	14,955
Inventory	1,299	231	(302)	–	1,228
Total	139,246	2,823	(1,649)	–	140,420

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

Bank	Impairment as at 1 January 2024	Increase	Decrease	Other movements	Impairment as at 30 June 2024
<i>In RON thousand</i>					
Sundry debtors	37,562	2,591	(1,347)	–	38,806
Tax audit	85,431	–	–	–	85,431
Repossessed assets	14,954	1	–	–	14,955
Inventory	1,299	231	(302)	–	1,228
Total	139,246	2,823	(1,649)	–	140,420

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

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

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Financial assets	273,393	193,637	238,210	161,301
Non-financial assets	82,256	155,841	75,273	150,254
Total	355,649	349,478	313,483	311,555

Of which:

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Current assets	237,473	158,791	202,290	126,456
Impaired assets	35,920	34,846	35,920	34,845
Total	273,393	193,637	238,210	161,301

29. DEFERRED TAX

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

Group

<i>In RON thousand</i>	30 June 2024			Deferred tax asset/ (liability)
	Assets	Liabilities	Net	
Property, plant and equipment and intangible assets	1,231	227,802	(226,571)	(36,251)
Other liabilities	263,221	–	263,221	42,115
Actuarial gains/ losses on defined benefit pension plans	5,606	–	5,606	897
Valuation reserve financial assets (FVOCI)	110,297	76,811	33,486	5,358
Provisions for liabilities and charges	152,422	–	152,422	24,387
Total	532,777	304,613	228,164	36,506

Group

<i>In RON thousand</i>	31 December 2023			Deferred tax asset/ (liability)
	Assets	Liabilities	Net	
Property, plant and equipment and intangible assets	1,113	146,070	(144,957)	(23,193)
Other liabilities	278,768	–	278,768	44,603
Actuarial gains/ losses on defined benefit pension plans	3,018	–	3,018	483
Valuation reserve financial assets (FVOCI)	130,332	61,478	68,854	11,017
Provisions for liabilities and charges	122,466	–	122,466	19,594
Total	535,697	207,548	328,149	52,504

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

Bank

<i>In RON thousand</i>	30 June 2024			Deferred tax asset/ (liability)
	Assets	Liabilities	Net	
Property, plant and equipment and intangible assets	1,231	227,802	(226,571)	(36,251)
Other liabilities	263,221	–	263,221	42,115
Actuarial gains/ losses on defined benefit pension plans	5,606	–	5,606	897
Valuation reserve financial assets (FVOCI)	110,297	76,811	33,486	5,358
Provisions for liabilities and charges	149,916	–	149,916	23,986
Total	530,271	304,613	225,658	36,105

Bank

<i>In RON thousand</i>	31 December 2023			Deferred tax asset/ (liability)
	Assets	Liabilities	Net	
Property, plant and equipment and intangible assets	1,113	146,070	(144,957)	(23,193)
Other liabilities	278,768	–	278,768	44,603
Actuarial gains/ losses on defined benefit pension plans	3,018	–	3,018	483
Valuation reserve financial assets (FVOCI)	130,332	61,478	68,854	11,017
Provisions for liabilities and charges	120,286	–	120,286	19,245
Total	533,517	207,548	325,969	52,155

Expenses and income deferred tax as at June 30, 2024 are attributable to the items detailed in the table below:

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Property, plant and equipment and intangible assets	(13,058)	(3,752)	(13,058)	(3,752)
Valuation reserve financial assets	–	(526)	–	(526)
Actuarial gain/loss Defined Benefit plan	–	582	–	582
Other liabilities	(2,488)	(5,049)	(2,552)	(5,047)
Provisions for liabilities and charges	4,729	(26,059)	4,741	(25,059)
Deferred tax income / (expense)	(10,817)	(34,804)	(10,869)	(33,802)

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

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

Group

In RON thousand

	Land and buildings	Furniture and computer equipment	Motor vehicles	Assets in progress	Right-of-Use assets Land and buildings	Total
Cost:						
Balance at 1 January 2023	200,550	471,481	43,763	50,404	578,575	1,344,773
Additions	1,514	3,362	580	11,650	67,464	84,570
Transfers	1,615	26,308	1,514	(29,437)	-	-
Disposals	-	(2,751)	(323)	-	(14,988)	(18,062)
Balance at 30 June 2023	203,679	498,400	45,534	32,617	631,051	1,411,281
Balance at 1 January 2024	205,513	528,994	44,779	30,053	665,601	1,474,940
Additions	-	1,699	1,436	13,829	58,189	75,153
Transfers	11,256	16,260	1,261	(28,777)	-	-
Disposals	(1,262)	(1,123)	(1,717)	-	(16,336)	(20,438)
Balance at 30 June 2024	215,507	545,830	45,759	15,105	707,454	1,529,655
Depreciation and impairment losses:						
Balance at 1 January 2023	165,725	354,371	31,953	2,465	355,438	909,952
Charge for the year	6,161	23,153	2,113	244	40,732	72,403
Disposals	1,111	(2,459)	(512)	-	(4,659)	(6,519)
Balance at 30 June 2023	172,997	375,065	33,554	2,709	391,511	975,836
Balance at 1 January 2024	176,488	401,246	30,076	2,578	427,814	1,038,202
Charge for the year	6,552	26,579	2,051	927	41,416	77,525
Disposals	(2,136)	(1,170)	(2,116)	-	(10,764)	(16,186)
Balance at 30 June 2024	180,904	426,655	30,011	3,505	458,466	1,099,541
Carrying amounts:						
At 1 January 2023	34,825	117,110	11,810	47,939	223,137	434,821
At 30 June 2023	30,682	123,335	11,980	29,908	239,540	435,445
At 1 January 2024	29,025	127,748	14,703	27,475	237,787	436,738
At 30 June 2024	34,603	119,175	15,748	11,600	248,988	430,114

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

Bank

<i>In RON thousand</i>	Land and buildings	Furniture and computer equipment	Motor vehicles	Assets in progress	Right-of-Use assets Land and buildings	Total
Cost:						
Balance at 1 January 2023	200,477	471,558	40,596	46,546	578,575	1,337,752
Additions	1,399	2,903	580	11,650	57,979	74,511
Transfers	1,615	26,308	1,514	(29,437)	–	–
Disposals	–	(294)	(111)	–	(8,999)	(9,404)
Balance at 30 June 2023	203,491	500,475	42,579	28,759	627,555	1,402,859
Balance at 1 January 2024	204,702	524,073	39,383	29,307	664,049	1,461,514
Additions	–	1,562	–	13,829	58,812	74,203
Transfers	11,256	16,149	1,044	(28,449)	–	–
Disposals	(1,262)	(1,123)	(1,113)	–	(15,873)	(19,371)
Balance at 30 June 2024	214,696	540,661	39,314	14,687	706,988	1,516,346
Depreciation and impairment losses:						
Balance at 1 January 2023	166,199	352,538	27,885	1,719	355,438	903,779
Charge for the year	6,035	22,965	1,927	244	40,276	71,447
Disposals	1,165	(294)	(111)	–	(4,604)	(3,844)
Balance at 30 June 2023	173,399	375,209	29,701	1,963	391,110	971,382
Balance at 1 January 2024	176,708	396,921	25,170	1,832	429,459	1,030,090
Charge for the year	6,551	26,455	1,868	927	40,575	76,376
Disposals	(1,236)	(1,055)	(954)	–	(10,684)	(13,929)
Balance at 30 June 2024	182,023	422,321	26,084	2,759	459,350	1,092,537
Carrying amounts:						
At 1 January 2023	34,278	119,020	12,711	44,827	223,137	433,973
At 30 June 2023	30,092	125,266	12,878	26,796	236,445	431,477
At 1 January 2024	27,994	127,152	14,213	27,475	234,590	431,424
At 30 June 2024	32,673	118,340	13,230	11,928	247,638	423,809

Group: Purchases of property, plant and equipment during year 2024 were in amount of RON 16,964 thousand (2023: RON 17,016 thousand).

Bank: Purchases of property, plant and equipment during year 2024 were in amount of RON 15,391 thousand (2023: RON 16,532 thousand).

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

	Group	Bank
	Land and buildings	Land and buildings
<i>In RON thousand</i>		
Balance at 1 January 2024	237,787	234,590
Additions	58,189	58,812
Depreciation expense	(45,138)	(44,297)
Impairment release/charges	3,722	3,722
Disposals and other decreases	(5,572)	(5,189)
Balance at 30 June 2024	248,988	247,638

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

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

	Group	Bank
	Land and buildings	Land and buildings
<i>In RON thousand</i>		
Balance at 1 January 2024	263,681	260,853
Additions	56,089	56,251
Interest expense	3,487	3,161
Payments	(51,534)	(51,534)
Other movements (fx, contractual changes, interest paid)	(3,317)	(3,317)
Balance at 30 June 2024	268,406	265,414

	Group	Bank
	Land and buildings	Land and buildings
<i>In RON thousand</i>		
Balance at 1 January 2023	259,291	258,964
Additions	56,745	53,852
Interest expense	1,662	1,662
Payments	(49,681)	(49,681)
Other movements (fx, contractual changes, interest paid)	502	502
Balance at 30 June 2023	268,519	265,299

31. INTANGIBLE ASSETS

Group

In RON thousand

	Purchased Software	Assets in progress	Total
Cost:			
Balance at 1 January 2023	1,011,866	79,592	1,091,458
Additions	1,356	61,237	62,593
Transfers	82,234	(82,234)	–
Balance at 30 June 2023	1,095,456	58,595	1,154,051
Balance at 1 January 2024	1,105,492	96,686	1,202,178
Additions	1,936	78,515	80,451
Transfers	80,660	(80,660)	–
Balance at 30 June 2024	1,188,088	94,541	1,282,629
Amortization and impairment losses:			
Balance at 1 January 2023	697,954	–	697,954
Charge for the year	51,302	–	51,302
Disposals	(44)	–	(44)
Balance at 30 June 2023	749,212	–	749,212
Balance at 1 January 2024	754,816	–	754,816
Charge for the year	52,557	–	52,557
Disposals	22	–	22
Balance at 30 June 2024	807,395	–	807,395
Carrying amounts:			
At 1 January 2023	313,912	79,592	393,504
At 30 June 2023	346,244	58,595	404,839
At 1 January 2024	350,676	96,686	447,362
At 30 June 2024	380,693	94,541	475,234

Bank

In RON thousand

	Purchased Software	Assets in progress	Total
Cost:			
Balance at 1 January 2023	984,712	78,833	1,063,545
Additions	–	61,469	61,469
Transfers	82,234	(82,234)	–
Balance at 30 June 2023	1,066,946	58,068	1,125,014
Balance at 1 January 2024	1,075,710	96,300	1,172,010
Additions	–	79,645	79,645
Transfers	80,660	(80,660)	–
Balance at 30 June 2024	1,156,370	95,285	1,251,655
Amortization and impairment losses:			
Balance at 1 January 2023	673,339	–	673,339
Charge for the year	50,805	–	50,805
Balance at 30 June 2023	724,144	–	724,144
Balance at 1 January 2024	728,893	–	728,893
Charge for the year	51,836	–	51,836
Balance at 30 June 2024	780,729	–	780,729
Carrying amounts:			
At 1 January 2023	311,373	78,833	390,206
At 30 June 2023	342,802	58,068	400,870
At 1 January 2024	346,817	96,300	443,117
At 30 June 2024	375,641	95,285	470,926

Group: Purchases of intangible assets during year 2024 were in amount of RON 80,451 thousand (2023: RON 62,593 thousand).

Bank: Purchases of intangible assets during year 2024 were in amount of RON 79,645 thousand (2023: RON 61,469 thousand).

32. DEPOSITS FROM BANKS

	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
<i>In RON thousand</i>				
Payable on demand	368,911	433,525	368,911	433,525
Term deposits	129,644	61,403	129,644	61,403
Total	498,555	494,928	498,555	494,928

33. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
<i>In RON thousand</i>				
<i>Payable on demand</i>				
Retail customers	21,032,922	21,213,976	21,028,405	21,201,259
Non-retail customers	8,067,907	8,841,670	8,191,839	8,943,020
	29,100,829	30,055,646	29,220,244	30,144,279
<i>Term deposits</i>				
Retail customers	20,064,683	18,704,930	20,064,683	18,704,930
Non-retail customers	8,070,779	5,639,608	8,070,779	5,639,608
	28,135,462	24,344,538	28,135,462	24,344,538
<i>Savings accounts</i>				
Retail customers	54	54	54	54
	54	54	54	54
Total	57,236,345	54,400,238	57,355,760	54,488,871

34. TOTAL LONG TERM DEBT

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

	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
<i>In RON thousand</i>				
Senior loans from banks and financial institutions	785,847	488,558	172,294	1,745
<i>Of which unsecured</i>	415,244	304,058	-	-
Debt securities issued	5,589,691	5,555,004	5,589,691	5,555,004
<i>of which accrued interest EMREL bonds</i>	166,513	108,326	166,513	108,326
Subordinated loans	326,106	326,115	326,106	326,015
Total	6,701,644	6,369,677	6,088,091	5,882,764

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

	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
<i>In RON thousand</i>				
Commercial banks	586,181	304,058	170,937	-
Multilateral Development Banks	198,309	182,755	-	-
Other financial institutions	1,357	1,745	1,357	1,745
Total loans from banks and financial institutions	785,847	488,558	172,294	1,745

The loans received from banks and other financial institutions are denominated in EUR and RON, with a final maturity which varies between March 2025 and August 2029.

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

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

As of June 30, 2024, the Group has commitments received from credit institutions in amount of EUR 50.000 thousand (December 31, 2023: EUR 50.000 thousand).

As of June 30, 2024, the Bank has commitments received from credit institutions in amount of EUR 50.000 thousand (December 31, 2023: EUR 50.000 thousand).

(ii) Debt securities issued

Group: The balance of debt securities issued as at June 30, 2024 (taking into account also the unsecured subordinated bonds), including accrued interest, is in amount of RON 5,589,691 thousand (December 31, 2023: RON 5,555,004 thousand).

Bank: The balance of debt securities issued as at June 30, 2024 (taking into account also the unsecured subordinated bonds), including accrued interest, is in amount of RON 5,589,691 thousand (December 31, 2023: RON 5,555,004 thousand).

In December 2019, the Bank issued unsecured, subordinated RON-denominated bonds in nominal amount of RON 480,000 thousand that qualify as Tier 2 instruments as defined by Regulation (EU) No. 575/2013. The instruments bear variable rate and have maturity on 19 December 2029. Initially the bonds were subscribed by private investors through a private placement process. According to the terms and conditions of the issuance, the bonds were admitted to trading on the Regulated Spot Market of the Bucharest Stock Exchange on 14th of May 2020, under ISIN code: ROJX86UZW1R4.

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

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

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

In the second part of the year 2022, the Bank issued three RON-denominated bonds in sustainable format bearing fixed interest payable annually, with a total nominal amount of RON 1,195,425 thousand, out of which two in senior non-preferred format (SNP) in the amount of RON 869,925 thousand. The bonds have a final maturity of 5 years from the date of issue, with the possibility of early redemption 1 year prior to maturity at the option of the issuer and were listed on the Luxembourg Stock Exchange and on the regulated market of the Bucharest Stock Exchange with the following ISINs: XS2511879160, XS2539944012, XS2556373046. The three bonds were issued in order to meet the minimum own funds and eligible debt requirement (MREL).

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

The Bank continued to issue sustainability bonds in the second half of 2023 and, in a premiere for the Romanian banking sector, the Bank issued the first sustainability Eurobonds in senior non-preferred format on the international capital markets with a total amount of EUR 300 million. The bonds have a fixed coupon of 7% in the first three years and a final maturity of four years with the possibility of early redemption 1 year prior to maturity at the option of the issuer and were listed on the Luxembourg Stock Exchange (ISIN: XS2700245561). The bond enabled the bank to meet the fully phased in MREL requirements applicable starting with 1st January 2024. The total MREL stack outstanding at the end of 2023 has exceeded RON 4.9 billion.

(iii) Subordinated liabilities

The balance of subordinated loans as at June 30, 2024, in RON equivalents, including accrued interest is RON 326,106 thousand (December 31, 2023: RON 326,115 thousand).

All subordinated loans are granted by Raiffeisen Bank International A.G. In addition, the subordinated bond subscribed by private investors (June 30, 2024: RON 481,057, December 31, 2023: RON 481,193) thousand) has been included in the above section (ii).

The below tables show the split of total long term debt by contractual maturities as of June 30, 2024:

Group

In RON thousand

	Less than 1 year	Over 1 year	Total
Senior loans from banks and financial institutions	171,650	614,197	785,847
<i>Of which unsecured</i>	–	415,244	415,244
Debt securities issued	168,886	5,420,805	5,589,691
Subordinated loans	127,022	199,084	326,106
Total	467,558	6,234,086	6,701,644

Bank

In RON thousand

	Less than 1 year	Over 1 year	Total
Senior loans from banks and financial institutions	171,649	645	172,294
<i>Of which unsecured</i>	–	–	–
Debt securities issued	168,886	5,420,805	5,589,691
Subordinated loans	127,022	199,084	326,106
Total	467,557	5,620,534	6,088,091

The below tables show the split of total long term debt by contractual maturities as of December 31, 2023:

Group

In RON thousand

	Less than 1 year	Over 1 year	Total
Senior loans from banks and financial institutions	4,914	483,644	488,558
<i>Of which unsecured</i>	–	304,058	304,058
Debt securities issued	134,949	5,420,055	5,555,004
Subordinated loans	2,766	323,349	326,115
Total	142,629	6,227,048	6,369,677

Bank

In RON thousand

	Less than 1 year	Over 1 year	Total
Senior loans from banks and financial institutions	864	881	1,745
<i>Of which unsecured</i>	–	–	–
Debt securities issued	134,949	5,420,055	5,555,004
Subordinated loans	2,666	323,349	326,015
Total	138,479	5,744,285	5,882,764

Group/Bank

The below table shows the split of debt securities issued as of June 30, 2024:

ISIN	Description	30 June 2024	31 December 2023
XS2339508587	senior preferred	401,589	407,557
XS2539944012	senior preferred	346,319	331,078
XS2349343256	senior non-preferred	1,207,490	1,230,359
XS2489289053	senior non-preferred	526,134	549,489
XS2511879160	senior non-preferred	538,935	516,483
XS2556373046	senior non-preferred	512,954	490,091
XS2700245561*	senior non-preferred	1,575,213	1,548,754
ROJX86UZW1R4	subordinated bond	481,057	481,193
Total		5,589,691	5,555,004

*In the book value of this ISIN is included the fair value adjustment from the hedge relationship in amount of RON 12,100 (December 31, 2023 RON 36,577).

35. OTHER LIABILITIES

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Dividends to be paid	860,400	–	860,400	–
Lease liability	268,406	263,681	265,414	260,853
Amounts due to state budget for social security	27,793	54,424	27,619	53,519
Short-term employee benefits	115,897	108,754	115,644	108,624
Accrual for suppliers	205,450	234,765	205,450	234,583
Cash in transit (i)	420,476	579,274	420,476	579,274
Deferred income	81,246	69,377	59,445	55,622
Tax on turnover	29,930	–	29,930	–
Other liabilities(ii)	335,243	320,911	301,865	287,607
Total	2,344,841	1,631,186	2,286,243	1,580,082

i) Cash in transit includes payments which should be settled with other banks of RON 371,083 thousand (2023: RON 307,815 thousand) and receipts which should be settled with current accounts RON 49,392 thousand (2023: RON 271,459 thousand).

ii) Other liabilities include credit cards of RON 62,430 thousand (2023: RON 62,214 thousand), liabilities due to customers of RON 189,711 thousand (2023: 179,256 thousand RON) and deposits representing the share capital at companies in course of set-up of RON 6,822 thousand (2023: RON 7,312 thousand).

36. PROVISIONS

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Provisions for litigations and potential risks (i)	24,305	29,663	23,997	29,355
Provision for un-drawn commitments (ii)	57,376	54,218	56,564	53,677
Provision for employee benefits	474	474	–	–
Defined benefit plan (iii)	56,663	45,388	56,663	45,388
Provisions for severance payments and similar obligations	4,532	5,128	4,532	5,128
Sundry provisions	28,399	25,106	21,805	15,833
Total	171,749	159,977	163,561	149,381

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

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

- a) Disputes with consumers

As of June 30, 2024, the provisions related to individual consumer loan litigations amounted to 3,753 RON thousand (2023: RON 3,771 thousand). They are due to contractual clauses that may generate losses because they are considered unfair by customers. The existing provisions are both for ongoing litigations and for potential ones (which might result in litigations in the future).

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

The Romanian consumer protection authority ("ANPC") has issued an order for the bank stop its alleged practice of "not informing its customers about future changes in the interest rate charged to the customers".

The Bank disputed the order in court, but lost the litigation. The Bank has completed the implementation by reimbursing the amounts to affected consumers. As of June 30, 2024 the remaining amounts to be paid is RON 10 million representing amounts to be paid after identifying the payment details of the customers who no longer have accounts opened in the Bank.

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

On July 2014 ANPC issued Order number 280 which contains a decision requesting the Bank to stop the incorrect practice of including the administration fee in the bank's margin, at the implementation of the restructuring acts. The Bank was further sanctioned for not implementing the ANPC Order 280/2014.

Subsequently, ANPC issued Order no. 234/2021, which ordered the application of the additional sanction of suspending the activity of the banking institution, Raiffeisen Bank SA, with regard to the unfair commercial practice consisting in the unilateral decision of the bank to increase the margins of the interest component at the time of loan restructuring, by introducing the management fee, which the bank expressly waived by the additional acts signed with the clients, and to refund the amounts incorrectly collected from the consumers.

The Bank contested the minute issued, case which was solved in favour of the Bank, and against the order it was filed an action for annulment, which was won in first instance by the Bank. The decision hasn't been yet communicated.

Also, the Bucharest Court of Appeal ordered the suspension of the execution of Order no. 234/2021, until the resolution of the action to cancel the order, a decision that was not appealed by ANPC.

The existing provision was derecognized since December 2023 as there are no material risks associated.

- d) 2024 ANPC report

In June 2024, the Bank received another ANPC report following a thematic control action, for violations of the OG no. 21/1992 on consumer protection, but also for misleading commercial practices.

The acts allegedly committed relate to the lack of information to consumers, ordering the recalculation and retroactive charging of an interest rate depending on a financial reference index, as well as the payment of instalments on loans granted in CHF in a different way from the contract (respectively as if they were granted in EUR).

The Bank is of the opinion that it has acted in compliance with legal requirements and has filed a dispute against the ANPC report.

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

iii) The defined benefit plan is the Group's one off obligation to offer a number of salaries depending on the service period. The Group has calculated provision for contributions granted to employees on retirement as of June 30, 2024, using indicators such as: remaining number of years with the company up to retirement, probability that employee will stay with the company up to retirement, current salary, average number of salaries paid as benefit at retirement, age, sex, expected age of retirement as per current legislation.

Movement in defined benefits obligations

<i>In RON thousand</i>	30 June 2024	31 December 2023
Opening defined benefit obligation	45,388	32,685
Total service cost	-	353
Interest cost on benefit obligation	1,170	4,232
Transfer in	7,120	3,533
Actuarial (gains) / losses arising from changes in financial assumptions	2,985	4,585
Closing defined benefit obligation	56,663	45,388

Main actuarial assumptions

	Group	
	30 June 2024	31 December 2023
Discount rate	4.61% – 7.05%	4.79% – 7.28%
Average long term inflation rate	3.46 %	3.15 %
Average remaining working period (years)	26	26.25

Group

During 2024 the provisions can be further analyzed as follows:

<i>In RON thousand</i>	Opening Balance	Allocation	Release	Usage	Other movements	FX difference	Closing balance
Provisions for litigations and potential risks	29,663	689	1,152	(6,753)	-	(446)	24,305
Provision for un-drawn commitments	54,218	3,151	(27)	-	-	34	57,376
Provision for employee benefits	474	-	-	-	-	-	474
Defined benefit plan	45,388	7,120	-	-	4,155	-	56,663
Provisions for severance payments and similar obligations	5,128	-	(596)	-	-	-	4,532
Sundry provisions	25,106	3,293	-	-	-	-	28,399
TOTAL	159,977	14,253	529	(6,753)	4,155	(412)	171,749

During 2023 the provisions can be further analyzed as follows:

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

Bank

During 2024 the provisions can be further analyzed as follows:

<i>In RON thousand</i>	Opening Balance	Allocation	Release	Usage	Other movements	FX difference	Closing balance
Provisions for litigations and potential risks	29,355	689	1,152	(6,753)	-	(446)	23,997
Provision for un-drawn commitments	53,677	2,853	-	-	-	34	56,564
Defined benefit plan	45,388	7,120	-	-	4,155	-	56,663
Provisions for severance payments and similar obligations	5,128	-	(596)	-	-	-	4,532
Sundry provisions	15,833	5,972	-	-	-	-	21,805
TOTAL	149,381	16,634	556	(6,753)	4,155	(412)	163,561

During 2023 the provisions can be further analyzed as follows:

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

37. SHARE CAPITAL

As of June 30, 2024 the number of shares of the Group is 12,000 and there were no changes in shares structure. Share capital in amount of RON 1,200,000,000 consists in 12,000 shares with a nominal value of RON 100,000/share.

During 2024, Raiffeisen Bank S.A paid dividends from 2023 profit to its shareholders in amount of RON 860,400 thousand which represents a dividend of RON 71,700/share (2023: RON dividends from 2022 profit to its shareholders in amount of RON 617,400 thousand which represents a dividend of RON 51,450/share).

The shareholders of the Group are as follows:

	30 June 2024	31 December 2023
	%	%
Raiffeisen SEE Region Holding GmbH	99.925	99.925
Other shareholders	0.075	0.075
Total	100	100

38. OTHER EQUITY INSTRUMENTS

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

Although the notes include a coupon rate, this is fully discretionary and is paid out of the distributable profits. In case the Group's CET 1 Capital Ratio is below a certain threshold, this might trigger full or partial write-down of the notes. The write-down is temporary and can be followed by a write-up, which is at the sole discretion of the issuer and compliance with applicable supervisory regulations. The total issue of the notes amounts to EUR 125 million (2023: EUR 125 million) and have been purchased by Raiffeisen Bank International A.G. (please refer to *note 40 Related party transactions*).

During 2024, Raiffeisen Bank S.A paid coupon in amount of 73,656 thousand RON (2023: RON 64,459).

39. OTHER RESERVES

	Group			Bank		
	30 June 2024	31 December 2023	30 June 2023	30 June 2024	31 December 2023	30 June 2023
<i>In RON thousand</i>						
Statutory reserve	242,128	242,128	242,128	240,000	240,000	240,000
Fair value of equity instruments measured at fair value through other comprehensive income (net of tax)	54,960	46,582	36,474	56,630	46,582	38,078
Fair value of debt instruments measured at fair value through other comprehensive income (net of tax)	(85,001)	(106,309)	(160,442)	(85,092)	(104,753)	(160,664)
Actuarial gains or (-) losses on defined benefit pension plans (net of tax)	(4,709)	(2,202)	(1,674)	(4,709)	(2,202)	(1,674)
Total	207,378	180,199	116,486	206,829	179,627	115,740

Fair value reserve for financial assets FVOCI

	Group			Bank		
	30 June 2024	31 December 2023	30 June 2023	30 June 2024	31 December 2023	30 June 2023
<i>In RON thousand</i>						
Balance at 1 January	(59,727)	(219,331)	(219,331)	(58,171)	(217,639)	(217,639)
Fair value changes of equity instruments measured at fair value through other comprehensive income	10,048	14,653	6,518	10,048	14,653	6,518
Valuation gains or (-) losses taken to equity of debt instruments at fair value through other comprehensive income	19,638	144,951	88,845	19,661	144,815	88,535
Balance at the end of reporting period	(30,041)	(59,727)	(123,968)	(28,462)	(58,171)	(122,586)

40. RELATED PARTY TRANSACTIONS

The Group entered into a number of banking transactions with Raiffeisen Bank International AG, the ultimate controlling party, and its subsidiaries in the normal course of business.

The transactions and balances with related parties are presented in tables below:

Group	30 June 2024				
	Ultimate controlling entity	Associates	Key Personnel	Other interest	Total
<i>In RON thousand</i>					
Trading assets	5,373	-	-	-	5,373
Derivative assets held for risk management	11,384	-	-	-	11,384
Loans and advances to banks at amortised cost	728,888	-	-	100	728,988
Investment in subsidiaries, associates and joint ventures	-	22,719	-	-	22,719
Equity instruments at fair value through other comprehensive income	-	-	-	102,542	102,542
Derivatives Asset- Hedge accounting	39,730	-	-	-	39,730
Loans and advances to customers at amortised cost	-	8,354	5,013	29,236	42,603
Property, equipment and right-of-use assets	-	-	-	67,450	67,450
Fair value changes of the hedged items-Assets-Hedge accounting	1,523	-	-	-	1,523
Other assets	8,350	-	11	16,989	25,350
Outstanding assets	795,248	31,073	5,024	216,317	1,047,662
Derivative liabilities held for risk management	963	-	-	-	963
Fair value changes of the hedged items-liability	3,330	-	-	-	3,330
Derivatives – Hedge accounting	4,017	-	-	-	4,017
Trading liabilities	2,763	-	-	-	2,763
Deposits from banks	80,441	-	-	3,961	84,402
Deposits from customers	-	2,890	29,263	194,480	226,633
Loans from banks and other financial institutions	281,938	-	-	-	281,938
Subordinated loans	326,106	-	-	-	326,106
Other equity instruments	609,298	-	-	-	609,298
Other liabilities	937,055	8,958	1	96,840	1,042,854
Outstanding liabilities	2,245,911	11,848	29,264	295,281	2,582,304
Commitments given	-	20,000	-	44,794	64,794
Guarantees issued	121,329	-	-	9,439	130,768
Commitments received	248,855	-	-	-	248,855
Guarantees received	135,563	-	-	-	135,563
Notional amount of derivative instruments	4,393,330	-	-	-	4,393,330

Group	31 December 2023				
	Ultimate controlling entity	Associates	Key Personnel	Other interest	Total
<i>In RON thousand</i>					
Trading assets	605	-	-	-	605
Derivative assets held for risk management	16,975	-	-	-	16,975
Loans and advances to banks at amortised cost	79,830	-	-	957	80,787
Investment in subsidiaries, associates and joint ventures	-	18,853	-	-	18,853
Equity instruments at fair value through other comprehensive income	-	-	-	90,579	90,579
Loans and advances to customers at amortised cost	-	22,978	5,916	33,112	62,006
Derivatives Asset- Hedge accounting	37,793	-	-	-	37,793
Property, equipment and right-of-use assets	732	-	-	82,150	82,882
Other assets	7,974	-	28	21,085	29,087
Outstanding assets	143,909	41,831	5,944	227,883	419,567
Derivative liabilities held for risk management	675	-	-	-	675
Derivatives – Hedge accounting	709	-	-	-	709
Fair value changes of the hedged items-liability	4,940	-	-	-	4,940
Trading liabilities	3,471	-	-	-	3,471
Deposits from banks	202,783	-	-	2,941	205,724
Deposits from customers	-	7,409	29,014	162,874	199,297
Loans from banks and other financial institutions	150,851	-	-	-	150,851
Subordinated loans	326,115	-	-	-	326,115
Other equity instruments	609,298	-	-	-	609,298
Other liabilities	62,628	5,028	7	119,003	186,666
Outstanding liabilities	1,361,470	12,437	29,021	284,818	1,687,746
Commitments given	-	20,000	-	44,771	64,771
Guarantees issued	118,508	-	-	16,638	135,146
Commitments received	248,730	-	-	-	248,730
Guarantees received	125,552	-	-	22,036	147,588
Notional amount of derivative instruments	3,662,314	-	-	-	3,662,314

Bank	30 June 2024					
	Ultimate controlling entity	Subsidiaries	Associates	Key Personnel	Other interest	Total
<i>In RON thousand</i>						
Trading assets	5,373	-	-	-	-	5,373
Derivative assets held for risk management	11,384	-	-	-	-	11,384
Loans and advances to banks at amortised cost	728,717	11,949	-	-	100	740,766
Investment in subsidiaries, associates and joint ventures	-	98,575	11,900	-	-	110,475
Equity instruments at fair value through other comprehensive income	-	-	-	-	102,542	102,542
Derivatives Asset- Hedge accounting	39,730	-	-	-	-	39,730
Loans and advances to customers at amortised cost	-	1,020,150	8,354	5,013	29,236	1,062,753
Property, equipment and right-of-use assets	-	-	-	-	67,450	67,450
Fair value changes of the hedged items-Assets-Hedge accounting	1,523	-	-	-	-	1,523
Other assets	8,183	20,387	-	11	16,989	45,570
Outstanding assets	794,910	1,151,061	20,254	5,024	216,317	2,187,566
Derivative liabilities held for risk management	963	-	-	-	-	963
Fair value changes of the hedged items-liability	3,330	-	-	-	-	3,330
Derivatives – Hedge accounting	4,017	-	-	-	-	4,017
Trading liabilities	2,763	-	-	-	-	2,763
Deposits from banks	80,441	718	-	-	3,961	85,120
Deposits from customers	-	125,821	2,890	29,263	194,480	352,454
Loans from banks and other financial institutions	281,938	-	-	-	-	281,938
Subordinated loans	326,106	-	-	-	-	326,106
Other equity instruments	609,298	-	-	-	-	609,298
Other liabilities	937,055	354	8,958	1	96,840	1,043,208
Outstanding liabilities	2,245,911	126,893	11,848	29,264	295,281	2,709,197
Commitments given	-	258,855	20,000	-	44,794	323,649
Guarantees issued	121,329	-	-	-	9,439	130,768
Commitments received	248,855	-	-	-	-	248,855
Guarantees received	135,563	-	-	-	-	135,563
Notional amount of derivative instruments	4,393,330	-	-	-	-	4,393,330

Bank	31 December 2023					
	Ultimate controlling entity	Subsidiaries	Associates	Key Personnel	Other interest	Total
<i>In RON thousand</i>						
Trading assets	605	-	-	-	-	605
Derivative assets held for risk management	16,975	-	-	-	-	16,975
Loans and advances to banks at amortised cost	79,507	11,861	-	-	957	92,325
Investment in subsidiaries, associates and joint ventures	-	98,575	11,900	-	-	110,475
Equity instruments at fair value through other comprehensive income	-	-	-	-	90,579	90,579
Loans and advances to customers at amortised cost	-	745,703	22,978	5,916	33,112	807,709
Derivatives Asset- Hedge accounting	37,793	-	-	-	-	37,793
Property, equipment and right-of-use assets	732	-	-	-	82,150	82,882
Other assets	7,877	3,615	-	28	21,085	32,605
Outstanding assets	143,489	859,754	34,878	5,944	227,883	1,271,948
Derivative liabilities held for risk management	675	-	-	-	-	675
Derivatives – Hedge accounting	709	-	-	-	-	709
Fair value changes of the hedged items-liability	4,940	-	-	-	-	4,940
Trading liabilities	3,471	-	-	-	-	3,471
Deposits from banks	51,932	189	-	-	2,941	55,062
Deposits from customers	-	104,157	7,409	29,014	162,874	303,454
Loans from banks and other financial institutions	150,851	-	-	-	-	150,851
Subordinated loans	326,015	-	-	-	-	326,015
Other equity instruments	609,298	-	-	-	-	609,298
Other liabilities	62,628	977	5,028	7	119,003	187,643
Outstanding liabilities	1,210,519	105,323	12,437	29,021	284,818	1,642,118
Commitments given	-	19,949	20,000	-	44,771	84,720
Guarantees issued	118,508	160	-	-	16,638	135,306
Commitments received	248,730	-	-	-	-	248,730
Guarantees received	125,552	-	-	-	22,036	147,588
Notional amount of derivative instruments	3,662,314	-	-	-	-	3,662,314

Group	30 June 2024				
	Ultimate controlling entity	Associates	Key Personnel	Other interest	Total
<i>In RON thousand</i>					
Interest income	32,092	835	250	2,188	35,365
Interest expense	(25,781)	–	–	(3)	(25,784)
Fees and commissions income	3,621	–	3	42	3,666
Fees and commissions expense	(2,186)	–	–	(13,857)	(16,043)
Net trading income	876	–	–	–	876
Operating expenses	25,359	28,987	–	63,038	117,384
Personnel expenses	–	–	(17,955)	–	(17,955)
Other operating income	6,511	–	–	734	7,245
Gains or (-) losses from hedge accounting, net	850	–	–	–	850
Share of gain from associates and joint ventures	–	3,866	–	–	3,866
	30 June 2023				
	Ultimate controlling entity	Associates	Key Personnel	Other interest	Total
<i>In RON thousand</i>					
Interest income	6,886	1,000	120	8,439	16,445
Interest expense	(12,723)	–	(159)	–	(12,882)
Fees and commissions income	2,959	3	2	33	2,997
Fees and commissions expense	(2,807)	–	–	(18,104)	(20,911)
Net trading income	(2,840)	–	–	–	(2,840)
Operating expenses	(19,894)	(26,818)	(33)	(41,001)	(87,746)
Personnel expenses	–	–	(18,350)	–	(18,350)
Other operating income	94	(157)	–	628	565
Gains or (-) losses from hedge accounting, net	(2,833)	–	–	–	(2,833)

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

Bank

30 June 2024

<i>In RON thousand</i>	Ultimate					Total
	controlling entity	Subsidiaries	Associates	Key Personnel	Other interest	
Interest income	32,092	23,030	835	250	2,188	58,395
Interest expense	(20,803)	(68)	-	-	(3)	(20,874)
Fees and commissions income	3,621	8,808	-	3	42	12,474
Fees and commissions expense	(2,184)	-	-	-	(13,857)	(16,041)
Net trading income	876	-	-	-	-	876
Operating expenses	25,359	-	28,987	-	63,038	117,384
Personnel expenses	-	-	-	(17,955)	-	(17,955)
Dividend income	-	13,230	-	-	1,351	14,581
Other operating income	6,511	1,087	-	-	734	8,332
Gains or (-) losses from hedge accounting, net	850	-	-	-	-	850
Share of gain from associates and joint ventures	-	-	3,866	-	-	3,866

30 June 2023

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

Transactions with key management personnel

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

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

The volumes of key management personnel transactions as of June 30, 2024 and expense and income for the year are presented in the below tables:

In RON thousand

	Group		Bank	
	2024	2023	2024	2023
Loans and advances to customers	5,013	5,916	5,013	5,916
Interest income and fees and commission income	253	431	253	431
Impairment for loans and advances to customer	63	78	63	78
Deposits	29,263	29,014	29,263	29,014
Interest expense	-	(709)	-	(709)

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

Key management personnel compensation

In RON thousand

	Group		Bank	
	2024	2023	2024	2023
Short-term employee benefits	16,493	17,030	16,493	17,030
Other long term benefits	1,462	1,320	1,462	1,320
Total compensation	17,955	18,350	17,955	18,350

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

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

41. COMMITMENTS AND CONTINGENCIES

Guarantees and letters of credit

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

Credit related commitments

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

<i>In RON thousand</i>	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Loan commitments	17,454,493	15,725,455	17,550,821	15,637,599
Guarantees issued	3,688,031	4,286,170	3,688,031	4,286,170
Letters of credit	149,907	602,485	149,907	602,485
Total	21,292,431	20,614,110	21,388,759	20,526,254

42. CAPITAL

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

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

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

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

According to supervisory review, Group was requested through an official notification to hold additional capital to cover risks which are not or not adequately taken into account under pillar I. The Group is also subject to Conservation and other systemically important institutions buffer. The Group is compliant with all of the above requirements.

	Group			Bank		
	June 2024	December 2023	December 2023	June 2024	December 2023	December 2023
	After Profit Incorporation	Before Profit Incorporation	After Profit Incorporation	After Profit Incorporation	Before Profit Incorporation	After Profit Incorporation
<i>In RON thousand</i>						
Tier 1 Capital, of which:						
Common Equity Tier 1 (CET 1) Capital	6,737,944	6,233,199	6,435,027	6,579,289	6,057,276	6,277,827
Additional Tier 1 Capital	6,128,646	5,623,901	5,825,729	5,969,991	5,447,978	5,668,529
	609,298	609,298	609,298	609,298	609,298	609,298
Tier 2 Capital	833,434	854,012	854,012	822,811	843,385	843,385
Total capital	7,571,378	7,087,211	7,289,039	7,402,100	6,900,661	7,121,212
Risk weighted assets	34,863,384	33,600,206	33,600,206	33,511,394	32,263,820	32,261,372
Common Equity Tier 1 Capital ratio	17.58 %	16.74 %	17.34 %	17.81 %	16.89 %	17.57 %
Tier 1 Capital ratio	19.33 %	18.55 %	19.15 %	19.63 %	18.77 %	19.46 %
Total Capital ratio	21.72 %	21.09 %	21.69 %	22.09 %	21.39 %	22.07 %

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

As of June 30, 2024, the Group has Additional Tier 1 Notes in amount of RON 609,298 thousand (RON 609,298 thousand as of December 31, 2023) that were purchased by Raiffeisen Bank International AG. The instruments are classified as equity instruments in accordance to IAS 32 "Financial Instruments: Presentation" and meet the criteria for inclusion in Group Tier 1 capital (see *note 38 Other equity instruments*).

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

43. SEGMENTS CONSOLIDATION

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

The Group follows financial performance and steers the business by segments and products, namely customer business consists of Corporate, Retail, Financial Institutions and Own employees. Corporate comprises legal entities with an annual turnover exceeding EUR 6.5 million. Retail contains individual clients and legal entities with an annual turnover below the EUR 6.5 million threshold (small and medium entities), while Financial Institutions (part of Treasury Division) deals with brokers, banks, insurance companies, leasing firms, investment and pension funds, as well as asset management companies.

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

Customer business lines bring in more than 75% of the Group's operating income, with following specifics worth mentioning: corporate clients chiefly draw their revenue streams from lending business, followed by fees from cash management, account services, foreign currency deals and investment banking activity.

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

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

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

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

Group

In RON thousand

Total Assets before impairment allowance on loans and advances to customers at amortised cost
Impairment allowance on loans and advances to customers at amortised cost

Total Assets

Total Liabilities

Equity

Net interest income
Net fee and commission income
Net trading income
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net
Gains or (-) losses from hedge accounting, net
Net gains/(losses) on derecognition of financial assets measured at fair value through other comprehensive income
Other operating income*

Operating income

Operating expenses
Personnel expenses
Impairment (losses)/reversals
Share of gain from associates and joint ventures

Profit before income tax

Income tax expense

Net profit for the year

	2024					
	Corporate Customers	Private Individuals	SME	Treasury Division	Others	Total unit
Total Assets before impairment allowance on loans and advances to customers at amortised cost	18,433,405	18,471,676	4,337,461	31,044,332	3,612,822	75,899,696
Impairment allowance on loans and advances to customers at amortised cost	(341,822)	(724,287)	(152,859)	(905)	(4,919)	(1,224,792)
Total Assets	18,091,583	17,747,389	4,184,602	31,043,427	3,607,903	74,674,904
Total Liabilities	12,070,173	34,557,438	8,411,783	4,138,466	7,952,845	67,130,705
Equity	-	-	-	-	7,544,199	7,544,199
Net interest income	289,513	611,926	193,356	187,506	229,037	1,511,338
Net fee and commission income	58,386	136,957	87,202	19,556	(193)	301,908
Net trading income	33,599	86,441	40,284	254,296	(249,069)	165,551
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net	41	852	244	527	82	1,746
Gains or (-) losses from hedge accounting, net	-	-	-	850	-	850
Net gains/(losses) on derecognition of financial assets measured at fair value through other comprehensive income	-	-	-	(786)	-	(786)
Other operating income*	(7,349)	(5,394)	424	15,706	19,471	22,858
Operating income	374,190	830,782	321,510	477,655	(672)	2,003,465
Operating expenses	(65,501)	(280,995)	(99,088)	(11,485)	(80,037)	(537,106)
Personnel expenses	(62,128)	(265,802)	(109,804)	(15,910)	(12,068)	(465,712)
Impairment (losses)/reversals	10,398	6,055	(11,995)	(3,499)	1,258	2,217
Share of gain from associates and joint ventures	-	-	-	-	3,866	3,866
Profit before income tax	256,959	290,040	100,623	446,761	(87,653)	1,006,730
Income tax expense	-	-	-	-	(183,831)	(183,831)
Net profit for the year	256,959	290,040	100,623	446,761	(271,484)	822,899

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

Group

In RON thousand

	2023					Total unit
	Corporate Customers	Private Individuals	SME	Treasury Division	Others	
Total Assets before impairment allowance on loans and advances to customers at amortised cost	18,687,957	18,435,527	4,195,327	26,883,251	3,803,193	72,005,255
Impairment allowance on loans and advances to customers at amortised cost	(345,816)	(730,063)	(144,503)	(877)	(6,149)	(1,227,408)
Total Assets	18,342,141	17,705,464	4,050,824	26,882,374	3,797,044	70,777,847
Total Liabilities	10,759,117	33,145,182	8,780,955	4,097,609	6,366,807	63,149,670
Equity	-	-	-	-	7,628,177	7,628,177
Net interest income	276,722	542,144	167,680	232,078	161,325	1,379,949
Net fee and commission income	47,192	111,821	80,349	11,716	(173)	250,905
Net trading income	31,671	88,664	42,112	36,863	394	199,704
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net	70	16,401	317	496	1,293	18,577
Gains or (-) losses from hedge accounting, net	-	-	-	654	-	654
Net gains/(losses) on derecognition of financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
Other operating income*	(17,455)	(17,325)	(2,584)	39,503	23,425	25,564
Operating income	338,200	741,705	287,874	321,310	186,264	1,875,353
Operating expenses	(73,715)	(257,913)	(103,979)	(15,844)	(14,478)	(465,929)
Personnel expenses	(48,746)	(231,031)	(103,500)	(12,702)	(11,192)	(407,171)
Impairment (losses)/reversals	35,492	27,259	24,860	(2,745)	2,154	87,020
Share of gain from associates and joint ventures	-	-	-	-	3,823	3,823
Profit before income tax	251,231	280,020	105,255	290,019	166,571	1,093,096
Income tax expense	-	-	-	-	(203,233)	(203,233)
Net profit for the year	251,231	280,020	105,255	290,019	(36,662)	889,863

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

Bank	2024					
	Corporate Customers	Private Individuals	SME	Treasury Division	Others	Total unit
<i>In RON thousand</i>						
Total Assets before impairment allowance on loans and advances to customers at amortised cost	18,765,087	18,464,392	3,564,480	30,854,311	3,490,241	75,138,511
Impairment allowance on loans and advances to customers at amortised cost	(325,734)	(724,249)	(129,990)	(905)	(5,267)	(1,186,145)
Total Assets	18,439,353	17,740,143	3,434,490	30,853,406	3,484,974	73,952,366
Total Liabilities	12,064,977	34,545,471	8,405,917	3,623,678	7,928,349	66,568,392
Equity	-	-	-	-	7,383,974	7,383,974
Net interest income	282,235	611,787	184,083	187,848	224,014	1,489,967
Net fee and commission income	53,108	126,263	82,275	19,674	(78)	281,242
Net trading income	33,599	86,441	40,284	255,167	(249,069)	166,422
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net	41	852	244	-	82	1,219
Gains or (-) losses from hedge accounting, net	-	-	-	850	-	850
Net gains/(losses) on derecognition of financial assets measured at fair value through other comprehensive income	-	-	-	(786)	-	(786)
Other operating income*	(7,701)	(6,287)	(1,633)	15,706	34,491	34,576
Operating income	361,282	819,056	305,253	478,459	9,440	1,973,490
Operating expenses	(62,824)	(278,071)	(95,891)	(11,388)	(81,144)	(529,318)
Personnel expenses	(56,744)	(262,391)	(103,041)	(15,841)	(6,944)	(444,961)
Impairment (losses)/reversals	10,469	6,015	(10,653)	(3,499)	1,219	3,551
Profit before income tax	252,183	284,609	95,668	447,731	(77,429)	1,002,762
Income tax expense	-	-	-	-	(180,703)	(180,703)
Net profit for the year	252,183	284,609	95,668	447,731	(258,132)	822,059

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

Bank	2023					
	Corporate Customers	Private Individuals	SME	Treasury Division	Others	Total unit
<i>In RON thousand</i>						
Total Assets before impairment allowance on loans and advances to customers at amortised cost	18,943,219	18,427,913	3,532,343	26,738,754	3,705,866	71,348,095
Impairment allowance on loans and advances to customers at amortised cost	(330,210)	(730,015)	(122,905)	(877)	(6,430)	(1,190,437)
Total Assets	18,613,009	17,697,898	3,409,438	26,737,877	3,699,436	70,157,658
Total Liabilities	10,746,198	33,133,222	8,776,466	2,861,824	7,171,179	62,688,889
Equity	-	-	-	-	7,468,769	7,468,769
Net interest income	270,906	541,992	158,893	229,708	156,776	1,358,275
Net fee and commission income	45,554	102,327	75,965	11,802	(53)	235,595
Net trading income	31,671	88,664	42,112	37,173	396	200,016
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net	70	16,401	317	-	1,294	18,082
Gains or (-) losses from hedge accounting, net	-	-	-	654	-	654
Net gains/(losses) on derecognition of financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
Other operating income*	(17,650)	(17,350)	(4,249)	39,503	23,426	23,680
Operating income	330,551	732,034	273,038	318,840	181,839	1,836,302
Operating expenses	(72,102)	(254,743)	(100,533)	(15,746)	(13,628)	(456,752)
Personnel expenses	(45,781)	(227,165)	(97,175)	(12,633)	(7,456)	(390,210)
Impairment (losses)/reversals	34,161	27,191	23,041	(2,745)	2,110	83,758
Profit before income tax	246,829	277,317	98,371	287,716	162,865	1,073,098
Income tax expense	-	-	-	-	(199,565)	(199,565)
Net profit for the year	246,829	277,317	98,371	287,716	(36,700)	873,533

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