Banca Comerciala Romana S.A.
Interim Condensed Financial Statements
Consolidated and Separate

30 June 2019

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

Administrators report
Statement of profit or loss .............................................................................................................................................. 1
Statement of financial position ....................................................................................................................................... 2
Statement of changes in equity ..................................................................................................................................... 3
Statement of cashflow ................................................................................................................................................... 5
1. Bank and Group information ................................................................................................................................. 6
2. Basis of Preparation and Presentation of the financial statements .................................................................... 7
3. Cash and cash balances ......................................................................................................................................... 9
4. Financial assets at fair value through other comprehensive income ................................................................. 10
5. Financial assets at amortised cost .......................................................................................................................... 14
6. Deposits from banks ............................................................................................................................................... 22
7. Deposits from customers ......................................................................................................................................... 22
8. Debt securities issued ............................................................................................................................................... 23
9. Provisions ............................................................................................................................................................. 23
10. Net interest income ............................................................................................................................................... 24
11. Net fees and commissions income ...................................................................................................................... 25
12. Net trading and fair value result .......................................................................................................................... 25
13. General administrative expenses .......................................................................................................................... 26
14. Net impairment loss on financial assets ............................................................................................................... 27
15. Other operating results .......................................................................................................................................... 27
16. Taxes on income ..................................................................................................................................................... 28
17. Dividends paid ....................................................................................................................................................... 28
18. Segment reporting .................................................................................................................................................. 29
19. Related-party transactions and principal shareholders ....................................................................................... 40
20. Fair value of financial assets and liabilities ........................................................................................................... 43
21. Legal claims and contingent liabilities ............................................................................................................... 51
22. Subsequent events ................................................................................................................................................... 53
STATEMENT

Regarding the Administrators Report for the first semester of 2019

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

a) To the best of our knowledge, the interim consolidated and separate financial statements drawn up in accordance with applicable financial reporting standards provide for a correct and accurate image of the assets, liabilities, statement of financial position and statement of comprehensive income of Banca Comerciala Romana SA and its subsidiaries included in the consolidation perimeter.

b) The consolidated and separate report of the Supervisory Board reflects in a correct and accurate manner the information on Banca Comerciala Romana SA and its subsidiaries included in the consolidation perimeter.

Executive President,
Sergiu Manea

Executive Vice-President,
Elke Meier
### Statement of profit or loss

<table>
<thead>
<tr>
<th>Notes</th>
<th>30.06.2019</th>
<th>30.06.2018</th>
<th>30.06.2019</th>
<th>30.06.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In RON thousands</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>10</td>
<td>1,110,156</td>
<td>962,331</td>
<td>1,058,954</td>
</tr>
<tr>
<td><strong>Interest income</strong></td>
<td>1,347,054</td>
<td>1,186,823</td>
<td>1,213,090</td>
<td>1,112,271</td>
</tr>
<tr>
<td><strong>Other similar income</strong></td>
<td>16,992</td>
<td>22,111</td>
<td>16,034</td>
<td>21,081</td>
</tr>
<tr>
<td><strong>Interest expense</strong></td>
<td>(230,387)</td>
<td>(235,186)</td>
<td>(208,363)</td>
<td>(205,959)</td>
</tr>
<tr>
<td><strong>Other similar expense</strong></td>
<td>(23,103)</td>
<td>(11,217)</td>
<td>(21,807)</td>
<td>(10,713)</td>
</tr>
<tr>
<td><strong>Net tax and commission income</strong></td>
<td>11</td>
<td>368,873</td>
<td>349,442</td>
<td>354,128</td>
</tr>
<tr>
<td><strong>Fee and commission income</strong></td>
<td>453,786</td>
<td>428,033</td>
<td>433,116</td>
<td>397,247</td>
</tr>
<tr>
<td><strong>Fee and commission expense</strong></td>
<td>(84,913)</td>
<td>(76,591)</td>
<td>(78,988)</td>
<td>(70,219)</td>
</tr>
<tr>
<td><strong>Dividend income</strong></td>
<td>2,359</td>
<td>3,657</td>
<td>15,784</td>
<td>11,808</td>
</tr>
<tr>
<td><strong>Net trading result</strong></td>
<td>12</td>
<td>165,213</td>
<td>186,073</td>
<td>163,785</td>
</tr>
<tr>
<td><strong>Net profit of the year</strong></td>
<td>111,344</td>
<td>812,619</td>
<td>135,121</td>
<td></td>
</tr>
<tr>
<td><strong>Pre-tax result from continuing operations</strong></td>
<td>111,344</td>
<td>812,619</td>
<td>135,121</td>
<td>771,861</td>
</tr>
<tr>
<td><strong>Taxes on income</strong></td>
<td>16</td>
<td>(132,197)</td>
<td>(115,818)</td>
<td>(123,771)</td>
</tr>
<tr>
<td><strong>Net result for the period</strong></td>
<td>(20,849)</td>
<td>697,997</td>
<td>11,350</td>
<td>656,885</td>
</tr>
<tr>
<td><strong>Net result attributable to non-controlling interests</strong></td>
<td>6</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net result attributable to owners of the parent</strong></td>
<td>(20,849)</td>
<td>697,997</td>
<td>11,350</td>
<td>656,885</td>
</tr>
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</table>

### Statement of other comprehensive income

<table>
<thead>
<tr>
<th>Notes</th>
<th>30.06.2019</th>
<th>30.06.2018</th>
<th>30.06.2019</th>
<th>30.06.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In RON thousands</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net result for the period</strong></td>
<td>(20,843)</td>
<td>697,001</td>
<td>11,350</td>
<td>656,885</td>
</tr>
<tr>
<td><strong>Remeasurement of net liability of defined pension plans</strong></td>
<td>-</td>
<td>(44)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other equity instruments</strong></td>
<td>13,457</td>
<td>(180,166)</td>
<td>13,457</td>
<td>(180,166)</td>
</tr>
<tr>
<td><strong>Deferred taxes relating to items that may not be reclassified</strong></td>
<td>(2,153)</td>
<td>28,834</td>
<td>(2,153)</td>
<td>28,827</td>
</tr>
<tr>
<td><strong>Total items that cannot be reclassified to profit or loss</strong></td>
<td>11,304</td>
<td>(151,376)</td>
<td>11,304</td>
<td>(151,339)</td>
</tr>
<tr>
<td><strong>Items that may be reclassified to profit or loss</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Debt instruments at fair value through other comprehensive income</strong></td>
<td>17,114</td>
<td>(70,978)</td>
<td>16,804</td>
<td>(71,195)</td>
</tr>
<tr>
<td><strong>Net impairment loss on financial instruments</strong></td>
<td>20,716</td>
<td>30,335</td>
<td>43,481</td>
<td>35,725</td>
</tr>
<tr>
<td><strong>Gains/losses during the period</strong></td>
<td>15,736</td>
<td>(69,686)</td>
<td>15,781</td>
<td>(69,687)</td>
</tr>
<tr>
<td><strong>Credit loss allowances</strong></td>
<td>651</td>
<td>929</td>
<td>96</td>
<td>722</td>
</tr>
<tr>
<td><strong>Currency translation</strong></td>
<td>(4,443)</td>
<td>4,712</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Deferred taxes relating to items that may be reclassified</strong></td>
<td>(3,259)</td>
<td>11,744</td>
<td>(3,012)</td>
<td>11,737</td>
</tr>
<tr>
<td><strong>Total items that may be reclassified to profit or loss</strong></td>
<td>9,412</td>
<td>(54,522)</td>
<td>13,592</td>
<td>(59,449)</td>
</tr>
<tr>
<td><strong>Total other comprehensive income</strong></td>
<td>20,716</td>
<td>(205,394)</td>
<td>24,896</td>
<td>(210,788)</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>(127)</td>
<td>491,103</td>
<td>36,246</td>
<td>446,097</td>
</tr>
<tr>
<td><strong>Total comprehensive income attributable to owners of the parent</strong></td>
<td>(133)</td>
<td>491,099</td>
<td>36,246</td>
<td>446,097</td>
</tr>
</tbody>
</table>

The interim condensed separate and consolidated financial statements were approved by the Executive Committee on 30 July 2019.

**AUTHORISED PERSON**

Name and first name
Signature
Executive Vice-President

**AUTHORISED PERSON**

Name and first name
Signature
Executive Director Accounting Division

[Image]
The interim condensed separate and consolidated financial statements were approved by the Executive Committee on 30 July 2019.

<table>
<thead>
<tr>
<th>Statement of financial position</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash balances</td>
<td>10,346,392</td>
<td>11,123,191</td>
<td>10,179,024</td>
<td>10,862,852</td>
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<tr>
<td>Financial assets held for trading</td>
<td>180,703</td>
<td>213,955</td>
<td>161,206</td>
<td>214,092</td>
</tr>
<tr>
<td>Derivatives</td>
<td>59,543</td>
<td>31,062</td>
<td>60,138</td>
<td>31,189</td>
</tr>
<tr>
<td>Other financial assets held for trading</td>
<td>101,160</td>
<td>182,903</td>
<td>101,160</td>
<td>182,903</td>
</tr>
<tr>
<td>non-trading financial assets at fair value through profit or loss</td>
<td>4,181</td>
<td>-</td>
<td>4,181</td>
<td>-</td>
</tr>
<tr>
<td>Equity instruments</td>
<td>33,048</td>
<td>33,475</td>
<td>32,815</td>
<td>33,232</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>4,215</td>
<td>5,020</td>
<td>4,215</td>
<td>5,920</td>
</tr>
<tr>
<td>Financial assets held for fair value through other comprehensive income</td>
<td>5,458,119</td>
<td>5,223,081</td>
<td>5,413,021</td>
<td>5,187,079</td>
</tr>
<tr>
<td>Equity investments</td>
<td>54,179</td>
<td>40,721</td>
<td>54,179</td>
<td>40,721</td>
</tr>
<tr>
<td>Debt securities</td>
<td>5,403,041</td>
<td>5,181,360</td>
<td>5,357,843</td>
<td>5,146,286</td>
</tr>
<tr>
<td>thereof pledged as collateral</td>
<td>25,359</td>
<td>-</td>
<td>25,359</td>
<td>41,748</td>
</tr>
<tr>
<td>Financial assets at amortised cost</td>
<td>51,798,843</td>
<td>50,843,219</td>
<td>49,738,874</td>
<td>48,732,068</td>
</tr>
<tr>
<td>thereof pledged as collateral</td>
<td>806,426</td>
<td>690,052</td>
<td>5,097,399</td>
<td>1,693,399</td>
</tr>
<tr>
<td>Debt securities</td>
<td>15,295,100</td>
<td>15,875,180</td>
<td>14,066,921</td>
<td>14,297,905</td>
</tr>
<tr>
<td>Loans and advances to banks</td>
<td>266,108</td>
<td>123,840</td>
<td>280,364</td>
<td>388,848</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>36,230,435</td>
<td>34,840,271</td>
<td>35,391,590</td>
<td>34,046,815</td>
</tr>
<tr>
<td>Finance lease receivables</td>
<td>1,062,774</td>
<td>990,868</td>
<td>3,241</td>
<td>-</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>1,077,877</td>
<td>1,169,260</td>
<td>974,754</td>
<td>760,046</td>
</tr>
<tr>
<td>Investment property</td>
<td>147,077</td>
<td>162,606</td>
<td>147,077</td>
<td>162,606</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>345,856</td>
<td>361,866</td>
<td>350,630</td>
<td>354,020</td>
</tr>
<tr>
<td>Investments in joint ventures and associates</td>
<td>23,388</td>
<td>20,077</td>
<td>17,038</td>
<td>7,509</td>
</tr>
<tr>
<td>Current tax assets</td>
<td>200,258</td>
<td>208,800</td>
<td>197,206</td>
<td>178,822</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>173,874</td>
<td>202,165</td>
<td>197,061</td>
<td>197,061</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>548,826</td>
<td>643,114</td>
<td>106,337</td>
<td>117,699</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>490,654</td>
<td>563,014</td>
<td>480,201</td>
<td>543,170</td>
</tr>
<tr>
<td>Investments in subsidiaries</td>
<td>346,768</td>
<td>275,502</td>
<td>185,649</td>
<td>148,677</td>
</tr>
<tr>
<td>Total assets</td>
<td>72,218,932</td>
<td>71,530,305</td>
<td>68,548,231</td>
<td>67,309,254</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial liabilities held for trading</td>
<td>83,128</td>
<td>32,988</td>
<td>83,128</td>
<td>32,988</td>
</tr>
<tr>
<td>Derivatives</td>
<td>83,128</td>
<td>32,988</td>
<td>83,128</td>
<td>32,988</td>
</tr>
<tr>
<td>Financial liabilities measured at amortised cost</td>
<td>61,890,320</td>
<td>61,618,808</td>
<td>58,881,083</td>
<td>58,326,684</td>
</tr>
<tr>
<td>Deposits from banks</td>
<td>5,259,492</td>
<td>4,576,090</td>
<td>4,662,356</td>
<td>4,791,204</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>55,247,344</td>
<td>55,099,359</td>
<td>53,150,871</td>
<td>52,393,690</td>
</tr>
<tr>
<td>Debt securities in issue</td>
<td>288,614</td>
<td>288,614</td>
<td>349,153</td>
<td>349,153</td>
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<tr>
<td>Other financial liabilities</td>
<td>898,871</td>
<td>916,616</td>
<td>898,241</td>
<td>919,937</td>
</tr>
<tr>
<td>Finance lease liabilities</td>
<td>249,912</td>
<td>-</td>
<td>245,567</td>
<td>-</td>
</tr>
<tr>
<td>Provisions</td>
<td>1,753,037</td>
<td>1,151,888</td>
<td>1,400,326</td>
<td>1,229,225</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>4,051</td>
<td>97,782</td>
<td>97,110</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>6,791</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Liabilities associated with assets held for sale</td>
<td>39,495</td>
<td>15,438</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>319,411</td>
<td>286,897</td>
<td>248,922</td>
<td>193,842</td>
</tr>
<tr>
<td>Total equity</td>
<td>7,876,783</td>
<td>8,366,714</td>
<td>7,689,225</td>
<td>8,138,075</td>
</tr>
<tr>
<td>Share capital</td>
<td>2,952,565</td>
<td>2,952,565</td>
<td>2,952,565</td>
<td>2,952,565</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>2,335,783</td>
<td>2,786,492</td>
<td>2,051,869</td>
<td>3,329,410</td>
</tr>
<tr>
<td>Other reserves</td>
<td>1,688,435</td>
<td>1,647,657</td>
<td>1,684,791</td>
<td>1,659,395</td>
</tr>
<tr>
<td>attributable to non-controlling interest</td>
<td>52</td>
<td>46</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>attributable to owners of the parent</td>
<td>7,876,783</td>
<td>8,366,714</td>
<td>7,689,225</td>
<td>8,138,075</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>72,218,932</td>
<td>71,530,305</td>
<td>68,548,231</td>
<td>67,309,254</td>
</tr>
</tbody>
</table>

The interim condensed separate and consolidated financial statements were approved by the Executive Committee on 30 July 2019.
## Statement of changes in equity

### 30.06.2019 Group

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Subscribed capital</th>
<th>Share premium</th>
<th>Retained earnings</th>
<th>Other reserves</th>
<th>Fair value reserve</th>
<th>Currency translation reserve</th>
<th>Remeasurement of net liability of defined pension plans</th>
<th>Deferred tax</th>
<th>Equity attributable to owners of the parent</th>
<th>Equity attributable to non-controlling interests</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity as of 01.01.2019</td>
<td>2,952,565</td>
<td>395,483</td>
<td>3,766,438</td>
<td>1,130,670</td>
<td>77,459</td>
<td>(13,732)</td>
<td>82,825</td>
<td>(25,038)</td>
<td>8,366,668</td>
<td>46</td>
<td>8,366,714</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-</td>
<td>-</td>
<td>(485,096)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(485,096)</td>
<td>-</td>
<td>(485,096)</td>
</tr>
<tr>
<td>Changes in scope of consolidation and ownership interest</td>
<td>(4,714)</td>
<td>(4,714)</td>
<td>(4,714)</td>
<td></td>
<td>(4,714)</td>
<td></td>
<td></td>
<td></td>
<td>(4,714)</td>
<td></td>
<td>(4,714)</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>-</td>
<td>-</td>
<td>(20,843)</td>
<td>-</td>
<td>30,571</td>
<td>(4,443)</td>
<td>-</td>
<td>(5,412)</td>
<td>(127)</td>
<td>6</td>
<td>(121)</td>
</tr>
<tr>
<td>Consolidated profit or loss</td>
<td>-</td>
<td>-</td>
<td>(20,843)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(20,843)</td>
<td>6</td>
<td>(20,837)</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30,571</td>
<td>(4,443)</td>
<td>-</td>
<td>(5,412)</td>
<td>20,716</td>
<td>-</td>
<td>20,716</td>
</tr>
<tr>
<td>Total equity as of 30.06.2019</td>
<td>2,952,565</td>
<td>395,483</td>
<td>3,255,783</td>
<td>1,130,670</td>
<td>108,030</td>
<td>(18,175)</td>
<td>82,825</td>
<td>(485,096)</td>
<td>(30,450)</td>
<td>7,876,731</td>
<td>52</td>
</tr>
</tbody>
</table>

Changes in scope of consolidation and ownership interest refer to acquisition of 49% of Goodbee Credit IFN at 1st of March, 2019.

### 30.06.2018 Group

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Subscribed capital</th>
<th>Share premium</th>
<th>Retained earnings</th>
<th>Other reserves</th>
<th>Fair value reserve</th>
<th>Currency translation reserve</th>
<th>Remeasurement of net liability of defined pension plans</th>
<th>Deferred tax</th>
<th>Equity attributable to owners of the parent</th>
<th>Equity attributable to non-controlling interests</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity as of 01.01.2018</td>
<td>2,952,565</td>
<td>395,483</td>
<td>3,595,948</td>
<td>1,130,670</td>
<td>312,144</td>
<td>(18,502)</td>
<td>82,546</td>
<td>(62,949)</td>
<td>7,387,905</td>
<td>37</td>
<td>7,387,942</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-</td>
<td>-</td>
<td>(228,063)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(228,063)</td>
<td>-</td>
<td>(228,063)</td>
<td></td>
</tr>
<tr>
<td>Other changes</td>
<td>-</td>
<td>-</td>
<td>(140)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(140)</td>
<td>-</td>
<td>(140)</td>
<td></td>
</tr>
<tr>
<td>Reclassification from OCI to RE</td>
<td>-</td>
<td>-</td>
<td>196,298</td>
<td>-</td>
<td>(196,298)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>-</td>
<td>-</td>
<td>696,997</td>
<td>-</td>
<td>(54,847)</td>
<td>4,712</td>
<td>(44)</td>
<td>40,577</td>
<td>687,395</td>
<td>4</td>
<td>687,399</td>
</tr>
<tr>
<td>Consolidated profit or loss</td>
<td>-</td>
<td>-</td>
<td>696,997</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>696,997</td>
<td>4</td>
<td>697,001</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(54,847)</td>
<td>4,712</td>
<td>(44)</td>
<td>40,577</td>
<td>(9,602)</td>
<td>-</td>
<td>(9,602)</td>
</tr>
<tr>
<td>Total equity as of 30.06.2018</td>
<td>2,952,565</td>
<td>395,483</td>
<td>3,261,040</td>
<td>1,130,670</td>
<td>60,999</td>
<td>(13,760)</td>
<td>82,502</td>
<td>(22,372)</td>
<td>7,847,097</td>
<td>41</td>
<td>7,847,138</td>
</tr>
</tbody>
</table>
Statement of Changes in Equity (continued)  

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Subscribed capital</th>
<th>Share premium</th>
<th>Retained earnings</th>
<th>Other reserves</th>
<th>Fair value reserve</th>
<th>Currency translation reserve</th>
<th>Remeasurement of net liability of defined pension plans</th>
<th>Deferred tax</th>
<th>Equity attributable to owners of the parent</th>
<th>Equity attributable to non-controlling interests</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity as of 01.01.2019</td>
<td>2,952,565</td>
<td>395,483</td>
<td>3,525,615</td>
<td>1,130,670</td>
<td>75,909</td>
<td>-</td>
<td>82,883</td>
<td>(25,050)</td>
<td>8,138,075</td>
<td>-</td>
<td>8,138,075</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-</td>
<td>-</td>
<td>(485,096)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(485,096)</td>
<td>-</td>
<td>(485,096)</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>-</td>
<td>-</td>
<td>11,350</td>
<td>-</td>
<td>30,061</td>
<td>-</td>
<td>-</td>
<td>(5,165)</td>
<td>36,246</td>
<td>-</td>
<td>36,246</td>
</tr>
<tr>
<td>Net profit of the year</td>
<td>-</td>
<td>-</td>
<td>11,350</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11,350</td>
<td>-</td>
<td>11,350</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30,061</td>
<td>-</td>
<td>-</td>
<td>40,564</td>
<td>70,625</td>
<td>-</td>
<td>70,625</td>
</tr>
<tr>
<td>Total equity as of 30.06.2019</td>
<td>2,952,565</td>
<td>395,483</td>
<td>3,051,869</td>
<td>1,130,670</td>
<td>105,970</td>
<td>-</td>
<td>82,883</td>
<td>(30,215)</td>
<td>7,689,225</td>
<td>-</td>
<td>7,689,225</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Subscribed capital</th>
<th>Share premium</th>
<th>Retained earnings</th>
<th>Other reserves</th>
<th>Fair value reserve</th>
<th>Currency translation reserve</th>
<th>Remeasurement of net liability of defined pension plans</th>
<th>Deferred tax</th>
<th>Equity attributable to owners of the parent</th>
<th>Equity attributable to non-controlling interests</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity as of 01.01.2018</td>
<td>2,952,565</td>
<td>395,483</td>
<td>2,586,933</td>
<td>1,130,670</td>
<td>310,856</td>
<td>-</td>
<td>82,546</td>
<td>(62,943)</td>
<td>7,396,110</td>
<td>-</td>
<td>7,396,110</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-</td>
<td>-</td>
<td>(228,063)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(228,063)</td>
<td>-</td>
<td>(228,063)</td>
</tr>
<tr>
<td>Reclassification from OCI to RE</td>
<td>-</td>
<td>-</td>
<td>196,298</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>-</td>
<td>-</td>
<td>656,885</td>
<td>-</td>
<td>(55,055)</td>
<td>-</td>
<td>-</td>
<td>40,564</td>
<td>642,394</td>
<td>-</td>
<td>642,394</td>
</tr>
<tr>
<td>Consolidated profit or loss</td>
<td>656,885</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>656,885</td>
<td>-</td>
<td>656,885</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(55,055)</td>
<td>-</td>
<td>-</td>
<td>40,564</td>
<td>(14,491)</td>
<td>-</td>
<td>(14,491)</td>
</tr>
<tr>
<td>Total equity as of 30.06.2018</td>
<td>2,952,565</td>
<td>395,483</td>
<td>3,212,053</td>
<td>1,130,670</td>
<td>59,503</td>
<td>-</td>
<td>82,546</td>
<td>(22,379)</td>
<td>7,810,441</td>
<td>-</td>
<td>7,810,441</td>
</tr>
</tbody>
</table>
Statement of cash flows

<table>
<thead>
<tr>
<th>Group</th>
<th>30.06.2019</th>
<th>30.06.2018</th>
<th>30.06.2019</th>
<th>30.06.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net result for the period</td>
<td>(20,843)</td>
<td>697,001</td>
<td>11,356</td>
<td>656,685</td>
</tr>
<tr>
<td>Non-cash adjustments for items in net profit/(loss) for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation, amortisation of assets</td>
<td>125,444</td>
<td>91,778</td>
<td>100,837</td>
<td>64,211</td>
</tr>
<tr>
<td>Allocation to and release of impairment of loans</td>
<td>38,758</td>
<td>(30,935)</td>
<td>304,938</td>
<td>(50,443)</td>
</tr>
<tr>
<td>Gains/(losses) from the sale of tangible and intangible assets</td>
<td>20,602</td>
<td>(10,829)</td>
<td>16,105</td>
<td>(8,749)</td>
</tr>
<tr>
<td>Other provisions</td>
<td>601,390</td>
<td>(92,619)</td>
<td>380,971</td>
<td>(38,887)</td>
</tr>
<tr>
<td>Impairment tangible and intangible assets</td>
<td>13,220</td>
<td>(3,193)</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Interest income received from investing activities</td>
<td>(532,240)</td>
<td>(328,289)</td>
<td>(306,479)</td>
<td>(208,839)</td>
</tr>
<tr>
<td>Interest expense paid for financing activities</td>
<td>(28,682)</td>
<td>82,009</td>
<td>(29,682)</td>
<td>75,008</td>
</tr>
<tr>
<td>Dividend income from investing activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid to non-controlling interests</td>
<td>(13,406)</td>
<td></td>
<td>17,953</td>
<td></td>
</tr>
<tr>
<td>Other adjustments</td>
<td>(63,597)</td>
<td>(39,104)</td>
<td>(58,869)</td>
<td>(41,492)</td>
</tr>
</tbody>
</table>

Changes in assets and liabilities from operating activities after adjustment for non-cash components

| Financial assets - held for trading | 81,743 | (107,829) | 81,743 | (107,832) |
| Non-trading financial assets at fair value through profit or loss | 28,847 | - | 28,847 | - |
| Financial assets at fair value through other comprehensive income | (205,466) | - | (195,037) | - |
| Financial assets at amortised cost | | | | |
| Loans and advances to banks | (145,266) | 912,021 | (169,470) | 908,200 |
| Loans and advances to customers | (1,430,879) | (1,530,728) | (1,310,610) | (1,395,363) |
| Other assets from operating activities | (68,856) | (6,918) | (36,947) | (46,146) |
| Financial liabilities - held for trading | | | | |
| Loans from customers | 260,076 | 19,932 | 275,982 | 5,000 |
| Other financial liabilities | | | | |
| Other liabilities from operating activities | 72,531 | (12,893) | 55,639 | 4,004 |
| Cash flow from operating activities | (1,018,810) | (882,092) | (542,678) | (829,298) |

Proceeds of disposal

| Financial assets - held to maturity | | | | |
| Financial assets at fair value through other comprehensive income | (727) | 305,373 | (727) | 305,373 |
| Property and equipment, intangible assets and investment properties | 49,756 | 48,971 | 49,757 | 30,816 |

Acquisition of

| Financial assets - held to maturity | | | | |
| Financial assets at fair value through other comprehensive income | 582,939 | (564,412) | 223,829 | (519,862) |
| Financial assets at amortised cost | (5,835) | - | (5,835) | - |
| Loans and advances to banks | (140,395) | (140,395) | (66,538) | (55,570) |
| Property and equipment, intangible assets and investment properties | (328,385) | (13,050) | 557,181 | 113,625 |
| Contribution to increase in share capital of subsidiaries | | | | (30,000) |
| Interest received from investing activities | 332,223 | 679,425 | 309,479 | 630,067 |
| Dividends received from investing activities | | | | 7,963 |
| Cash flow from investing activities | 786,203 | 321,127 | 529,065 | 368,776 |
| Dividends paid to equity holders of the parent | (484,630) | (213,476) | (484,630) | (213,476) |
| Dividends paid to non-controlling interests | (460) | (14,587) | (460) | (14,587) |
| Debt securities issued | (67,085) | (90,161) | (51,981) | (50,967) |
| Inflows from other financing activities | 384,106 | 326,277 | 265,917 | 161,284 |
| Outflows from other financing activities | (285,525) | (816,169) | (56,917) | (641,284) |
| Interest expense paid for financing activities | (48,647) | (84,286) | (37,140) | (77,724) |
| Other financing activities | (23,033) | (32,369) | (18,105) | (9,749) |
| Subordinated loans | | | | |
| Cash flow from financing activities | (544,223) | (892,902) | (670,214) | (1,037,732) |

Cash and cash equivalents at beginning of period | 11,123,191 | 11,367,313 | 10,862,952 | 11,244,649 |
| Cash flow from operating activities | (1,018,810) | (882,092) | (542,678) | (829,298) |
| Cash flow from investing activities | 786,203 | 321,127 | 529,065 | 368,776 |
| Cash flow from financing activities | (544,223) | (892,902) | (670,214) | (1,037,732) |
| Cash and cash equivalents at end of period | 10,346,352 | 9,913,446 | 10,179,024 | 9,747,395 |
1. Bank and Group information

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

As a result of the privatization process organized by the government of Romania, Erste Bank der oesterreichischen Sparkassen AG (‘Erste Bank’) purchased 61.88% of the share capital of the Bank pursuant to a share purchase agreement dated 21 December 2005. Until December 2018, Erste Bank purchased further 37.9976% from employees and other shareholders of the Bank, adding up to 99.8776%. Erste Bank der oesterreichischen Sparkassen AG („Erste bank”) is owned 100% by Erste Group Bank AG. The ultimate parent of the Group is Erste Group Bank AG.

At 30 June 2019, the Bank’s shareholders were the following:

<table>
<thead>
<tr>
<th></th>
<th>30.06.2019</th>
<th>Percentage holding (%)</th>
<th>31.12.2018</th>
<th>Percentage holding (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of shares</td>
<td></td>
<td>Number of shares</td>
<td></td>
</tr>
<tr>
<td>Erste Group Bank AG</td>
<td>16,233,523,442</td>
<td>99.8776%</td>
<td>16,233,523,442</td>
<td>99.8776%</td>
</tr>
<tr>
<td>Societatea de Investitii Financiare (“SIF”), „Banat Crisana”</td>
<td>1</td>
<td>0.0000%</td>
<td>1</td>
<td>0.0000%</td>
</tr>
<tr>
<td>Societatea de Investitii Financiare (“SIF”), „Muntenia”</td>
<td>1</td>
<td>0.0000%</td>
<td>1</td>
<td>0.0000%</td>
</tr>
<tr>
<td>SC Adiminvest SA</td>
<td>226,802</td>
<td>0.0014%</td>
<td>226,802</td>
<td>0.0014%</td>
</tr>
<tr>
<td>FDI Certinvest Dynamic</td>
<td>13,699</td>
<td>0.0001%</td>
<td>13,699</td>
<td>0.0001%</td>
</tr>
<tr>
<td>BCR Leasing</td>
<td>109</td>
<td>0.0000%</td>
<td>109</td>
<td>0.0000%</td>
</tr>
<tr>
<td>Individuals</td>
<td>19,652,200</td>
<td>0.1209%</td>
<td>19,652,200</td>
<td>0.1209%</td>
</tr>
<tr>
<td>Total</td>
<td>16,253,416,254</td>
<td>100.0000%</td>
<td>16,253,416,254</td>
<td>100.0000%</td>
</tr>
</tbody>
</table>

The current registered office is located in Bucharest, Romania, No.15, Calea Victoriei.

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

- **Retail** grouped into 12 geographical locations, including 482 branches;
- **Corporate** grouped into 10 geographical areas, including 21 Commercial Centres and Area Centres, 22 Mobile Teams and International Clients Department that support small and medium-sized customers (SMEs).

The Bank has the following subsidiaries as at 30 June 2019 and 31 December 2018:

<table>
<thead>
<tr>
<th>Company's name</th>
<th>Country of incorporation</th>
<th>Nature of the business</th>
<th>Shareholding</th>
<th>Gross Book Value</th>
<th>Net Book Value</th>
<th>Impairment</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCR Chisinau SA</td>
<td>Moldova</td>
<td>Banking</td>
<td>100.00%</td>
<td>199,084</td>
<td>124,890</td>
<td></td>
</tr>
<tr>
<td>BCR Leasing IFN SA</td>
<td>Romania</td>
<td>Financial leasing</td>
<td>99.97%</td>
<td>389,492</td>
<td>190,273</td>
<td>99,219</td>
</tr>
<tr>
<td>BCR Pensii, Societatea de Administrare a Fondurilor de Pensii Private SA</td>
<td>Romania</td>
<td>Pension Fund</td>
<td>99.99%</td>
<td>269,820</td>
<td>110,015</td>
<td></td>
</tr>
<tr>
<td>BCR Banca pentru Locuinte SA</td>
<td>Romania</td>
<td>Housing loans</td>
<td>99.99%</td>
<td>108,078</td>
<td>-</td>
<td>108,078</td>
</tr>
<tr>
<td>Suport Colect SRL</td>
<td>Romania</td>
<td>Workout</td>
<td>99.99%</td>
<td>983,047</td>
<td>-</td>
<td>983,047</td>
</tr>
<tr>
<td>CIT One SRL</td>
<td>Romania</td>
<td>Cash processing and storing payments transactions</td>
<td>100.00%</td>
<td>13,308</td>
<td>7,255</td>
<td>6,053</td>
</tr>
<tr>
<td>BCR Payments Services SRL</td>
<td>Romania</td>
<td>Payments transactions</td>
<td>99.99%</td>
<td>1,900</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>BCR Fleet Management SRL*</td>
<td>Romania</td>
<td>Operational leasing</td>
<td>99.97%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Company held indirectly by BCR through BCR Leasing SA

The participation held in CIT One was maintained as asset held for sale and the participation in BCR Fleet Management SRL was reclassified as asset held for sale at 31st of March, 2019.
2. Basis of Preparation and Presentation of the financial statements

a) Statement of compliance

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

These financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated and separate financial statements as at and for the year ended 31 December 2018.

b) Functional and presentation currency

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

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

<table>
<thead>
<tr>
<th>Currencies</th>
<th>30.06.2019</th>
<th>31.12.2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro (EUR)</td>
<td>1 : RON 4.7351</td>
<td>1 : RON 4.6639</td>
<td>1.53%</td>
</tr>
<tr>
<td>US Dollar (USD)</td>
<td>1 : RON 4.1587</td>
<td>1 : RON 4.0736</td>
<td>2.09%</td>
</tr>
</tbody>
</table>

c) Significant accounting policies

The individual and consolidated financial statements have been prepared on a going concern basis, except for BpL where the basis of preparation is gone concern. The financial impact of applying this principle is RON 4mn as of 30th of June 2019 booked as impairment of non financial assets.

The accounting policies applied by the Bank and the Group in these interim condensed financial statements are the same as those applied in the annual consolidated financial statements as at 31 December 2018, except for the accounting policies related to IFRS 16 (applied by the Bank and the Group since 1st of January 2019). Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current period.

Apart from the first application of IFRS 16 “Leases”, there have been no significant changes in accounting policies since 31 December 2018 resulting from the application of new or amended standards.


IFRS 16 introduced a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases (less than 12 months) and leases of low-value items (5000 USD).

At inception date of a contract, the contract is assessed for whether it contains a lease, i.e. whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. A right-of-use asset and a lease liability are recognized at the lease commencement date.

It is initially measured at cost and subsequently depreciated from the commencement date to the earlier of the end of its useful life or the end of the lease term. BCR Group uses the straight-line method of depreciation.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the lessee’s incremental borrowing rate. Lease payments comprise fixed lease payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, the exercise price under a purchase option and lease payments in an optional renewal period if the lessee is reasonably certain to exercise the options and penalties for early termination if the lease term reflects the lessee exercising the termination option.
2. Basis of Preparation and Presentation of the financial statements (continued)

Subsequently, the carrying amount of the lease liability is increased by interest using the applicable discount rate, reduced by lease payments made and remeasured to reflect any reassessment or lease modification. The determination of the incremental borrowing rate for property leases is generally based on a rate that is readily observable. Such a rate might be the property yield reflecting the annual return expected on the property. Further, an adjustment to the property yield is necessary to reflect specific features of the lease agreement.

Lessor accounting remains similar to the IAS 17 standard, i.e. the lessor continues to classify leases as finance or operating leases.

BCR Group applied IFRS 16 using the modified retrospective approach in accordance to IFRS 16.C5 (b) whereby comparative information was not restated. On adoption of IFRS 16, BCR Group recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 and IFRIC 4. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The right-of-use asset was recognized at an amount equal to the lease liability (IFRS 16.C8 (b)(ii)). Subsequently the right-of-use asset was adjusted for prepayments and accruals relating to leases recognized in the balance sheet as at 31 December 2018. BCR Group did not have any impact on the equity at initial application. All contracts which were previously identified as leases applying IAS 17 and IFRIC 4 are taken over into IFRS 16.

BCR Group does not apply IFRS 16 to any leases on intangible assets. BCR Group uses the exemption for short term leases and leases of low value whereby the right-of-use-asset is not recognized.

In the statement of financial position, right-of-use assets have been included in the property, plant and equipment, except those meeting the definition of investment property.

In the context of transition to IFRS 16, The Group recognised a right of use asset of RON 296,090 thousands against a corresponding lease liability on 1 January 2019:

<table>
<thead>
<tr>
<th>Description</th>
<th>Group 31 December 2018 / 1 January 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undiscounted Future fixed lease payments</td>
<td>387,432</td>
</tr>
<tr>
<td>Effect of discounting to present value</td>
<td>(91,900)</td>
</tr>
<tr>
<td>Future fixed lease payments</td>
<td>295,532</td>
</tr>
<tr>
<td>Bank</td>
<td>362,265</td>
</tr>
<tr>
<td>Effect of discounting to present value</td>
<td>(87,334)</td>
</tr>
<tr>
<td>Future fixed lease payments</td>
<td>274,931</td>
</tr>
</tbody>
</table>

Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When BCR Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use assets arising from the head lease, not with reference to the underlying asset. BCR Group, as a lessor, has reclassified certain of its sublease agreements as finance lease. The lease assets have been derecognized and finance lease asset receivables amounting to RON 3 million recognized.

d) Use of estimates and judgements

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

In preparing the interim condensed separate and consolidated financial statements the significant judgements made by management in applying the Bank’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the separate and consolidated financial statements for the year ended 31.12.2018.
3. Cash and cash balances

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>4,899,870</td>
<td>5,646,233</td>
<td>4,876,149</td>
<td>5,627,632</td>
</tr>
<tr>
<td>Cash balances at central banks</td>
<td>5,099,270</td>
<td>5,275,023</td>
<td>4,999,436</td>
<td>5,088,432</td>
</tr>
<tr>
<td>Other demand deposits to credit institutions</td>
<td>347,212</td>
<td>201,935</td>
<td>303,439</td>
<td>146,786</td>
</tr>
<tr>
<td>Cash and cash balances</td>
<td>10,346,352</td>
<td>11,123,191</td>
<td>10,179,024</td>
<td>10,862,852</td>
</tr>
</tbody>
</table>

Mandatory reserve rates at 30 June 2019 were for RON 8% (December 2018: 8%) and for foreign currencies 8% (December 2018: 8%).
### 4. Financial assets at fair value through other comprehensive income

**Gross carrying amount**

<table>
<thead>
<tr>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Total</th>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt securities</td>
<td>5,330,753</td>
<td>-</td>
<td>-</td>
<td>5,330,753</td>
<td>(4,377)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Central banks</td>
<td>43,518</td>
<td>-</td>
<td>-</td>
<td>43,518</td>
<td>(1,944)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General governments</td>
<td>5,282,004</td>
<td>-</td>
<td>-</td>
<td>5,282,004</td>
<td>(2,377)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>5,231</td>
<td>-</td>
<td>-</td>
<td>5,231</td>
<td>(56)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,330,753</td>
<td>-</td>
<td>-</td>
<td>5,330,753</td>
<td>(4,377)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Credit loss allowances**

<table>
<thead>
<tr>
<th>Opening balance</th>
<th>Increases due to origination and acquisition</th>
<th>Decreases due to derecognition</th>
<th>Net changes due to change in credit risk</th>
<th>Transfers between Stage 1 and Stages 2/3</th>
<th>Net changes due to modifications without derecognition</th>
<th>Decrease in allowance account due to write-offs</th>
<th>Exchange-rate and other changes (+/-)</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt securities</td>
<td>Stage 1</td>
<td>(3,789)</td>
<td>(4,399)</td>
<td>513</td>
<td>3,223</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Central banks</td>
<td>(960)</td>
<td>(3,504)</td>
<td>-</td>
<td>2,436</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>84</td>
</tr>
<tr>
<td>General governments</td>
<td>(2,775)</td>
<td>(695)</td>
<td>513</td>
<td>789</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(9)</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>(54)</td>
<td>-</td>
<td>-</td>
<td>(2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(3,789)</td>
<td>(4,399)</td>
<td>513</td>
<td>3,223</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>75</td>
</tr>
</tbody>
</table>
4. Financial assets at fair value through other comprehensive income (continued)

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Gross carrying amount</th>
<th>Credit loss allowances</th>
<th>Accumulated other fair value changes</th>
<th>Carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stage 1</td>
<td>Stage 2</td>
<td>Stage 3</td>
<td>Total</td>
</tr>
<tr>
<td>Debt securities</td>
<td>5,124,698</td>
<td>-</td>
<td>-</td>
<td>5,124,698</td>
</tr>
<tr>
<td>Central banks</td>
<td>21,490</td>
<td>-</td>
<td>-</td>
<td>21,490</td>
</tr>
<tr>
<td>General governments</td>
<td>5,098,203</td>
<td>-</td>
<td>-</td>
<td>5,098,203</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>5,005</td>
<td>-</td>
<td>-</td>
<td>5,005</td>
</tr>
<tr>
<td>Total</td>
<td>5,124,698</td>
<td>-</td>
<td>-</td>
<td>5,124,698</td>
</tr>
</tbody>
</table>

Allowances for financial assets at fair value through other comprehensive income

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Opening balance</th>
<th>Increases due to origination and acquisition</th>
<th>Decreases due to derecognition</th>
<th>Net changes due to change in credit risk</th>
<th>Transfers between Stage 1 and Stages 2/3</th>
<th>Net changes due to modifications without derecognition</th>
<th>Decrease in allowance account due to write-offs</th>
<th>Exchange-rate and other changes (+/-)</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt securities</td>
<td>Stage 1</td>
<td>(2,683)</td>
<td>(2,659)</td>
<td>842</td>
<td>-</td>
<td>-</td>
<td>775</td>
<td>-</td>
<td>(64)</td>
</tr>
<tr>
<td>Central banks</td>
<td>-</td>
<td>(943)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(17)</td>
</tr>
<tr>
<td>General governments</td>
<td>(2,683)</td>
<td>(1,662)</td>
<td>842</td>
<td>-</td>
<td>-</td>
<td>775</td>
<td>-</td>
<td>(47)</td>
<td>(2,775)</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>-</td>
<td>(54)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(54)</td>
</tr>
<tr>
<td>Total</td>
<td>(2,683)</td>
<td>(2,659)</td>
<td>842</td>
<td>-</td>
<td>-</td>
<td>775</td>
<td>-</td>
<td>(64)</td>
<td>(3,789)</td>
</tr>
</tbody>
</table>
4. Financial assets at fair value through other comprehensive income (continued)

<table>
<thead>
<tr>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Total</th>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Total</th>
<th>Accumulated other fair value changes</th>
<th>Carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt securities</td>
<td>5,284,657</td>
<td>-</td>
<td>-</td>
<td>5,284,657</td>
<td>(2,319)</td>
<td>-</td>
<td>-</td>
<td>(2,319)</td>
<td>73,186</td>
</tr>
<tr>
<td>Central banks</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General governments</td>
<td>5,279,426</td>
<td>-</td>
<td>-</td>
<td>5,279,426</td>
<td>(2,263)</td>
<td>-</td>
<td>-</td>
<td>(2,263)</td>
<td>71,543</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>5,231</td>
<td>-</td>
<td>-</td>
<td>5,231</td>
<td>(56)</td>
<td>-</td>
<td>-</td>
<td>(56)</td>
<td>1,643</td>
</tr>
<tr>
<td>Total</td>
<td>5,284,657</td>
<td>-</td>
<td>-</td>
<td>5,284,657</td>
<td>(2,319)</td>
<td>-</td>
<td>-</td>
<td>(2,319)</td>
<td>73,186</td>
</tr>
</tbody>
</table>

Debt securities

<table>
<thead>
<tr>
<th>Opening balance</th>
<th>Increases due to origination and acquisition</th>
<th>Decreases due to derecognition</th>
<th>Net changes due to change in credit risk</th>
<th>Transfers between Stage 1 and Stages 2/3</th>
<th>Net changes due to modifications without derecognition</th>
<th>Decrease in allowance account due to write-offs</th>
<th>Exchange-rate and other changes (+/-)</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 1</td>
<td>(2,223)</td>
<td>(521)</td>
<td>513</td>
<td>(74)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(14)</td>
</tr>
<tr>
<td>General governments</td>
<td>(2,169)</td>
<td>(521)</td>
<td>513</td>
<td>(72)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(14)</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>(54)</td>
<td>-</td>
<td>-</td>
<td>(2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(2,223)</td>
<td>(521)</td>
<td>513</td>
<td>(74)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(14)</td>
</tr>
</tbody>
</table>
4. Financial assets at fair value through other comprehensive income (continued)

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Gross carrying amount</th>
<th>Credit loss allowances</th>
<th>Accumulated other fair value changes</th>
<th>Carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stage 1</td>
<td>Stage 2</td>
<td>Stage 3</td>
<td>Total</td>
</tr>
<tr>
<td>Debt securities</td>
<td>5,089,620</td>
<td>-</td>
<td>-</td>
<td>5,089,620</td>
</tr>
<tr>
<td>Central banks</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General governments</td>
<td>5,084,615</td>
<td>-</td>
<td>-</td>
<td>5,084,615</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>5,005</td>
<td>-</td>
<td>-</td>
<td>5,005</td>
</tr>
<tr>
<td>Total</td>
<td>5,089,620</td>
<td>-</td>
<td>-</td>
<td>5,089,620</td>
</tr>
</tbody>
</table>

Allowances for financial assets at fair value through other comprehensive income

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Opening balance</th>
<th>Increases due to origination and acquisition</th>
<th>Decreases due to derecognition</th>
<th>Net changes due to change in credit risk</th>
<th>Transfers between Stage 1 and Stages 2/3</th>
<th>Net changes due to modifications without derecognition</th>
<th>Decrease in allowance account due to write-offs</th>
<th>Exchange-rate and other changes (+/-)</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stage 1</td>
<td>(1,450)</td>
<td>(1,122)</td>
<td>842</td>
<td>-</td>
<td>-</td>
<td>(491)</td>
<td>-</td>
<td>(2)</td>
<td>(2,223)</td>
</tr>
<tr>
<td>General governments</td>
<td>(1,450)</td>
<td>(1,068)</td>
<td>842</td>
<td>-</td>
<td>-</td>
<td>(491)</td>
<td>-</td>
<td>(2)</td>
<td>(2,169)</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>-</td>
<td>(54)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(54)</td>
</tr>
<tr>
<td>Total</td>
<td>(1,450)</td>
<td>(1,122)</td>
<td>842</td>
<td>-</td>
<td>-</td>
<td>(491)</td>
<td>-</td>
<td>(2)</td>
<td>(2,223)</td>
</tr>
</tbody>
</table>
5. Financial assets at amortised cost

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Gross carrying amount</th>
<th>Credit loss allowances</th>
<th>Total</th>
<th>Carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stage 1</td>
<td>Stage 2</td>
<td>Stage 3</td>
<td>POCI</td>
</tr>
<tr>
<td>Debt securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group</td>
<td>15,249,768</td>
<td>57,542</td>
<td>2,169</td>
<td>-</td>
</tr>
<tr>
<td>General governments</td>
<td>15,198,961</td>
<td>57,542</td>
<td>2,169</td>
<td>-</td>
</tr>
<tr>
<td>Credit institutions</td>
<td>50,807</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans and advances to banks</td>
<td>269,391</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General governments</td>
<td>19,989,316</td>
<td>724,769</td>
<td>12,410</td>
<td>-</td>
</tr>
<tr>
<td>Other financial corporations</td>
<td>188,490</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>32,009,330</td>
<td>4,133,871</td>
<td>1,704,202</td>
<td>515,092</td>
</tr>
<tr>
<td>General governments</td>
<td>1,969,318</td>
<td>724,769</td>
<td>12,410</td>
<td>-</td>
</tr>
<tr>
<td>Credit institutions</td>
<td>268,728</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>47,528,489</td>
<td>4,191,413</td>
<td>1,706,371</td>
<td>515,092</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Opening balance</th>
<th>Increases due to origination and acquisition</th>
<th>Decreases due to derecognition</th>
<th>Net changes due to change in credit risk</th>
<th>Transfers between Stage 1 and Stages 2/3</th>
<th>Net changes due to modifications without derecognition</th>
<th>Decrease in allowance account due to write-offs</th>
<th>Exchange-rate and other changes (+/-)</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stage 1</td>
<td>(9,596)</td>
<td>(3,251)</td>
<td>630</td>
<td>2,931</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9,189</td>
</tr>
<tr>
<td>Central banks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General governments</td>
<td>(9,596)</td>
<td>(3,241)</td>
<td>630</td>
<td>2,924</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9,186</td>
</tr>
<tr>
<td>Credit institutions</td>
<td></td>
<td>(10)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stage 2</td>
<td>(1,025)</td>
<td></td>
<td>523</td>
<td>(32)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(5)</td>
</tr>
<tr>
<td>General governments</td>
<td>(1,025)</td>
<td></td>
<td>523</td>
<td>(32)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(5)</td>
</tr>
<tr>
<td>Stage 3</td>
<td>(1,593)</td>
<td></td>
<td>942</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(651)</td>
</tr>
<tr>
<td>General governments</td>
<td>(1,593)</td>
<td></td>
<td>942</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(651)</td>
</tr>
<tr>
<td>Total</td>
<td>(12,214)</td>
<td>(3,251)</td>
<td>630</td>
<td>4,396</td>
<td>(26)</td>
<td></td>
<td></td>
<td></td>
<td>10,379</td>
</tr>
</tbody>
</table>
5. Financial assets at amortised cost (continued)

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

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Opening balance</th>
<th>Increases due to origination and acquisition</th>
<th>Decreases due to derecognition</th>
<th>Net changes due to change in credit risk</th>
<th>Transfers between Stage 1 and Stages 2/3</th>
<th>Net changes due to modifications without derecognition</th>
<th>Decrease in allowance account due to write-offs</th>
<th>Exchange-rate and other changes (+/-)</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and advances to banks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stage 1</td>
<td>(283)</td>
<td>(1,829)</td>
<td>-</td>
<td>1,346</td>
<td>509</td>
<td>1</td>
<td>-</td>
<td>(27)</td>
<td>(283)</td>
</tr>
<tr>
<td>Central banks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit institutions</td>
<td>(283)</td>
<td>(1,829)</td>
<td>-</td>
<td>1,346</td>
<td>509</td>
<td>1</td>
<td>-</td>
<td>(27)</td>
<td>(283)</td>
</tr>
<tr>
<td>Total</td>
<td>(283)</td>
<td>(1,829)</td>
<td>-</td>
<td>1,346</td>
<td>509</td>
<td>1</td>
<td>-</td>
<td>(27)</td>
<td>(283)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Opening balance</th>
<th>Increases due to origination and acquisition</th>
<th>Decreases due to derecognition</th>
<th>Net changes due to change in credit risk</th>
<th>Transfers between Stage 1 and Stages 2/3</th>
<th>Net changes due to modifications without derecognition</th>
<th>Decrease in allowance account due to write-offs</th>
<th>Exchange-rate and other changes (+/-)</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and advances to customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stage 1</td>
<td>(123,855)</td>
<td>(34,363)</td>
<td>19,595</td>
<td>(5,024)</td>
<td>12,929</td>
<td>(164)</td>
<td>12</td>
<td>(732)</td>
<td>(131,602)</td>
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<td>(2,297)</td>
<td>(60)</td>
<td>4</td>
<td>95</td>
<td>48</td>
<td>(2)</td>
<td>-</td>
<td>(5)</td>
<td>(2,407)</td>
</tr>
<tr>
<td>Other financial corporations</td>
<td>(509)</td>
<td>(6)</td>
<td>6</td>
<td>612</td>
<td>271</td>
<td>-</td>
<td>-</td>
<td>(4)</td>
<td>(1,302)</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>(76,474)</td>
<td>(27,159)</td>
<td>18,023</td>
<td>(3,343)</td>
<td>6,122</td>
<td>(7)</td>
<td>-</td>
<td>(518)</td>
<td>(86,398)</td>
</tr>
<tr>
<td>Households</td>
<td>(44,188)</td>
<td>(7,107)</td>
<td>1,564</td>
<td>2,068</td>
<td>6,488</td>
<td>(155)</td>
<td>-</td>
<td>(205)</td>
<td>(41,505)</td>
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<tr>
<td>Stage 2</td>
<td>(450,029)</td>
<td>(3,375)</td>
<td>14,673</td>
<td>(2,284)</td>
<td>(6,942)</td>
<td>(1,610)</td>
<td>-</td>
<td>(4,292)</td>
<td>(453,860)</td>
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<td>(38,058)</td>
<td>(1)</td>
<td>18,183</td>
<td>(147)</td>
<td>56</td>
<td>(54)</td>
<td>-</td>
<td>(20,141)</td>
<td></td>
</tr>
<tr>
<td>Other financial corporations</td>
<td>(238,361)</td>
<td>(3,190)</td>
<td>9,844</td>
<td>(30,197)</td>
<td>(2,197)</td>
<td>504</td>
<td>-</td>
<td>(2,911)</td>
<td>(288,398)</td>
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<tr>
<td>Households</td>
<td>(173,690)</td>
<td>(184)</td>
<td>4,828</td>
<td>9,540</td>
<td>4,539</td>
<td>(2,049)</td>
<td>-</td>
<td>(1,327)</td>
<td>(167,341)</td>
</tr>
<tr>
<td>Stage 3</td>
<td>(1,283,665)</td>
<td>(1,434)</td>
<td>26,685</td>
<td>(147,154)</td>
<td>(2,700)</td>
<td>1,431</td>
<td>37,529</td>
<td>(10,365)</td>
<td>(1,379,673)</td>
</tr>
<tr>
<td>General governments</td>
<td>(4,783)</td>
<td>(5)</td>
<td>(1,075)</td>
<td>-</td>
<td>(6)</td>
<td>2</td>
<td>(9,961)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial corporations</td>
<td>(12,745)</td>
<td>-</td>
<td>(628)</td>
<td>-</td>
<td>(8)</td>
<td>1,033</td>
<td>(210)</td>
<td>(12,556)</td>
<td></td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>(514,926)</td>
<td>(328)</td>
<td>4,611</td>
<td>(26,999)</td>
<td>(2,461)</td>
<td>653</td>
<td>7,565</td>
<td>(3,971)</td>
<td>(535,796)</td>
</tr>
<tr>
<td>Households</td>
<td>(747,211)</td>
<td>(1,106)</td>
<td>22,074</td>
<td>(119,521)</td>
<td>(1,250)</td>
<td>702</td>
<td>26,361</td>
<td>(6,186)</td>
<td>(892,408)</td>
</tr>
<tr>
<td>POCI</td>
<td>(213,530)</td>
<td>-</td>
<td>26,434</td>
<td>6,605</td>
<td>10,329</td>
<td>6,832</td>
<td>(3,595)</td>
<td>(166,925)</td>
<td></td>
</tr>
<tr>
<td>General governments</td>
<td>(485)</td>
<td>-</td>
<td>262</td>
<td>-</td>
<td>-</td>
<td></td>
<td>(223)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial corporations</td>
<td>(61,904)</td>
<td>-</td>
<td>13,541</td>
<td>(4,598)</td>
<td>9,094</td>
<td>9</td>
<td>(791)</td>
<td>(61,202)</td>
<td></td>
</tr>
<tr>
<td>Households</td>
<td>(151,843)</td>
<td>-</td>
<td>12,893</td>
<td>10,529</td>
<td>-</td>
<td>1,265</td>
<td>6,823</td>
<td>(2,804)</td>
<td>(122,737)</td>
</tr>
<tr>
<td>Total</td>
<td>(2,071,079)</td>
<td>(39,172)</td>
<td>87,387</td>
<td>(147,857)</td>
<td>3,286</td>
<td>9,986</td>
<td>44,373</td>
<td>(18,984)</td>
<td>(2,132,060)</td>
</tr>
</tbody>
</table>
5. Financial assets at amortised cost (continued)

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>31.12.2018</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Gross carrying amount</td>
<td>Credit loss allowances</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>Stage 1</td>
<td>Stage 2</td>
</tr>
<tr>
<td>Debt securities</td>
<td>15,802,370</td>
<td>86,578</td>
</tr>
<tr>
<td>General governments</td>
<td>15,802,370</td>
<td>86,578</td>
</tr>
<tr>
<td>Loans and advances to banks</td>
<td>124,123</td>
<td>-</td>
</tr>
<tr>
<td>Central banks</td>
<td>510</td>
<td>-</td>
</tr>
<tr>
<td>Credit institutions</td>
<td>123,613</td>
<td>-</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>30,897,939</td>
<td>3,820,603</td>
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<td>General governments</td>
<td>1,879,753</td>
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</tr>
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<td>Other financial corporations</td>
<td>156,586</td>
<td>19</td>
</tr>
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<td>Non-financial corporations</td>
<td>8,949,884</td>
<td>1,651,263</td>
</tr>
<tr>
<td>Households</td>
<td>20,211,606</td>
<td>1,250,619</td>
</tr>
<tr>
<td>Total</td>
<td>46,824,432</td>
<td>3,907,181</td>
</tr>
</tbody>
</table>

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

<table>
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<tr>
<th>in RON thousands</th>
<th>31.12.2018</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Opening balance</td>
<td>Increases due to origination and acquisition</td>
</tr>
<tr>
<td>Debt securities</td>
<td>(6,644)</td>
<td>(2,842)</td>
</tr>
<tr>
<td>Central banks</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General governments</td>
<td>(6,634)</td>
<td>(2,842)</td>
</tr>
<tr>
<td>Stage 2</td>
<td>(1,245)</td>
<td>-</td>
</tr>
<tr>
<td>General governments</td>
<td>(1,245)</td>
<td>-</td>
</tr>
<tr>
<td>Stage 3</td>
<td>(1,493)</td>
<td>-</td>
</tr>
<tr>
<td>General governments</td>
<td>(1,493)</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(9,382)</td>
<td>(2,842)</td>
</tr>
</tbody>
</table>
5. Financial assets at amortised cost (continued)

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

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Opening balance</th>
<th>Increases due to origination and acquisition</th>
<th>Decreases due to derecognition</th>
<th>Net changes due to change in credit risk</th>
<th>Transfers between Stage 1 and Stages 2/3</th>
<th>Net changes due to modifications without derecognition</th>
<th>Decrease in allowance account due to write-offs</th>
<th>Exchange-rate and other changes (+/-)</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and advances to banks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stage 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central banks</td>
<td>(3,066)</td>
<td>(3,806)</td>
<td>5,389</td>
<td>(1,842)</td>
<td>2,163</td>
<td>4</td>
<td>-</td>
<td>875</td>
<td>(283)</td>
</tr>
<tr>
<td>Credit institutions</td>
<td>(7,059)</td>
<td>(3,806)</td>
<td>5,389</td>
<td>(1,841)</td>
<td>1,744</td>
<td>4</td>
<td>-</td>
<td>886</td>
<td>(283)</td>
</tr>
<tr>
<td>Total</td>
<td>(10,125)</td>
<td>(7,612)</td>
<td>10,778</td>
<td>(3,683)</td>
<td>3,907</td>
<td>8</td>
<td>-</td>
<td>1,761</td>
<td>(566)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Opening balance</th>
<th>Increases due to origination and acquisition</th>
<th>Decreases due to derecognition</th>
<th>Net changes due to change in credit risk</th>
<th>Transfers between Stage 1 and Stages 2/3</th>
<th>Net changes due to modifications without derecognition</th>
<th>Decrease in allowance account due to write-offs</th>
<th>Exchange-rate and other changes (+/-)</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and advances to customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stage 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General governments</td>
<td>(126,872)</td>
<td>(63,669)</td>
<td>26,390</td>
<td>12,018</td>
<td>27,993</td>
<td>298</td>
<td>-</td>
<td>(13)</td>
<td>(123,855)</td>
</tr>
<tr>
<td>Other financial corporations</td>
<td>(1,878)</td>
<td>(645)</td>
<td>132</td>
<td>(326)</td>
<td>422</td>
<td>(2)</td>
<td>-</td>
<td>-</td>
<td>(2,292)</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>(74,560)</td>
<td>(36,997)</td>
<td>22,075</td>
<td>(9,927)</td>
<td>11,970</td>
<td>321</td>
<td>-</td>
<td>-</td>
<td>(85,947)</td>
</tr>
<tr>
<td>Households</td>
<td>(22,726)</td>
<td>(7,595)</td>
<td>5,466</td>
<td>9,005</td>
<td>(9,005)</td>
<td>(52)</td>
<td>-</td>
<td>-</td>
<td>(24,286)</td>
</tr>
<tr>
<td>Total</td>
<td>(194,885)</td>
<td>(112,828)</td>
<td>42,920</td>
<td>1,993</td>
<td>39,927</td>
<td>321</td>
<td>-</td>
<td>-</td>
<td>(259,272)</td>
</tr>
</tbody>
</table>

| Stage 3 | | | | | | | | | |
| General governments | (474,531) | (2,271) | 87,923 | (45,565) | 27,993 | 298 | - | (625) | (450,029) |
| Other financial corporations | (85,479) | - | 38,359 | (129) | (193) | - | - | - | (98,277) |
| Non-financial corporations | (197,961) | (1,979) | 38,977 | (70,038) | (7,039) | 229 | - | - | (234,899) |
| Households | (197,989) | (1,979) | 19,565 | (19,565) | 38,977 | (7,039) | 229 | - | (234,899) |
| Total | (1,526,590) | (1,651) | 277,197 | (318,183) | (1,392) | (1,700) | 290,337 | (1,683) | (1,283,665) |

| Stage 4 | | | | | | | | | |
| General governments | (439,788) | - | 683 | (4,652) | - | (26) | - | - | (443,440) |
| Other financial corporations | (15,304) | - | 3 | 2,570 | - | - | - | - | (17,771) |
| Non-financial corporations | (199,750) | (4,268) | 186,189 | (190,454) | (369) | (190) | 170,267 | (1,184) | (240,929) |
| Households | (181,749) | (1,223) | 88,331 | (125,647) | (893) | (1,514) | 111,070 | (485) | (247,211) |
| Total | (1,098,003) | (1,431) | 93,067 | (185,515) | (1,392) | (1,700) | 320,337 | (1,683) | (1,283,665) |

| Stage 5 | | | | | | | | | |
| General governments | (283,203) | - | - | - | - | - | - | - | (283,203) |
| Other financial corporations | (2,041) | - | - | - | - | - | - | - | (2,041) |
| Non-financial corporations | (93,950) | - | - | - | - | - | - | - | (93,950) |
| Households | (191,242) | - | - | - | - | - | - | - | (191,242) |
| Total | (2,411,196) | (26,691) | 485,177 | (410,245) | 11,074 | 2,933 | 323,371 | (4,192) | (2,411,196) |
5. Financial assets at amortised cost (continued)

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>30.06.2019</th>
<th>Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>General governments</td>
<td>6,290</td>
<td>(1,120)</td>
</tr>
<tr>
<td>Credit institutions</td>
<td>-</td>
<td>(110)</td>
</tr>
<tr>
<td>Stage 1</td>
<td>-</td>
<td>630</td>
</tr>
<tr>
<td>General governments</td>
<td>(1,025)</td>
<td>-</td>
</tr>
<tr>
<td>Stage 2</td>
<td>(1,593)</td>
<td>-</td>
</tr>
<tr>
<td>General governments</td>
<td>(1,593)</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(8,908)</td>
<td>(1,120)</td>
</tr>
</tbody>
</table>

The movements in allowances for financial assets at amortised cost – debt securities are presented below:
5. Financial assets at amortised cost (continued)

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

<table>
<thead>
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<th>Stage 1</th>
<th>30.06.2019</th>
<th>Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>Increases due to origination and acquisition</td>
<td>Decreases due to derecognition</td>
</tr>
<tr>
<td>Loans and advances to banks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stage 1</td>
<td>(1,598)</td>
<td>(1,829)</td>
</tr>
<tr>
<td>Credit institutions</td>
<td>(1,598)</td>
<td>(1,829)</td>
</tr>
<tr>
<td>Stage 2</td>
<td>(1,365)</td>
<td>-</td>
</tr>
<tr>
<td>Credit institutions</td>
<td>(1,365)</td>
<td>-</td>
</tr>
<tr>
<td>Stage 3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Central banks</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Credit institutions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(2,963)</td>
<td>(1,829)</td>
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</tbody>
</table>

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

<table>
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<th>Bank</th>
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<tbody>
<tr>
<td>Opening balance</td>
<td>Increases due to origination and acquisition</td>
<td>Decreases due to derecognition</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stage 1</td>
<td>(117,897)</td>
<td>(31,680)</td>
</tr>
<tr>
<td>General governments</td>
<td>(2,297)</td>
<td>(60)</td>
</tr>
<tr>
<td>Other financial corporations</td>
<td>(1,396)</td>
<td>-</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>(70,740)</td>
<td>(24,609)</td>
</tr>
<tr>
<td>Households</td>
<td>(43,470)</td>
<td>(7,011)</td>
</tr>
<tr>
<td>Stage 2</td>
<td>(447,583)</td>
<td>(3,375)</td>
</tr>
<tr>
<td>General governments</td>
<td>(38,058)</td>
<td>(1)</td>
</tr>
<tr>
<td>Other financial corporations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>(236,063)</td>
<td>(3,190)</td>
</tr>
<tr>
<td>Households</td>
<td>(173,462)</td>
<td>(184)</td>
</tr>
<tr>
<td>Stage 3</td>
<td>(1,201,883)</td>
<td>(1,434)</td>
</tr>
<tr>
<td>General governments</td>
<td>(8,783)</td>
<td>(1)</td>
</tr>
<tr>
<td>Other financial corporations</td>
<td>(12,745)</td>
<td>-</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>(490,907)</td>
<td>(132)</td>
</tr>
<tr>
<td>Households</td>
<td>(684,948)</td>
<td>(1,106)</td>
</tr>
<tr>
<td>POCI</td>
<td>(213,498)</td>
<td>-</td>
</tr>
<tr>
<td>General governments</td>
<td>(435)</td>
<td>-</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>(61,502)</td>
<td>-</td>
</tr>
<tr>
<td>Households</td>
<td>(151,811)</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(1,980,861)</td>
<td>(36,489)</td>
</tr>
</tbody>
</table>
5. Financial assets at amortised cost (continued)

### Debt securities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Opening balance</td>
<td>Increases due to origination and acquisition</td>
</tr>
<tr>
<td>Debt securities</td>
<td>(4,132)</td>
<td>(309)</td>
</tr>
<tr>
<td>General governments</td>
<td>(4,132)</td>
<td>(309)</td>
</tr>
<tr>
<td>Stage 2</td>
<td>(1,241)</td>
<td>-</td>
</tr>
<tr>
<td>General governments</td>
<td>(1,241)</td>
<td>-</td>
</tr>
<tr>
<td>Stage 3</td>
<td>(1,493)</td>
<td>-</td>
</tr>
<tr>
<td>General governments</td>
<td>(1,493)</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(6,866)</td>
<td>(309)</td>
</tr>
</tbody>
</table>

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

### Loans and advances to banks

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Opening balance</td>
<td>Increases due to origination and acquisition</td>
</tr>
<tr>
<td>Debt securities</td>
<td>(4,132)</td>
<td>(309)</td>
</tr>
<tr>
<td>General governments</td>
<td>(4,132)</td>
<td>(309)</td>
</tr>
<tr>
<td>Stage 2</td>
<td>(1,241)</td>
<td>-</td>
</tr>
<tr>
<td>General governments</td>
<td>(1,241)</td>
<td>-</td>
</tr>
<tr>
<td>Stage 3</td>
<td>(1,493)</td>
<td>-</td>
</tr>
<tr>
<td>General governments</td>
<td>(1,493)</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(6,866)</td>
<td>(309)</td>
</tr>
</tbody>
</table>
### 5. Financial assets at amortised cost (continued)

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

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Opening balance</th>
<th>Increases due to origination and acquisition</th>
<th>Decreases due to derecognition</th>
<th>Net changes due to change in credit risk</th>
<th>Transfers between Stage 1 and Stages 2/3</th>
<th>Net changes due to modifications without derecognition</th>
<th>Decrease in allowance account due to write-offs</th>
<th>Exchange-rate and other changes (+/-)</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Loans and advances to banks</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Stage 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General governments</td>
<td>(1,773)</td>
<td>(3,806)</td>
<td>5,389</td>
<td>(3,121)</td>
<td>1,744</td>
<td>4</td>
<td>-</td>
<td>(35)</td>
<td>(1,598)</td>
</tr>
<tr>
<td>Credit institutions</td>
<td>(1,773)</td>
<td>(3,806)</td>
<td>5,389</td>
<td>(3,121)</td>
<td>1,744</td>
<td>4</td>
<td>-</td>
<td>(35)</td>
<td>(1,598)</td>
</tr>
<tr>
<td><strong>Stage 2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit institutions</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>(1,376)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6</td>
<td>(1,365)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(1,773)</td>
<td>(3,806)</td>
<td>5,394</td>
<td>(4,497)</td>
<td>1,744</td>
<td>4</td>
<td>-</td>
<td>(29)</td>
<td>(2,963)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Opening balance</th>
<th>Increases due to origination and acquisition</th>
<th>Decreases due to derecognition</th>
<th>Net changes due to change in credit risk</th>
<th>Transfers between Stage 1 and Stages 2/3</th>
<th>Net changes due to modifications without derecognition</th>
<th>Decrease in allowance account due to write-offs</th>
<th>Exchange-rate and other changes (+/-)</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Loans and advances to customers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Stage 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General governments</td>
<td>(118,779)</td>
<td>(56,761)</td>
<td>26,386</td>
<td>6,869</td>
<td>24,391</td>
<td>159</td>
<td>-</td>
<td>(162)</td>
<td>(117,897)</td>
</tr>
<tr>
<td>Other financial corporations</td>
<td>(644)</td>
<td>(43)</td>
<td>87</td>
<td>(790)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,390)</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>(67,181)</td>
<td>(30,516)</td>
<td>22,671</td>
<td>(10,346)</td>
<td>14,453</td>
<td>321</td>
<td>-</td>
<td>(142)</td>
<td>(70,740)</td>
</tr>
<tr>
<td>Households</td>
<td>(49,076)</td>
<td>(25,557)</td>
<td>3,496</td>
<td>18,331</td>
<td>9,516</td>
<td>(160)</td>
<td>-</td>
<td>(20)</td>
<td>(43,470)</td>
</tr>
<tr>
<td><strong>Stage 2</strong></td>
<td>(473,009)</td>
<td>(2,572)</td>
<td>87,921</td>
<td>(49,873)</td>
<td>(49,873)</td>
<td>(10,771)</td>
<td>1,064</td>
<td>-</td>
<td>(447,583)</td>
</tr>
<tr>
<td>General governments</td>
<td>(65,479)</td>
<td>-</td>
<td>38,359</td>
<td>9,354</td>
<td>(129)</td>
<td>(163)</td>
<td>-</td>
<td>-</td>
<td>(38,058)</td>
</tr>
<tr>
<td>Other financial corporations</td>
<td>(2)</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>(195,829)</td>
<td>(1,781)</td>
<td>38,975</td>
<td>(74,944)</td>
<td>(3,059)</td>
<td>729</td>
<td>-</td>
<td>(154)</td>
<td>(236,063)</td>
</tr>
<tr>
<td>Households</td>
<td>(191,699)</td>
<td>(791)</td>
<td>10,585</td>
<td>15,717</td>
<td>(7,583)</td>
<td>498</td>
<td>-</td>
<td>(189)</td>
<td>(173,462)</td>
</tr>
<tr>
<td><strong>Stage 3</strong></td>
<td>(1,396,909)</td>
<td>(1,518)</td>
<td>277,197</td>
<td>(319,389)</td>
<td>(319,389)</td>
<td>(151)</td>
<td>(1,895)</td>
<td>242,698</td>
<td>(1,201,882)</td>
</tr>
<tr>
<td>General governments</td>
<td>(4,786)</td>
<td>-</td>
<td>683</td>
<td>(4,652)</td>
<td>-</td>
<td>(26)</td>
<td>-</td>
<td>-</td>
<td>(8,763)</td>
</tr>
<tr>
<td>Other financial corporations</td>
<td>(15,304)</td>
<td>-</td>
<td>4</td>
<td>3</td>
<td>2,570</td>
<td>(1)</td>
<td>-</td>
<td>-</td>
<td>(12,745)</td>
</tr>
<tr>
<td>Non-financial corporations</td>
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<td>(426)</td>
<td>188,180</td>
<td>(184,935)</td>
<td>(184,935)</td>
<td>(2)</td>
<td>(159)</td>
<td>157,360</td>
<td>(496,008)</td>
</tr>
<tr>
<td>Households</td>
<td>(721,879)</td>
<td>(1,092)</td>
<td>88,331</td>
<td>(152,372)</td>
<td>(132,372)</td>
<td>(11)</td>
<td>(3,198)</td>
<td>498</td>
<td>(684,348)</td>
</tr>
<tr>
<td><strong>POCI</strong></td>
<td>(283,182)</td>
<td>-</td>
<td>93,667</td>
<td>(93,667)</td>
<td>-</td>
<td>3,268</td>
<td>33,034</td>
<td>(6,181)</td>
<td>(213,498)</td>
</tr>
<tr>
<td>General governments</td>
<td>(2,041)</td>
<td>-</td>
<td>-</td>
<td>1,556</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(3,585)</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>(153,251)</td>
<td>-</td>
<td>9,704</td>
<td>(12,644)</td>
<td>(12,644)</td>
<td>-</td>
<td>70</td>
<td>1,690</td>
<td>(151,811)</td>
</tr>
<tr>
<td>Households</td>
<td>(1,781)</td>
<td>-</td>
<td>-</td>
<td>157,360</td>
<td>157,360</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,781)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(2,271,879)</td>
<td>(60,851)</td>
<td>485,171</td>
<td>(420,897)</td>
<td>(420,897)</td>
<td>13,106</td>
<td>2,596</td>
<td>275,732</td>
<td>(1,980,860)</td>
</tr>
</tbody>
</table>
6. Deposits from banks

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current accounts / overnight deposits</td>
<td>723,972</td>
<td>516,812</td>
<td>649,093</td>
<td>435,631</td>
</tr>
<tr>
<td>Term deposits from other banks</td>
<td>3,316,079</td>
<td>4,019,286</td>
<td>1,488,627</td>
<td>2,364,447</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>196,424</td>
<td>-</td>
<td>1,366,621</td>
<td>949,144</td>
</tr>
<tr>
<td>Deposits from banks</td>
<td>4,236,475</td>
<td>4,536,098</td>
<td>3,504,341</td>
<td>3,749,222</td>
</tr>
<tr>
<td>Subordinated loans</td>
<td>1,058,017</td>
<td>1,041,982</td>
<td>1,058,017</td>
<td>1,041,982</td>
</tr>
<tr>
<td>Deposits from banks</td>
<td>5,294,492</td>
<td>5,578,080</td>
<td>4,562,358</td>
<td>4,791,204</td>
</tr>
</tbody>
</table>

Long term deposits of EUR 311 million were repaid before maturity during first half of 2019 by the Bank.

7. Deposits from customers

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Overnight deposits</td>
<td>26,770,960</td>
<td>26,962,305</td>
<td>26,632,366</td>
<td>26,847,416</td>
</tr>
<tr>
<td>Savings deposits</td>
<td>2,160</td>
<td>2,291</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Households</td>
<td>2,160</td>
<td>2,291</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-savings deposits</td>
<td>26,768,800</td>
<td>26,960,014</td>
<td>26,632,366</td>
<td>26,847,416</td>
</tr>
<tr>
<td>General governments</td>
<td>1,213,073</td>
<td>1,267,448</td>
<td>1,213,073</td>
<td>1,267,448</td>
</tr>
<tr>
<td>Other financial corporations</td>
<td>832,569</td>
<td>1,331,707</td>
<td>899,997</td>
<td>1,344,829</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>9,559,620</td>
<td>10,242,954</td>
<td>9,440,934</td>
<td>10,150,350</td>
</tr>
<tr>
<td>Households</td>
<td>15,163,538</td>
<td>14,117,905</td>
<td>15,118,362</td>
<td>14,084,789</td>
</tr>
<tr>
<td>Term deposits</td>
<td>28,656,384</td>
<td>28,136,654</td>
<td>26,518,505</td>
<td>25,746,274</td>
</tr>
<tr>
<td>Savings deposits</td>
<td>2,134,720</td>
<td>2,493,030</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Households</td>
<td>2,134,720</td>
<td>2,493,030</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-savings deposits</td>
<td>26,521,664</td>
<td>25,643,624</td>
<td>26,518,505</td>
<td>25,746,274</td>
</tr>
<tr>
<td>General governments</td>
<td>1,947,647</td>
<td>2,320,084</td>
<td>1,947,647</td>
<td>2,320,084</td>
</tr>
<tr>
<td>Other financial corporations</td>
<td>1,604,122</td>
<td>1,036,206</td>
<td>1,705,490</td>
<td>1,148,908</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>5,719,114</td>
<td>5,190,779</td>
<td>5,706,970</td>
<td>5,180,727</td>
</tr>
<tr>
<td>Households</td>
<td>17,250,781</td>
<td>17,096,555</td>
<td>17,158,398</td>
<td>17,096,555</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>55,427,344</td>
<td>55,098,959</td>
<td>53,150,871</td>
<td>52,593,690</td>
</tr>
<tr>
<td>Other financial corporations</td>
<td>2,436,691</td>
<td>2,367,913</td>
<td>2,565,487</td>
<td>2,493,737</td>
</tr>
<tr>
<td>Non-financial corporations</td>
<td>15,278,734</td>
<td>15,433,733</td>
<td>15,147,904</td>
<td>15,331,077</td>
</tr>
<tr>
<td>Households</td>
<td>34,551,199</td>
<td>33,709,781</td>
<td>32,276,760</td>
<td>31,181,344</td>
</tr>
</tbody>
</table>
8. Debt securities issued

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other debt securities issued</td>
<td>269,613</td>
<td>349,153</td>
<td>269,613</td>
<td>349,153</td>
</tr>
<tr>
<td>Bonds</td>
<td>269,613</td>
<td>349,153</td>
<td>269,613</td>
<td>349,153</td>
</tr>
<tr>
<td>Debt securities issued</td>
<td>269,613</td>
<td>349,153</td>
<td>269,613</td>
<td>349,153</td>
</tr>
</tbody>
</table>

As of 30 June 2019, the outstanding nominal amount of subordinated bonds issued by the Bank decreased due to matured bonds.


<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term employee provisions</td>
<td>45,896</td>
<td>43,702</td>
<td>45,782</td>
<td>43,588</td>
</tr>
<tr>
<td>Pending legal issues</td>
<td>648,750</td>
<td>679,672</td>
<td>601,494</td>
<td>647,077</td>
</tr>
<tr>
<td>Commitments and guarantees given</td>
<td>333,330</td>
<td>417,102</td>
<td>336,215</td>
<td>418,827</td>
</tr>
<tr>
<td>Provisions for commitments and financial guarantees in Stage 1</td>
<td>32,972</td>
<td>24,435</td>
<td>32,988</td>
<td>25,731</td>
</tr>
<tr>
<td>Provisions for commitments and financial guarantees in Stage 2</td>
<td>37,039</td>
<td>58,420</td>
<td>39,928</td>
<td>58,849</td>
</tr>
<tr>
<td>Provisions for commitments and financial guarantees in Stage 3</td>
<td>259,564</td>
<td>329,660</td>
<td>259,564</td>
<td>329,660</td>
</tr>
<tr>
<td>Other provisions</td>
<td>725,061</td>
<td>11,212</td>
<td>416,835</td>
<td>10,763</td>
</tr>
<tr>
<td>Restructuring</td>
<td>16,777</td>
<td>-</td>
<td>16,777</td>
<td>-</td>
</tr>
<tr>
<td>Other*</td>
<td>708,285</td>
<td>14,641</td>
<td>400,058</td>
<td>14,641</td>
</tr>
<tr>
<td>Provisions</td>
<td>1,753,037</td>
<td>1,151,688</td>
<td>1,400,326</td>
<td>1,120,255</td>
</tr>
</tbody>
</table>

*As at 30 June 2019, BCR booked a credit risk provision in amount of RON 278 mn for the existing loans to BpL and a provision in accordance with IAS 37 in amount of RON 395mn for the upcoming increase of share capital in BpL. The amounts are eliminated in the consolidation.

The BCR Group’s profit or loss was negatively impacted as at 30th of June 2019, due to booking of a provision in amount of RON 718mn. The litigation is described in Note 21 – Legal claims.
10. Net interest income

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Group 2019</th>
<th>Group 2018</th>
<th>Bank 2019</th>
<th>Bank 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest and other similar income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets at amortised cost</td>
<td>1,268,705</td>
<td>1,115,123</td>
<td>1,195,864</td>
<td>1,041,821</td>
</tr>
<tr>
<td>Financial assets measured at fair value through other comprehensive income</td>
<td>78,349</td>
<td>71,500</td>
<td>77,226</td>
<td>70,450</td>
</tr>
<tr>
<td>Interest income</td>
<td>1,347,054</td>
<td>1,186,623</td>
<td>1,273,090</td>
<td>1,112,271</td>
</tr>
<tr>
<td>Non-trading financial assets at fair value through profit or loss</td>
<td>147</td>
<td>393</td>
<td>147</td>
<td>393</td>
</tr>
<tr>
<td>Financial assets - held for trading</td>
<td>11,093</td>
<td>16,005</td>
<td>11,093</td>
<td>16,005</td>
</tr>
<tr>
<td>Other assets and negative interest from financial liabilities</td>
<td>5,352</td>
<td>5,713</td>
<td>4,794</td>
<td>4,683</td>
</tr>
<tr>
<td>Other similar income</td>
<td>16,592</td>
<td>22,111</td>
<td>16,034</td>
<td>21,081</td>
</tr>
<tr>
<td>Total interest and other similar income</td>
<td>1,363,646</td>
<td>1,208,734</td>
<td>1,289,124</td>
<td>1,133,352</td>
</tr>
</tbody>
</table>

| **Interest and other similar expense** |                  |                  |                 |                 |
| Financial liabilities measured at amortised cost | (230,387)        | (235,186)        | (208,363)       | (205,959)       |
| Interest expenses | (230,387)        | (235,186)        | (208,363)       | (205,959)       |
| Financial liabilities - held for trading | (5,075)          | (7,519)          | (5,075)         | (7,519)         |
| Other liabilities | (17,757)         | (3,657)          | (16,461)        | (3,153)         |
| Negative Interest from financial assets | (271)            | (41)             | (271)           | (41)            |
| Other similar expenses | (23,103)         | (11,217)         | (21,807)        | (10,713)        |
| Total Interest and other similar expense | (253,490)        | (246,403)        | (230,170)       | (216,672)       |

| **Net interest income** | 1,110,156 | 962,331 | 1,058,954 | 916,680 |
| **Thereof: interest-income on credit impaired financial assets** | 19,161 | 18,009 | 18,425 | 17,974 |

*The application of IFRS 16 has negatively impacted the interest expense by RON 12,4mn at Group level, while the impact at Bank level is RON 11,1mn.
### 11. Net fees and commissions income

<table>
<thead>
<tr>
<th></th>
<th>Group 30.06.2019</th>
<th>Group 30.06.2018</th>
<th>Bank 30.06.2019</th>
<th>Bank 30.06.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities</td>
<td>Income 15,177</td>
<td>Expenses (1,644)</td>
<td>Income 15,177</td>
<td>Expenses (1,644)</td>
</tr>
<tr>
<td></td>
<td>(1,644)</td>
<td>(1,832)</td>
<td>(1,644)</td>
<td>(1,832)</td>
</tr>
<tr>
<td>Transfer orders</td>
<td>Income 15,177</td>
<td>Expenses (1,644)</td>
<td>Income 15,177</td>
<td>Expenses (1,644)</td>
</tr>
<tr>
<td></td>
<td>(1,644)</td>
<td>(1,832)</td>
<td>(1,644)</td>
<td>(1,832)</td>
</tr>
<tr>
<td>Clearing and settlement</td>
<td>2,925</td>
<td>(6,288)</td>
<td>2,929</td>
<td>(6,229)</td>
</tr>
<tr>
<td></td>
<td>(6,184)</td>
<td>(6,229)</td>
<td>(6,127)</td>
<td>(6,127)</td>
</tr>
<tr>
<td>Custody</td>
<td>Income 13,500</td>
<td>Expenses (19,169)</td>
<td>Income 14,608</td>
<td>Expenses (38,681)</td>
</tr>
<tr>
<td></td>
<td>(19,169)</td>
<td>(6,288)</td>
<td>(14,608)</td>
<td>(38,681)</td>
</tr>
<tr>
<td>Payment services</td>
<td>286,543 (59,419)</td>
<td>264,167 (42,660)</td>
<td>286,682 (58,437)</td>
<td>262,112 (41,899)</td>
</tr>
<tr>
<td></td>
<td>286,682 (58,437)</td>
<td>262,112 (41,899)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Card business</td>
<td>87,493 (38,252)</td>
<td>51,892 (26,156)</td>
<td>86,214 (37,486)</td>
<td>50,829 (25,606)</td>
</tr>
<tr>
<td>Custody</td>
<td>6,814 (2,293)</td>
<td>8,040 (2,210)</td>
<td>6,814 (1,498)</td>
<td>8,040 (1,418)</td>
</tr>
<tr>
<td>Other</td>
<td>201,050 (21,158)</td>
<td>212,275 (16,504)</td>
<td>200,468 (20,939)</td>
<td>211,283 (16,293)</td>
</tr>
<tr>
<td>Customer resources distributed but not managed</td>
<td>65,864 (1,785)</td>
<td>68,782 (5,703)</td>
<td>65,434 (1,785)</td>
<td>67,088 (5,703)</td>
</tr>
<tr>
<td>Collective investment</td>
<td>14,608</td>
<td>-</td>
<td>14,608</td>
<td>-</td>
</tr>
<tr>
<td>Insurance products</td>
<td>38,681</td>
<td>33,776</td>
<td>35,665</td>
<td>29,486</td>
</tr>
<tr>
<td>Foreign exchange transactions</td>
<td>12,430</td>
<td>10,694</td>
<td>10,694</td>
<td>(994)</td>
</tr>
<tr>
<td></td>
<td>(1,785)</td>
<td>(962)</td>
<td>(1,785)</td>
<td>(962)</td>
</tr>
<tr>
<td>Other</td>
<td>145</td>
<td>24,312</td>
<td>2,730</td>
<td>26,908</td>
</tr>
<tr>
<td>Lending business</td>
<td>51,306 (11,885)</td>
<td>47,000 (8,629)</td>
<td>51,288 (8,401)</td>
<td>47,081 (5,033)</td>
</tr>
<tr>
<td>Guarantees given, guarantees received</td>
<td>12,653</td>
<td>14,465</td>
<td>12,631</td>
<td>14,348</td>
</tr>
<tr>
<td></td>
<td>(3,734)</td>
<td>(1,972)</td>
<td>(1,250)</td>
<td>(274)</td>
</tr>
<tr>
<td>Loan commitments given, loan commitments received</td>
<td>9,241</td>
<td>8,869</td>
<td>9,241</td>
<td>8,869</td>
</tr>
<tr>
<td></td>
<td>(1)</td>
<td>(52)</td>
<td>(1)</td>
<td>(52)</td>
</tr>
<tr>
<td>Other lending business</td>
<td>29,412</td>
<td>23,666</td>
<td>29,416</td>
<td>23,864</td>
</tr>
<tr>
<td></td>
<td>(8,150)</td>
<td>(6,605)</td>
<td>(7,151)</td>
<td>(4,759)</td>
</tr>
<tr>
<td>Other</td>
<td>9,657</td>
<td>11,126</td>
<td>4,792</td>
<td>5,175</td>
</tr>
<tr>
<td></td>
<td>(1,606)</td>
<td>(9,373)</td>
<td>(994)</td>
<td>(8,207)</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>453,786</td>
<td>426,033</td>
<td>433,116</td>
<td>397,247</td>
</tr>
<tr>
<td></td>
<td>(64,913)</td>
<td>(76,591)</td>
<td>(78,988)</td>
<td>(70,219)</td>
</tr>
</tbody>
</table>

### 12. Net trading and fair value result

<table>
<thead>
<tr>
<th></th>
<th>Group 30.06.2019</th>
<th>Group 30.06.2018</th>
<th>Bank 30.06.2019</th>
<th>Bank 30.06.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities and derivatives trading</td>
<td>33,637</td>
<td>44,959</td>
<td>33,637</td>
<td>44,959</td>
</tr>
<tr>
<td>Foreign exchange transactions</td>
<td>138,474</td>
<td>120,445</td>
<td>134,740</td>
<td>140,872</td>
</tr>
<tr>
<td>Foreign currency transaction</td>
<td>(6,898)</td>
<td>20,669</td>
<td>(4,592)</td>
<td>(2,628)</td>
</tr>
<tr>
<td>Net Trading Result</td>
<td>165,213</td>
<td>186,073</td>
<td>163,785</td>
<td>183,203</td>
</tr>
</tbody>
</table>
13. General administrative expenses

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>30.06.2019</th>
<th>30.06.2018</th>
<th>30.06.2019</th>
<th>30.06.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>(395,725)</td>
<td>(378,340)</td>
<td>(344,850)</td>
<td>(334,255)</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>(356,433)</td>
<td>(347,733)</td>
<td>(310,875)</td>
<td>(308,200)</td>
</tr>
<tr>
<td>Compulsory social security</td>
<td>(12,967)</td>
<td>(11,158)</td>
<td>(10,832)</td>
<td>(9,349)</td>
</tr>
<tr>
<td>Long-term employee provisions</td>
<td>(1,484)</td>
<td>(2,188)</td>
<td>(1,342)</td>
<td>(2,069)</td>
</tr>
<tr>
<td>Other personnel expenses</td>
<td>(24,841)</td>
<td>(17,261)</td>
<td>(21,801)</td>
<td>(14,637)</td>
</tr>
<tr>
<td><strong>Other administrative expenses</strong></td>
<td>(347,045)</td>
<td>(330,571)</td>
<td>(358,518)</td>
<td>(333,934)</td>
</tr>
<tr>
<td>Deposit insurance contribution</td>
<td>(60,207)</td>
<td>(20,194)</td>
<td>(55,221)</td>
<td>(16,608)</td>
</tr>
<tr>
<td>IT expenses</td>
<td>(109,082)</td>
<td>(107,951)</td>
<td>(105,599)</td>
<td>(104,755)</td>
</tr>
<tr>
<td>Expenses for office space*</td>
<td>(47,729)</td>
<td>(81,496)</td>
<td>(45,313)</td>
<td>(77,117)</td>
</tr>
<tr>
<td>Office operating expenses</td>
<td>(49,423)</td>
<td>(46,579)</td>
<td>(82,549)</td>
<td>(69,591)</td>
</tr>
<tr>
<td>Advertising/marketing</td>
<td>(26,241)</td>
<td>(26,749)</td>
<td>(25,568)</td>
<td>(25,811)</td>
</tr>
<tr>
<td>Legal and consulting costs</td>
<td>(33,444)</td>
<td>(20,977)</td>
<td>(31,790)</td>
<td>(18,892)</td>
</tr>
<tr>
<td>Sundry administrative expenses</td>
<td>(21,019)</td>
<td>(26,625)</td>
<td>(12,478)</td>
<td>(20,960)</td>
</tr>
<tr>
<td><strong>Depreciation and amortisation</strong></td>
<td>(125,444)</td>
<td>(91,778)</td>
<td>(100,637)</td>
<td>(64,231)</td>
</tr>
<tr>
<td>Software and other intangible assets</td>
<td>(42,571)</td>
<td>(27,505)</td>
<td>(40,876)</td>
<td>(25,954)</td>
</tr>
<tr>
<td>Owner occupied real estate*</td>
<td>(35,034)</td>
<td>(17,483)</td>
<td>(34,190)</td>
<td>(17,109)</td>
</tr>
<tr>
<td>Investment properties</td>
<td>(2,651)</td>
<td>(1,887)</td>
<td>(2,651)</td>
<td>(1,887)</td>
</tr>
<tr>
<td>Office furniture and equipment and sundry property and equipment</td>
<td>(45,188)</td>
<td>(44,903)</td>
<td>(22,920)</td>
<td>(19,281)</td>
</tr>
<tr>
<td><strong>General administrative expenses</strong></td>
<td>(868,214)</td>
<td>(800,689)</td>
<td>(804,005)</td>
<td>(732,420)</td>
</tr>
</tbody>
</table>

*The expenses for office space decreased versus 2018 as opposed to expenses with depreciation and amortization which increased due to application of IFRS 16.

The Group number of employees at 30 June 2019 was 6,962 (31 December 2018: 7,237).
14. Net impairment loss on financial assets

<table>
<thead>
<tr>
<th></th>
<th>Group 30.06.2019</th>
<th>Group 30.06.2018</th>
<th>Bank 30.06.2019</th>
<th>Bank 30.06.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets at fair value through other comprehensive income</td>
<td>(758)</td>
<td>(921)</td>
<td>(178)</td>
<td>(722)</td>
</tr>
<tr>
<td>Financial assets at amortised cost</td>
<td>(798)</td>
<td>71,149</td>
<td>(278,791)</td>
<td>69,097</td>
</tr>
<tr>
<td>Net allocation to risk provisions *</td>
<td>(18,029)</td>
<td>70,144</td>
<td>(286,102)</td>
<td>64,414</td>
</tr>
<tr>
<td>Direct write-offs</td>
<td>(19,025)</td>
<td>(28,358)</td>
<td>(17,237)</td>
<td>(12,122)</td>
</tr>
<tr>
<td>Recoveries recorded directly to the income statement</td>
<td>51,901</td>
<td>31,214</td>
<td>34,971</td>
<td>18,654</td>
</tr>
<tr>
<td>Modification gains or losses</td>
<td>(10,423)</td>
<td>(1,851)</td>
<td>(10,424)</td>
<td>(1,849)</td>
</tr>
<tr>
<td>Finance lease</td>
<td>(5,222)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net allocation of provisions for commitments and guarantees</td>
<td>90,330</td>
<td>(40,097)</td>
<td>89,064</td>
<td>(44,705)</td>
</tr>
<tr>
<td>Net impairment loss on financial instruments</td>
<td>88,774</td>
<td>30,131</td>
<td>(189,905)</td>
<td>23,670</td>
</tr>
</tbody>
</table>

*The increase in net allocation to risk provision is due to the depreciation of the loan granted to BpL following the event regarding the control of the Court of Accounts described in Note 21 – Litigations. Being an intragroup transaction is eliminated in consolidation.

15. Other operating results

<table>
<thead>
<tr>
<th></th>
<th>Group 30.06.2019</th>
<th>Group 30.06.2018</th>
<th>Bank 30.06.2019</th>
<th>Bank 30.06.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other income, of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income, of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other expense, of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other provisions - allocation*</td>
<td>(768,345)</td>
<td>-</td>
<td>(443,727)</td>
<td>-</td>
</tr>
<tr>
<td>Losses on other assets</td>
<td>(47,865)</td>
<td>(56,480)</td>
<td>(24,556)</td>
<td>(30,817)</td>
</tr>
<tr>
<td>Impairment of tangible and intangible assets**</td>
<td>(13,220)</td>
<td>3,193</td>
<td>-</td>
<td>(7)</td>
</tr>
<tr>
<td>Recovery and resolution fund</td>
<td>(31,362)</td>
<td>(25,403)</td>
<td>(31,357)</td>
<td>(25,403)</td>
</tr>
<tr>
<td>Other taxes</td>
<td>(11,233)</td>
<td>(14,451)</td>
<td>(9,424)</td>
<td>(7,690)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(122,439)</td>
<td>(111,311)</td>
<td>(89,738)</td>
<td>(89,207)</td>
</tr>
<tr>
<td>Total</td>
<td>(769,520)</td>
<td>39,336</td>
<td>(436,981)</td>
<td>32,953</td>
</tr>
</tbody>
</table>

*The increase of allocation of other provisions at Group and Bank level is mainly due to the event regarding the control of Court of Accounts at BpL described in Note 21 – Litigations.
**Includes the impairment of the tangible and intangible assets held by BpL following the application of the gone concern basis, in amount of RON 4 mn.
16. Taxes on income

<table>
<thead>
<tr>
<th></th>
<th>Group 30.06.2019</th>
<th>Group 30.06.2018</th>
<th>Bank 30.06.2019</th>
<th>Bank 30.06.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax expense/income</td>
<td>(102,531)</td>
<td>(103,032)</td>
<td>(96,588)</td>
<td>(102,703)</td>
</tr>
<tr>
<td>Current period</td>
<td>(59,461)</td>
<td>(103,032)</td>
<td>(53,517)</td>
<td>(102,703)</td>
</tr>
<tr>
<td>Prior period</td>
<td>(43,070)</td>
<td>-</td>
<td>(43,070)</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax expense/income</td>
<td>(29,656)</td>
<td>(12,586)</td>
<td>(27,183)</td>
<td>(12,273)</td>
</tr>
<tr>
<td>Current period</td>
<td>(29,656)</td>
<td>(12,586)</td>
<td>(27,183)</td>
<td>(12,273)</td>
</tr>
<tr>
<td>Taxes on income</td>
<td>(132,187)</td>
<td>(115,618)</td>
<td>(123,771)</td>
<td>(114,976)</td>
</tr>
</tbody>
</table>

Pre-tax profit/(loss) 111,344 812,619 135,121 771,861

Income tax expense for the financial year at the domestic statutory tax rate (16%) (17,815) (123,970) (21,619) (123,498)

Impact of tax-exempt earnings of investments and other tax-exempt income 87,567 79,829 87,567 79,625

Tax increases due to non-deductible expenses, additional business tax and similar elements (143,722) (64,499) (131,502) (64,391)

Impact of other elements and deferred tax income/expense (15,147) (12,586) (15,147) (12,273)

Tax expense not attributable to the reporting period (43,070) 5,608 (43,070) 5,561

Income tax (expense)/release reported in the income statement (132,187) (115,618) (123,771) (114,976)

The effective tax rate* 118.72% 14.23% 91.60% 14.90%

*The effective tax rate was impacted by the increase of non-deductible expenses as a result of the allocation of the provision for BPL case (RON 395 mn) and of the additional withholding tax (RON 43 mn) as result of Tax Inspection Report and Tax Decision for which the explanations are presented in Note 21 – Litigations.

17. Dividends paid

During 2019, dividends in amount of RON 485,096 thousands were paid, out of which RON 484,629 thousands to equity holders and RON 467 thousands to non controlling interests.
18. Segment reporting

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

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

A. Retail

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

B. Corporate

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

The main Corporate segments are:

a. SME, comprising:
   • Companies with yearly turnover between EUR 1 mio - EUR 50 mio and a consolidated T/O < EUR 500 mio
   • Companies part of a domestic group with at least one company with individual yearly turnover between EUR 1 mio - EUR 50 mio
   • Companies part of an international group with at least one company with individual yearly turnover between EUR 1 mio - EUR 500 mio
   • Companies with real estate financing for which total project value (including land acquisition, excluding VAT) is less than EUR 8 mio
   • Companies with consolidated T/O between EUR 1 mio - EUR 3 mio, segmented as Small SME
   • International clients with more than 50% foreign capital participation, turnover between EUR10 mio - EUR 50 mio, or part of a group with consolidated T/O<EUR 500 mio.
   • Companies having individual / consolidated turnover below EUR 1 mio.

b. Public Sector (PS):

Public Sector comprises Public sector, Public corporations clients and Non Profit sector, including municipalities representing local authorities and companies managed by local authorities, central authorities and companies owned by state and public funds.

Public sector includes the following institutions:
   • Central ministries and state funded funds and agencies
   • Non-profit entities established by or under control of central government entities, state funded organizations, state universities or R&D institutions
   • Regional governments and organizations funded by them
   • State capitals including city halls, regional capitals and other municipals and organizations funded by them. Exceptions: elementary and primary schools, high schools, kindergartens, small hospitals and libraries, which are segmented as Micro
   • Public health and social insurance companies
18. SEGMENT REPORTING (continued)

Public Corporations include:

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

c. Local Large Corporates (LLC)

- Companies with an yearly individual turnover above EUR 50 mio;
- Companies part of a local group with at least one company having yearly turnover above EUR 50 mio;
- Energy & Utilities State Owned Companies who meet the above described criteria, are independent of state subsidies and do not make the subject to public intervention in business stability

d. Group Large Corporates (GLC)

GLC clients are large corporate clients or client groups with an indicative consolidated annual turnover of at least EUR 500 mio.

GLC clients cover following clients’ types in principle:

- Companies with an yearly individual turnover above EUR 500 mio;
- Companies part of a group with a consolidated yearly turnover above EUR 500 mio (regardless of the company’s individual turnover listed and to be listed state owned companies)

e. Commercial Real Estate (CRE)

- Companies that request financing of real estate projects with total project value > EUR 8 mio (including land acquisition, excluding VAT)
- All RE existing and targeted clients by Group and local RE business, regardless project value
- Investors in RE for the purpose of generating income from the rental of individual properties or portfolios of properties
- Developers of individual properties or portfolios of properties for the purpose of generating capital gains through sale.
- Asset management services
- Own development for business purpose
- Commercial Real Estate operating leasing and rental contracts, independently of the tenant (client).

Other corporate includes activities related to investment banking services and financial products and services

Other banking segments:

f. ALM & Local Corporate Center:

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

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

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

The business segment reporting format is the Group’s basis of segment reporting. Transactions between business segments are conducted at arm’s length.
18. SEGMENT REPORTING (continued)

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

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

In order to split the Group results on business lines the following subsidiaries are allocated entirely on Retail segment: BCR Pensii SAFPP, Banca pentru Locuinte, Suport Colect and some of the consolidation adjustments; BCR Leasing and BCR Chisinau are allocated on Corporate. Intragroup eliminations and the rest of the consolidation adjustments are allocated on Corporate Center.

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

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

- Net trading result
- Result from financial assets and liabilities designated at fair value through profit or loss
- Foreign currency translation
18. Segment reporting (continued)

<table>
<thead>
<tr>
<th>Income statement</th>
<th>Group</th>
<th>Retail</th>
<th>Corporates</th>
<th>ALM &amp; Local Corporate Center</th>
<th>GM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30.06.2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>1,110,156</td>
<td>745,868</td>
<td>307,123</td>
<td>52,655</td>
<td>4,510</td>
</tr>
<tr>
<td><strong>Net fee and commission income</strong></td>
<td>2,959</td>
<td>14,086</td>
<td>40</td>
<td>(11,767)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net trading and fair value result</strong></td>
<td>165,213</td>
<td>48,612</td>
<td>48,543</td>
<td>16,118</td>
<td>49,341</td>
</tr>
<tr>
<td><strong>Gains/losses from financial instruments measured at fair value through profit or loss</strong></td>
<td>2,285</td>
<td>(863)</td>
<td>(1,856)</td>
<td>434</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net result from equity method investments</strong></td>
<td>(1,555)</td>
<td>-</td>
<td>-</td>
<td>(1,555)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Rental income from investment properties &amp; other operating leases</strong></td>
<td>47,484</td>
<td>-</td>
<td>44,660</td>
<td>2,824</td>
<td>-</td>
</tr>
<tr>
<td><strong>General administrative expenses</strong></td>
<td>(668,214)</td>
<td>(621,019)</td>
<td>(174,805)</td>
<td>(60,807)</td>
<td>(11,782)</td>
</tr>
<tr>
<td><strong>Gains/losses from derecognition of financial assets measured at amortised cost</strong></td>
<td>(505)</td>
<td>-</td>
<td>(505)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss</strong></td>
<td>(29,436)</td>
<td>-</td>
<td>(29,436)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net impairment loss on financial instruments</strong></td>
<td>88,774</td>
<td>(41,530)</td>
<td>119,884</td>
<td>8,615</td>
<td>1,805</td>
</tr>
<tr>
<td><strong>Other operating result</strong></td>
<td>(769,520)</td>
<td>(703,839)</td>
<td>(36,346)</td>
<td>(26,541)</td>
<td>(2,744)</td>
</tr>
<tr>
<td><strong>Pre-tax profit from continuing operations</strong></td>
<td>111,344</td>
<td>(306,761)</td>
<td>411,961</td>
<td>(51,515)</td>
<td>57,659</td>
</tr>
<tr>
<td><strong>Profit from discontinued operations net of tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net profit of the year</strong></td>
<td>111,344</td>
<td>(306,761)</td>
<td>411,961</td>
<td>(51,515)</td>
<td>57,659</td>
</tr>
<tr>
<td><strong>Taxes on income</strong></td>
<td>(132,187)</td>
<td>(66,002)</td>
<td>(67,265)</td>
<td>10,306</td>
<td>(9,225)</td>
</tr>
<tr>
<td><strong>Net result for the period</strong></td>
<td>(20,843)</td>
<td>(372,763)</td>
<td>344,696</td>
<td>(41,216)</td>
<td>48,434</td>
</tr>
<tr>
<td><strong>Net result attributable to non-controlling interests</strong></td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net result attributable to owners of the parent</strong></td>
<td>(20,849)</td>
<td>(372,763)</td>
<td>344,696</td>
<td>(41,216)</td>
<td>48,434</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>1,690,245</td>
<td>1,059,627</td>
<td>503,029</td>
<td>57,159</td>
<td>70,430</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>(868,214)</td>
<td>(621,019)</td>
<td>(174,605)</td>
<td>(60,807)</td>
<td>(11,782)</td>
</tr>
<tr>
<td><strong>Operating Result</strong></td>
<td>822,031</td>
<td>438,608</td>
<td>328,423</td>
<td>(3,648)</td>
<td>58,648</td>
</tr>
<tr>
<td><strong>Cost Income Ratio</strong></td>
<td>51.4%</td>
<td>58.6%</td>
<td>34.7%</td>
<td>106.4%</td>
<td>16.7%</td>
</tr>
</tbody>
</table>
### 18. Segment reporting (continued)

<table>
<thead>
<tr>
<th>Income statement</th>
<th>Group</th>
<th>Retail</th>
<th>Corporates</th>
<th>ALM &amp; Local Corporate Center</th>
<th>GM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>in RON thousands</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>30.06.2018</strong></td>
<td>692,332</td>
<td>664,603</td>
<td>284,144</td>
<td>7,013</td>
<td>6,572</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>346,442</td>
<td>276,552</td>
<td>91,793</td>
<td>(33,479)</td>
<td>14,576</td>
</tr>
<tr>
<td><strong>Net fee and commission income</strong></td>
<td>188,073</td>
<td>66,704</td>
<td>47,140</td>
<td>16,930</td>
<td>55,300</td>
</tr>
<tr>
<td><strong>Dividend income</strong></td>
<td>1,751</td>
<td>(880)</td>
<td>2,631</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net trading and fair value result</strong></td>
<td>186,073</td>
<td>66,704</td>
<td>47,140</td>
<td>16,930</td>
<td>55,300</td>
</tr>
<tr>
<td><strong>Gains/losses from financial instruments measured at fair value through profit or loss</strong></td>
<td>1,751</td>
<td>(880)</td>
<td>2,631</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net result from equity method investments</strong></td>
<td>35,840</td>
<td>33,358</td>
<td>2,482</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Rental income from investment properties &amp; other operating leases</strong></td>
<td>35,840</td>
<td>33,358</td>
<td>2,482</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>General administrative expenses</strong></td>
<td>39,336</td>
<td>1,573</td>
<td>58,571</td>
<td>(2,031)</td>
<td></td>
</tr>
<tr>
<td><strong>Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss</strong></td>
<td>30,131</td>
<td>3,012</td>
<td>19,194</td>
<td>9,327</td>
<td></td>
</tr>
<tr>
<td><strong>General administrative expenses</strong></td>
<td>39,336</td>
<td>1,573</td>
<td>58,571</td>
<td>(2,031)</td>
<td></td>
</tr>
<tr>
<td><strong>Net impairment loss on financial instruments</strong></td>
<td>30,131</td>
<td>3,012</td>
<td>19,194</td>
<td>9,327</td>
<td></td>
</tr>
<tr>
<td><strong>Other operating result</strong></td>
<td>39,336</td>
<td>1,573</td>
<td>58,571</td>
<td>(2,031)</td>
<td></td>
</tr>
<tr>
<td><strong>Pre-tax profit from continuing operations</strong></td>
<td>812,620</td>
<td>410,740</td>
<td>281,346</td>
<td>60,316</td>
<td>60,218</td>
</tr>
<tr>
<td><strong>Profit from discontinued operations net of tax</strong></td>
<td>812,620</td>
<td>410,740</td>
<td>281,346</td>
<td>60,316</td>
<td>60,218</td>
</tr>
<tr>
<td><strong>Net profit of the year</strong></td>
<td>812,620</td>
<td>410,740</td>
<td>281,346</td>
<td>60,316</td>
<td>60,218</td>
</tr>
<tr>
<td><strong>Taxes on income</strong></td>
<td>115,816</td>
<td>59,751</td>
<td>43,228</td>
<td>7,004</td>
<td>9,635</td>
</tr>
<tr>
<td><strong>Net result for the period</strong></td>
<td>697,002</td>
<td>354,989</td>
<td>238,118</td>
<td>53,312</td>
<td>50,583</td>
</tr>
<tr>
<td><strong>Net result attributable to non-controlling interests</strong></td>
<td>10</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net result attributable to owners of the parent</strong></td>
<td>696,992</td>
<td>354,989</td>
<td>238,118</td>
<td>53,312</td>
<td>50,583</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>1,541,621</td>
<td>1,007,859</td>
<td>455,555</td>
<td>1,759</td>
<td>76,448</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>(800,689)</td>
<td>(601,704)</td>
<td>(174,626)</td>
<td>(11,661)</td>
<td>(12,798)</td>
</tr>
<tr>
<td><strong>Operating Result</strong></td>
<td>740,932</td>
<td>406,155</td>
<td>280,929</td>
<td>(9,803)</td>
<td>63,650</td>
</tr>
<tr>
<td><strong>Cost Income Ratio</strong></td>
<td>51.9%</td>
<td>59.7%</td>
<td>38.3%</td>
<td>657.3%</td>
<td>16.7%</td>
</tr>
</tbody>
</table>
### 18. Segment reporting (continued)

<table>
<thead>
<tr>
<th>Income statement</th>
<th>Bank</th>
<th>Retail</th>
<th>Corporates</th>
<th>ALM &amp; Local Corporate Center</th>
<th>GM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>in RON thousands</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30.06.2019</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>1,058,954</td>
<td>733,386</td>
<td>267,850</td>
<td>53,208</td>
<td>4,510</td>
</tr>
<tr>
<td><strong>Net fee and commission income</strong></td>
<td>354,128</td>
<td>237,646</td>
<td>103,688</td>
<td>(3,155)</td>
<td>15,979</td>
</tr>
<tr>
<td><strong>Dividend income</strong></td>
<td>15,784</td>
<td>14,086</td>
<td>-</td>
<td>1,898</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net trading and fair value result</strong></td>
<td>163,785</td>
<td>48,734</td>
<td>46,656</td>
<td>18,454</td>
<td>49,941</td>
</tr>
<tr>
<td><strong>Gains/losses from financial instruments measured at fair value through profit or loss</strong></td>
<td>(2,285)</td>
<td>(863)</td>
<td>(1,896)</td>
<td>434</td>
<td>-</td>
</tr>
<tr>
<td><strong>Rental income from investment properties &amp; other operating leases</strong></td>
<td>5,588</td>
<td>-</td>
<td>-</td>
<td>5,588</td>
<td>-</td>
</tr>
<tr>
<td><strong>General administrative expenses</strong></td>
<td>(804,005)</td>
<td>(598,745)</td>
<td>(132,268)</td>
<td>(61,210)</td>
<td>(11,782)</td>
</tr>
<tr>
<td><strong>Gains/losses from derecognition of financial assets measured at amortised cost</strong></td>
<td>(805)</td>
<td>-</td>
<td>-</td>
<td>(805)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss</strong></td>
<td>(29,436)</td>
<td>-</td>
<td>-</td>
<td>(29,436)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net impairment loss on financial instruments</strong></td>
<td>(189,906)</td>
<td>(46,275)</td>
<td>124,209</td>
<td>(269,645)</td>
<td>1,805</td>
</tr>
<tr>
<td><strong>Other operating result</strong></td>
<td>(436,981)</td>
<td>20,147</td>
<td>(27,006)</td>
<td>(427,928)</td>
<td>(2,794)</td>
</tr>
<tr>
<td><strong>Pre-tax profit from continuing operations</strong></td>
<td>135,121</td>
<td>408,117</td>
<td>381,242</td>
<td>(711,898)</td>
<td>57,659</td>
</tr>
<tr>
<td><strong>Profit from discontinued operations net of tax</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net profit of the year</strong></td>
<td>135,121</td>
<td>408,117</td>
<td>381,242</td>
<td>(711,898)</td>
<td>57,659</td>
</tr>
<tr>
<td><strong>Taxes on income</strong></td>
<td>(123,171)</td>
<td>(65,299)</td>
<td>(60,999)</td>
<td>11,762</td>
<td>(9,225)</td>
</tr>
<tr>
<td><strong>Net result for the period</strong></td>
<td>11,350</td>
<td>342,818</td>
<td>320,244</td>
<td>(700,146)</td>
<td>48,434</td>
</tr>
<tr>
<td><strong>Net result attributable to non-controlling interests</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net result attributable to owners of the parent</strong></td>
<td>11,350</td>
<td>342,818</td>
<td>320,244</td>
<td>(700,146)</td>
<td>48,434</td>
</tr>
</tbody>
</table>

**Operating Income**

| Operating Income | 1,595,954 | 1,032,990 | 416,307 | 76,227 | 70,430 |

**Operating Expenses**

| Operating Expenses | (804,005) | (598,745) | (132,268) | (61,210) | (11,782) |

**Operating Result**

| Operating Result | 791,949 | 434,246 | 284,040 | 15,016 | 58,648 |

**Cost Income Ratio**

| Cost Income Ratio | 50.4% | 58.0% | 31.8% | 80.3% | 16.7% |
18. Segment reporting (continued)

<table>
<thead>
<tr>
<th>Income statement</th>
<th>Bank</th>
<th>Retail</th>
<th>Corporates</th>
<th>ALM &amp; Local Corporate Center</th>
<th>GM</th>
</tr>
</thead>
<tbody>
<tr>
<td>in RON thousands</td>
<td>30.06.2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest income</td>
<td>916,680</td>
<td>656,821</td>
<td>246,209</td>
<td>7,078</td>
<td>6,572</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>327,028</td>
<td>255,733</td>
<td>90,159</td>
<td>(33,440)</td>
<td>14,306</td>
</tr>
<tr>
<td>Dividend income</td>
<td>11,609</td>
<td>-</td>
<td>-</td>
<td>11,609</td>
<td>-</td>
</tr>
<tr>
<td>Net trading and fair value result</td>
<td>183,203</td>
<td>66,956</td>
<td>43,083</td>
<td>16,964</td>
<td>55,300</td>
</tr>
<tr>
<td>Gains/losses from financial instruments measured at fair value through profit or loss</td>
<td>1,751</td>
<td>-</td>
<td>(860)</td>
<td>2,631</td>
<td>-</td>
</tr>
<tr>
<td>Rental income from investment properties &amp; other operating leases</td>
<td>5,166</td>
<td>-</td>
<td>-</td>
<td>5,166</td>
<td>-</td>
</tr>
<tr>
<td>General administrative expenses</td>
<td>(732,420)</td>
<td>(581,887)</td>
<td>(133,532)</td>
<td>(4,204)</td>
<td>(12,798)</td>
</tr>
<tr>
<td>Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss</td>
<td>2,221</td>
<td>-</td>
<td>-</td>
<td>2,221</td>
<td>-</td>
</tr>
<tr>
<td>Net impairment loss on financial instruments</td>
<td>23,670</td>
<td>(1,346)</td>
<td>26,002</td>
<td>415</td>
<td>(1,402)</td>
</tr>
<tr>
<td>Other operating result</td>
<td>32,953</td>
<td>(3,816)</td>
<td>(12,453)</td>
<td>51,253</td>
<td>(2,031)</td>
</tr>
<tr>
<td>Pre-tax profit from continuing operations</td>
<td>771,861</td>
<td>392,462</td>
<td>259,489</td>
<td>59,693</td>
<td>60,218</td>
</tr>
<tr>
<td>Profit from discontinued operations net of tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net profit of the year</td>
<td>771,861</td>
<td>392,462</td>
<td>259,489</td>
<td>59,693</td>
<td>60,218</td>
</tr>
<tr>
<td>Taxes on income</td>
<td>(114,376)</td>
<td>(59,035)</td>
<td>(41,518)</td>
<td>(7,778)</td>
<td>(8,838)</td>
</tr>
<tr>
<td>Net result for the period</td>
<td>656,885</td>
<td>336,417</td>
<td>217,970</td>
<td>51,914</td>
<td>50,583</td>
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<tr>
<td>Net result attributable to non-controlling interests</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Net result attributable to owners of the parent</td>
<td>656,885</td>
<td>336,417</td>
<td>217,970</td>
<td>51,914</td>
<td>50,583</td>
</tr>
<tr>
<td>Operating Income</td>
<td>1,445,437</td>
<td>979,510</td>
<td>379,471</td>
<td>10,007</td>
<td>76,448</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>(732,420)</td>
<td>(581,887)</td>
<td>(133,532)</td>
<td>(4,204)</td>
<td>(12,798)</td>
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<tr>
<td>Operating Result</td>
<td>713,017</td>
<td>397,624</td>
<td>245,939</td>
<td>5,804</td>
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<td>Cost Income Ratio</td>
<td>50.7%</td>
<td>59.4%</td>
<td>35.2%</td>
<td>42.0%</td>
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### Statement of financial position

**Group**

<table>
<thead>
<tr>
<th>In RON thousands</th>
<th>Group</th>
<th>Retail</th>
<th>Corporates</th>
<th>ALM &amp; Local Corporate Center</th>
<th>GM</th>
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<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Cash and cash balances</td>
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<td>5,504,081</td>
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<td>160,703</td>
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<td>-</td>
<td>9,831</td>
<td>150,872</td>
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<tr>
<td>Derivatives</td>
<td>99,543</td>
<td>-</td>
<td>-</td>
<td>9,831</td>
<td>49,712</td>
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<td>-</td>
<td>101,160</td>
<td>-</td>
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<tr>
<td>Non-trading financial assets at fair value through profit or loss</td>
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<td>26,253</td>
<td>4,449</td>
<td>5,861</td>
<td>-</td>
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<td>Loans and advances to customers</td>
<td>33,048</td>
<td>26,253</td>
<td>234</td>
<td>5,861</td>
<td>-</td>
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<tr>
<td>Financial assets at fair value through other comprehensive income</td>
<td>5,555,179</td>
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<td>-</td>
<td>-</td>
<td>54,178</td>
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<td>1,309,072</td>
<td>334</td>
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<td>179,058</td>
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<td>Finance lease receivables</td>
<td>1,062,774</td>
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<td>1,087,634</td>
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<td>5,143</td>
<td>335,702</td>
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<td>-</td>
<td>-</td>
<td>23,388</td>
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<td>Current tax assets</td>
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<td>Deposits from banks</td>
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<td>2,232,669</td>
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<td>269,813</td>
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<td>39,432</td>
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<td>-</td>
<td>4,041</td>
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<td>Liabilities associated with assets held for sale</td>
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<td>6,791</td>
<td>-</td>
<td>8,791</td>
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<td>Other liabilities</td>
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<td>13,142</td>
<td>36,938</td>
<td>270,231</td>
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<td>339,490</td>
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**Notes to Financial Statements**

Consolidated and Separate

As at 30 June 2019

18. Segment reporting (continued)
### 18. Segment reporting (continued)

#### Assets

<table>
<thead>
<tr>
<th>Category</th>
<th>Group</th>
<th>Retail</th>
<th>Corporates</th>
<th>ALM &amp; Local Corporate Center</th>
<th>GM</th>
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<tbody>
<tr>
<td>Cash and cash balances</td>
<td>11,123,191</td>
<td>5,517,031</td>
<td>159,153</td>
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<td>Non-trading financial assets at fair value through profit or loss</td>
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<td>Equity instruments</td>
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<td>5,919</td>
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<td>Financial assets at fair value through other comprehensive income</td>
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<td>40,721</td>
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<tr>
<td>Derivatives</td>
<td>32,988</td>
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<td>254</td>
<td>27,790</td>
<td>4,494</td>
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<tr>
<td>Financial liabilities held for trading</td>
<td>32,988</td>
<td></td>
<td>254</td>
<td>27,790</td>
<td>4,494</td>
</tr>
<tr>
<td>Financial liabilities measured at amortised cost</td>
<td>61,618,808</td>
<td>24,293,222</td>
<td>13,280,180</td>
<td>5,181,002</td>
<td>83,060</td>
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<td>334</td>
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<td>760,750</td>
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<tr>
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<td>760,750</td>
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<td>20,027</td>
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<td>8,728</td>
<td>192,728</td>
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<td>161,114</td>
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<td>379,842</td>
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<td>57,530</td>
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<td>29,895,803</td>
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</table>

#### Liabilities and Equity

<table>
<thead>
<tr>
<th>Category</th>
<th>Group</th>
<th>Retail</th>
<th>Corporates</th>
<th>ALM &amp; Local Corporate Center</th>
<th>GM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial liabilities held for trading</td>
<td>32,988</td>
<td></td>
<td>254</td>
<td>27,790</td>
<td>4,494</td>
</tr>
<tr>
<td>Derivatives</td>
<td>32,988</td>
<td></td>
<td>254</td>
<td>27,790</td>
<td>4,494</td>
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<tr>
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<td>349,153</td>
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<td>8,728</td>
<td>192,728</td>
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### Statement of financial position (continued)

#### In RON thousands

<table>
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<th></th>
<th>Bank</th>
<th>Retail</th>
<th>Corporates</th>
<th>ALM &amp; Local Corporate Center</th>
<th>GM</th>
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<tbody>
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<td><strong>Assets</strong></td>
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<td></td>
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<td>Cash and cash balances</td>
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<tr>
<td>Non-trading financial assets at fair value through profit or loss</td>
<td>37,030</td>
<td>26,293</td>
<td>3,215</td>
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<tr>
<td>Loans and advances to banks</td>
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<td><strong>Liabilities and Equity</strong></td>
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<td>Derivatives</td>
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<td>-</td>
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<tr>
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<td>14,805,881</td>
<td>4,735,834</td>
<td>3,019,724</td>
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<tr>
<td>Deposits from banks</td>
<td>4,562,295</td>
<td>592</td>
<td>175</td>
<td>3,724,607</td>
<td>836,984</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>53,150,971</td>
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<td>14,877,998</td>
<td>2,193,097</td>
<td>2,193,097</td>
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<td>Debt securities issued</td>
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<td>269,813</td>
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</tr>
<tr>
<td>Other financial liabilities</td>
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</tr>
<tr>
<td>Deferred tax liabilities</td>
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<tr>
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#### Total liabilities and equity

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<th>Bank</th>
<th>Retail</th>
<th>Corporates</th>
<th>ALM &amp; Local Corporate Center</th>
<th>GM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
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<td>27,183,836</td>
<td>13,225,474</td>
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#### Liabilities and Equity

<table>
<thead>
<tr>
<th></th>
<th>Bank</th>
<th>Retail</th>
<th>Corporates</th>
<th>ALM &amp; Local Corporate Center</th>
<th>GM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial liabilities measured at amortised cost</td>
<td>55,881,083</td>
<td>36,051,008</td>
<td>14,805,881</td>
<td>4,735,834</td>
<td>3,019,724</td>
</tr>
<tr>
<td>Deposits from banks</td>
<td>4,562,295</td>
<td>592</td>
<td>175</td>
<td>3,724,607</td>
<td>836,984</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>53,150,971</td>
<td>35,904,296</td>
<td>14,877,998</td>
<td>2,193,097</td>
<td>2,193,097</td>
</tr>
<tr>
<td>Debt securities issued</td>
<td>269,813</td>
<td></td>
<td></td>
<td>269,813</td>
<td></td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>896,241</td>
<td>97,080</td>
<td>30,088</td>
<td>696,687</td>
<td>73,786</td>
</tr>
<tr>
<td>Finance lease liabilities</td>
<td>245,902</td>
<td></td>
<td></td>
<td>245,902</td>
<td></td>
</tr>
<tr>
<td>Fair value changes of the hedged items in portfolio hedge of interest rate</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>1,400,326</td>
<td>441,408</td>
<td>328,279</td>
<td>830,142</td>
<td>497,623</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>68,548,231</td>
<td>39,193,400</td>
<td>17,159,108</td>
<td>9,073,265</td>
<td>3,122,458</td>
</tr>
</tbody>
</table>

#### Total liabilities and equity
### 18. Segment reporting (continued)

#### 101. Segment Reporting (continued)

#### Bank

<table>
<thead>
<tr>
<th>Assets</th>
<th>Bank</th>
<th>Retail</th>
<th>Corporates</th>
<th>ALM &amp; Local Corporate Center</th>
<th>GM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash balances</td>
<td>10,662,852</td>
<td>5,380,922</td>
<td>-</td>
<td>5,481,930</td>
<td></td>
</tr>
<tr>
<td>Financial assets held for trading</td>
<td>214,092</td>
<td>-</td>
<td>(1,682)</td>
<td>27,959</td>
<td>187,825</td>
</tr>
<tr>
<td>Derivatives</td>
<td>317,189</td>
<td>-</td>
<td>(1,682)</td>
<td>27,959</td>
<td>4,022</td>
</tr>
<tr>
<td>Non-trading financial assets at fair value through profit or loss</td>
<td>82,903</td>
<td>-</td>
<td>5,919</td>
<td>33,233</td>
<td>182,903</td>
</tr>
<tr>
<td>Equity instruments</td>
<td>33,233</td>
<td>-</td>
<td>-</td>
<td>33,233</td>
<td></td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>5,920</td>
<td>-</td>
<td>5,919</td>
<td>5,181,002</td>
<td></td>
</tr>
<tr>
<td>Financial assets at fair value through other comprehensive income</td>
<td>5,187,019</td>
<td>-</td>
<td>6,017</td>
<td>5,181,002</td>
<td></td>
</tr>
<tr>
<td>Equity investments</td>
<td>40,721</td>
<td>-</td>
<td>-</td>
<td>40,721</td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>317,189</td>
<td>-</td>
<td>(1,682)</td>
<td>27,959</td>
<td>4,022</td>
</tr>
<tr>
<td>Financial assets held for trading</td>
<td>214,092</td>
<td>-</td>
<td>(1,682)</td>
<td>27,959</td>
<td>187,825</td>
</tr>
<tr>
<td>Derivatives</td>
<td>317,189</td>
<td>-</td>
<td>(1,682)</td>
<td>27,959</td>
<td>4,022</td>
</tr>
<tr>
<td>Non-trading financial assets at fair value through profit or loss</td>
<td>82,903</td>
<td>-</td>
<td>5,919</td>
<td>33,233</td>
<td>182,903</td>
</tr>
<tr>
<td>Equity instruments</td>
<td>33,233</td>
<td>-</td>
<td>-</td>
<td>33,233</td>
<td></td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>5,920</td>
<td>-</td>
<td>5,919</td>
<td>5,181,002</td>
<td></td>
</tr>
<tr>
<td>Financial assets at fair value through other comprehensive income</td>
<td>5,187,019</td>
<td>-</td>
<td>6,017</td>
<td>5,181,002</td>
<td></td>
</tr>
<tr>
<td>Equity investments</td>
<td>40,721</td>
<td>-</td>
<td>-</td>
<td>40,721</td>
<td></td>
</tr>
</tbody>
</table>

#### Liabilities and Equity

<table>
<thead>
<tr>
<th>Liabilities and Equity</th>
<th>Bank</th>
<th>Retail</th>
<th>Corporates</th>
<th>ALM &amp; Local Corporate Center</th>
<th>GM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial liabilities held for trading</td>
<td>32,988</td>
<td>-</td>
<td>(18)</td>
<td>28,682</td>
<td>4,944</td>
</tr>
<tr>
<td>Derivatives</td>
<td>32,988</td>
<td>-</td>
<td>(18)</td>
<td>28,682</td>
<td>4,944</td>
</tr>
<tr>
<td>Financial liabilities measured at amortised cost</td>
<td>56,326,984</td>
<td>34,844,050</td>
<td>15,798,007</td>
<td>5,242,026</td>
<td>2,442,401</td>
</tr>
<tr>
<td>Deposits from banks</td>
<td>4,291,203</td>
<td>699</td>
<td>163</td>
<td>4,168,961</td>
<td>593,490</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>829,099</td>
<td>-</td>
<td>12,788</td>
<td>1,150,885</td>
<td>1,851,400</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>349,153</td>
<td>-</td>
<td>38,080</td>
<td>349,153</td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>1,120,255</td>
<td>485,661</td>
<td>409,905</td>
<td>244,223</td>
<td>466</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>97,110</td>
<td>-</td>
<td>-</td>
<td>97,110</td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>193,842</td>
<td>-</td>
<td>-</td>
<td>193,842</td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>8,138,075</td>
<td>2,585,461</td>
<td>1,846,141</td>
<td>3,674,421</td>
<td>62,052</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>67,909,254</td>
<td>37,865,172</td>
<td>18,054,035</td>
<td>9,480,184</td>
<td>2,509,863</td>
</tr>
</tbody>
</table>

---

**Notes to Financial Statements**

**Consolidated and Separate As at 30 June 2019**

**BCR**

**As at 30 June 2019**

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**39**
19. Related-party transactions and principal shareholders

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

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 30 June 2019 and 31 December 2018 are detailed below. Transactions were entered into with related parties during the course of business at market rates.

**Transactions with parent**

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

**Transactions with management**

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

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

Remuneration paid related to key management personnel is presented in note 13.

**Transactions with subsidiaries**

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

The following transactions were carried out with related parties:
19. Related-party transactions and principal shareholders (continued)

<table>
<thead>
<tr>
<th></th>
<th>2019 in RON thousands</th>
<th>2018 in RON thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Parent</td>
<td>Associates</td>
</tr>
<tr>
<td>Total assets</td>
<td>268,400</td>
<td>23,388</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>175,952</td>
<td>-</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>12,726</td>
<td>-</td>
</tr>
<tr>
<td>Equity investments</td>
<td>-</td>
<td>21,385</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>79,823</td>
<td>-</td>
</tr>
<tr>
<td>Derivatives</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>3,649,039</td>
<td>38,590</td>
</tr>
<tr>
<td>Deposits</td>
<td>3,571,623</td>
<td>38,590</td>
</tr>
<tr>
<td>Interest income</td>
<td>21,493</td>
<td>-</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>(46,283)</td>
<td>(316)</td>
</tr>
<tr>
<td>Dividend income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fee and commission income</td>
<td>-</td>
<td>926</td>
</tr>
<tr>
<td>Derivatives</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans commitments, financial guarantees and other commitments given -Irrevocable [notional amount]</td>
<td>10,285</td>
<td>-</td>
</tr>
<tr>
<td>Loans commitments, financial guarantees and other commitments given -Revocable [notional amount]</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit before tax income/expense</td>
<td>(27,886)</td>
<td>611</td>
</tr>
</tbody>
</table>
## 19. Related-party transactions and principal shareholders (continued)

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Parent</th>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Key management personnel</th>
<th>Other related parties</th>
<th>Parent</th>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Key management personnel</th>
<th>Other related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>135,928</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>52,693</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity investments</td>
<td>12,725</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11,979</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>79,823</td>
<td>347,244</td>
<td>-</td>
<td>13,027</td>
<td>147,961</td>
<td>599,806</td>
<td>-</td>
<td>-</td>
<td>10,778</td>
<td>45,421</td>
</tr>
<tr>
<td>Loans and advances with credit institutions</td>
<td>-</td>
<td>33,661</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>271,512</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans and advances with customers</td>
<td>79,823</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>147,961</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>2,546,827</td>
<td>1,371,367</td>
<td>38,590</td>
<td>10,706</td>
<td>155,528</td>
<td>2,908,103</td>
<td>1,126,375</td>
<td>18,899</td>
<td>8,503</td>
<td>136,934</td>
</tr>
<tr>
<td>Deposits</td>
<td>2,469,411</td>
<td>1,371,367</td>
<td>38,590</td>
<td>10,706</td>
<td>155,528</td>
<td>2,908,103</td>
<td>1,126,375</td>
<td>18,899</td>
<td>8,503</td>
<td>136,934</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>428,365</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>31,857</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans commitments, financial guarantees and other commitments given</td>
<td>-</td>
<td>10,285</td>
<td>-</td>
<td>-</td>
<td>412</td>
<td>20,463</td>
<td>14,184</td>
<td>19,763</td>
<td>-</td>
<td>412</td>
</tr>
<tr>
<td>Loans commitments, financial guarantees and other commitments given - Revocable (notional amount)</td>
<td>-</td>
<td>10,285</td>
<td>-</td>
<td>-</td>
<td>412</td>
<td>20,463</td>
<td>14,184</td>
<td>19,763</td>
<td>-</td>
<td>412</td>
</tr>
<tr>
<td>Loan commitments, financial guarantees and other commitments received</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>147,736</td>
<td>-</td>
<td>296,120</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Derivatives (notional amount)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>147,736</td>
<td>-</td>
<td>296,120</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Interest income** | 21,493 | 12,895 | - | - | 243 | 401 | 29,468 | 7,284 | - | 197 |
| Interest expenses | (39,962) | (14,690) | (316) | (9) | (2,286) | (97,524) | (8,914) | (244) | (4) | (473) |
| Dividend income | - | - | - | - | 1,069 | 7,953 | - | - | - | 1,971 |
| Fees and commission income | 2,257 | 3,978 | 1 | 18 | 49,534 | 2,802 | 2,187 | 1 | 23 | 46,784 |
| Fees and commission expenses | (2,848) | - | - | - | 81 | (2,949) | - | - | - | (4,318) |
| Profit before tax income/(expense) | (19,058) | 14,121 | 611 | 252 | 40,819 | (68,143) | 8,509 | (243) | 216 | 45,212 |

**Bank**
20. Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value is best evidenced by a quoted market price, if such exists. Credit Value Adjustment/Debt Value Adjustment is included in the fair value of derivatives both at 31 December 2018 and 30 June 2019.

Level 1 of the fair value hierarchy

The fair value of financial instruments assigned to level 1 of the fair value hierarchy is determined based on quoted prices in active markets for identical financial assets and liabilities. More particular, the evaluated fair value can qualify as a level 1 input if transactions occur with sufficient frequency, volume and pricing consistency on an ongoing basis.

These include exchange traded derivatives (futures, options), shares, government bonds as well as other bonds and funds, which are traded in highly liquid and active markets.

Level 2 of the fair value hierarchy

In case a market quote is used for valuation but due to restricted liquidity the market does not qualify as active (derived from available market liquidity indicators) the instrument is classified as level 2. If no market prices are available the fair value is measured by using valuation models which are based on observable market data. If all the significant inputs in the valuation model are observable the instrument is classified as level 2 of the fair value hierarchy.

For level 2 valuations typically yield curves, credit spreads and implied volatilities are used as observable market parameters. These include over-the-counter (OTC) derivatives, less liquid shares, bonds and funds as well as and own issues.

Level 3 of the fair value hierarchy

In some cases, the fair value can be determined neither on the basis of sufficiently frequent quoted market prices nor of valuation models that rely entirely on observable market data. In these cases individual valuation parameters not observable in the market are estimated on the basis of reasonable assumptions.

If any unobservable input in the valuation model is significant or the price quote used is updated infrequently the instrument is classified as level 3 of the fair value hierarchy. For level 3 valuations besides observable parameters typically credit spreads derived from internally calculated historical probability of default (PD) and loss given default (LGD) measures are used as unobservable parameters.

20.1. Financial instruments whose fair value is disclosed in the notes

The following table shows fair values and fair value hierarchy of financial instruments whose fair value is disclosed in the notes for the half year:
20. Fair value of financial assets and liabilities (continued)

20.1. Financial instruments whose fair value is disclosed in the notes (continued)

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Group</th>
<th>30.06.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash balances</td>
<td>10,346,352</td>
<td>10,346,352</td>
</tr>
<tr>
<td>Financial assets at amortised cost</td>
<td>51,798,643</td>
<td>53,959,376</td>
</tr>
<tr>
<td>Loans and advances to banks</td>
<td>269,108</td>
<td>271,236</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>36,230,435</td>
<td>38,460,824</td>
</tr>
<tr>
<td>Debt securities</td>
<td>15,299,100</td>
<td>15,277,316</td>
</tr>
<tr>
<td>Finance lease receivables</td>
<td>1,062,774</td>
<td>1,062,680</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>493,065</td>
<td>515,924</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities measured at amortised cost</td>
<td>61,890,320</td>
<td>61,646,348</td>
</tr>
<tr>
<td>Deposits from banks</td>
<td>5,294,492</td>
<td>5,324,754</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>55,427,344</td>
<td>55,142,904</td>
</tr>
<tr>
<td>Debt securities in issue</td>
<td>269,613</td>
<td>279,822</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>898,871</td>
<td>898,868</td>
</tr>
</tbody>
</table>
20. Fair value of financial assets and liabilities (continued)

20.1 Financial instruments whose fair value is disclosed in the notes (continued)

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Group</th>
<th>Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying amount</td>
<td>Fair value</td>
</tr>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash balances</td>
<td>11,123,191</td>
<td>11,123,191</td>
</tr>
<tr>
<td>Financial assets at amortised cost</td>
<td>50,842,219</td>
<td>52,621,067</td>
</tr>
<tr>
<td>Loans and advances to banks</td>
<td>123,840</td>
<td>125,628</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>34,840,271</td>
<td>36,861,031</td>
</tr>
<tr>
<td>Debt securities</td>
<td>15,679,106</td>
<td>15,315,789</td>
</tr>
<tr>
<td>Finance lease receivables</td>
<td>990,868</td>
<td>990,769</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>563,014</td>
<td>563,014</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities measured at amortised cost</td>
<td>61,618,808</td>
<td>61,321,312</td>
</tr>
<tr>
<td>Deposits from banks</td>
<td>5,278,080</td>
<td>5,278,747</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>55,098,959</td>
<td>54,741,917</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>349,153</td>
<td>365,027</td>
</tr>
<tr>
<td></td>
<td>592,616</td>
<td>592,621</td>
</tr>
</tbody>
</table>

31.12.2018
20. Fair value of financial assets and liabilities (continued)

20.1. Financial instruments whose fair value is disclosed in the notes (continued)

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

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

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

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

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

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Quoted market prices in active markets Level 1</th>
<th>Marked to model based on observable market data Level 2</th>
<th>Marked to model based on non-observable inputs Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>held for trading</td>
<td>30.06.2019</td>
<td>31.12.2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>101,160</td>
<td>178,095</td>
<td>57,355</td>
<td>30,060</td>
</tr>
<tr>
<td>Equity instruments</td>
<td>-</td>
<td>2,540</td>
<td>34,715</td>
<td>37,263</td>
</tr>
<tr>
<td>Other financial assets held for trading</td>
<td>-</td>
<td>-</td>
<td>4,215</td>
<td>4,215</td>
</tr>
<tr>
<td>Equity instruments</td>
<td>-</td>
<td>2,540</td>
<td>34,715</td>
<td>37,263</td>
</tr>
<tr>
<td>Non-trading financial assets at fair value through profit or loss</td>
<td>-</td>
<td>2,540</td>
<td>34,715</td>
<td>37,263</td>
</tr>
<tr>
<td>Equity instruments</td>
<td>-</td>
<td>2,540</td>
<td>34,715</td>
<td>37,263</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>-</td>
<td>-</td>
<td>4,215</td>
<td>4,215</td>
</tr>
<tr>
<td>Total assets</td>
<td>5,350,969</td>
<td>5,031,042</td>
<td>61,523</td>
<td>5,458,119</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities held for trading</td>
<td>-</td>
<td>83,128</td>
<td>57,355</td>
<td>140,483</td>
</tr>
<tr>
<td>Derivatives</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>-</td>
<td>83,128</td>
<td>57,355</td>
<td>140,483</td>
</tr>
</tbody>
</table>

Bank

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Quoted market prices in active markets Level 1</th>
<th>Marked to model based on observable market data Level 2</th>
<th>Marked to model based on non-observable inputs Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>held for trading</td>
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<td>31.12.2018</td>
<td></td>
<td></td>
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<tr>
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</tr>
<tr>
<td>Equity instruments</td>
<td>-</td>
<td>2,540</td>
<td>34,715</td>
<td>37,263</td>
</tr>
<tr>
<td>Non-trading financial assets at fair value through profit or loss</td>
<td>-</td>
<td>2,540</td>
<td>34,715</td>
<td>37,263</td>
</tr>
<tr>
<td>Equity instruments</td>
<td>-</td>
<td>2,540</td>
<td>34,715</td>
<td>37,263</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>-</td>
<td>-</td>
<td>4,215</td>
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<tr>
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<td>5,350,969</td>
<td>5,031,042</td>
<td>61,523</td>
<td>5,458,119</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities held for trading</td>
<td>-</td>
<td>83,128</td>
<td>57,355</td>
<td>140,483</td>
</tr>
<tr>
<td>Derivatives</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>-</td>
<td>83,128</td>
<td>57,355</td>
<td>140,483</td>
</tr>
</tbody>
</table>

Non-trading financial assets at fair value position includes:

- loans and advances to customers classified at fair value through profit and loss according to IFRS 9 due to failure to pass the SPPI (solely payments of principal and interest) test.

The methodology to compute the fair value of these assets corresponds to the basic present value technique where expected cash flows of assets are discounted by the full rate including credit risk, market risk and cost components. The credit risk is incorporated in the assessment of cash flows in order to come to expected cash flows accounting for customer’s probability of default. These cash flows are then adjusted with the discount rate.

- equity instruments, in principal minority interests classified as level 3 instruments for which the fair value is determined based on internal assessment. The most common valuation methods used in the evaluation of minority interest are: Quoted price in active markets, Expert opinion or Recent transaction value, Discounted Cash Flow Method / Dividend Discount Model, the adjusted Net Asset Value, Simplified income approach.
20. Fair value of financial assets and liabilities (continued)

20.3. Valuation of level 3 financial instruments

Financial assets at fair value through other comprehensive income includes:
- Debt securities issued by Ministry of Finance which are actively traded classified on level 1 and 2.
- Visa INC Preferred Share equity for which fair value is computed based on internal assessment and one corporative bond which is theoretically priced are presented on level 3.

The volume of level 3 financial assets can be allocated to the following two categories:
- Market values of derivatives where the credit value adjustment (CVA) has a material impact and is calculated based on unobservable parameters (i.e. internal estimates of PDs and LGDs);
- Illiquid bonds, shares and funds not quoted in an active market where either valuation models with non-observable parameters have been used (e.g. credit spreads) or broker quotes have been used that cannot be allocated to Level 1 or Level 2.

The unobservable inputs from CVA calculation are the probability of default (PD) and loss given default (LGD). The probabilities of default are the result of the rating models development internally (at ERSTE Group level) and are used to evaluate the credit risk including CVA.

According to the allocated rating, each counterparty has assigned a probability of default. The value of LGD parameter for the calculation of CVA is 60%.

In order to mark to market the municipal bonds in Fair Value Hierarchy, the bank proceeds as follows:
- Municipal bonds evaluated in Calypso application using market data stored (yield curves)
- To the yield curve, a margin which incorporates the credit risk of each debt issuer is added

As at June 2019, the fair valuation of VISA Inc preferred shares was based on reasonable assumptions and estimations and was consequently classified in level 3.

The shares cannot be sold before a minimum holding period of 12 years and are limited to certain conditions which may restrict the conversion of preferred shares into tradable VISA Inc shares.

Due to these limiting conditions the fair value of the preferred shares was capped based on assumptions compared to free tradable VISA Inc. class A common shares.

The price of class C common shares was determined based on the conversion ratio of 1:13,952 and an additional haircut of 15%.
20. Fair value of financial assets and liabilities (continued)

20.3. Valuation of level 3 financial instruments (continued)

Movements in Level 3 of financial instruments carried at fair value

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Gain/loss in profit or loss</th>
<th>Gain/loss in other comprehensive income</th>
<th>Sales</th>
<th>Currency translation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td>01.01.2019</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets - held for trading</td>
<td>2,133</td>
<td>55</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Derivatives</td>
<td>2,133</td>
<td>55</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-trading financial assets at fair value through profit or loss</td>
<td>36,995</td>
<td>(2,280)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity instruments</td>
<td>31,075</td>
<td>(575)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>5,920</td>
<td>(1,705)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial assets at fair value through other comprehensive income</td>
<td>46,738</td>
<td>-</td>
<td>14,785</td>
<td>-</td>
</tr>
<tr>
<td>Equity instruments</td>
<td>40,721</td>
<td>-</td>
<td>13,457</td>
<td>-</td>
</tr>
<tr>
<td>Debt securities</td>
<td>6,017</td>
<td>-</td>
<td>1,328</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>85,866</td>
<td>(2,225)</td>
<td>14,785</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>in RON thousands</th>
<th>Gain/loss in profit or loss</th>
<th>Gain/loss in other comprehensive income</th>
<th>Sales</th>
<th>Currency translation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td>01.01.2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets - held for trading</td>
<td>2,875</td>
<td>(281)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Derivatives</td>
<td>2,875</td>
<td>(281)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-trading financial assets at fair value through profit or loss</td>
<td>39,118</td>
<td>2,060</td>
<td>-</td>
<td>(3,628)</td>
</tr>
<tr>
<td>Equity instruments</td>
<td>18,509</td>
<td>2,480</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>20,609</td>
<td>(420)</td>
<td>-</td>
<td>(3,628)</td>
</tr>
<tr>
<td>Financial assets at fair value through other comprehensive income</td>
<td>33,846</td>
<td>-</td>
<td>6,748</td>
<td>-</td>
</tr>
<tr>
<td>Equity instruments</td>
<td>33,846</td>
<td>-</td>
<td>6,748</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>75,839</td>
<td>1,779</td>
<td>6,748</td>
<td>(3,628)</td>
</tr>
</tbody>
</table>
20. Fair value of financial assets and liabilities (continued)

20.3. Valuation of level 3 financial instruments (continued)

<table>
<thead>
<tr>
<th>Bank</th>
<th>Gain/loss in profit or loss</th>
<th>Gain/loss in other comprehensive income</th>
<th>Sales</th>
<th>Currency translation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>01.01.2019</td>
<td>30.06.2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets - held for trading</td>
<td>2,133</td>
<td>55</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Derivatives</td>
<td>2,133</td>
<td>55</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other financial assets held for trading</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-trading financial assets at fair value through profit or loss</td>
<td>38,885</td>
<td>2,060</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity instruments</td>
<td>30,832</td>
<td>(586)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debt securities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>5,920</td>
<td>(1,705)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial assets at fair value through other comprehensive income</td>
<td>46,738</td>
<td>-</td>
<td>14,314</td>
<td>-</td>
</tr>
<tr>
<td>Equity instruments</td>
<td>40,721</td>
<td>-</td>
<td>13,457</td>
<td>-</td>
</tr>
<tr>
<td>Debt securities</td>
<td>6,017</td>
<td>-</td>
<td>858</td>
<td>-</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>87,756</td>
<td>2,115</td>
<td>14,314</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bank</th>
<th>Gain/loss in profit or loss</th>
<th>Gain/loss in other comprehensive income</th>
<th>Sales</th>
<th>Currency translation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>01.01.2018</td>
<td>30.06.2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets - held for trading</td>
<td>2,875</td>
<td>(281)</td>
<td>-</td>
<td>-</td>
</tr>
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<td>2,875</td>
<td>(281)</td>
<td>-</td>
<td>-</td>
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<td>38,885</td>
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<tr>
<td>Equity instruments</td>
<td>33,846</td>
<td>-</td>
<td>6,748</td>
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</tr>
<tr>
<td>Loans and advances</td>
<td>20,009</td>
<td>(420)</td>
<td>-</td>
<td>(3,628)</td>
</tr>
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<td>Financial assets at fair value through other comprehensive income</td>
<td>33,846</td>
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<td>-</td>
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<td>Equity instruments</td>
<td>33,846</td>
<td>-</td>
<td>6,748</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>75,606</td>
<td>1,779</td>
<td>6,748</td>
<td>(3,628)</td>
</tr>
</tbody>
</table>
21. Legal claims and contingent liabilities

As at 30 June 2019, the Bank was involved in the normal course of its business in a number of 3,482 other litigation as defendant.

In the opinion of management, after taking appropriate legal advice from Legal Department/external lawyers/consultants, by case, the outcome of these legal claims will not give rise to any significant loss beyond the amount provided at 30 June 2019.

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

In 2015, the Romanian Court of Accounts (hereinafter referred to as ‘the CoA’) conducted a control at the BpL. Following the mission, the CoA claims that several deficiencies were identified, the vast majority grounded on a different interpretation of the applicable legal provisions.

On 15 December 2015, the CoA issued the Decision no. 17, maintaining all the claims included in their initial report and requested BpL to establish exactly the amount of the prejudice. On December 23, 2015, BpL appealed the Decision no. 17 of the CoA, appeal that was rejected by the Commission for Solving Claims of the CoA through Decision No 2/29 February 2016, maintaining as such the Decision no. 17.

BpL submitted to the Court of Appeal an action for annulment of the decision of CoA.

Court of Appeal pronounced its resolution on March 1st 2017 and decided in favour of BCR BpL for 5 out of 8 claims. Both BpL and CoA filed second appeal against this decision and, on June 24, 2019 High Court of Justice (HCJ) decided as follows:

- Both second appeals were admitted and the decision of the first court was annulled; as a consequence, the HCJ re-judged the request of BCR BpL and annulled only two measures, maintaining 6 of them.

- The maintained measures regard the incorrect calculation of State premium by BpL.

- As a consequence, BpL will need to establish all the amounts that should be returned to the State, in accordance with the Court of Justice final decision (consisting of state premiums, interest and penalties). The most probable future outflow of resources was estimated and booked as a provision as of 30.06.2019, in accordance with IAS 37 requirements.Moreover, consideration was given as to whether other payment obligations could arise in connection with this fact, including possible withholding tax on the amounts already released to the clients as state premiums. For the latter, BpL Management concluded that the information available is insufficient, no reliable estimate of the amount required to settle the obligation could be computed out of it and , therefore, no related provision was booked as of 30.06.2019.

The financial impact is described in Note 9 – Provisions and Note 16 – Taxes on Income.

Tax litigations

Transfer pricing

During the period May 3rd 2016 – July 9th 2017, BCR was subject to a tax audit regarding Corporate Income Tax and VAT for the period January 1st 2012 – December 31st 2015. The main aspect verified by the Romanian Tax authorities were the intragroup transactions performed by BCR with its related parties during the analyzed period, mainly the financial transactions.

Based on the fiscal audit performed, the Romanian tax authorities established an additional corporate income tax expense of RON 102,581,852 as at 30th of June 2017, for the entire audited period 2012 – 2015. The additional corporate income tax due was added to the existing amounts as at 30th of June 2017.
21. Legal claims and contingent liabilities (continued)

During the period April 10th 2019 – April 22nd 2019, BCR was subject to a partial tax audit in respect of withholding tax due for incomes obtained by nonresidents in Romania, for the period January 1st 2014 – December 31st 2015.

On May 15th 2019, BCR received the Tax Audit report and the Fiscal decision, issued based on the Tax audit performed. Thus, the Romanian tax authorities established an additional withholding tax due in respect of RON 43,070,398, representing withholding tax on incomes obtained by nonresidents in Romania, in relation to interest revenues of RON 226,119,588 paid by BCR to Erste and considered by the Romanian tax authorities as being overpriced, according to the transfer pricing adjustments made by the Romanian tax authorities during the tax audit closed on 2017.

Regarding the part of the tax authorities' findings in the tax audit report closed in 2017 regarding the transfer prices used in transactions performed by BCR and Erste, BCR initiated the MAP procedure within the EUAC, considering that the adjustment of the transfer prices set by Romanian tax authorities for 2012 – 2015 has generated double taxation in Austria and Romania.

Considering the Romanian tax authorities decision to adjust the taxable base of corporate income tax, respectively to impose an additional corporate income tax for the period 2012 – 2015, the Bank has analyzed the necessity of booking a provision for a potential obligation regarding additional corporate income tax for the period 2016 – 2018.

According to IAS 37 “Provisions, contingent assets and liabilities”, a provision is recognized if the following conditions are meet:

• The company has a current obligation resulting from past events;
• It is probable that an outflow of economic resources to be necessary in order to close this obligation;
• The value of the obligation can be adequately estimated.

According to the external consultants and lawyers’ opinion and based on the available information and analysis, the Bank’s Management appreciates that there are more likely than not chances for a favorable solution against the Romanian tax authorities.

Considering the results of the analyzed performed by the Bank’s Management as mentioned above, based on which it is not probable that an outflow of economic resources to occur in the future, and based on the provisions of IAS 37 “Provisions, contingent assets and liabilities”, it was concluded that as at June 30th 2019, the conditions necessary for booking a provision in relation to a possible obligation resulted from the fiscal treatment of the intragroup transactions applied by the Bank during 2016 – 2018, are not met.

Impairment of subsidiaries

In 2017 during the tax audit performed by the tax authorities, the Management of the Bank requested deductibility in relation to expenses generated by depreciation of shares in subsidiaries booked for the period 2012 – 2015, considering the provisions of the Fiscal code applicable for these periods.

In accordance with the legal provisions in force, during the analyzed period it is mentioned that the impairment on the financial assets are deductible for fiscal purposes. The fiscal legislation did not contain any restriction in this case, this interpretation being sustained by the substantiation note of the changes to the fiscal code and by the fiscal guide for the transition to IFRS.

The tax authorities challenged the arguments of the Bank’s Management and considered that the impairment allowances booked are nondeductible.

The Bank’s Management has retained the aforementioned position and included the related amounts in the appeal submitted to the tax authorities.
21. Legal claims and contingent liabilities (continued)

According to the external consultants and lawyers’ opinion and based on the available information and analysis, the Bank’s Management appreciates that there are more likely than not chances for a favorable solution against the Romanian tax authorities.

Thus, an asset of the nature of the profit tax, in relation to expenses with the depreciation of shares in subsidiaries booked for the period 2012 – 2015, considered deductible expenses according to the Fiscal code provisions in force for that period, was recognized in 2017. This asset was subject to independent successive evaluations in the period that followed, being maintained both at the end of 2018 and on June 30th 2019. We mention that until the final settlement of the dispute, the Bank did not reclassify these expenses as deductible.

The Management of the Bank challenged the tax audit results, using all the existing legal ways, the tax appeals being ongoing.

BFP Litigation

On 23 December 2016, BFP received a request filed by City Hall Bucharest to the International Court of Arbitration of the International Chamber of Commerce; the claim consisting in the amounts resulted from the joint venture contract, for the period from 2001 to 2013. The lawyers’ assessment is that there are over 50% chances for BFP to obtain a favourable solution. In April 2019, in Bucharest, took place the hearings in this case. On July 01, 2019 the parties filed the closing statements. The Court didn’t set a date for the final decision.

Up to the date of publishing these financial statements, there were no other significant updates related to the cases presented in the financial statements for the year ended 31 December 2018.

22. Subsequent events

On 9th of July 2019, BCR paid the amount of RON 673 million to BPL for capital needs. Subsequently, capital increase provided to BpL was fully impaired and BpL repaid to BCR an amount of RON 191 million of the existing loan.

BCR BpL received on 18th of July 2019 the motivation of the High Court of Justice decision. Currently the Bank is reviewing it in order to assess what will be the next steps. Most likely, extraordinary appeal(s) and international legal actions will follow in due time.

The Bank does not due the tax on financial assets in the first semester of 2019, considering the conditions of reducing the tax due according to GEO 19/2019, article 87, para 5. Considering that the indicator “loan granted to households and non financial corporations growth” exceeds half of the yearly target of 4% in accordance with the above mentioned article, the tax is not due and declared in the first semester of 2019.