

**VISTA BANK (ROMANIA) SA**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2024**

**PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS,  
AS ADOPTED BY THE EUROPEAN UNION**

CONTENTS:	PAGE:
INDEPENDENT AUDITOR'S REPORT	1 – 5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME	7
CASH FLOW STATEMENT	8 – 9
STATEMENT OF CHANGES IN EQUITY	10 – 11
NOTES TO THE FINANCIAL STATEMENTS	12 – 130
1. THE BANK AND ITS OPERATIONS .....	12
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....	14
3. FINANCIAL RISK MANAGEMENT .....	31
4. BASIC ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR ACCOUNTING POLICIES APPLICATION .....	98
5. NET INTEREST INCOME RECOGNISED USING THE EFFECTIVE INTEREST RATE METHOD .....	98
6. NET FEE INCOME .....	99
7. OTHER OPERATING INCOME .....	100
8. OTHER OPERATING EXPENSES .....	101
9. INCOME TAX EXPENSE .....	103
10. IMPAIRMENT ALLOWANCES REGARDING FINANCIAL ASSETS .....	105
11. CASH AND CURRENT ACCOUNTS WITH THE NATIONAL BANK OF ROMANIA .....	105
12. LOANS AND ADVANCES TO BANKS AT AMORTISED COST .....	105
12. LOANS AND ADVANCES TO BANKS AT AMORTISED COST (continued) .....	106
13. FINANCIAL ASSETS AT AMORTISED COST .....	107
14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME .....	108
15. FINANCIAL ASSETS MANDATORILY AT FAIR VALUE THROUGH Profit OR LOSS .....	110
16. INTANGIBLE ASSETS .....	111
17. TANGIBLE ASSETS .....	112
18. RIGHT-OF-USE ASSETS .....	113
19. INVESTMENT PROPERTY .....	114
20. REPOSSESSED ASSETS .....	115
21. OTHER ASSETS .....	115
22. DEPOSITS FROM BANKS .....	116
23. CUSTOMERS' DEPOSITS .....	117
24. SUBORDINATED LOANS .....	117
24. SUBORDINATED LOANS (continued) .....	118
25. FINANCIAL ASSETS HELD FOR TRADING .....	118
26. CURRENT TAX ASSETS AND DEFERRED TAX ASSETS/LIABILITIES .....	119
27. LEASE LIABILITIES .....	119
28. OTHER LIABILITIES .....	121
29. OTHER PROVISIONS .....	121
30. SHARE CAPITAL .....	123
31. RESERVES .....	124
32. CASH AND CASH EQUIVALENTS .....	125
33. RELATED PARTY TRANSACTIONS .....	125
34. COMMITMENTS AND CONTINGENT LIABILITIES .....	128
35. SUBSEQUENT EVENTS .....	129
ADMINISTRATORS' REPORT	1 – 11

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Vista Bank (Romania) S.A.

### *Report on the Audit of the financial statements*

#### Opinion

1. We have audited the financial statements of Vista Bank (Romania) S.A. (the "Bank"), with registered office in Emanoil Porumbaru, Street, no 90-92, District 1, Bucharest, Romania, identified by unique tax registration code RO 10556861 which comprise the statement of financial position as at 31 December 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.
2. The financial statements as of 31 December 2024 are identified as follows:
  - Equity RON 718,261,606
  - Net profit for the financial year RON 84,864,026
3. In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) and National Bank of Romania Order no. 27/2010 for the approval of accounting regulations in accordance with International Financial Reporting Standards applicable to credit institutions, with subsequent amendments ("Order 27/2010").

#### Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (herein after referred to as "Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law 162/2017, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Nature of the area of focus	How our audit addressed the key audit matter
<b>Collective impairment of loans and advances to customers</b>	
<p>The Bank shall record credit losses related to expected credit losses (ECL) in accordance with IFRS 9 Financial Reporting Standard Financial instruments: For a period of up to 12 months for exposures for which credit risk has not increased significantly since they were granted, and over the life of the credit, for exposures that have a significant increase in credit risk, as specified in the policy on the identification and measurement of impairment in note 2.13 and note 3.1.1.a) to the financial statements.</p> <p>As of 31 December 2024, the key lines in the Bank's financial statements affected by the application of IFRS 9 are loans and advances to customers measured at amortized cost amounting to RON 4,966,102,686 (net of the related expected credit losses of RON 98,787,793).</p> <p>The Bank applies a significant level of professional judgment, using different assumptions as to when it is recorded and the amount to be recorded as impairment for loans and advances to customers.</p> <p>Whereas the determination corresponding to expected credit losses on loans and advances to customers involves the use of complex models that identify relevant historical and prospective data (which generally depend on it elements) and significant management judgment, the process of assessing expected credit losses may be subject to management subjectivity. Whereas loans and advances to customers constitute a significant part of the assets of the Bank, also because of the significance of professional judgment applied by management in the classification of loans and advances to customers at various stages stipulated in IFRS 9 and in determining the corresponding impairment requirements, this audit area is considered a key audit issue.</p> <p>The key areas of the professional judgment of the management included:</p> <ul style="list-style-type: none"> <li>the use of historical data for the establishment of risk parameters;</li> <li>The interpretation of the requirements for determining the impairment of receivables by applying IFRS 9 reflected in the expected credit loss model;</li> <li>the assumptions used in the expected credit loss models to assess the credit risk of the exposure and expected future cash flows from customers;</li> <li>the timely identification of exposures with a significant increase in credit risk and those with impairment indicators;</li> <li>evaluation of prospective information.</li> </ul>	<p>Based on the assessment of risk and knowledge of the banking industry, with the support of our credit risk experts, we have analysed expected credit losses on loans and advances to customers and assessed the estimates used in determining expected credit losses, as well as key assumptions and source data used by management as described in the key audit issue.</p> <p>Our procedures consisted of:</p> <ol style="list-style-type: none"> <li>Testing key controls on: <ul style="list-style-type: none"> <li>quality assurance of the source data used in the development of professional judgment and ECL calculation models;</li> <li>the timely identification of impairment indications, including significant credit risk increases;</li> <li>analysis of debtors' financial performance and estimation of future cash flows.</li> </ul> </li> <li>Obtain and analyse information supporting the assumptions used in: <ul style="list-style-type: none"> <li>the development of models for the calculation of key risk parameters (12-month probability of default, lifetime pd and lgd), including the performance of procedures on the quality of source data;</li> <li>the development of expected credit loss models;</li> <li>the development and adequacy of the stage allocation and the criteria used to determine the significant increase in credit risk;</li> <li>the development of models that reflect the possible impact of future economic conditions in the calculation of the ECL.</li> </ul> </li> </ol> <p>For all the above procedures, we have involved credit risk specialists who have analysed how the ECL model is developed and prospective models to test whether they adequately reflect the Bank's policies and methodologies.</p> <ol style="list-style-type: none"> <li>Verify with it specialists the proper implementation of the ECL calculation methodology in computing systems, including: <ul style="list-style-type: none"> <li>testing of general it controls on data sources and ECL calculations;</li> <li>sample-based assessment of credit quality and stage allocation;</li> <li>sample testing of ECL calculations.</li> </ul> </li> <li>Consider whether the material information on expected credit losses on loans and advances to customers disclosed in the financial statements is appropriate in accordance with the applicable IFRS requirements.</li> </ol>

Nature of the area of focus	How our audit addressed the key audit matter
<b>Recognition of interest income</b>	
<p>We refer to note 5 in the financial statements.</p> <p>For the year ended December 31, 2024, the Bank's interest income amounts to RON 594,059,000, primarily derived from loans granted to customers. These revenues are the main contributors to the Bank's operating income, affecting its profitability.</p> <p>Interest income is recognized over the estimated life of the financial instrument using the effective interest rate. Fees that can be directly attributed to the financial instrument are included in the effective interest rate and are recognized over the estimated life of the respective instrument, being presented as interest income.</p> <p>The specific nature of revenue recognition, the large volume of small individual transactions that depend on the quality of data related to interest and fees, and the IT solutions for recording them, make this a key audit matter."</p>	<p>We have tested the development and operational effectiveness of key internal controls and focused on:</p> <ul style="list-style-type: none"> <li>• data on interest and commissions relating to loans and accounts of clients in the system;</li> <li>• the recording, modification and updating of interest rates in the system;</li> <li>• It controls related to access rights and change management in relevant automated controls, together with our IT specialists .</li> </ul> <p>We have also carried out the following procedures on the recognition of interest income:</p> <ul style="list-style-type: none"> <li>• We have assessed the accounting treatment of fees charged to clients to determine whether the methodology complied with the requirements of the applicable accounting standard. We have focused our testing on analysing the correctness of the classification of fees that are identified as directly attributable to the financial instrument and are part of the effective interest rate;</li> <li>• For a sample of credit agreements, we have assessed whether the data used to calculate the interest income are complete and correct;</li> <li>• We have assessed the mathematical formula used to recognize the applicable interest income over the expected life of the credit;</li> <li>• We have valued the interest income by developing our own income expectation and compared it with actual results;</li> </ul> <p>We have measured the presentation of interest income in the financial statements in accordance with IFRS requirements.</p>

## Other Information – Administrators' Report

6. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements for the year ended 31 December 2024, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### Other reporting responsibilities with respect to other information –Administrators' report

With respect to the Administrators' report, we read and report if this has been prepared, in all material respects, in accordance with the provisions of National Bank of Romania Order no. 27/2010, articles 12-17.

On the sole basis of the procedures performed within the audit of the financial statements, in our opinion:

- a) The information included in the Administrators' report for the financial year for which the financial statements have been prepared are consistent, in all material respects, with these financial statements;
- b) The Administrators' report has been prepared, in all material respects, in accordance with the provisions of National Bank of Romania Order no. 27/2010, articles 12-17.

Moreover, based on our knowledge and understanding concerning the Bank and its environment gained during the audit on the financial statements prepared as at 31 December 2024, we are required to report if we have identified a material misstatement of this Administrators' report. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

7. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Order 27/2010 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
9. Those charged with governance are responsible for overseeing the Bank's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticisms throughout the audit. We are also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

### **Requirements for audits of public interest entities**

15. We have been appointed by the General Meeting of Shareholders dated 29 April 2024, to audit the financial statements of Vista Bank (Romania) S.A. for the financial year ended 31 December 2024. The uninterrupted total duration of our commitment is nine years, covering the financial years ended 31 December 2016 until 31 December 2024.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Bank that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the Bank.
- No non-audit services referred to in Article 5 (1) of EU Regulation No. 537/2014 were provided.

### **Report on the Information Regarding Income Tax**

16. For the financial year preceding the financial year for which the financial statements were prepared, the Bank was not required under National Bank of Romania Order no. 27/2010 with subsequent amendments, to prepare and publish a report on income tax information.

The engagement partner on the audit resulting in this independent auditor's report is Irina Dobre.

Irina Dobre, Audit Partner

*For signature, please refer to the original  
Romanian version.*

*Registered in the Electronic Public Register of Financial  
Auditors and Audit Firms under no. AF 3344*

On behalf of:

**DELOITTE AUDIT SRL**

*Registered in the Electronic Public Register of Financial  
Auditors and Audit Firms under no. FA 25*

The Mark Building, 84-98 and 100-102 Calea Grivitei, 9<sup>th</sup> Floor, District 1  
Bucharest, Romania  
7 April 2025

**VISTA BANK ROMANIA SA**  
**STATEMENT OF FINANCIAL POSITION**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

	Note	December 31, 2024	December 31, 2023
Cash and current accounts at the National Bank of Romania	11,32	888,951,472	1,817,622,492
Loans and advances to banks at amortised cost	12,32	790,303,097	937,812,960
Loans and advances to customers at amortised cost	3	4,966,102,686	4,435,820,162
Financial instruments at amortised cost	13	1,865,072,883	2,024,198,479
Financial assets at fair value through other comprehensive income	14	18,976,949	10,351,172
Financial assets mandatory measured at fair value through profit or loss	15	2,499,737	1,771,990
Financial assets held for trading, out of which:	25	8,905,923	3,065,690
<i>Derivative financial instruments</i>		3,911,735	3,065,690
<i>Debt instruments</i>		4,994,188	-
Repossessed assets (inventories)	20	23,272,718	39,549,755
Other financial assets	21	15,658,589	11,965,797
Other assets	21	20,543,360	12,359,259
Investment property	19	81,898,901	77,143,493
Current corporate income tax receivables	26	-	7,632,149
Property and equipment	17	40,537,498	36,227,850
Right-of-use assets	18	49,723,687	49,862,659
Intangible assets	16	20,996,548	22,962,239
Deferred tax assets	27	40,200	1,957,376
<b>Total assets</b>		<b>8,793,484,248</b>	<b>9,490,353,522</b>
Deposits from banks	22	64,531,768	138,722,422
Deposits from customers	23	7,739,991,359	8,470,774,851
Other financial liabilities	28	77,902,656	78,074,469
Other liabilities	28	7,810,701	6,875,174
Lease liabilities	27	53,250,226	53,229,003
Subordinated loans	24	121,587,130	95,697,650
Other provisions	29	5,862,303	7,472,190
Deferred tax liabilities	26	4,286,499	5,732,050
<b>Total liabilities</b>		<b>8,075,222,642</b>	<b>8,856,577,809</b>
<b>Equity</b>			
Share capital	30	504,907,982	504,907,982
Reserves	31	27,710,460	18,602,494
Result for the period		84,864,026	62,870,976
Retained earnings profit		100,779,138	47,394,261
<b>Equity attributable to Bank's shareholders</b>		<b>718,261,606</b>	<b>633,775,713</b>
<b>Total equity</b>		<b>718,261,606</b>	<b>633,775,713</b>
<b>Total equity and liabilities</b>		<b>8,793,484,248</b>	<b>9,490,353,522</b>

The financial statements were endorsed in the Meeting of the Board of Directors of April 4, 2025 and approved in the General Shareholders Assembly of April 16, 2025 and signed by:

\_\_\_\_\_  
**Georgios Athanasopoulos**  
**CEO**

\_\_\_\_\_  
**Theodor-Cornel Stanescu**  
**First-Deputy CEO**



**VISTA BANK ROMANIA SA**  
**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

	Note	Financial year ended December 31, 2024	Financial year ended December 31, 2023
Interest income recognised using the effective interest rate	5	594,059,000	569,007,368
Interest expenses	5	-350,976,260	-361,644,187
<b>Net interest income</b>		<b>243,082,740</b>	<b>207,363,181</b>
Fees and commission income	6	20,081,350	15,929,081
Fees and commission expenses	6	-3,795,574	-2,945,673
<b>Net fees and commission income</b>			
Net gains from foreign exchange differences	7.1	16,285,776	12,983,408
Other operating income	7	22,662,348	19,681,641
Other operating expenses	8	17,934,202	7,687,915
Net income/(expenses) with impairment of financial assets	10	-198,129,798	-167,721,782
		-1,016,827	-4,384,470
<b>Profit before tax</b>		<b>100,818,441</b>	<b>75,609,893</b>
Expense from tax on profit	9	-15,954,415	-12,738,917
<b>Net profit of the year</b>		<b>84,864,026</b>	<b>62,870,976</b>
<b>Items that cannot be reclassified through other comprehensive income, net of tax</b>			
Revaluation of property, plant and equipment			
<b>Items that are or can be reclassified through other comprehensive income</b>		<b>3,946</b>	<b>229,966</b>
Differences from change in fair value of financial instruments at fair value through other comprehensive income, net of tax		117,923	2,723,980
<b>Total other comprehensive income</b>		<b>121,869</b>	<b>2,953,946</b>
<b>Total comprehensive income for the financial year</b>		<b>84,985,895</b>	<b>65,824,922</b>
<b>Net profit attributable to:</b>		<b>84,864,026</b>	<b>62,870,976</b>
Bank's owners		84,864,026	62,870,976
<b>Comprehensive income, of which:</b>		<b>84,985,895</b>	<b>65,824,922</b>
Bank's owners		84,985,895	65,824,922

The financial statements were endorsed in the Meeting of the Board of Directors of April 4, 2025 and approved in the General Shareholders Assembly of April 16, 2025 and signed by:

\_\_\_\_\_  
**Georgios Athanasopoulos**  
CEO

\_\_\_\_\_  
**Theodor-Cornel Stanescu**  
First-Deputy CEO

**VISTA BANK ROMANIA SA**  
**CASH FLOW STATEMENT**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

	Note	Financial year ended December 31, 2024	Financial year ended December 31, 2023
<b>Profit before tax</b>		<b>100,818,441</b>	<b>75,609,893</b>
<b>Adjustments for non-monetary items:</b>			
Net losses on impairment of loans and advances to customers	10	1,016,827	4,384,470
Income from depreciation	8	27,236,622	28,127,458
Interest expenses	5	350,976,260	361,644,187
Interest income	5	-594,059,000	-569,007,368
Income from dividends	7	-	-1,086,479
Income with provisions for risks and charges	8	-1,610,464	-1,056,748
Other non-monetary adjustments		1,222,799	550,350
<b>Operating profit before changes in operating assets and liabilities</b>		<b>-114,398,515</b>	<b>-100,834,237</b>
<b>(Increase) / Decrease in operating assets:</b>			
(Increase)/Decrease in loans and advances to customers		-537,333,058	19,526,185
Decrease / (Increase) in loans and advances to banks		712,976	-18,326,012
Decrease / (Increase) in other assets		19,513,928	28,246,090
<b>Increase / (Decrease) in operating liabilities:</b>			
Increase / (Decrease) in deposits from banks		-74,190,654	90,210,427
Increase in customer deposits		-719,186,661	1,150,104,594
Increase / (Decrease) in other liabilities		937,731	42,407,994
<b>Cash flow from operating activities before interest and tax</b>		<b>-1,423,944,253</b>	<b>1,211,235,008</b>
Interest earned from loans and advances to customers and banks	5	453,389,675	490,234,197
Interest paid on deposits with banks and customers	5	-351,263,677	-326,926,270
Income tax paid	9	7,632,149	-3,407,559
<b>Cash flow from operating activities</b>		<b>-1,314,186,106</b>	<b>1,371,235,008</b>
<b>Acquisitions of investments:</b>			
Acquisitions of financial assets carried at amortised cost	37	-494,220,941	-1,342,114,389
Acquisitions of financial assets held for trading	13	-4,994,188	-
Buy-backs of financial assets carried at amortised cost	13	685,536,000	606,055,014
Acquisitions of financial assets at fair value through profit or loss	14	-8,304,180	-
Sales and buy-backs of financial assets at fair value through other comprehensive income	14	-	50,000,000
Proceeds from sale of financial assets at fair value through profit or loss	15	-727,747	1,020,787
Interest received from investing activities	5	88,535,260	83,196,785
Dividends received	7	1,379,471	1,086,479
Purchases of tangible and intangible assets	16,17	-18,536,327	-21,839,724
		-	273,244
Sales of tangible and intangible assets	16,17		
Income from lease of investment property		685,182	1,097,397
<b>Cash flows used in investing activities</b>		<b>249,352,530</b>	<b>-621,260,408</b>

The accompanying notes form an integral part of these financial statements.  
Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**CASH FLOW STATEMENT**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

	Note	Financial year ended December 31, 2024	Financial year ended December 31, 2023
<b>Financing activities</b>			
Repayment of bank loans, including payment of interest		-	-21,593,840
Payment of lease liabilities	27	-12,398,070	-13,049,753
Interest paid for subordinated loans	5	-9,048,960	-6,451,638
<b>Cash flows used in financing activities</b>		<b>-21,447,030</b>	<b>-41,095,230</b>
Net increase / (decrease) in cash and cash equivalents		-1,086,280,607	708,879,370
<b>Cash and cash equivalents at the beginning of the financial year (gross amount)</b>	32	<b>2,736,133,283</b>	<b>2,027,253,913</b>
<b>Cash and cash equivalents at the end of the financial year (gross amount)</b>	32	<b>1,649,852,676</b>	<b>2,736,133,283</b>
Expected credit losses		-68,482	-114,782

The financial statements were endorsed in the Meeting of the Board of Directors of April 4, 2025 and approved in the General Shareholders Assembly of April 16, 2025 and signed by:

\_\_\_\_\_  
**Georgios Athanasopoulos**  
CEO

\_\_\_\_\_  
**Theodor-Cornel Stanescu**  
First-Deputy CEO

**VISTA BANK ROMANIA SA**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

	Share capital	Reserves	Retained earnings (loss)	Total equity attributable to Bank's shareholders	Total equity attributable to non-controlling interests	Total
<b>Balance as at January 1, 2024</b>	<b>504,907,982</b>	<b>18,602,494</b>	<b>110,265,237</b>	<b>633,775,713</b>	<b>633,775,713</b>	<b>504,907,982</b>
<b>Profit for the year</b>	-	-	84,864,026	84,864,026	84,864,026	-
Difference from change in fair value of financial assets at fair value through other comprehensive income, net of deferred tax	-	121,867	-	121,867	121,867	-
<b>Total comprehensive income for the year</b>	-	<b>121,867</b>	<b>84,864,026</b>	<b>84,985,893</b>	<b>84,985,893</b>	-
Transfers to reserves	-	8,986,099	-8,986,099	-	-	-
Dividends	-	-	-500,000	-500,000	-	-
<b>Balance as at December 31, 2024</b>	<b>504,907,982</b>	<b>27,710,460</b>	<b>185,643,164</b>	<b>718,261,006</b>	<b>718,261,006</b>	<b>504,907,982</b>

The financial statements were endorsed in the Meeting of the Board of Directors of April 4, 2025 and approved in the General Shareholders Assembly of April 16, 2025 and signed by:

\_\_\_\_\_  
**Georgios Athanasopoulos**  
**CEO**

\_\_\_\_\_  
**Theodor-Cornel Stanescu**  
**First-Deputy CEO**

The accompanying notes form an integral part of these financial statements.  
Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

	Share capital	Reserves	Retained earnings (loss)	Total equity attributable to Bank's shareholders	Total equity attributable to non-controlling interests	Total
<b>Balance as at January 1, 2023</b>	<b>504,907,982</b>	<b>11,868,054</b>	<b>51,174,755</b>	<b>567,950,791</b>	<b>-</b>	<b>567,950,791</b>
<b>Profit for the year</b>	<b>-</b>	<b>-</b>	<b>62,870,976</b>	<b>62,870,976</b>	<b>-</b>	<b>62,870,976</b>
Difference from change in fair value of financial assets at fair value through other comprehensive income, net of deferred tax	-	2,953,946	-	2,953,946	-	2,953,946
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>2,953,946</b>	<b>62,870,976</b>	<b>65,824,922</b>	<b>-</b>	<b>65,824,922</b>
Transfers to reserves	-	3,780,494	-3,780,494	-	-	-
<b>Balance as at December 31, 2023</b>	<b>504,907,982</b>	<b>18,602,494</b>	<b>110,265,237</b>	<b>633,775,713</b>	<b>-</b>	<b>633,775,713</b>

The financial statements were endorsed in the Meeting of the Board of Directors of April 4, 2025 and approved in the General Shareholders Assembly of April 16, 2025 and signed by:

\_\_\_\_\_  
**Georgios Athanasopoulos**  
CEO

\_\_\_\_\_  
**Theodor-Cornel Stanescu**  
First-Deputy CEO

The accompanying notes form an integral part of these financial statements.  
Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

---

**1. THE BANK AND ITS OPERATIONS**

Vista Bank Romania SA (hereinafter referred to as “the Bank”) is a joint-stock company registered in Romania, licensed and supervised by the National Bank of Romania to conduct banking activities.

The financial statements include the financial statements of Vista Bank Romania SA for the year ended December 31, 2024 and for the year ended December 31, 2023.

Vista Bank Romania SA is a Romanian bank, with its registered office in 90-92 Emanoil Porumbaru Street, Bucharest, District 1, registered with O.R.C.T.B. (Trade Registry Office attached to the Bucharest Tribunal) with no. J1998004436402, and in the Bank Registry under no. RB-PJR-40-044/18.02.1999. It has Sole Registration Number RO 10556861, and bank account no. 371133700 RON opened with National Bank of Romania Central Office.

The credit institution is present on the Romanian banking market for more than 20 years. Founded in 1998 by a mixed company of BNP Paribas and Dresdner Bank as BNP – Dresdner Bank Romania, the Bank was purchased in 2000 by Egnatia Bank and renamed Egnatia Bank Romania in 2001. The name of the bank was changed again in 2008 into Marfin Bank (Romania) following a triple merger in Greece among Marfin Bank, Egnatia Bank and Laiki Bank.

In July 2018, the Bank was purchased by Mr. Ioannis Vardinogiannis through Barniveld Enterprises Ltd. Mr. Ioannis Vardinogiannis is a member of the family that controls one of the largest industrial conglomerates in South-East Europe, with global operations in energy, oil refineries, electricity generation and distribution, sea transport, financial services, mass-media and entertainment.

Marfin Bank Romania, part of the Vardinogiannis group, changed its name to Vista Bank Romania in 2019.

On 4 January 2021, the sale of Credit Agricole Bank Romania SA to Vista Bank România SA was announced, and on 16 September 2021, after obtaining the approvals for the transaction, the shares were sold to the new shareholders, so that Barniveld Enterprises holds 0.05% of the shares and Vista Bank România SA holds 99.95% of the shares.

In 2022, Credit Agricole Bank Romania SA merged into Vista Bank (Romania) SA, and ceased its operations following the merger. The merger of Credit Agricole Bank Romania SA became effective October 1, 2022, the date set out in the Merger Project and approved by the Bank’s shareholders in the Extraordinary General Meeting of Shareholders of Vista Bank Romania SA of January 28, 2022.

The Bank’s **registered office** is:

**Vista Bank Romania SA**  
**90-92 Emanoil Porumbaru St**  
**Bucharest, District 1**  
**Romania**

At December 31, 2024, the Bank does not hold any subsidiary (December 31, 2023: no subsidiary).

The Bank offers retail banking and commercial services to companies and individuals. Such services include: opening of accounts, deposits, domestic and foreign payments, currency transactions, financing of working capital, medium and long-term facilities, retail loans, bank guarantees and letters of credit.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

---

**1. THE GROUP AND ITS OPERATIONS (continued)**

At December 31, 2024, Vista Bank Romania SA operates through 35 branches and its head office located in Romania and has 496 employees.

At December 31, 2024, the structure of the Bank's **Board of Administration** was as follows:

**Chairman:**

- Mr. Stavros Lekkakos

**Members:**

- Ms. Pavlina Tavridaki
- Mr. Theodoros Efthys
- Mr. Ilias Volonasis
- Mr. Konstantaras Panagiotis
- Mr. Georgios Athanasopoulos
- Mr. Theodor-Cornel Stanescu

The majority shareholder of the Bank is Barniveld Enterprises Limited. The registered office address is 58 Arch. Makarios III, Iris Tower, 8<sup>th</sup> floor, 1075.

The Board of Directors formulates policies for the operation of the bank and monitors their implementation. The Bank is managed by a Board of Directors formed of 7 members.

**The members of the Board of Directors** of Vista Bank Romania SA at December 31, 2024 and December 31, 2024 is the following:

<b>Position</b>	<b>2024</b>	<b>2023</b>
Chairman	Lekkakos Stavros	Lekkakos Stavros
Member	Pavlina Tavridaki	Pavlina Tavridaki
Member	Efthys Theodoros	Efthys Theodoros
Member	-	Parvu Catalin Vasile
Member	Volonasis Ilias	Volonasis Ilias
Member	Panagiotis Konstantaras	Panagiotis Konstantaras
Member	Athanasopoulos Georgios	Athanasopoulos Georgios
Member	Stanescu Theodor-Cornel	Stanescu Theodor-Cornel

**2.1 Basis for preparation**

The Bank's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and National Bank of Romania Order no. 27/2010 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to credit institutions with subsequent amendments and additions ("NBR Order 27/2010") and with the International Financial Reporting Standards and the interpretations adopted by the International Accounting Standards Board ("IASB") as they were adopted by the European Union ("IFRS EU").

The main accounting methods and policies applied in the preparation of these financial statements are presented below and have been consistently applied for all the periods disclosed, unless otherwise specified.

The accounting records of the Bank are kept in the currency of the economic environment in which it operates, presented in Romanian lei (RON), in compliance with the accounting laws in Romania, as well as the banking regulations issued by the National Bank of Romania.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

---

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis for preparation (continued)**

The preparation of the financial statements in compliance with IFRS requires the management make judgments, estimates and assumptions that affect the application of accounting policies, and the reported value of the assets, liabilities, income and expenses.

The estimates and assumptions related to the these are based on historical data and other factors thought as indicative under the circumstances, and their result form the basis of judgments used for determining the book value of assets and liabilities for which there are no other available sources. The actual results may differ from the estimated values.

Estimates and assumptions are periodically reviewed. Revisions to accounting estimates are recognized in the period in which the estimate is reviewed, if the revision affects only that period, or in the period the estimation is reviewed and future periods if the revision affects both the current period and future periods.

Information related to these estimates used in appliance of the accounting policies that carry a significant effect upon the financial statements, as well as the estimates implying a significant degree of uncertainty, are presented in Note 4.

The financial statements of the Bank for 2024 include the operating results of Vista Bank Romania SA for the 12-month period from January 1, 2024 to December 31, 2024.

The financial statements of the Bank for 2023 include the results of the operations of Vista Bank for the 12-month period spanning from January 1, 2023 to December 31, 2023.

### **2.2 Functional and presentation currency**

The Bank's functional currency is the currency of the economic environment in which it operates. The financial statements are presented in Romanian lei ("RON"), the Bank's functional and presentation currency, rounded at the closest decimal, except as otherwise mentioned.

### **2.3 Going concern**

The financial statements of the Bank have been prepared in accordance with the going concern principle, which implies activity pursue on the part of the Bank in the foreseeable future. In addition, management is not aware of any material uncertainties that could cast significant doubt on its ability to continue as a going concern. Therefore, the financial statements are prepared on a going concern basis.

#### **International context**

The beginning of 2025 brings significant challenges for the Romanian economy with a possible impact on the activity of the bank's clients. Thus, inflation may remain high given the high budget deficit and the need to cover it with loans and may maintain interest rates at a high level, which may influence the financing cost of bank loans and may put pressure on the financing cost of banks, in light of the high interest rates at which the Romanian state is financed from the population.

The increase in taxation through the measures adopted at the end of 2024 will have a broad effect on most economic sectors.

The extended political instability until the end of the presidential elections scheduled for May 2025 has the impact of stagnating some reforms, postponing possible investments and possibly slowing economic growth.

Additionally, global trade tensions, particularly between the US and the EU, may negatively impact several economic sectors by increasing prices and decreasing trade transactions.

The Bank is monitoring these events, assessing their impact on its own business and is prepared to take the necessary measures so that the going concern principle is not affected.

Following a detailed analysis of the amendments to Regulation 575/2013 of the European Union applicable from the beginning of 2025, the Bank concluded that these adjustments do not have a significant impact on the operations and capital requirements that the Bank will continue to maintain without disruption to its business.



**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.3 Going concern (continued)**

**a) Standards and amendments effective in the current period**

In 2024, the Bank applied all interpretations of the new standards revised or issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Standards Interpretations Committee (IFRS IC) of the IASB, adopted by the EU, which are relevant to the work done by it.

**b) Initial application of new amendments to the existing standards effective for the current reporting period**

The following amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- **Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback** issued by IASB on 22 September 2022. Amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease (effective for annual periods beginning on 1 January 2024).
- **Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current** issued by IASB on 23 January 2020 and **Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants** issued by IASB on 31 October 2022. Amendments issued on January 2020 provide more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments issued on October 2022 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability (effective for annual periods beginning on 1 January 2024).

The adoption of these amendments to the existing standards has not led to any material changes in the Bank's financial statements.

**c) Standards and amendments to the existing standards issued by IASB and adopted by the EU, but not yet effective**

At the date of authorisation of these financial statements, the following amendments to the existing standards were issued by IASB and adopted by the EU and which are not yet effective:

- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability** issued by IASB on 15 August 2023. Amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not (effective date set by the IASB: 1 January 2025)

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.3 Going concern (continued)**

**d) New standards and amendments to the existing standards issued by IASB, but not yet adopted by the EU**

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the IASB except for the following new standards, amendments to the existing standards and interpretations, which were not endorsed for use in EU as at the publication of these financial statements:

- **Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments** issued by IASB on 30 May 2024. The amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features. Amendments also clarify the date on which a financial asset or financial liability is derecognised and introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. (Not yet adopted by the EU)
- **Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity** issued by IASB on 18 December 2024. The own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent. The hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met and to measure the hedged item using the same volume assumptions as those used for the hedging instrument. Amendments to IFRS 7 and IFRS 19 to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics. (Not yet adopted by the EU)
- **Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 - Annual Improvements to IFRS Accounting Standards - Volume 11** issued by IASB on 18 July 2024. These amendments include clarifications, simplifications, corrections and changes in the following areas: (a) hedge accounting by a first-time adopter (IFRS 1); (b) gain or loss on derecognition (IFRS 7); (c) disclosure of deferred difference between fair value and transaction price (IFRS 7); (d) introduction and credit risk disclosures (IFRS 7); (e) lessee derecognition of lease liabilities (IFRS 9); (f) transaction price (IFRS 9); (g) determination of a 'de facto agent' (IFRS 10); (h) cost method (IAS 7). (Not yet adopted by the EU)
- **IFRS 18 Presentation and Disclosures in Financial Statements** issued by IASB on 9 April 2024 will replace IAS 1 Presentation of Financial Statements. Standard introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies. The main changes in the new standard compared with IAS 1 comprise: (a) The introduction of categories (operating, investing, financing, income tax and discontinued operations) and defined subtotals in the statement of profit or loss; (b) the introduction of requirements to improve aggregation and disaggregation; (c) The introduction of disclosures on Management-defined Performance Measures (MPMs) in the notes to the financial statements. (Not yet adopted by the EU)
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** issued by IASB on 9 May 2024. Standard permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it. (Not yet adopted by the EU)

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.3 Going concern (continued)**

- e) **New standards and amendments to existing standards issued by the IASB, but for which the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard**
- **IFRS 14 Regulatory Deferral Accounts** issued by IASB on 30 January 2014. This standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS (the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard).
  - **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** issued by IASB on 11 September 2014 (the effective date was postponed indefinitely by the IASB, but early application is permitted). The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business (the approval process was postponed indefinitely until the research project on the equity method is completed).

The adoption of these new standards and amendments to the existing standards will have no material impact on the separate financial statements of the Bank in the period of initial application.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated.

**2.4 Accounting for the effects of hyperinflation**

Prior to January 1, 2004, the adjustments and reclassifications of the statutory accounting records for compliance with the International Financial Reporting Standards included restatement of balances and transactions in order to reflect the purchasing power of the national currency, in accordance with IAS 29 ("Financial Reporting Standards in Hyperinflationary Economies). IAS 29 require that financial statements prepared in the currency of a hyperinflationary economy be displayed in the currency rate at the balance sheet date. On January 1, 2004, the Bank did not apply the provisions of IAS 29, as in the Romanian economic environment the hyperinflation features disappeared. The effects of hyperinflation in the Bank's share capital is presented in Note 31. The restatement was based on the conversion factor: Consumer Price Index (CPI) in Romania published by the National Statistics Commission.

**2.5 Foreign currency**

Transactions denominated in foreign currencies are translated into RON at the official rate of exchange of the transaction date. Monetary assets and liabilities in foreign currencies at the balance sheet date are denominated in the functional currency at the exchange rate of the day.

Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated using the exchange rate at the transaction date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are recorded in the functional currency at the exchange rate at the date the fair value was determined.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.5 Foreign currency (continued)**

Revaluation differences are presented in the income statement, except for differences arising from the revaluation of financial assets at fair value through other comprehensive income, which are included in the statement of comprehensive income.

The exchange rates for the main foreign currencies were:

Currency	December 31, 2024	December 31, 2023
Euro (EUR)	1: RON 4.9741	1: RON 4.9746
US Dollar (USD)	1: RON 4.7768	1: RON 4.4958

**2.6 Financial assets and liabilities**

Financial assets and liabilities are recognized in the Bank's balance sheet when the Bank becomes a party to the contractual provisions of the instrument.

Recognized financial assets and liabilities are initially measured at fair value. Trading costs directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and liabilities at FVTPL) are added to or deducted from, the fair value of the financial assets or liabilities, as the case may be, at initial recognition. Trading costs directly attributable to the acquisition of financial assets or liabilities to FVTPL are recognized immediately in the income statement.

**2.6.1 Financial assets**

The evaluation of the business model is one of the two stages in the classification of financial assets.

The Bank's business model reflects the way it manages its financial assets to generate cash flows; the business model determines whether cash flows will result from the collection of contractual cash flows, from the sale of financial assets or from both.

The Bank sets its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Bank's business model is not evaluated by instrument, but at a higher level of aggregate portfolios and is based on observable factors such as:

- The way in which the performance of the business model and of the financial assets held within that business model are evaluated and reported to the key personnel of the entity;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which these risks are managed;
- How portfolio managers are compensated (for example, whether the compensation is based on the fair value of the assets managed or the cash flows collected);
- Frequency, value and expected sales schedule are also important aspects of the Bank's valuation.

The evaluation of the business model is based on reasonably expected scenarios, without considering the "worst case" scenario or the "stress scenario". If cash flows after initial recognition are made in a manner different from the Bank's initial expectations, the Bank does not change the classification of financial assets remaining in this business model, but incorporates such information when valuing new products or new financial assets acquired.

To this end, the Bank has developed systems and processes to analyse the portfolio of debt securities and loans in force and to assess whether the characteristics of contractual cash flows allow for valuation at amortized cost (held-to-collect portfolio) or at fair value with effect on comprehensive income (held-to-collect and sell portfolio). The analysis in question was performed both by contract and by defining specific clusters based on the characteristics of the transactions and using a specific tool ("SPPI Tool") to analyse the characteristics of the contract in relation to the requirements of IFRS 9.

The Bank classifies financial assets according to the Bank's business model and the characteristics of the contractual cash flows of the financial asset. A business model reflects how the Bank manages its financial assets to achieve its performance objectives

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.6 Financial assets and liabilities (continued)**

**2.6.1 Financial assets (continued)**

There are three business models:

**Collection of contractual cash flows**

This model includes financial assets that are held for the purpose of collecting cash flows, through the collection of contractual payments over the life of the instrument (includes assets such as loans, government securities and bonds that are not held for trading).

If these assets also meet the criterion of cash flows representing solely principal and interest (SPPI test), they can be classified at amortized cost and are included in the periodic calculation of adjustments for expected losses. There is no express requirement to keep these assets until maturity, sales can be made if they are infrequent (even if they have a significant value) or have an insignificant value both individually and in the aggregate (even if they are frequent) or when the risk profile of an instrument increases and is no longer in line with the Bank's investment policy. An increase in the frequency or value of sales over a period of time is not necessarily inconsistent with an objective of holding financial assets to collect contractual cash flows, if the Bank can explain the reasons for those sales and demonstrate why those sales do not reflect a change in the business model.

**Collection of contractual cash flows and sale of financial assets**

In this model, financial assets are managed both to obtain cash flows by collecting contractual payments and by selling them to improve the liquidity position or to optimize the portfolio return. Assets in this business model are measured at fair value through other comprehensive income. They can be government bonds, corporate bonds.

**Other business models**

Are the models that do not meet the criteria of the two models mentioned above, such as those in which the assets are managed to obtain cash flows from their sale (from trading) or those in which the management of assets is based on the fair value of assets acquired for trading (bonds or shares) and which are measured through profit or loss. This model involves managing the portfolio through frequent purchases and sales to maximize profits. The Bank recognizes all financial assets and liabilities at the date of trading. This is the date on which the Bank undertakes to buy or sell a financial asset.

As a second stage of the process of classification of financial assets, the Bank evaluates the contractual financing conditions to identify whether they result in "solely payments of principal and interest at the value of the outstanding principal" - the SPPI test.

The principal is defined as the "fair value of the financial asset at initial recognition" and may change over the life of the financial asset (for example, if there are reimbursements of principal or amortisation of the premium/discount). As regards "interest", the most significant elements are the time value of money and credit risk.

To conduct the SPPI evaluation, the Bank appreciates and considers relevant factors, such as the currency in which the financial asset is expressed and the period for which the interest rate is set. On the other hand, the contractual terms that introduce a larger than the „de minimis“ exposure to risks and the volatility of contractual cash flows, which are not related to an underlying loan agreement, do not give rise to contractual cash flows representing solely payments of principal and interest out of the amount remaining unchanged. In such cases, the financial assets shall be measured at FVPL.

If the impact is "de minimis", the test is deemed passed.

**Financial assets measured at fair value through other comprehensive income (FVOCI)**

After initial recognition, financial assets are measured at fair value, including directly attributable trading costs. These are subsequently measured at fair value, and changes in fair value are recognized in a separate item from shareholders' equity. These financial assets are also subject to the measurement of a provision for expected credit losses, in the same approach as for debt instruments recognized at amortized cost. In addition, interest is recognized in the income statement using the effective interest method determined at the beginning of the contract.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.6 Financial assets and liabilities (continued)**

**2.6.1 Financial assets (continued)**

- **Debt instruments**

These financial assets are held in a business model whose objective is achieved through the collection of contractual cash flows and the sale of financial assets, and the contractual terms of the financial asset give rise, on certain dates, to cash flows that are solely payments of principal and interest on the value of the principal due, that is, they meet the conditions of the “SPPI test”.

- **Equity instruments**

The Bank may make an irrevocable choice, at instrument level, to present in other comprehensive income the subsequent changes in the fair value of an investment in an equity instrument that is not held for trading. In this case, gains and losses remain measured at fair value through other income, without recycling in profit or loss.

**Financial assets at amortised cost (AC)**

- **Debt instruments**

A financial asset must be measured at amortized cost if the following conditions are met: the financial asset is held in a business model whose objective is to hold financial assets for the purpose of collecting contractual cash flows, and the contractual terms of the financial asset give rise, on certain dates, to cash flows that are solely payments of principal and interest on the value of principal due, i.e. they meet the SPPI condition.

**Financial assets at fair value through profit or loss (FVTPL)**

- **Derivative financial instruments**

In accordance with IFRS 9, the derivative financial instruments are measured at fair value through profit or loss.

- **Equity instruments**

In accordance with IFRS 9, the Bank will measure the equity instruments from held for trading to fair value through profit or loss, for which the option of fair value through other comprehensive income is not applied.

- **Debt instruments**

In accordance with IFRS 9, the Bank will mandatorily measure at fair value through profit or loss the equity instruments that are not classified as held for trading, held for trading and sale or which did not pass the SPPI test.

**Financial assets – derecognition**

The Bank derecognises a portfolio of financial assets, a financial asset, or a portion of a financial asset (herein after called “financial asset”) only when one of the following conditions is met:

- The contractual rights over cash flows expire;
- Transfers the financial asset and the transfer qualifies for derecognition;
- Voluntarily waives its rights over the financial asset due to the fact that the asset is considered irrecoverable or in order to grant a concession to the debtor;
- Significant change in a financial asset that results in the liquidation of the existing financial asset and the recognition of a new financial asset.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.6 Financial assets and liabilities (continued)**

**2.6.1 Financial assets (continued)**

**Financial assets – derecognition (continued)**

In certain circumstances, the Bank renegotiates or otherwise modifies the contractual cash flows of loans granted to customers. In this case, the Bank assesses whether the new terms are substantially different from the original terms. The Bank does this by considering both quantitative factors, as well as qualitative changes that substantially change the size or nature of the creditor's risks associated with the pre-existing credit agreement. If the new terms are substantially different, the Bank waives the original financial assets and recognizes a "new" financial asset. The new financial asset is initially recognized at fair value, and the subsequent classification and measurement are reassessed considering the new business model and the contractual characteristics of cash flows. The renegotiation date is therefore considered to be the date of initial recognition for the calculation of impairment. All financial assets that are impaired at the date of initial recognition (first origination or a new origination due to significant changes) are classified as purchased or originated credit-impaired financial assets (POCI).

When evaluating new conditions to determine if they are significantly changed, the Bank considers whether the change is made to increase the recovery of the pre-existing loan. Renegotiating or changing the contractual cash flow of an existing financial asset may result in the waiver of the financial asset and the recognition of a new financial asset if those changes in the financial asset are significant. Changes made to increase the cash flows received and which are not considered significant changes in the contractual characteristics do not generate derecognition.

When assessing whether to derecognise a customer's loan, the Bank considers the following factors, among others:

**A. Criteria for forbore exposures:**

Although, in general, the modification for distressed assets is granted in order to recover as much as possible from the initial financial asset, there is a situation in which a forbearance operation substantially modifies the financial asset and the modified assets are substantially different in terms of economic and credit risk:

- Novation - change of contractual counterparty (debtor)
- Change of exposure currency
- Consolidations (from several facilities to 1)
- Spin-offs (from 1 to more).

The derecognition criteria for the modification of the non-forborne exposure will include the criteria for the distressed financial asset presented above and the situations in which the renegotiation of the contractual terms represents in fact a new lending relationship, namely:

- Insertion of a non-SPPI clause in an SPPI contract or removal from the contract of all non-SPPI clauses, so that the new contract form is SPPI
- Change after commercial renegotiation: a change in NPV above a 10% materiality threshold
- Product change
- Maturity changes of more than 50% and more than 1 year
- Extension of approved credit facilities based on a substantial analysis that may lead to rejection of the extension if the debtor's score / rating is below the threshold / limit

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.6 Financial assets and liabilities (continued)**

**2.6.2 Financial liabilities**

The Bank has financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those designated at fair value through profit or loss) and financial liabilities at amortized cost. Financial liabilities are derecognised when they are extinguished – i.e. when the obligation is deleted, cancelled or when they expire.

**a) Financial liabilities at fair value through profit or loss**

This category comprises two sub-groups: financial liabilities held for trading and those designated at fair value through profit or loss. Financial liabilities are classified in this category if they are obtained primarily for the purpose of selling in the near future or if so, designated by the management. Currently, the Bank does not have financial liabilities at fair value through profit or loss. Derivatives are also categorized as held for trading unless they are designated as hedging instruments.

**b) Other liabilities at amortized cost**

The financial liabilities not at fair value through profit or loss, or those that are not classified in this category are measured at amortized cost. Financial liabilities at amortized cost are deposits from other banks or from customers, debt securities in question for which the fair value and subordinated debt option is not applied.

A financial debt is cancelled when the debt obligation is paid, cancelled or expires. If an existing financial debt is replaced by another of the same creditor, in substantially different terms, or the conditions of an existing debt are substantially altered (modification after the commercial renegotiation of the NPV above a 10% materiality threshold), such exchange or modification is treated as a recognition of the original debt and the recognition of a new liability and the difference between the carrying amounts are recognized in the income statement.

**2.7 Principles of fair value measurement**

The fair values of quoted investments in active markets are based on bid price in the case of bonds and on the average price in the case of derivatives. If the market of a financial asset is not active (unlisted securities and derivatives), the Bank establishes the fair value by using valuation techniques and models developed internally. These include the use of recent transactions with objective price and discounted cash flow analysis.

**2.8 Derivatives**

Derivatives are classified as financial assets or liabilities held for trading and are initially recognized at fair value. After initial recognition, they are measured at market values without any deduction related to the costs of the sale.

Derivative financial instruments include foreign exchange swap contracts.

Gains or losses from the revaluation of derivatives are carried to income and expense accounts for derivative operations, corresponding to the type of instruments.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted prices in active markets, including recent market transactions, as well as based on evaluation techniques including discounted cash flow models. All derivatives are recorded as assets when fair value is positive and as liabilities when fair value is negative.



**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.9 Interest income and expense**

Interest income and expenses are recorded in the profit or loss for all instruments measured at amortized cost using the effective interest method. Interest income includes coupons related fixed income investment securities, discounts and premiums earned from treasury certificates.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial obligation and allocation of income and expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. In calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, payment options beforehand) but there are not considered future credit losses. The calculation includes all fees and amounts paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and other premiums or discounts.

Effective interest is applied to the gross carrying amount of Stage 1 or 2 assets and all financial liabilities. For Stage 3 or POCI financial assets, the effective interest rate applies to the net carrying amount.

**2.10 Income from fees and commissions**

Income and expenses related to fees and commissions that are an integral part of the effective interest rate for a financial asset or liability are included in the measurement of the effective interest rate.

Income from fees and commissions and other operating income are recognized in the income statement as the Bank fulfils the performance obligation included in the contract, according to the rules of IFRS 15 Revenues from contracts with customers. In particular:

- If the performance obligation is fulfilled at a certain time ("point in time"), the related income is recognized in the profit and loss account when the service is completed;
- If the performance obligation is fulfilled in time, the related income is recognized in the profit and loss account to reflect the progress of fulfilling such an obligation.

Income from fees and commissions mainly refers to means of payment (checks, cards, promissory notes, etc.), interbank transactions (commissions on account transactions), receipts and payments (current accounts, business banking, safe deposit boxes, others), loan commitments and letters of guarantee issued.

Fees for managing accounts are charged to the client's account on a monthly basis. Commissions based on transactions (foreign exchange, foreign exchange transactions and account overdrafts) are collected in the client's account at the time the transaction takes place. Service fees are charged monthly and are based on fixed rates periodically reviewed by the Bank. Revenues from services attached to accounts and related fees are recognized in time as the services are provided. Income from transactions is recognized at the time the transaction takes place.

If the time of collection is not aligned with the way in which the performance obligation is fulfilled, the Bank accounts for a contractual asset or a contractual liability for the part of the income accumulated during the period or which is to be deferred in the following periods. The amount of income related to income from fees and commissions is measured based on contractual provisions. If the contractually stipulated amount is subject, in whole or in part, to variability, an income must be recorded based on the most probable amount that the Bank expects to receive.

"Accrued income" includes contractual assets recognized in accordance with IFRS 15. In this context, the accrued income represents the part of the performance obligation already fulfilled through the services provided by the Bank and which will be settled in future periods in accordance with the contractual provisions.

"Deferred income" includes contractual liabilities recognized in accordance with IFRS 15. Deferred income represents the part of the performance obligations that has not yet been fulfilled by the services provided by the Bank, but already settled in the period or in the previous periods. Most of this amount relates to performance obligations that are expected to be met until the reporting date at the end of the following year.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **2.11 Contracts of sale with repurchase clause**

Securities sold under contracts of sale with repurchase clause ("repos") are classified in the financial statements as financial instruments at amortised cost and the counterparty obligation is included in amounts due to customers and banks.

The difference between the sale and repurchase price is considered as interest and recognized over the life of the contracts of sale with repurchase clause, using the effective yield method.

### **2.12 Impairment of financial assets**

The Bank assesses expected credit losses („ECL”) prospectively and recognises ECL impairment allowances for the following financial instruments measured at FVTPL:

- loans and advances to banks;
- loans and advances to customers;
- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued and loan commitments issued.

No impairment losses are recognized on equity investments.

The ECL provision is based on expected credit losses to occur over the life of the asset (lifetime expected credit loss), unless there has been a significant increase in credit risk since origination, in which case, the provision is based on the 12-month ECL. The ECL is calculated from the time the loan is granted.

The 12-month ECL is the portion of the lifetime ECL that results from the default events of a financial instrument that are possible within 12 months of the reporting date. The financial instruments for which the 12-month ECL is recognized are called "Stage 1 Financial Instruments". Stage 1 financial instruments have not experienced a significant increase in credit risk since initial recognition and are not credit impaired.

Lifetime ECLs are ECLs that result from all possible default events over the expected life of the financial instrument or the maximum contractual exposure period. Financial instruments for which the ECL is recognized for life, but which are not credit impaired, are called "Stage 2 financial instruments". The financial instruments included in Stage 2 are instrument that have recorded a significant increase in credit risk since initial recognition but are not credit impaired.

Financial instruments for which ECLs are recognized for life and which are credit impaired are referred to as "Stage 3 financial instruments".

The expected credit loss may be calculated individually or collectively in accordance with IFRS 9. The Bank's model for calculating expected credit losses is:

- Individual evaluation for all Stage 3 customers
- Collective assessment for Stage 2 or Stage 1 customers
- Customers operating in the real estate market or are significantly exposed to the real estate market are analysed separately

The Group has established criteria for conducting a monthly assessment of the significant increase in credit risk since initial recognition, taking into account both relative and absolute thresholds (see note 3.1.1 a).

The recognition of the expected loss over the life of the collective financial assets takes into account comprehensive information on credit risk. Comprehensive credit risk information includes relevant historical and current data, including prospective macroeconomic information to estimate a result close to the recognition of the expected loss over the life of individual financial assets.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **2.12 Impairment of financial assets (continued)**

In order to determine the significant increase in credit risk and the recognition of an expected credit loss on a collective basis, the Bank groups financial instruments on the basis of the common characteristics of credit risk, to facilitate the early identification of a significant increase in credit risk. Portfolio granularity analysis for segmentation purposes is the first step of collective analysis and is based on the analysis of default rates at sub-segments compared to higher segments.

#### ***Forborne financial assets***

If the terms of a financial asset are renegotiated or changed or an existing financial asset is replaced with a new one due to the borrower's financial difficulties, then an assessment is made to determine whether the financial asset should be cancelled and the ECL is valued as it follows:

- If the planned restructuring does not lead to the cancellation of the existing asset, then the expected cash flows from the modified financial asset are included in the calculation of the cash deficit from the existing asset
- If the expected restructuring will lead to the derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of derecognition. This amount is included in the calculation of the cash deficit from the existing financial asset, which is revised from the expected date of derecognition to the reporting date, using the initial effective interest rate of the existing financial asset.

#### ***Credit-impaired financial assets***

At each reporting date, the Bank assesses whether the financial assets recorded at amortized cost, the financial assets recorded at FVOCI and the finance lease receivables are credit-impaired (referred to as "Stage 3 financial assets"). A financial asset is "credit-impaired" when one or more events have occurred that have an adverse impact on the estimated future cash flows of the financial asset.

The Bank has implemented the definition of „default” in accordance with the criteria set by EBA. All curves of probability of default used as input data in the ECL calculation were calibrated by retroactively applying the EBA definition, to ensure consistency of default at the time of calibration.

#### ***Written-off loans***

The Bank removes the financial assets from the balance sheet, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable chance of recovery. Indicators that there is no reasonable chance of recovery include (i) the cessation of enforcement and (ii) if the Bank's method of recovery is foreclosure and the value of the security is such that there is no reasonable chance of full recovery.

The Group may write off financial assets that are still subject to foreclosure. The Group continues the attempts to recover the amounts that are legally due to it in full, but which were written off from the balance sheet partially due to the lack of a reasonable chance of full recovery.

In terms of amounts, they are fully derecognised from off-balance sheet (both ECL and gross exposure). In almost all cases, these amounts are fully provisioned at the time of write-off of the balance sheet.

### **2.13 Guarantees recovered**

Guarantees recovered represent non-financial assets recovered by the Bank from customers for overdue account. Assets are initially recognized at fair value at the time of recognition in the balance sheet and are included in property and equipment, other financial assets or stocks in other non-financial assets, depending on their nature and the Bank's intention regarding the use of these assets. These assets are subsequently revalued and accounted for in accordance with the accounting policies for these categories of assets.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.14 Intangible assets**

Software licenses acquired are capitalized at acquisition costs and value of installing programs. These costs are amortized based on the estimated useful lives, which is normally three years. For client relations, the Bank has estimated a 15-year amortization period, using the straight-line method.

Costs associated with developing or maintaining computer applications are recognized as an expense as incurred. Costs that are directly attributable to the production of identifiable and unique software applications under the control of the Bank, and which will probably generate economic benefits over costs of production for more than one year, are recognized as intangible assets. Direct costs include costs with personnel dealing with the development of computer applications.

Computer software development expenditure recognized as assets are amortized using the straight-line method over their useful life which is generally three years.

**2.15 Buildings and equipment**

The cost of property, plant and equipment is recognized as a receivable when and only when: (a) it is probable that future economic benefits associated with the item will flow to the Bank; and (b) the cost of the item can be measured reliably. Construction and other property, plant and equipment are valued at cost less accumulated depreciation and any impairment loss.

Repairs and maintenance expenses are recorded when incurred. The cost of replacing major parts or components of property and equipment is capitalized and the replaced part is scrapped.

Gains and losses on disposals determined by comparing proceeds to the carrying amount are recognized in profit or loss.

***Depreciation***

Land is not impaired and assets in progress are not amortised until used. Amortization of other buildings and equipment is calculated using the straight-line method to allocate the cost of their residual value over their estimated period.

	Useful life in years	
	2024	2023
Buildings	50	50
Furniture	15	15
Means of transport	5	5
Measuring and control devices	4	4

The residual value of an asset is the estimated amount that the Bank will get at its disposal after priorly deducting the estimated costs of disposal if that asset already had the necessary life and was already in the estimated useful life end. The residual value of an asset is nil if the Bank expects to use the asset until the end of its physical period.

Assets' residual values and useful lives are reviewed and adjusted, where appropriate, at each balance sheet date.

The carrying amounts of property, plant and equipment are revised for impairment at each date in the statement of financial position or whenever events or changes in circumstances indicate that the carrying amount cannot be recovered.

If the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, then the former is reduced to the recoverable amount.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss on the derecognition of the asset (calculated as the difference between the net proceeds from the disposal and the carrying amount of the asset) is included in the income statement in the year in which the asset is derecognised.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **2.16 Impairment of non-financial assets**

Assets that have an indefinite useful life are not amortized and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The impairment loss is the difference between the carrying amount and the recoverable amount of the asset. Recoverable amount is the greater of the asset's fair value minus costs to sell and value in use. In calculating this impairment, assets are grouped at the lowest levels for which there are identifiable cash inflows independent (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### **2.17 Leases**

Regarding the accounting treatment applied by the lessee, IFRS 16 provides, for all types of leasing, the recognition of an asset, representing the right to use the underlying asset, at the same time as the recognition of a liability for future payments resulting from the lease.

Upon initial recognition, the asset is measured at the amount of the lease liability plus payments made prior to the commencement of the lease, plus initial direct costs, less rental incentives received and, possibly, plus the costs of bringing the asset to its original condition. After initial recognition, the right of use will be measured based on the rules on assets governed by IAS 16, or IAS 40 and therefore, applying the cost-based model, less accumulated impairment and any accumulated impairment losses. The right to use the assets is depreciated during the lease.

The lease liability is initially measured at the present value of the lease payments payable during the lease, discounted at the default rate in the lease, if this can be easily determined. If this rate cannot be easily determined, the lessee will use the incremental loan rate.

The Bank has decided, as permitted by the standard, not to apply the provisions of IFRS 16 for leases related to intangible assets, for short-term leases, with a term of less than 1 year and those with a low asset value (less than 5,000 EUR).

As a result, the standard will apply to leases of tangible assets, other than short-term and / or for which the underlying asset has low value, such as property / office space, machinery, office equipment and other assets.

For short-term leases or for leases for which the underlying asset has a low value, lease payments are recognized as straight-line expenses during the lease.

#### **Right-of-use assets**

The Bank recognizes right-of-use assets on the date of commencement of the lease (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any revaluation of lease liabilities. The cost of the right-of-use asset includes the amount of recognized rental liabilities, the initial direct costs incurred and lease payments made on or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the term of the lease. The right-of-use assets are presented in Note 18, but also in a separate line in the balance sheet, called *Right-of-use assets*.

The Bank has recognised right-of-use assets resulting from leases for cars and the lease of commercial spaces.

#### **Lease liabilities**

At the beginning of the lease, the Bank recognizes the lease liabilities measured at the current value of the lease payments to be made during the lease. Liabilities related to lease operations are presented in Note 28 and in a separate line in the balance sheet, called *Lease liabilities*.

In accordance with IFRS 16, a contract is considered a lease if it transfers control rights to use an identified asset for a given period in exchange for consideration. Control is considered to exist if the customer has:

- the right to obtain substantially all the economic benefits generated using an identified asset; and
- the right to direct the use of such asset.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **2.17 Leases (continued)**

The definition of the lease and the related instructions set out in IFRS 16 apply to all leases entered or amended on or after January 1, 2019.

The Bank recognizes the amortization of the right-of-use assets and the interests related to the lease liabilities in the profit and loss account.

The amounts paid are composed of principal (presented in cash flows as financing activities) and interest (presented in cash flows as operating activities).

*The main methodological aspects applied by the Bank:*

- cash guarantees concluded for some leases are not included in the right-to-use.
- the right-to-use is calculated in local currency, while the lease liability is in the contractual currency.
- the discount factor used for foreign currency contracts consists in the quotations of the Romanian government bonds issued whenever new contracts are concluded (the maturities of the Romanian government bonds will be in line with the maturities of the leases).
- the exchange rate initially used for the conversion of the right-to-use is the exchange rate issued by the NBR whenever new contracts are concluded
- the depreciation of the right-to-use is straight line
- all leases with a term of less than 1 year or with low values are recorded separately directly in rental costs
- addressing the economic content compared to the legal one in case of clauses regarding the term of the lease contracts (contractual clause - "unilateral termination by one of the parties, with six months' notice")

Each contract has an article on the termination of the lease, which stipulates the following: the lease may be terminated in the following cases:

- expiration of the lease
- mutual agreement of the parties
- non-compliance by a party with the obligations assumed
- termination by either party, subject to six months' notice

The Bank closely examines the termination clauses and potential penalties, as appropriate, in determining the contractual period considered for each lease. Based on the history of all leases for branches and the fact that there were no cases of early termination of contracts and also based on the Bank's current strategy on leased premises and the Bank's operations, the Bank takes into account the current contractual period of the leases, even in cases where the above clauses are set out in the contracts, as the Group is reasonably confident that the terms will be met.

The Bank operates as a lessee in leases for cars and the renting of spaces.

As of December 31, 2024, Vista has a number of 40 leases for rental spaces, of which: 36 are concluded for renting the spaces necessary for the activity of the Bank branches and 1 for the headquarters, 1 for the use of the Bank's CEO (with a lease term of less than 12 months), 2 for the alternative disaster recovery headquarters, as well as 113 contracts related to cars used by department managers, branch managers and Bank management.

Of the 40 contracts for the rented spaces, 39 did not have a lease period of less than 12 months, therefore were included in the calculation of the right-to-use, and only one had a lease period of less than 12 months, for which reason it was excluded from the calculation of the right-to-use. Most leases are in EUR and only 2 are in RON and are usually drawn up for a maximum period of 10 years. The lease liability is registered in the contractual currency.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **2.18 Cash and cash equivalents**

For preparation of a cash flow statement using the indirect method, cash and cash equivalents include balances with a maturity of less than three months from the date of purchase i.e. cash; to unrestricted balances at central banks, including minimum reserve requirements; treasury and other eligible certificates; loans and advances to banks as well as short-term bonds.

### **2.19 Provisions**

Provisions are recognized when the Bank has a legal or constructive obligation arising from past events, when the settlement of the obligation is required an outflow of resources embodying economic benefits and when a reliable estimate can be made regarding the value of bonds. Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the whole category of obligations. Provisions are recognized even if the likelihood related to any item included in the same class of obligations may be small. Provisions are measured at the current value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

### **2.20 Financial collateral contracts**

Financial guarantee contracts are contracts that require the issuer to make specific payments to reimburse the beneficiary a loss suffered by it due to the fact that a particular borrower has not made payments on the due date in accordance with the terms of the debt instrument.

These financial guarantees are granted to banks, financial institutions and other bodies on behalf of customers to guarantee loans, overdrafts and other banking facilities.

Financial guarantees are initially recognized in the financial statements at fair value on the date granted. After the initial recognition, the Bank's obligations under such guarantees are measured at the higher of the initial measurement, less amortization calculated recognized in the income statement and the expected credit loss provision.

The Bank, in the normal course of business, enters into other commitments, including credit commitments and letters of credit. Unpaid loan commitments and letters of credit are commitments based on which, during the engagement, the Bank is obliged to grant a loan on pre-arranged terms to the client. Similar to the financial guarantee contracts, these contracts fall within the scope of the requirements on expected credit losses. The nominal contractual value of financial guarantees, letters of credit and unpaid loan commitments, where the loan agreed to be granted complies with market conditions, is not recorded in the statement of financial position. The nominal values of these instruments together with the corresponding expected credit loss are presented in note 34.

### **2.21 Employee benefits**

Short-term employee benefits include salaries, compensation and social security contributions. Short-term employee benefits are recognized as an expense when the services are provided.

The Bank, in the normal course of business, makes payments to the Romanian state pension funds for its employees in Romania, for pension, health and unemployment. All employees of the Bank are included in the state pension system. The legally required contributions paid by the Bank cease if the employees terminate their employment contracts with the Bank, as the Bank's obligation to pay the benefits obtained by these employees in previous years no longer exists.

The Bank does not operate any other pension scheme and, therefore, has no further obligations regarding pensions. The Bank has no other obligation to provide funds to current or former employees for their services.

### **2.22 Income tax**

#### **a) Current income tax**

The Bank records its net income tax expense on financial statements in accordance with accounting regulations and tax legislation in Romania. Romanian tax legislation is based on a financial year ended December 31. For recording both current tax and deferred tax for the year ended, the Bank calculated the annual tax expense based on Romanian tax legislation in force at the balance sheet date.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.23 Income tax (continued)**

**b) Deferred income tax**

Differences between financial reporting under International Financial Reporting Standards and the Romanian tax regulations lead to differences between the carrying amount of certain assets and liabilities and debt.

Deferred tax asset item is recognized to the extent that it is probable that future taxable profit will be available so that the temporary differences could be utilized.

Deferred tax is provided using the balance sheet liability method on temporary differences arising between the tax bases of assets and liabilities and calculating their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been implemented or substantially implemented at the balance sheet date and are expected to be applied when the deferred tax recovered is realized or the deferred tax obligation is settled.

**2.23 Repossessed assets (inventories)**

Repossessed assets are items recorded in the balance sheet in accordance with IAS 2: Inventories.

IAS 2 requires that assets that are considered inventories be recorded and measured in the accounts at the lower of cost and net realizable value. In order to determine the NRV, the Bank evaluates the assets repossessed annually on the basis of a report prepared by an authorized valuer.

The gain or loss on derecognition of a repossessed asset is determined as the difference between the net proceeds from the disposal, if any, and the carrying amount of the item. The consideration included in such a gain or loss is determined in accordance with the requirements for determining the transaction price, in accordance with IFRS 15.

Taking into account the specific nature of the financial institution, the gain or loss on the derecognition of a repossessed asset is presented in other operating income or other operating expenses.

**2.24 Investment property**

If a property currently recognized as an asset with an accounting treatment in accordance with IAS 2 (Inventories) is subject to a lease that will generate cash flows (future rewards), then it will be reclassified as investment property with a different accounting treatment, in accordance with IAS 40 (Investment Property).

These investments are properties owned to obtain rental income. Real estate investments are initially valued at cost, including transaction costs. After initial recognition, investment property is measured at fair value. Gains or losses on changes in the fair value of investment property are included in the income statement for the period in which they arise. Such properties will be recorded, according to the management's decision, at fair value, determined at the balance sheet date by an authorized independent valuer, based on a valuation report that considers the latest prices obtained for similar properties located in the same area, in arm's length transactions.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an arm's length transaction between market participants at the valuation date.

By applying the fair value model, investment properties will be valued annually or whenever necessary, in accordance with the regulations in force, based on a valuation report prepared by an authorized independent valuer.

The market present value may lead to the calculation of adjustments that will affect the profit and loss account.

The administrative costs related to the reclassified property are the same: local taxes, valuation costs, repair costs, etc.



**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

---

**3 FINANCIAL RISK MANAGEMENT**

**3.1 Credit risk**

**3.1.1 Credit risk assessment**

**a) Loans and advances**

The Bank evaluates the creditworthiness of its borrowers through the application of appropriate models for classification of loans through special features. These models have been developed internally and meet financial and statistical analysis specialist advice given by those responsible. Whenever possible, these models are tested through a comparative analysis based on external information available.

According to the Bank's policy, each borrower is evaluated when the credit limit is determined initially and thereafter, they are revaluated at least once a year. Assessments are also updated where updated information that can have a significant impact on the level of credit risk is available. The Bank regularly tests the predictive ability of creditworthiness evolution and valuation models used for both corporate and for retail loans, thus ensuring the potential to accurately describe any credit risk and enabling timely implementation of measures address the problems that arise.

**Corporate loans**

Regarding corporate loans, the loan classification model applied depends on the financial standing of the Client, payment delays and existence of judicial proceedings. The system applied is a classification system developed internally.

The debtors of corporate clients are classified into 5 categories, which correspond to different levels of credit risk and are related to different classifications with regard to the probability of default, allowing the determination of expected loss.

**Retail loans (retail banking)**

Regarding loans to individuals (retail), the Bank focuses on the application of modern methods of assessing credit risk and fraud prevention, using also the scoring models customized for the retail loan portfolio profile. Thus, the approval is only possible if the score calculated for the applicant exceeds a certain threshold, to ensure compliance of the retail loan portfolio with the risk strategy and the bank's profile. Specific score is calculated based on a set of features. The final classification into 5 categories is given by the financial standing of the Client.

**1. Monitoring Bank current exposure to credit risk**

The Bank monitors credit risk exposure for its loans and advances to customers based on their notional amount.

**2. Possible recovery based on existing collateral, securities and associated guarantees**

During the establishment/revision of credit limits, the Group considers the type of collateral for exposure.

The Bank assesses loss for the financial instrument at an amount equal to 12-month expected credit loss (Stage 1) if, as at the reporting date, the credit risk of a financial instrument has not increased significantly as of initial recognition.

If, on the reporting date, the credit risk of a financial instrument has increased significantly since initial recognition, then the Bank will assess the loss for such financial instrument at an equal value to TTC expected credit losses (stage 2).

For exposures to non-financial individual and legal entity clients, the Bank uses for classification in the following stages indicators that reveal a significant increase in credit risk:

*Quantitative indicators:*

- payment delays – more than 30 days overdue from reporting date;

Increase in probability of default (PD) since the reporting date compared to the time of origination. Although IFRS 9 does not require the explicit use of a specific probability of default, to perform this assessment, the quantitative analysis will be based on comparing the PD since the reporting date over the entire life with the PD since the date of origination (over the entire life), the parameters being adjusted so that both values are comparable. Thus, an exposure will be transferred to stage 2 when the following two conditions are cumulatively met, comparing the current PD values and the PD values since origination (over the entire life):

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

---

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

**3.1 Credit risk (continued)**

**3.1.1 Credit risk assessment (continued)**

**a) Loans and advances (continued)**

- relative increase in PD greater than 350%; and
- absolute increase in PD greater than 100 basis points.

The process for comparing PDs to identify significant increases in credit risk is detailed below:

- calculating and storing the lifetime PD curve for the origination date;
- calculating the lifetime PD curve for the reporting date;
- adjusting the lifetime PD curve from the origination date to take into account the remaining life;
- comparing both PD values and transferring the exposure according to the principles described above

*Qualitative indicators:*

- restructured exposure during the trial period (forborne);
- the debtor is on the watchlist;
- the worsening of the prospects for the sector or industries where the debtor operates;
- the depreciation of future cash flows without affecting the payment capacity for the upcoming period (without a restructuring as immediate measure);
- the decision of the Bank's management to enhance the monitoring of a debtor or a group of debtors;
- increase of the interest margin as a measure for the increase of credit risk associated with the debtor.

For exposures to banks and public administrations, the Group uses for staging the following indicators that show a significant increase of credit risk.

- Payment delays – more than 2 business days at the reporting date; and/or
- ECAI ratings - reduction by at least two levels in ECAI ratings, recorded at the reporting date compared to the origination date, for ratings that were initially above or equal to BB + / Ba1 and reduction by at least one level in ECAI ratings, recorded at the reporting date compared to the origination date, for ratings that were initially below or equal to BB + / Ba1. If several ECAI ratings are available for the same counterparty, the lowest rating of the two highest ratings is considered.

For classification in Stage 3, reference is made to Guide EBA / GL / 2016/07 on the application of the definition of default under Article 178 of Regulation (EU) no. 575/2013.

The Bank applies the definition of default at debtor level, both for non-retail customers and for retail customers. The same definition of default is used for all types of exposures.

Default exposures are exposures that meet at least one of the following criteria:

- a) overdue payments upon establishment of default
- b) indicators of payment improbability.

The criterion of overdue payments upon establishment of default takes into account:

- a) the overdue loan obligation and the materiality threshold;
- b) counting the overdue days;
- c) suspension of the counting of overdue days;
- d) technical overdue;

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

---

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

**3.1 Credit risk (continued)**

**3.1.1 Credit risk assessment (continued)**

**a) Loans and advances (continued)**

The Bank considers that the debtor is in a state of default when at least one of the following indications of the improbability of payment is identified:

- a) cessation of accounting;
- b) specific adjustments for credit risk (expected losses from stage 3 loans);
- c) sale of the credit obligation;
- d) emergency restructuring;
- e) bankruptcy;
- f) confirmed or suspected fraud;
- g) other indications of default:
  - i) customers in forced execution;
  - ii) customers with at least one restructured non-performing facility (categories 2, 3 and 4 in the DATABANK classification for forbore exposures);
  - iii) customers who sent the Bank a request for *datio in solutum*.
  - iv) customers for which the Bank found from internal sources negative information on its payment capacity, such as:
    - the debtor's recurrent sources of income are no longer available for payment in instalments;
    - existence of justified concern regarding the debtor's future capacity to generate stable and sufficient cash flows
  - v) customers for which the Bank found from external sources negative information on its payment capacity, such as a crisis of the sector in which the counterparty operates along with the counterparty's weak position in such sector.

Also, for the stage 3 allocation, the Bank analyses the significant individual exposures for which default events have occurred. In the event of default of a debtor that is part of a group of related customers, the Bank assesses the potential default of all other entities within that group. Following this assessment, the Bank decides whether to also include other entities in that group of related customers to a default state.

The Bank has defined the following events that determine non-performance:

- The debtor operates in the real estate sector;
- The debtor invokes significant financial difficulties;
- Overdue payments longer than 60 days for corporate clients and greater than 30 days for retail clients;
- At least one of the facilities granted to the Debtor has been the subject of a restructuring in the last 12 months;
- The financial performance of the debtor is E, except for the clients classified in this category due to the non-presentation of the last financial statements, but which were previously classified in a better category;
- Existence of indications regarding the probability of bankruptcy or other form of reorganization of the borrower, in the case of legal entities.

Even if at least one of the triggers of default mentioned above occurs, the Bank assesses separately the exposure of each debtor as to whether there is objective evidence of non-performance.

ECLs are calculated using the EADs obtained based on the exposure schedule. Therefore, the highest available frequency must be applied in the computation, such as monthly PD. We assume that the default occurs at the beginning of the period: for each intra-year cash flows the formula considers the exposures at the beginning of the period and the EIR discount rate EIR must be used as of the second period.

As regards the probability of default (PD), for exposures to banks and public administrations (sovereign), the Group uses a simplified approach based on foreign credit ratings. For exposures to banks and public administrations, the Group uses the fitted PD associated to the rating of the 10-year sovereign/corporate migration matrix. For exposures to banks and public administrations, the PD is calculated using an exponential function based on the rating awarded by the three agencies, separately for the sovereign PD and the corporate PD. Also, a maximum PD between sovereign and corporate is considered when determining the corporate PD.

For exposures towards the NBR an almost nil PD is considered. If there are more ECAI ratings available for the same counterparty, the lowest rating of the highest two ratings is used. If the issuer is not a rated entity, then the rating related to the country of incorporation (origin) is used. Also, no counterparty is assumed to have a higher rating than the rating of the country of incorporation (origin).

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

---

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

**3.1 Credit risk (continued)**

**3.1.1 Credit risk assessment (continued)**

**a) Loans and advances (continued)**

For non-financial clients, in order to calculate the ECL, two different values of the PD are needed:

- 12-month PD: the estimated probability of default occurring in the next 12 months (or for the remaining life of the financial asset, if this is less than 12 months).
- Lifetime PD (LT PD): the estimated probability that an asset will default at some point in its remaining life.

The main requirements of IFRS9 for measuring PD are as follows:

- The lifetime requirements mean that there needs to be a term structure for PDs.
- The PD must represent a point in time (PIT).
- The PD must be conditioned by expectations of future macroeconomic conditions, including forward-looking information.

For the purpose of IFRS 9, the adjustments (ECL) for Stage 1 accounts are calculated using the first year structure of the marginal PD over time, while for Stage 2 accounts, the full term structure of the marginal PD will be used.

To calculate the above PD values, historical data on defaults are required, with a cohort structure. Each cohort includes the performing portfolio (without defaults) and the behavior is monitored for 12 months, to see if any defaults occur in any of the months of the following year. The cohort frequency will be quarterly.

In order to calculate the ECL, two different PD values are required:

- 12-month PD: the estimated probability of default occurring in the next 12 months (or for the remaining life of the financial asset, if this is less than 12 months).
- Lifetime PD (LT PD): the estimated probability that an asset will default at some point during its remaining life.
- The main requirements of IFRS9 for measuring PD are as follows:
  - The lifetime requirements mean that there needs to be a term structure for PDs.
  - The PD must represent a point in time (PIT).
  - The PD must be conditioned by expectations of future macroeconomic conditions, including forward-looking information

For the purpose of IFRS 9, adjustments (ECL) for Stage 1 accounts are calculated using the first-year structure of the marginal PD term structure, while for Stage 2 accounts, the full term structure of the marginal PD is used.

To calculate the above PD values, historical data on defaults are required, with a cohort structure. Each cohort includes the performing portfolio (without default) and the behavior is monitored for 12 months, to see if defaults occur in any of the months of the following year. The cohort frequency is quarterly.

IFRS 9 also requires the use of forward-looking components. In practice, this requirement translates into establishing a link between the PD curve used for expected credit impairment adjustments and macroeconomic factors. Based on the forecasts of macroeconomic factors, the PD curve is adjusted according to the model.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

---

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

**3.1. Credit risk (continued)**

**3.1.1. Credit risk assessment (continued)**

**a) Loans and advances (continued)**

The historical database for point PDs (pre-adjustment) is updated by the Bank at least once a year, together with the macroeconomic forecasts for each scenario (baseline, pessimistic and optimistic). This is necessary to estimate the latest migration matrices and historical default rates. At the same time, it is not necessary to re-estimate the equations at each reporting date, unless the model no longer works as planned.

Loss given default is a factor that determines the gravity of a probability of default. Practically, LGD is the amount of the total exposure that the Bank expects not to recover in case of a loan impairment.

To calculate LGD, for the guaranteed portfolio, the unsecured part of the specific portfolio is used, based on the present value of the future cash flows from the guarantees (PVC). It was decided to use the recovery rate (RR) from the guarantees due to the fact that a significant part of the defaulted exposures was recovered through the enforcement of the guarantees (forced execution and bankruptcy procedures). The LGD calculation takes into account exclusively the following types of guarantees:

- Letters of guarantee received from banks and letters of guarantee issued by APIA, FNGCMM, FRC and FGCR, to which adjustment coefficients are applied in accordance with the relevant internal procedural framework;
- Real estate guarantees at market value if they have been revalued according to the procedure in force or, taking into account the period elapsed since the expiry date of the valuation report, at the value reduced by the related adjustment coefficients.

For the unsecured portfolio, the recovery rate calculated based on the recoveries made during the period in which the client was in default is used. Considering that the IFRS9 standard requires the use of forward-looking components, the link between the loss given default (LGD) curve and macroeconomic factors has been established. Thus, based on the forecasts of macroeconomic factors, the loss given default curve is adjusted in accordance with the developed model.

**b) Financial assets at fair value and at amortized cost**

For measuring and assessing the credit risk arising from debt securities and other certificates, external evaluations from rating agencies like Moody's, Standard & Poor's or other similar organizations are used. The value of the Bank's credit risk exposure caused by debt instruments and other certificates is assessed based on the market value of exposures and/or balance sheet or off-balance sheet positions.

The Bank applies credit limits in order to manage and control its exposure to credit risk. Credit limits define the maximum acceptable risk for each counterparty, by product, by sector and by country. In addition, limits are set and applied to exposures regarding financial institutions. Total exposure of the Bank to credit risk of borrowers, including financial institutions, is controlled by applying sub-limits and off-balance sheet exposures, as well as daily positions of the portfolio of financial instruments such as foreign exchange forward contracts.

To determine client limits, the Bank considers any warranty that reduces risk. The Bank classifies credit risk based on the type of the associated collateral and the opportunity of their liquidation. Maximum credit limits which may be approved for each risk class are determined by the Bank. Within the Bank, a loan is not approved by a single person, as the procedure generally requires the approval of at least three authorized persons, except for the consumer loans and credit cards. The authorities responsible for the approval of loans are assigned based on the level of risk exposure and their role in contributing to the quality of the Bank's total loan portfolio is particularly significant.

Credit limits are established with an effective duration of up to twelve months and are subject to annual or even frequent reviews. The responsible authorities may, under special conditions, set a period shorter than twelve months. Outstanding balances and their corresponding limits are monitored daily and any excess limit is reported in a timely manner and resolved accordingly.

The following paragraphs describes the techniques applied by the Bank to control and reduce credit risk.

**3 FINANCIAL RISK MANAGEMENT (continued)**

**3.1 Credit risk (continued)**

**3.1.1. Credit risk assessment (continued)**

**c) Guarantees**

The Bank obtains guarantees for loans to customers, thus minimizing the overall risk of credit and ensuring timely repayment of debts. To this end, the Bank has established categories of acceptable collaterals and incorporated them in its credit policy, the main types being:

- mortgage on cash deposits;
- bank guarantee letters;
- mortgage on financial instruments such as stocks or shares listed on the Stock Exchange;
- mortgages on real estate;
- mortgage on movable goods;
- guarantees issued by central administrations, under governmental programmes (National Credit Guarantee Fund for SMEs (FNGCIMM), Rural Credit Guarantee Fund (FGCR) etc.), or
- assignment of receivables resulting from promissory notes, checks and invoices.

Credit linked guarantees are initially measured during the credit approval process, based on their present value or fair value, and reassessed at regular intervals. Generally, a warranty for exposure to financial institutions is not required, except where it relates to sales contracts with repurchase clause ("repos") or similar activities. The Bank generally does not require collateral for investments in debt instruments.

**d) Derivatives**

The Bank systematically monitors and controls the exposure and duration of its net position opened in derivatives markets. Credit exposures from derivatives markets positions are part of the overall credit limits set for any counterparty and are taken into account during the approval process.

Guarantees or other securities are not generally obtained for exposures to derivatives, unless the Bank requires the application of a safety margin from the counterparty.

Credit risk arises also from the settlement of transactions and derivative products. The Bank has established and systematically monitors daily limits of settlement for transactions with derivative products, which are included in the overall credit limit of any counterparties.

**e) Loan commitments**

The primary purpose of these instruments is to ensure that funds are available to customers on request. Guarantees and standby letters of credit - which represent irrevocable commitments that the Bank will make payments if the customer cannot meet its obligations to third parties - carry the same credit risk as loans. Commercial and documentary letters of credit - which are written undertakings by the Bank on behalf of a customer authorizing a third party to collect rates by the Bank to an amount specified according to specific terms and conditions - are guaranteed by the shipped goods to which they relate and, therefore, present less risk than a direct loan.

Commitments related to credit extension represent unused credit limits parties under form of loans, guarantees or letters of credit. Concerning the credit risk of extended credit commitments, the Bank is exposed to a potential loss in an amount equal to the total amount of unused commitments.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.2 The maximum exposure to credit risk before considering collateral or other credit increases**

The Bank's maximum exposure to credit risk is reflected in the carrying amount of financial assets as reported in the statement of the financial position. In respect to letters of guarantee issued by the Bank and the credit commitments, the maximum exposure to credit risk is represented by the value of these commitments (Note 34). Credit risk is mitigated by existing guarantees.

The table below shows the maximum exposure to credit risk of the Bank as of December 31, 2024 and December 31, 2023, loans to customers, as reported in the statement of financial position.

The Bank also monitors credit risk by fields of activity. The analysis of concentration of credit risk by fields of activity at the reporting date is presented below (net amounts of allowances for impairment):

	<b>Gross exposure</b>	<b>Provision</b>	<b>Net exposure</b>
	<b>December 31, 2024</b>	<b>December 31, 2024</b>	<b>December 31, 2024</b>
<b>Total retail loans</b>	<b>883,226,468</b>	<b>-9,668,952</b>	<b>873,557,516</b>
Credit cards	2,243,298	-102,595	2,140,703
Consumer loans / personal loans and overdrafts	122,363,785	-4,745,393	117,618,392
Mortgage / Real estate loans	758,619,384	-4,820,964	753,798,420
<b>Total corporate loans</b>	<b>4,181,664,013</b>	<b>-89,118,841</b>	<b>4,092,545,172</b>
<b>Total SMEs</b>	<b>3,495,130,246</b>	<b>-60,954,855</b>	<b>3,434,175,391</b>
Commerce	457,536,882	-7,432,153	450,104,729
Industry	488,988,974	-9,468,686	479,520,288
Construction and real estate	673,322,285	-8,974,677	664,347,608
Agriculture	1,064,391,565	-14,978,085	1,049,413,480
Lease	95,656,482	-2,489,597	93,166,885
Shipping	246,286,552	-1,270,627	245,015,925
Others	468,947,506	-16,341,030	452,606,476
<b>Total corporate</b>	<b>686,533,766</b>	<b>-28,163,986</b>	<b>658,369,780</b>
Commerce	215,945,503	-4,172,087	211,773,416
Industry	142,409,212	-2,787,278	139,621,934
Construction and real estate	142,657,541	-8,307,391	134,350,150
Agriculture	91,441,188	-11,988,779	79,452,409
Lease	6,176,631	-154,646	6,021,985
Shipping	40,663	-3,554	37,109
Others	87,863,028	-750,251	87,112,777
<b>Total loans and advances to customers*</b>	<b>5,064,890,481</b>	<b>-98,787,793</b>	<b>4,966,102,689</b>

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.2 The maximum exposure to credit risk before considering collateral or other credit increases (continued)**

	<b>Gross exposure</b>	<b>Provision</b>	<b>Net exposure</b>
	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2023</b>	<b>2023</b>	<b>2023</b>
<b>Total retail loans</b>	<b>992,643,754</b>	<b>-14,181,593</b>	<b>978,462,162</b>
Credit cards	2,180,479	-110,493	2,069,986
Consumer loans / personal loans and overdrafts	127,325,791	-6,039,805	121,285,986
Mortgage / Real estate loans	863,137,485	-8,031,295	855,106,190
<b>Total corporate loans</b>	<b>3,539,154,886</b>	<b>-81,796,886</b>	<b>3,457,358,000</b>
<b>Total SMEs</b>	<b>2,993,152,797</b>	<b>-63,383,991</b>	<b>2,929,768,806</b>
Commerce	495,468,422	-8,932,949	486,535,473
Industry	458,086,230	-11,280,266	446,805,965
Construction and real estate	570,908,707	-13,133,243	557,775,464
Agriculture	997,954,811	-14,932,434	983,022,378
Lease	105,191,149	-1,695,231	103,495,918
Shipping	34,938,011	-583,186	34,354,825
Others	330,605,466	-12,826,683	317,778,784
<b>Total corporate</b>	<b>546,002,089</b>	<b>-18,412,895</b>	<b>527,589,194</b>
Commerce	150,879,743	-2,380,476	148,499,266
Industry	164,244,581	-2,681,431	161,563,150
Construction and real estate	116,468,137	-1,250,820	115,217,317
Agriculture	93,546,681	-11,706,977	81,839,705
Lease	436,106	-23,775	412,331
Shipping	56,496	-21,857	34,639
Others	20,370,345	-347,558	20,022,786
<b>Total loans and advances to customers*</b>	<b>4,531,798,641</b>	<b>-95,978,479</b>	<b>4,435,820,162</b>



**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.2 The maximum exposure to credit risk before considering collateral or other credit increases (continued)**

Information about guarantees as at December 31, 2024

	Secured loans and advances	Unsecured loans and advances	Total loans and advances
<b>Total retail loans</b>	<b>781,225,375</b>	<b>102,001,092</b>	<b>883,226,468</b>
Credit cards	179,020	2,064,278	2,243,298
Consumer loans / personal loans and overdrafts	87,171,367	35,192,418	122,363,785
Mortgage / Real estate loans	693,874,988	64,744,396	758,619,384
<b>Total corporate loans</b>	<b>1,758,884,693</b>	<b>2,422,779,319</b>	<b>4,181,664,013</b>
<b>Total SMEs</b>	<b>1,615,293,754</b>	<b>1,879,836,491</b>	<b>3,495,130,247</b>
Commerce	196,737,473	260,799,409	457,536,882
Industry	219,133,052	269,855,922	488,988,974
Construction and real estate	544,749,969	128,572,315	673,322,285
Agriculture	535,571,981	528,819,584	1,064,391,565
Leasing	3,880,162	91,776,320	95,656,482
Shipping	10,257,225	236,029,326	246,286,552
Others	104,963,892	363,983,615	468,947,506
<b>Total corporate</b>	<b>143,590,939</b>	<b>542,942,828</b>	<b>686,533,766</b>
Commerce	68,172,735	147,772,768	215,945,503
Industry	30,624,146	111,785,065	142,409,212
Construction and real estate	7,715,829	134,941,713	142,657,541
Agriculture	3,735,055	87,706,134	91,441,188
Leasing	-	6,176,631	6,176,631
Shipping	40,663	-	40,663
Others	33,302,511	54,560,517	87,863,028
<b>Total loans and advances to customers</b>	<b>2,540,110,068</b>	<b>2,524,780,411</b>	<b>5,064,890,481</b>

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.2 The maximum exposure to credit risk before considering collateral or other credit increases (continued)**

Information about guarantees as at December 31, 2023

	Secured loans and advances	Unsecured loans and advances	Total loans and advances
<b>Total retail loans</b>	<b>854,698,525</b>	<b>137,945,229</b>	<b>992,643,754</b>
Credit cards	331,549	1,848,930	2,180,479
Consumer loans / personal loans and overdrafts	91,161,017	36,164,774	127,325,791
Mortgage / Real estate loans	763,205,960	99,931,525	863,137,485
<b>Total corporate loans</b>	<b>1,505,376,895</b>	<b>2,033,777,991</b>	<b>3,539,154,886</b>
<b>Total SMEs</b>	<b>1,408,194,155</b>	<b>1,584,958,642</b>	<b>2,993,152,797</b>
Commerce	206,957,773	288,510,649	495,468,422
Industry	201,125,739	256,960,491	458,086,230
Construction and real estate	467,156,071	103,752,635	570,908,707
Agriculture	444,678,523	553,276,289	997,954,811
Leasing	-	105,191,149	105,191,149
Shipping	4,630,036	30,307,976	34,938,011
Others	83,646,013	246,959,454	330,605,466
<b>Total corporate</b>	<b>97,182,741</b>	<b>448,819,349</b>	<b>546,002,089</b>
Commerce	33,683,732	117,196,010	150,879,743
Industry	35,587,973	128,656,608	164,244,581
Construction and real estate	22,020,758	94,447,380	116,468,137
Agriculture	5,533,808	88,012,873	93,546,681
Leasing	-	436,106	436,106
Shipping	56,496	-	56,496
Others	299,973	20,070,371	20,370,345
<b>Total loans and advances to customers</b>	<b>2,360,075,421</b>	<b>2,171,723,220</b>	<b>4,531,798,641</b>

The fair value of the security takes into account only real guarantees such as pledges over cash deposits, letters of bank guarantee, mortgages over real estates and pledge over movable assets. The above-mentioned information represents the minimum value between the net carrying amount of the loan balance and the value of the guarantee; the remaining uncovered part is presented in the column of unsecured loans and advances.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.2 The maximum exposure to credit risk before considering collateral or other credit increases (continued)**

**Presentation of loans and advances to customers by class and category:**

*Loans and advances to customers performing and not past due* are loans and advances to customers classified to Stages 1 and 2, which have no days past due and are not impaired.

*Loans and advances to customers performing and past due* are loans and advances to customers classified to Stages 1 and 2, which have days past due and are not impaired.

Performing loans and advances to customers are loans and advances to customers classified to Stage 3 and POCI, which have indicators of non-performance.

The employment of claims (principal, attached receivables and amounts amortized) on each position is performed at the level of credit facility for exposures classified to Stages 1 and 2 and in terms of total exposure per customer for customers classified to Stage 3 and POCI, both for borrowers` individuals and legal entities.

**As at December 31, 2024:**

	Loans and advances performing and not past due		Loans and advances performing and past due		Non-performing loans and advances		Total
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 3	POCI	
<b>Total retail loans</b>	<b>779,824,521</b>	<b>23,938,396</b>	<b>25,118,976</b>	<b>16,944,177</b>	<b>32,688,403</b>	<b>4,711,995</b>	<b>883,226,468</b>
Credit cards	1,461,786	643,006	2,770	119,637	16,099	-	2,243,298
Consumer loans / personal loans and overdrafts	91,861,702	8,762,435	4,990,947	1,813,638		1,731,760	122,363,786
Mortgage / Real estate loans	686,501,033	14,532,955	20,125,259	15,010,902	19,469,000	2,980,235	758,619,384

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.2 The maximum exposure to credit risk before considering collateral or other credit increases (continued)**

	Loans and advances performing and not past due		Loans and advances performing and past due		Non-performing loans and advances		Total
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 3	POCI	
<b>Total corporate loans</b>	<b>3,702,993,993</b>	<b>268,338,404</b>	<b>145,309,716</b>	<b>12,557,383</b>	<b>44,814,449</b>	<b>7,650,069</b>	<b>4,181,664,014</b>
<b>SMEs</b>	<b>3,043,337,519</b>	<b>268,292,438</b>	<b>141,509,327</b>	<b>12,557,383</b>	<b>21,783,511</b>	<b>7,650,069</b>	<b>3,495,130,247</b>
Commerce	449,077,015	4,146,457	3,306,308	-	1,007,102	-	457,536,882
Industry	431,136,401	52,487,629	1,120,332	-	3,247,704	996,908	488,988,974
Construction and real estate	549,930,339	-	104,870,092	9,508,419	4,751,389	4,262,046	673,322,285
Agriculture	972,083,555	57,303,304	25,825,563	3,048,878	3,739,151	2,391,115	1,064,391,566
Leasing	95,656,482	-	-	-	-	-	95,656,482
Shipping	246,286,552	-	-	-	-	-	246,286,552
Others	299,167,175	154,355,048	6,387,032	86	9,038,165	-	468,947,506
<b>Corporate</b>	<b>659,656,474</b>	<b>45,966</b>	<b>3,800,389</b>	<b>-</b>	<b>23,030,938</b>	<b>-</b>	<b>686,533,767</b>
Commerce	212,145,114	-	3,800,389	-	-	-	215,945,503
Industry	142,409,212	-	-	-	-	-	142,409,212
Constructions and real estate	129,640,885	5,303	-	-	13,011,353	-	142,657,541
Agriculture	81,421,604	-	-	-	10,019,585	-	91,441,189
Leasing	6,176,631	-	-	-	-	-	6,176,631
Shipping	-	40,663	-	-	-	-	40,663
Others	87,863,028	-	-	-	-	-	87,863,028
<b>Total loans and advances to customers</b>	<b>4,482,818,514</b>	<b>292,276,800</b>	<b>170,428,692</b>	<b>29,501,560</b>	<b>77,502,852</b>	<b>12,362,064</b>	<b>5,064,890,482</b>
Expected loss	<b>-49,546,754</b>	<b>-11,960,743</b>	<b>-1,086,446</b>	<b>-393,508</b>	<b>-35,800,342</b>	<b>-</b>	<b>-98,787,793</b>
<b>Total loans and advances to customers</b>	<b>4,433,271,760</b>	<b>280,316,057</b>	<b>169,342,246</b>	<b>29,108,052</b>	<b>41,702,510</b>	<b>12,362,064</b>	<b>4,966,102,689</b>

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.2 The maximum exposure to credit risk before considering collateral or other credit increases (continued)**

Presentation of loans and advances to customers by class and category as at December 31, 2023:

	Loans and advances performing and not past due		Loans and advances performing and past due		Non-performing loans and advances		Total
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 3	POCI	
<b>Total retail loans</b>	<b>862,978,835</b>	<b>29,374,895</b>	<b>22,840,660</b>	<b>38,203,401</b>	<b>33,311,984</b>	<b>5,933,980</b>	<b>992,643,754</b>
Credit cards	1,658,902	351,507	43,738	112,963	13,369	-	2,180,479
Consumer loans / personal loans and overdrafts	91,277,892	8,133,026	5,470,035	5,946,386		2,543,088	127,325,791
Mortgage / Real estate loans	958,937,777	2,586,610	29,262,690	6,869,287	13,955,363	4,223,421	1,007,202,356
<b>Total corporate loans</b>	<b>3,196,543,327</b>	<b>197,093,714</b>	<b>57,706,103</b>	<b>25,347,135</b>	<b>45,491,235</b>	<b>16,973,373</b>	<b>3,539,154,886</b>
<b>SMEs</b>	<b>2,680,385,293</b>	<b>177,179,397</b>	<b>57,706,103</b>	<b>25,347,135</b>	<b>35,197,368</b>	<b>16,973,373</b>	<b>2,993,152,797</b>
Commerce	422,583,719	45,591,637	23,039,291	1,492,615	2,584,236	176,924	495,468,422
Industry	432,186,518	14,331,189	678,646	-	9,484,626	1,405,252	458,086,230
Construction and real estate	496,277,668	22,142,817	27,015,937	10,742,005	6,824,372	7,905,907	570,908,707
Agriculture	904,187,064	64,899,352	5,434,775	8,543,747	7,653,872	7,236,001	997,954,811
Leasing	105,191,149	-	-	-	-	-	105,191,149
Shipping	34,938,011	-	-	-	-	-	34,938,011
Others	285,385,293	30,214,402	1,537,454	4,568,768	8,650,262	249,289	330,605,466
<b>Corporate</b>	<b>515,793,905</b>	<b>19,914,317</b>	<b>-</b>	<b>-</b>	<b>10,293,867</b>	<b>-</b>	<b>546,002,089</b>
Commerce	139,099,781	11,779,962	-	-	-	-	150,879,743
Industry	163,313,378	931,202	-	-	-	-	164,244,581
Constructions and real estate	116,468,137	-	-	-	-	-	116,468,137
Agriculture	76,462,383	6,790,431	-	-	10,293,867	-	93,546,681
Leasing	23,384	412,722	-	-	-	-	436,106
Shipping	56,496	-	-	-	-	-	56,496
Others	20,370,345	-	-	-	-	-	20,370,345
<b>Total loans and advances to customers</b>	<b>4,059,522,161</b>	<b>226,468,609</b>	<b>80,546,763</b>	<b>63,550,536</b>	<b>78,803,219</b>	<b>22,907,352</b>	<b>4,531,798,641</b>
Expected loss	-42,848,804	-10,200,746	-691,647	-2,691,832	-39,163,390	-382,060	-95,978,479
<b>Total loans and advances to customers</b>	<b>4,016,673,358</b>	<b>216,267,863</b>	<b>79,855,116</b>	<b>60,858,704</b>	<b>39,639,829</b>	<b>22,525,292</b>	<b>4,435,820,162</b>

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.2 Loans and advances**

**a) Not past due performing loans and advances:**

The loans and advances to customers are presented below in relation to the quality of the credit risk.

**December 31, 2024**

	Retail loans			Corporate loans		Total loans/ advances to customers
	Credit cards	Consumer/ Personal loans	Mortgage/ Real estate loans	Small/ medium-sized entities	Large corporate entities	
<b>Stage 1</b>						
Low risk	996,837	77,815,280	631,352,772	1,687,293,821	567,824,259	2,965,282,969
Medium risk	464,950	14,046,422	55,148,261	1,356,043,697	91,832,214	1,517,535,544
High risk	-	-	-	-	-	-
<b>Total Stage 1</b>	<b>1,461,787</b>	<b>91,861,702</b>	<b>686,501,033</b>	<b>3,043,337,518</b>	<b>659,656,473</b>	<b>4,482,818,513</b>
Expected loss Stage 1	-26,094	-1,325,932	-1,663,404	-33,749,914	-12,781,410	-49,546,754
<b>Total net Stage 1</b>	<b>1,435,693</b>	<b>90,535,770</b>	<b>684,837,629</b>	<b>3,009,587,604</b>	<b>646,875,063</b>	<b>4,433,271,759</b>
<b>Stage 2</b>						
Low risk	247,454	1,076,235	2,155,750	206,554,871	-	210,034,310
Medium risk	62,240	2,167,121	979,633	61,613,912	-	64,822,906
High risk	333,312	5,519,080	11,397,572	123,654	45,966	17,419,584
<b>Total Stage 2</b>	<b>643,006</b>	<b>8,762,436</b>	<b>14,532,955</b>	<b>268,292,437</b>	<b>45,966</b>	<b>292,276,800</b>
Expected loss Stage 2	-50,663	-281,294	-211,851	-11,412,907	-4,028	-11,960,743
<b>Total net Stage 2</b>	<b>592,343</b>	<b>8,481,142</b>	<b>14,321,104</b>	<b>256,879,530</b>	<b>41,938</b>	<b>280,316,057</b>
<b>Total gross</b>	<b>2,104,793</b>	<b>100,624,138</b>	<b>701,033,988</b>	<b>3,311,629,955</b>	<b>659,702,439</b>	<b>4,775,095,313</b>
<b>Total expected loss</b>	<b>-76,757</b>	<b>-1,607,226</b>	<b>-1,875,255</b>	<b>-45,162,821</b>	<b>-12,785,438</b>	<b>-61,507,497</b>
<b>Total net</b>	<b>2,028,036</b>	<b>99,016,912</b>	<b>699,158,733</b>	<b>3,266,467,134</b>	<b>646,917,001</b>	<b>4,713,587,816</b>

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**a) Not past due performing loans and advances (continued)**

**December 31, 2023:**

	Retail loans			Corporate loans		
	Credit cards	Consumer/ Personal loans	Mortgage/ Real estate loans	Small/ medium-sized entities	Large corporate entities	Total loans/ advances to customers
<b>Stage 1</b>						
Low risk	1,269,153	83,082,683	741,386,077	2,118,386,172	470,892,586	3,415,016,670
Medium risk	375,355	8,031,476	28,210,177	562,363,250	44,844,823	643,825,081
High risk	14,395	163,733	445,786	-	56,496	680,410
<b>Total Stage 1</b>	<b>1,658,902</b>	<b>91,277,892</b>	<b>770,042,040</b>	<b>2,680,749,422</b>	<b>515,793,905</b>	<b>4,059,522,161</b>
Expected loss Stage 1	-21,700	-801,577	-2,036,473	-32,670,070	-7,318,984	-42,848,804
<b>Total net Stage 1</b>	<b>1,637,203</b>	<b>90,476,316</b>	<b>768,005,566</b>	<b>2,648,079,352</b>	<b>508,474,921</b>	<b>4,016,673,358</b>
<b>Stage 2</b>						
Low risk	-	994,467	3,525,846	253,989	-	4,774,302
Medium risk	213,485	6,022,986	11,377,132	176,865,323	19,914,317	214,393,245
High risk	138,022	1,115,573	5,987,383	60,084	-	7,301,062
<b>Total Stage 2</b>	<b>351,507</b>	<b>8,133,026</b>	<b>20,890,361</b>	<b>177,179,397</b>	<b>19,914,317</b>	<b>226,468,609</b>
Expected loss Stage 2	-47,576	-403,937	-594,384	-8,354,804	-800,044	-10,200,746
<b>Total net Stage 2</b>	<b>303,931</b>	<b>7,729,089</b>	<b>20,295,977</b>	<b>168,824,593</b>	<b>19,114,274</b>	<b>216,267,863</b>
<b>Total gross</b>	<b>2,010,410</b>	<b>99,410,919</b>	<b>790,932,401</b>	<b>2,857,928,819</b>	<b>535,708,222</b>	<b>4,285,990,770</b>
Total expected loss	-69,276	-1,205,514	-2,630,858	-41,024,874	-8,119,028	-53,049,550
<b>Total net</b>	<b>1,941,134</b>	<b>98,205,405</b>	<b>788,301,543</b>	<b>2,816,903,945</b>	<b>527,589,194</b>	<b>4,232,941,221</b>

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

The criteria used for the above grades are the following:

Low risk	Current loans classified as Risk Class 1 (Financial Performance A)
Medium risk	Current loans classified as Risk Class 2 and 3 (Financial Performance B and C)
High risk	Current loans classified as Risk Class 4 and 5 (Financial Performance D and E)

**b) Past due performing loans and advances**

**December 31, 2024**

Portfolio	Stage 1			Stage 2							Fair value of guarantee
	Outstanding up to 30 days	Total Stage 1	Expected loss Stage 1	Outstanding up to 30 days	Outstanding between 31-60 days	Outstanding between 61-90 days	Total Stage 2	Expected loss Stage 2	Total	Expected loss	
<b>Total retail loans</b>	<b>25,118,976</b>	<b>25,118,976</b>	<b>-82,524</b>	<b>12,147,948</b>	<b>3,976,500</b>	<b>819,728</b>	<b>16,944,176</b>	<b>-295,464</b>	<b>42,063,152</b>	<b>-377,988</b>	<b>37,068,901</b>
Credit cards	2,770	2,770	-49	115,736	650	3,250	119,636	-9,690	122,406	-9,739	519
Consumer loans / personal loans and overdrafts	4,990,947	4,990,947	-19,958	1,248,688	464,582	100,368	1,813,638	-58,094	6,804,585	-78,052	5,241,285
Mortgage / Real Estate loans	20,125,259	20,125,259	-62,517	10,783,524	3,511,268	716,110	15,010,902	-227,680	35,136,161	-290,197	31,827,097
Expected credit loss retail	<b>-82,524</b>	<b>-82,524</b>		<b>-216,220</b>	<b>-58,077</b>	<b>-21,166</b>	<b>-295,463</b>		<b>-377,987</b>		
<b>Total retail loans, net</b>	<b>25,036,452</b>	<b>25,036,452</b>		<b>11,931,728</b>	<b>3,918,423</b>	<b>798,562</b>	<b>16,648,713</b>		<b>41,685,165</b>		

Free translation from the original Romanian version.



**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**b) Past due performing loans and advances (continued)**

Portfolio	Stage 1			Stage 2							Fair value of guarantee
	Outstanding up to 30 days	Total Stage 1	Expected loss Stage 1	Outstanding up to 30 days	Outstanding between 31-60 days	Outstanding between 61-90 days	Total Stage 2	Expected loss Stage 2	Total	Expected loss	
<b>Total corporate loans</b>	<b>145.309.716</b>	<b>145.309.716</b>	<b>-1.003.921</b>	<b>10.971.298</b>	<b>1.586.084</b>	<b>-</b>	<b>12.557.382</b>	<b>-98.044</b>	<b>157.867.098</b>	<b>-1.101.965</b>	<b>96.679.864</b>
<b>SMEs</b>	<b>141.509.327</b>	<b>141.509.327</b>	<b>-940.484</b>	<b>10.971.298</b>	<b>1.586.084</b>	<b>-</b>	<b>12.557.382</b>	<b>-98.044</b>	<b>154.066.709</b>	<b>-1.038.528</b>	<b>92.879.475</b>
Commerce	3.306.308	3.306.308	-43.132	-	-	-	-	-	<b>3.306.308</b>	-43.132	1.125.821
Industry	1.120.332	1.120.332	-5.534	-	-	-	-	-	<b>1.120.332</b>	-5.534	872.289
Construction and real estate	104.870.092	104.870.092	-652.986	9.508.419	-	-	9.508.419	-19.192	<b>114.378.511</b>	-672.178	69.457.512
Agriculture	25.825.563	25.825.563	-198.611	1.462.793	1.586.084	-	3.048.877	-78.844	<b>28.874.440</b>	-277.455	16.160.526
Leasing	-	-	-	-	-	-	-	-	-	-	-
Shipping	-	-	-	-	-	-	-	-	-	-	-
Others	6.387.032	6.387.032	-40.221	86	-	-	86	-8	<b>6.387.118</b>	-40.229	5.263.327
<b>Corporate</b>	<b>3.800.389</b>	<b>3.800.389</b>	<b>-63.437</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.800.389</b>	<b>-63.437</b>	<b>3.800.389</b>
Commerce	3.800.389	3.800.389	-63.437	-	-	-	-	-	<b>3.800.389</b>	-63.437	3.800.389
Industry	-	-	-	-	-	-	-	-	-	-	-
Construction and real estate	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	-	-	-	-	-	-	-
Shipping	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**b) Past due performing loans and advances (continued)**

**December 31, 2024**

Portfolio	Stage 1			Stage 2							Fair value of guarantee
	Outstanding up to 30 days	Total Stage 1	Expected loss Stage 1	Outstanding up to 30 days	Outstanding between 31-60 days	Outstanding between 61-90 days	Total Stage 2	Expected loss Stage 2	Total	Expected loss	
Expected loss on corporate loans	-1,003,921	-1,003,921		-70,862	-27,182	0	-98,044		-1,101,965		
<b>Total net corporate loans</b>	<b>144,305,795</b>	<b>144,305,795</b>		<b>10,900,436</b>	<b>1,558,902</b>	<b>0</b>	<b>12,459,338</b>		<b>156,765,133</b>		
<b>Total loans and advances to customers</b>	<b>170,428,692</b>	<b>170,428,692</b>	<b>-1,086,445</b>	<b>23,119,246</b>	<b>5,562,584</b>	<b>819,728</b>	<b>29,501,558</b>	<b>-393,508</b>	<b>199,930,250</b>	<b>-1,479,953</b>	<b>133,748,765</b>
Expected loss for loans and advances to customers	-1,086,445	-1,086,445		-287,082	-85,260	-21,166	-393,508		-1,479,953		
<b>Total net loans and advances to customers</b>	<b>169,342,247</b>	<b>169,342,247</b>		<b>22,832,164</b>	<b>5,477,324</b>	<b>798,562</b>	<b>29,108,050</b>		<b>198,450,297</b>		

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**b) Past due performing loans and advances (continued)**

**December 31, 2023**

Portfolio	Stage 1			Stage 2							Fair value of guarantee
	Outstanding up to 30 days	Total Stage 1	Expected loss Stage 1	Outstanding up to 30 days	Outstanding between 31-60 days	Outstanding between 61-90 days	Total Stage 2	Expected loss Stage 2	Total	Expected loss	
<b>Total retail loans</b>	<b>22,840,660</b>	<b>22,840,660</b>	<b>-136,283</b>	<b>30,743,925</b>	<b>5,262,485</b>	<b>2,196,991</b>	<b>38,203,401</b>	<b>-1,402,724</b>	<b>61,044,061</b>	<b>-1,539,007</b>	<b>51,065,172</b>
Credit cards	43,738	43,738	-1,682	68,162	5,132	39,669	112,963	-26,166	156,700	-27,848	43,971
Consumer loans / personal loans and overdrafts	5,470,035	5,470,035	-73,662	5,100,770	327,346	518,270	5,946,386	-329,797	11,416,421	-403,459	8,581,429
Mortgage / Real Estate loans	17,326,888	17,326,888	-60,939	25,574,993	4,930,007	1,639,052	32,144,053	-1,046,761	49,470,940	-1,107,701	42,439,772
Expected credit loss retail	<b>-136,283</b>	<b>-136,283</b>		<b>-1,082,025</b>	<b>-213,623</b>	<b>-107,076</b>	<b>-1,402,724</b>		<b>-1,539,007</b>		
<b>Total retail loans, net</b>	<b>22,704,377</b>	<b>22,704,377</b>		<b>29,661,900</b>	<b>5,048,863</b>	<b>2,089,914</b>	<b>36,800,677</b>		<b>59,505,054</b>		

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**b) Past due performing loans and advances (continued)**

Portfolio	Stage 1			Stage 2							Fair value of guarantee
	Outstanding up to 30 days	Total Stage 1	Expected loss Stage 1	Outstanding up to 30 days	Outstanding between 31-60 days	Outstanding between 61-90 days	Total Stage 2	Expected loss Stage 2	Total	Expected loss	
<b>Total corporate loans</b>	<b>57,706,103</b>	<b>57,706,103</b>	<b>-555,364</b>	<b>16,980,954</b>	<b>3,718,020</b>	<b>4,648,161</b>	<b>25,347,135</b>	<b>-1,289,108</b>	<b>83,053,237</b>	<b>-1,844,471</b>	<b>53,287,661</b>
<b>SMEs</b>	<b>57,706,103</b>	<b>57,706,103</b>	<b>-555,364</b>	<b>16,980,954</b>	<b>3,718,020</b>	<b>4,648,161</b>	<b>25,347,135</b>	<b>-1,289,108</b>	<b>83,053,237</b>	<b>-1,844,471</b>	<b>53,287,661</b>
Commerce	23,039,291	23,039,291	-279,142	589,866	902,749	-	1,492,615	-68,702	<b>24,531,906</b>	-347,844	11,839,141
Industry	678,646	678,646	-6,611	-	-	-	-	-	<b>678,646</b>	-6,611	632,037
Construction and real estate	27,015,937	27,015,937	-208,958	10,742,005	-	-	10,742,005	-139,362	<b>37,757,943</b>	-348,320	27,406,832
Agriculture	5,434,775	5,434,775	-37,400	1,080,315	2,815,271	4,648,161	8,543,747	-661,021	<b>13,978,522</b>	-698,421	10,337,524
Leasing	-	-	-	-	-	-	-	-	-	-	-
Shipping	-	-	-	-	-	-	-	-	-	-	-
Others	1,537,454	1,537,454	-23,252	4,568,768	-	-	4,568,768	-420,023	<b>6,106,221</b>	-443,275	3,072,128
<b>Corporate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Commerce	-	-	-	-	-	-	-	-	-	-	-
Industry	-	-	-	-	-	-	-	-	-	-	-
Construction and real estate	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	-	-	-	-	-	-	-
Shipping	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-

Free translation from the original Romanian version.

VISTA BANK ROMANIA SA  
NOTES TO FINANCIAL STATEMENTS  
FOT THE YEAR ENDED DECEMBER 31, 2024  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**b) Past due performing loans and advances (continued)**

Portfolio	Stage 1			Stage 2							Fair value of guarantee
	Outstanding up to 30 days	Total Stage 1	Expected loss Stage 1	Outstanding up to 30 days	Outstanding between 31-60 days	Outstanding between 61-90 days	Total Stage 2	Expected loss Stage 2	Total	Expected loss	
Expected loss on corporate loans	-555,364	-555,364		-739,636	-95,914	-453,558	-1,289,108		-1,844,471		
<b>Total net corporate loans</b>	<b>57,150,739</b>	<b>57,150,739</b>		<b>16,241,318</b>	<b>3,622,106</b>	<b>4,194,603</b>	<b>24,058,027</b>		<b>81,208,766</b>		
<b>Total loans and advances to customers</b>	<b>80,546,763</b>	<b>80,546,763</b>	<b>-691,647</b>	<b>47,724,879</b>	<b>8,980,505</b>	<b>6,845,152</b>	<b>63,550,536</b>	<b>-2,691,832</b>	<b>144,097,299</b>	<b>-3,383,479</b>	<b>104,352,833</b>
Expected loss for loans and advances to customers	-691,647	-691,647		-1,821,661	-309,536	-560,635	-2,691,832		-3,383,479		
<b>Total net loans and advances to customers</b>	<b>79,855,116</b>	<b>79,855,116</b>		<b>45,903,218</b>	<b>8,670,969</b>	<b>6,284,517</b>	<b>60,858,704</b>		<b>140,713,820</b>		

Free translation from the original Romanian version.

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances**

The non-performing loans category includes all the exposures classified to Stage 3. For classification in Stage 3, reference is made to Guide EBA / GL / 2016/07 on the application of the definition of default under Article 178 of Regulation (EU) no. 575/2013.

The Bank applies the definition of default at debtor level, both for non-retail customers and for retail customers. The same definition of default is used for all types of exposures.

Default exposures are exposures that meet at least one of the following criteria:

- a) overdue payments upon establishment of default
- b) indicators of payment improbability.

The criterion of overdue payments upon establishment of default takes into account:

- a) the overdue loan obligation and the materiality threshold;
- b) counting the overdue days;
- c) suspension of the counting of overdue days;
- a) technical overdue;

As regards the criterion of overdue, set as of December 31, 2020, the Bank takes into consideration the following materiality levels of the liabilities from overdue loans set by the NBR:

➤ For retail exposures:

- a) the level of the relative component of materiality is 1%;
- b) the level of the absolute component of materiality is RON 150

➤ For exposures other than retail:

- a) the level of the relative component of materiality is 1%;
- b) the level of the absolute component of materiality is RON 1,000.

The debtor is considered to be in default when both the limit expressed as an absolute component of materiality and the limit expressed as a relative component of materiality are exceeded for more than 90 consecutive days.

When the criterion of materiality is no longer met, the debtor remains in check status for a period of 3 months (90 days);

If during the check period, the materiality levels are not exceeded for more than 30 consecutive days, after the expiration of this period, the debtor will leave the state of default / non-performance. If during the check period the materiality levels are exceeded for more than 30 consecutive days, it is expected to return below these levels to start a new check period of 3 months (90 days). If the materiality levels continue to be exceeded for a period longer than 90 consecutive days, the client remains in a state of default / non-performance.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**3. FINANCIAL RISK MANAGEMENT (Continued)**

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2024**

Portfolio	Not overdue	Outstanding up to 30 days	Outstanding between 31-60 days	Outstanding between 61-90 days	Outstanding between 91-180 days	Outstanding between 181-360 days	Outstanding after 360 days	POCI	Total	Expected loss	Fair value of guarantee
<b>Total retail loans</b>	<b>5,770,872</b>	<b>6,144,577</b>	<b>8,498,687</b>	<b>6,541,665</b>	<b>4,899,312</b>	<b>62,450</b>	<b>770,839</b>	<b>4,711,995</b>	<b>37,400,398</b>	<b>-5,731,726</b>	<b>32,366,286</b>
Credit cards	7,088	-	-	-	-	9,011	-	-	16,099	-16,099	-
Consumer loans / personal loans and overdrafts	1,842,868	2,558,141	5,398,271	684,467	1,895,278	53,439	770,839	1,731,760	14,935,064	-3,060,116	12,150,397
Mortgage / Real estate loans	3,920,916	3,586,436	3,100,416	5,857,198	3,004,034	-	-	2,980,235	22,449,235	-2,655,511	20,215,889
Expected loss for retail loans	-423,569	-595,226	-1,285,896	-1,429,451	-1,501,131	-62,449	-434,003	-	-5,731,726	-	-
<b>Total net retail loans</b>	<b>5,347,303</b>	<b>5,549,351</b>	<b>7,212,791</b>	<b>5,112,214</b>	<b>3,398,181</b>	<b>0</b>	<b>336,837</b>	<b>4,711,994</b>	<b>31,668,672</b>	<b>-</b>	<b>-</b>

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**3. FINANCIAL RISK MANAGEMENT (Continued)**

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Impaired loans and advances (continued)**

Portfolio	Not overdue	Outstanding up to 30 days	Outstanding between 31-60 days	Outstanding between 61-90 days	Outstanding between 91-180 days	Outstanding between 181-360 days	Outstanding after 360 days	POCI	Total	Expected loss	Fair value of guarantee
<b>Total corporate loans</b>	<b>984,441</b>	<b>-</b>	<b>898,928</b>	<b>469,110</b>	<b>14,266,404</b>	<b>799,117</b>	<b>27,396,448</b>	<b>7,650,069</b>	<b>52,464,518</b>	<b>-30,068,617</b>	<b>22,730,371</b>
<b>SMEs</b>	<b>984,441</b>	<b>-</b>	<b>898,928</b>	<b>469,110</b>	<b>1,255,051</b>	<b>799,117</b>	<b>17,376,863</b>	<b>7,650,069</b>	<b>29,433,581</b>	<b>-14,753,506</b>	<b>15,014,544</b>
Commerce	445,615	-	-	-	-	561,486	-	-	1,007,102	-377,308	629,794
Industry	-	-	-	-	-	-	3,247,704	996,908	4,244,613	-1,470,081	3,079,775
Construction and real estate	-	-	-	-	-	-	4,751,389	4,262,046	9,013,435	-4,572,083	4,441,352
Agriculture	520,232	-	898,928	469,110	1,255,051	237,631	358,199	2,391,115	6,130,266	-2,369,408	3,790,085
Lease	-	-	-	-	-	-	-	-	-	-	-
Shipping	-	-	-	-	-	-	-	-	-	-	-
Other	18,594	-	-	-	-	-	9,019,571	-	9,038,165	-5,964,626	3,073,539
<b>Corporate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,011,353</b>	<b>-</b>	<b>10,019,585</b>	<b>-</b>	<b>23,030,937</b>	<b>-15,315,111</b>	<b>7,715,826</b>
Commerce	-	-	-	-	-	-	-	-	-	-	-
Industry	-	-	-	-	-	-	-	-	-	-	-
Construction and real estate	-	-	-	-	13,011,353	-	-	-	13,011,353	-5,295,526	7,715,826
Agriculture	-	-	-	-	-	-	10,019,585	-	10,019,585	-10,019,585	-
Other	-	-	-	-	-	-	-	-	-	-	-

Free translation from the original Romanian version.



**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**3. FINANCIAL RISK MANAGEMENT (Continued)**

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2024**

Portfolio	Not overdue	Outstanding up to 30 days	Outstanding between 31-60 days	Outstanding between 61-90 days	Outstanding between 91-180 days	Outstanding between 181-360 days	Outstanding after 360 days	POCI	Total	Expected loss	Fair value of guarantee
Expected loss for corporate loans	-533,921	-	-898,928	-46,467	-5,898,514	-324,807	-22,060,737	-305,243	-30,068,617		
<b>Total net corporate loans</b>	<b>450,520</b>	<b>-</b>	<b>-</b>	<b>422,644</b>	<b>8,367,889</b>	<b>474,311</b>	<b>5,335,711</b>	<b>7,344,827</b>	<b>22,395,901</b>		
<b>Total loans and advances to customers</b>	<b>6,755,314</b>	<b>6,144,577</b>	<b>9,397,615</b>	<b>7,010,776</b>	<b>19,165,715</b>	<b>861,567</b>	<b>28,167,288</b>	<b>12,362,064</b>	<b>89,864,915</b>	<b>-35,800,342</b>	<b>55,096,657</b>
Expected loss for loans and advances to costumers	-957,490	-595,226	-2,184,823	-1,475,918	-7,399,646	-387,256	-22,494,740	-305,243	-35,800,342		
<b>Total net loans and advances to customers</b>	<b>5,797,824</b>	<b>5,549,351</b>	<b>7,212,792</b>	<b>5,534,858</b>	<b>11,766,069</b>	<b>474,311</b>	<b>5,672,548</b>	<b>12,056,822</b>	<b>54,064,573</b>		

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**3. FINANCIAL RISK MANAGEMENT (Continued)**

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2023**

Portfolio	Not overdue	Outstanding up to 30 days	Outstanding between 31-60 days	Outstanding between 61-90 days	Outstanding between 91-180 days	Outstanding between 181-360 days	Outstanding after 360 days	POCI	Total	Expected loss	Fair value of guarantee
<b>Total retail loans</b>	<b>4,373,047</b>	<b>7,974,077</b>	<b>6,939,056</b>	<b>7,989,361</b>	<b>3,410,279</b>	<b>510,688</b>	<b>2,115,475</b>	<b>5,933,980</b>	<b>39,245,964</b>	<b>-8,736,938</b>	<b>24,814,965</b>
Credit cards	-	13,369	-	-	-	-	-	-	13,369	-13,369	-
Consumer loans / personal loans and overdrafts	1,515,967	4,208,918	3,033,282	2,659,892	1,011,176	88,553	1,437,574	2,543,088	16,498,451	-4,430,832	9,615,798
Mortgage / Real estate loans	2,857,080	3,751,790	3,905,774	5,329,469	2,399,103	422,135	677,901	3,390,891	22,734,143	-4,292,736	15,199,166
Expected loss for retail loans	-766,746	-1,013,751	-1,513,324	-2,912,053	-793,998	-407,350	-1,329,715	-	-8,736,938	-	-
<b>Total net retail loans</b>	<b>3,606,301</b>	<b>6,960,326</b>	<b>5,425,732</b>	<b>5,077,308</b>	<b>2,616,281</b>	<b>103,338</b>	<b>785,760</b>	<b>5,933,980</b>	<b>30,509,026</b>	<b>-</b>	<b>-</b>

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**3. FINANCIAL RISK MANAGEMENT (Continued)**

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Impaired loans and advances (continued)**

Portfolio	Not overdue	Outstanding up to 30 days	Outstanding between 31-60 days	Outstanding between 61-90 days	Outstanding between 91-180 days	Outstanding between 181-360 days	Outstanding after 360 days	POCI	Total	Expected loss	Fair value of guarantee
<b>Total corporate loans</b>	<b>958,144</b>	<b>547,659</b>	<b>1,304,355</b>	<b>1,324,534</b>	<b>9,047,594</b>	<b>18,217,096</b>	<b>14,091,853</b>	<b>16,973,373</b>	<b>62,464,608</b>	<b><u>-30,808,512</u></b>	<b><u>15,110,487</u></b>
<b>SMEs</b>	<b>958,144</b>	<b>547,659</b>	<b>1,304,355</b>	<b>1,324,534</b>	<b>9,047,594</b>	<b>15,280,291</b>	<b>6,734,791</b>	<b>16,973,373</b>	<b>52,170,741</b>	<b><u>-20,514,645</u></b>	<b><u>15,110,487</u></b>
Commerce	565,167	-	-	-	1,572,160	-	446,909	176,924	2,761,160	-1,361,697	1,299,356
Industry	-	547,659	-	-	2,041,109	5,822,812	1,073,046	1,405,252	10,889,878	-4,903,771	4,897,270
Construction and real estate	305,180	-	1,304,355	-	-	-	5,214,837	7,905,907	14,730,279	-5,083,505	1,773,702
Agriculture	83,230	-	-	1,324,534	5,434,324	811,784	-	7,236,001	14,889,873	-3,084,416	4,571,154
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Corporate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,936,805</b>	<b>7,357,062</b>	<b>-</b>	<b>10,293,867</b>	<b>-10,293,867</b>	<b>-</b>
Commerce	-	-	-	-	-	-	-	-	-	-	-
Industry	-	-	-	-	-	-	-	-	-	-	-
Construction and real estate	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	-	2,936,805	7,357,062	0	10,293,867	-10,293,867	-
Other	-	-	-	-	-	-	-	-	-	-	-

Free translation from the original Romanian version.

VISTA BANK ROMANIA SA  
NOTES TO FINANCIAL STATEMENTS  
FOT THE YEAR ENDED DECEMBER 31, 2024  
(all amounts are expressed in RON, unless otherwise stated)

**3. FINANCIAL RISK MANAGEMENT (Continued)**

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2023**

Portfolio	Not overdue	Outstanding up to 30 days	Outstanding between 31-60 days	Outstanding between 61-90 days	Outstanding between 91-180 days	Outstanding between 181-360 days	Outstanding after 360 days	POCI	Total	Expected loss	Fair value of guarantee
Expected loss for corporate loans	-426,193	-11,172	-26,609	-924,534	-3,344,878	-12,306,395	-13,386,671	-382,060	-30,808,512		
<b>Total net corporate loans</b>	<b>531,951</b>	<b>536,486</b>	<b>1,277,746</b>	<b>400,000</b>	<b>5,702,716</b>	<b>5,910,701</b>	<b>705,182</b>	<b>16,591,313</b>	<b>31,656,095</b>		
<b>Total loans and advances to customers</b>	<b>5,331,191</b>	<b>8,521,736</b>	<b>8,243,411</b>	<b>9,313,895</b>	<b>12,457,873</b>	<b>18,727,784</b>	<b>16,207,329</b>	<b>22,907,352</b>	<b>101,710,571</b>	<b>-39,545,450</b>	<b>39,925,452</b>
Expected loss for loans and advances to costumers	-1,192,940	-1,024,923	-1,539,933	-3,836,587	-4,138,877	-12,713,745	-14,716,386	-382,060	-39,545,450	-	-
<b>Total net loans and advances to customers</b>	<b>4,138,251</b>	<b>7,496,813</b>	<b>6,703,478</b>	<b>5,477,308</b>	<b>8,318,997</b>	<b>6,014,039</b>	<b>1,490,943</b>	<b>22,525,293</b>	<b>62,165,121</b>	<b>-</b>	<b>-</b>

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

The effect of the guarantees on December 31, 2024 is as follows:

The financial effect of the guarantees is highlighted by the presentation of the guarantees values separately for (i) those assets for which the guaranties overcome or have the same value with the gross accounting asset (collateral loans) and (ii) those assets for which the guarantees have a value lower than the net accounting asset value (Under-secured loans).

	Under-secured loans		Collateral loans	
	Gross balance sheet exposure	Fair value guarantees	Gross balance sheet exposure	Fair value guarantees
<b>Total retail loans</b>	<b>401,082,206</b>	<b>299,081,114</b>	<b>482,144,262</b>	<b>892,220,355</b>
Credit cards	2,064,278	-	179,020	1,380,716
Consumer loans / personal loans and overdrafts	60,280,833	25,088,415	62,082,953	133,200,865
Mortgage / Real estate loans	338,737,095	273,992,699	419,882,289	757,638,774
<b>Total corporate loans</b>	<b>3,454,970,520</b>	<b>1,032,191,202</b>	<b>726,693,490</b>	<b>1,170,202,165</b>
<b>Total SMEs</b>	<b>2,782,576,562</b>	<b>902,740,071</b>	<b>712,553,683</b>	<b>1,149,044,255</b>
Commerce	397,659,569	136,860,160	59,877,313	121,750,867
Industry	344,820,783	74,964,861	144,168,191	213,089,656
Construction and real estate	310,651,652	182,079,337	362,670,632	565,887,253
Agriculture	960,064,526	431,244,942	104,327,040	175,762,563
Leasing	95,656,482	3,880,162	-	-
Shipping	245,821,766	9,792,440	464,785	1,194,200
Other	427,901,784	63,918,169	41,045,722	71,359,716

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

December 31, 2023

	Under-secured loans		Collateral loans	
	Gross balance sheet exposure	Fair value guarantees	Gross balance sheet exposure	Fair value guarantees
<b>Total corporate</b>	<b>672,393,958</b>	<b>129,451,131</b>	<b>14,139,807</b>	<b>21,157,910</b>
Commerce	202,046,403	54,273,635	13,899,100	20,229,058
Industry	142,409,212	30,624,146	-	-
Construction and real estate	142,657,541	7,715,829	-	-
Agriculture	91,441,188	3,735,055	-	-
Leasing	6,176,631	-	-	-
Shipping	-	-	40,663	502,135
Other	87,662,983	33,102,466	200,044	426,717
<b>Total loans and advances to customers</b>	<b>3,856,052,726</b>	<b>1,331,272,316</b>	<b>1,208,837,752</b>	<b>2,062,422,520</b>

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

The effect of the guarantees on December 31, 2023 is as follows:

	Under-secured loans		Collateral loans	
	Gross balance sheet exposure	Fair value guarantees	Gross balance sheet exposure	Fair value guarantees
<b>Total retail loans</b>	<b>512,152,712</b>	<b>374,207,483</b>	<b>480,491,042</b>	<b>912,082,937</b>
Credit cards	1,868,930	20,000	311,549	1,149,724
Consumer loans / personal loans and overdrafts	66,102,376	29,937,602	61,223,415	132,198,305
Mortgage / Real estate loans	444,181,406	344,249,881	418,956,078	778,734,909
<b>Total corporate loans</b>	<b>3,015,731,302</b>	<b>981,953,311</b>	<b>523,423,584</b>	<b>889,492,124</b>
<b>Total SMEs</b>	<b>2,482,868,701</b>	<b>897,910,059</b>	<b>510,284,096</b>	<b>868,617,152</b>
Commerce	430,145,684	141,635,035	65,322,738	128,649,192
Industry	383,194,388	126,233,897	74,891,842	127,816,158
Construction and real estate	313,369,245	209,616,609	257,539,462	411,213,247
Agriculture	921,112,580	367,836,291	76,842,232	135,979,161
Leasing	105,191,149	-	-	-
Shipping	33,679,826	3,371,850	1,258,186	2,023,110
Other	296,175,830	49,216,377	34,429,636	62,936,284

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

December 31, 2023

	Under-secured loans		Collateral loans	
	Gross balance sheet exposure	Fair value guarantees	Gross balance sheet exposure	Fair value guarantees
<b>Total corporate</b>	<b>532,862,601</b>	<b>84,043,252</b>	<b>13,139,488</b>	<b>20,874,972</b>
Commerce	139,821,164	22,625,154	11,058,578	17,860,398
Industry	164,078,232	35,421,624	166,349	404,204
Construction and real estate	116,468,137	22,020,758	-	-
Agriculture	91,988,590	3,975,717	1,558,092	1,681,260
Leasing	436,106	-	-	-
Shipping	-	-	56,496	502,186
Other	20,070,371	-	299,973	426,923
<b>Total loans and advances to customers</b>	<b>3,527,884,014</b>	<b>1,356,160,794</b>	<b>1,003,914,626</b>	<b>1,801,575,061</b>

The fair value of the real estate and collateral securities (equipment or stocks) at the end of the reporting period was estimated by increasing the amount determined by the evaluation department of the Bank, with adjustment elements depending on the security type, date of the last security evaluation, the legal condition of the customers, the place of the security, execution costs and the appraisal duration.

Starting May 2014, the Bank offsets loans to customers by directly reducing non-recoverable loans fully covered by depreciation adjustments, for which the Bank no longer has reasonable expectations regarding the generation of future cash flows from the respective loans, including the flows that could be obtained in the legal execution procedures. The Bank's management does not consider that these receivables meet the criteria for derecognition in the Bank's accounts.

At 31 December 2024, the amount of off-balance-sheet loans at gross value is RON 485,812,004 (2023: RON 488,298,879).



**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

The material changes in the value of financial assets that affected the value of expected loss during the period under review are presented in the table below:

**December 31, 2024**

	Stage 1	Stage 2	Stage 3		
	12-month ECL	Lifetime ECL	Lifetime ECL		Total
<b>Expected loss for loans and advances to customers</b>					
<b>Expected loss as at January 1, 2024</b>	<b>43,540,450</b>	<b>12,892,578</b>	<b>39,163,390</b>	<b>382,060</b>	<b>95,978,479</b>
Changes in expected loss					
- Transfer to Stage 1	9,745,199	-9,212,502	-532,697	-	-
- Transfer to Stage 2	-4,179,509	4,789,934	-610,425	-	-
- Transfer to Stage 3	-154,795	-289,107	443,901	-	-
- Increases due to changes in credit risk*	28,924,321	19,759,062	16,613,923	444,943	65,297,306
- Decreases due to changes in credit risk**	-46,862,658	-15,853,535	-15,561,809	-118,341	-78,278,002
- Write-offs	-	-	-4,472,896	-259,853	-4,472,896
Expected loss for new financial assets	19,579,321	273,419	444,015	-	20,296,755
Expected loss for derecognised financial assets***	-	-	-724	-143,532	-144,256
Foreign exchange differences	40,870	-5,599	8,422	-35	43,658
<b>Expected loss as at December 31, 2024</b>	<b>50,633,200</b>	<b>12,354,251</b>	<b>35,495,100</b>	<b>305,243</b>	<b>98,787,793</b>
of which, unwinding	-	-	2,681,594	-	2,681,594
<b>Expected loss as at December 31, 2024 net of unwinding</b>	<b>50,633,200</b>	<b>12,354,251</b>	<b>32,813,506</b>	<b>305,243</b>	<b>96,106,199</b>

\*including increases for loans repaid during the year

\*\*including repayments of loans closed during the year

\*\*\*Loans fully written-off of the Bank's balance sheet related to non-recoverable claims which the Bank considers that they meet the criteria to be derecognised.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2023**

	Stage 1	Stage 2	Stage 3		
	12-month ECL	Lifetime ECL	Lifetime ECL		Total
<b>Expected loss for loans and advances to customers</b>					
<b>Expected loss as at January 1, 2023</b>	<b>45,559,193</b>	<b>11,770,619</b>	<b>32,717,062</b>	<b>-</b>	<b>90,046,875</b>
Changes in expected loss					
- Transfer to Stage 1	6,315,969	-6,248,733	-67,236		-
- Transfer to Stage 2	-2,288,978	2,912,307	-623,329		-
- Transfer to Stage 3	-219,435	-410,443	629,877		-
- Increases due to changes in credit risk*	21,774,994	20,749,644	35,646,837	1,186,902	79,358,378
- Decreases due to changes in credit risk**	-39,264,146	-17,219,429	-25,571,520		-82,055,095
- Write-offs	0	0	-4,444,359	-804,843	-5,249,202
Expected loss for new financial assets	11,699,161	1,297,315	1,627,200		14,623,676
Expected loss for derecognised financial assets***	0	-958	-832,108		-833,066
Foreign exchange differences	-36,309	42,255	80,966		86,913
<b>Expected loss as at December 31, 2023</b>	<b>43,540,450</b>	<b>12,892,578</b>	<b>39,163,390</b>	<b>382,060</b>	<b>95,978,479</b>
of which, unwinding	-	-	2,307,573	-	2,307,573
<b>Expected loss as at December 31, 2023 net of unwinding</b>	<b>43,540,450</b>	<b>12,892,578</b>	<b>36,855,818</b>	<b>382,060</b>	<b>93,670,906</b>

\*including increases for loans repaid during the year

\*\*including repayments of loans closed during the year

\*\*\*Loans fully written-off of the Bank's balance sheet related to non-recoverable claims which the Bank considers that they meet the criteria to be derecognised.

\*\*\*The values presented were determined using the Vista Bank Romania methodology for the acquired portfolio

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2024**

Expected loss for off-balance sheet loans and advances to customers	Stage 1	Stage 2	Stage 3	Total
<b>Expected loss as at January 1, 2024</b>	<b>4,715,856</b>	<b>681,814</b>	<b>355,153</b>	<b>5,752,823</b>
Changes in expected loss				
- Transfer to Stage 1	515,972	-515,972	-	-
- Transfer to Stage 2	-134,639	134,639	-	-
- Transfer to Stage 3	-	-113	113	-
- Increases due to changes in credit risk*	5,582,142	1,313,024	23,909	6,919,075
- Decreases due to changes in credit risk**	-8,198,658	-1,308,397	-355,022	-9,862,077
Expected loss for new financial assets	1,745,737	233,706	703	1,980,146
Foreign exchange differences	986	-213	-197	576
<b>Expected loss as at December 31, 2024</b>	<b>4,227,396</b>	<b>538,488</b>	<b>24,659</b>	<b>4,790,543</b>

\*including increases for existing exposures

\*\*including off-balance sheet exposures turned to balance sheet exposures or closed/matured exposures

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2023**

Expected loss for off-balance sheet loans and advances to customers	Stage 1	Stage 2	Stage 3	Total
<b>Expected loss as at January 1, 2023</b>	<b>4,595,694</b>	<b>1,426,881</b>	<b>103,867</b>	<b>8,877,826</b>
Changes in expected loss				
- Transfer to Stage 1	891,764	-886,384	-5,380	-
- Transfer to Stage 2	-83,396	83,396	-	-
- Transfer to Stage 3	-1,416	-798	2,214	-
- Increases due to changes in credit risk*	6,231,343	1,029,672	629,907	7,890,921
- Decreases due to changes in credit risk**	-10,220,852	-995,062,86	-378,233,98	-11,594,148
Expected loss for new financial assets	3,297,034	25,015	-	3,322,049
Foreign exchange differences	5,684	-905	2,779	7,559
<b>Expected loss as at December 31, 2023</b>	<b>4,715,856</b>	<b>681,814</b>	<b>355,153</b>	<b>5,752,823</b>

\*including increases for existing exposures

\*\*including off-balance sheet exposures turned to balance sheet exposures or closed/matured exposures

\*\*\* The values presented were determined using the Vista Bank Romania methodology for the acquired portfolio

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2024**

Expected loss for off-balance sheet loans and advances to banks	Stage 1	Stage 2	Stage 3	Total
<b>Expected loss as at January 1, 2024</b>	<b>114,782</b>	-	-	<b>114,782</b>
Changes in expected loss				
- Transfer to Stage 1	-	-	-	-
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Increases due to changes in credit risk*	46,880	-	-	46,880
- Decreases due to changes in credit risk**	-132,135	-	-	-132,135
- Write-offs	-	-	-	-
Expected loss for new financial assets	480,260	-	-	480,260
Foreign exchange differences***	-441,306	-	-	-441,306
<b>Expected loss as at December 31, 2024</b>	<b>68,481</b>	-	-	<b>68,481</b>

\*including increases for existing exposures

\*\*including decreases for existing exposures

\*\*\*including closed/matured exposures

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.4 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2023**

Expected loss for off-balance sheet loans and advances to banks	Stage 1	Stage 2	Stage 3	Total
<b>Expected loss as at January 1, 2023</b>	<b>166,722</b>	-	-	<b>166,722</b>
Changes in expected loss				
- Transfer to Stage 1	-	-	-	-
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Increases due to changes in credit risk*	81,834	-	-	81,834
- Decreases due to changes in credit risk**	-112,105	-	-	-112,105
- Write-offs	-	-	-	-
Expected loss for new financial assets	699,944	-	-	699,944
Foreign exchange differences***	-721,613	-	-	-721,613
<b>Expected loss as at December 31, 2023</b>	<b>114,782</b>	-	-	<b>114,782</b>

\*including increases for existing exposures

\*\*including decreases for existing exposures

\*\*\*including closed/matured exposures

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1. Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

Expected loss for investments held to amortized cost	Stage 1	Stage 2	Stage 3	Total
Expected loss as at January 1, 2024	2,340,059	-	-	2,340,059
Changes in expected loss				
- Transfer to Stage 1	-	-	-	-
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Increases due to changes in credit risk*	418,102	-	-	418,102
- Decreases due to changes in credit risk**	-697,971	-	-	-697,971
- Write-offs	-	-	-	-
- Changes not leading to derecognition	-	-	-	-
Expected loss for new financial assets	659,847	-	-	659,847
Foreign exchange differences and other changes***	-147,415	-	-	-147,415
Expected loss at December 31, 2024	2,572,622	-	-	2,572,622

\*including increases for existing exposures

\*\*including decreases for existing exposures

\*\*\*including closed/matured exposures

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1. Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2023**

Expected loss for investments held to amortized cost	Stage 1	Stage 2	Stage 3	Total
<b>Expected loss as at January 1, 2023</b>	<b>1,699,177</b>	-	-	<b>1,699,177</b>
Changes in expected loss				
- Transfer to Stage 1	-	-	-	-
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Increases due to changes in credit risk*	983,814	-	-	983,814
- Decreases due to changes in credit risk**	-1,010,999	-	-	-1,010,999
- Write-offs	-	-	-	-
- Changes not leading to derecognition	-	-	-	-
Expected loss for new financial assets	813,011	-	-	813,011
Foreign exchange differences and other changes***	-144,944	-	-	-144,944
<b>Expected loss at December 31, 2023</b>	<b>2,340,059</b>	-	-	<b>2,340,059</b>

\*including increases for existing exposures

\*\*including decreases for existing exposures

\*\*\*including closed/matured exposures

Free translation from the original Romanian version.



**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1. Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2024**

Expected loss for financial assets at fair value through other comprehensive income	Stage 1	Stage 2	Stage 3	Total
<b>Expected loss as at January 1, 2024</b>	<b>12,136</b>	-	-	<b>12,136</b>
Changes in expected loss				
- Transfer to Stage 1	-	-	-	-
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Increases due to changes in credit risk*	1,883	-	-	1,883
- Decreases due to changes in credit risk**	-1,664	-	-	-1,664
- Write-offs	-	-	-	-
- Changes not leading to derecognition	-	-	-	-
Expected loss for new financial assets	12,024	-	-	12,024
Foreign exchange differences and other changes***	480	-	-	480
<b>Expected loss at December 31, 2024</b>	<b>24,859</b>	-	-	<b>24,859</b>

\*including increases for existing exposures

\*\*including decreases for existing exposures

\*\*\*including closed/matured exposures

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1. Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2023**

Expected loss for financial assets at fair value through other comprehensive income	Stage 1	Stage 2	Stage 3	Total
<b>Expected loss as at January 1, 2023</b>	<b>71,359</b>	-	-	<b>71,359</b>
Changes in expected loss				
- Transfer to Stage 1	-	-	-	-
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Increases due to changes in credit risk*	1,971	-	-	1,971
- Decreases due to changes in credit risk**	-56,018	-	-	-56,018
- Write-offs	-	-	-	-
- Changes not leading to derecognition	-	-	-	-
Expected loss for new financial assets	-	-	-	-
Foreign exchange differences and other changes***	-5,176	-	-	-5,176
<b>Expected loss at December 31, 2023</b>	<b>12,136</b>	-	-	<b>12,136</b>

\*including increases for existing exposures

\*\*including decreases for existing exposures

\*\*\*including closed/matured exposures

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2024**

**Total loans and advances to customers**

	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross value as at January 1, 2024</b>	<b>4,139,938,876</b>	<b>290,019,145</b>	<b>78,803,219</b>	<b>22,907,352</b>	<b>4,531,668,592</b>
Changes in gross value					
- Transfer to Stage 1	196,469,450	-192,672,006	-3,797,444	-	-
- Transfer to Stage 2	-288,072,879	290,896,042	-2,823,163	-	-
- Transfer to Stage 3	-18,058,634	-6,970,734	25,029,368	-	-
- Transfer to POCI					-
- Changes that do not result in derecognition*	-1,346,831,397	-77,549,179	-20,913,014	-9,902,833	-1,455,196,423
New financial assets	1,860,638,435	9,845,740	444,015	-	1,870,928,190
Derecognised financial assets**	-	-	-724	-143,532	-144,256
Write-offs	-	-	-4,472,896	-573,141	-5,046,037
Other changes**	109,163,353	8,209,352	5,233,490	74,218	122,680,413
<b>Total loans and advances to customers as at December 31, 2024</b>	<b>4,653,247,204</b>	<b>321,778,360</b>	<b>77,502,851</b>	<b>12,362,064</b>	<b>5,064,890,479</b>
<b>Expected loss as at December 31, 2024</b>	<b>-50,633,199</b>	<b>-12,354,251</b>	<b>-35,495,100</b>	<b>-305,243</b>	<b>-98,787,793</b>

\* includes repayments to existing clients and fully repaid loans during the year

\*\* includes balance increases for existing clients (including due to FX differences)

\*\*\* loans fully written-off of the Bank's balance sheet related to non-recoverable claims which the Bank considers that they meet the criteria to be derecognised.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2023**

**Total loans and advances to customers**

	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross value as at January 1, 2023</b>	<b>4,197,153,602</b>	<b>271,147,696</b>	<b>58,738,796</b>	<b>25,512,576</b>	<b>4,552,552,671</b>
Changes in gross value					
- Transfer to Stage 1	124,946,822	-122,861,429	-2,085,392		-
- Transfer to Stage 2	-201,583,629	205,236,212	-3,652,583		-
- Transfer to Stage 3	-24,756,282	-12,818,016	37,574,298		-
- Transfer to POCI	-	-	-	-	-
- Changes that do not result in derecognition*	-1,244,718,295	-85,756,471	-19,302,843	1,854,689	-1,347,922,920
New financial assets	960,612,515	24,377,147	2,229,258		987,218,919
Derecognised financial assets**	-	-958	-834,988		-835,946
Write-offs	-	-	-4,444,757	-2,415,591	-6,860,348
Other changes**	328,414,191	10,694,963	10,581,431	-2,044,322	347,646,263
<b>Total loans and advances to customers as at December 31, 2023*****</b>	<b>4,140,068,924</b>	<b>290,019,145</b>	<b>78,803,219</b>	<b>22,907,352</b>	<b>4,531,798,641</b>
<b>Expected loss as at December 31, 2023</b>	<b>-43,540,450</b>	<b>-12,892,578</b>	<b>-39,163,390</b>	<b>-382,060</b>	<b>-95,596,419</b>

\* includes repayments to existing clients and fully repaid loans during the year

\*\* includes balance increases for existing clients (including due to FX differences)

\*\*\* loans fully written-off of the Bank's balance sheet related to non-recoverable claims which the Bank considers that they meet the criteria to be derecognised

\*\*\*\*The amounts are net of credit expected losses registered by Credit Agricole Bank Romania at August 31, 2021 and the value adjustments determined using the PPA evaluation.

\*\*\*\*\* The values of loans acquired from Credit Agricole Romania include the value adjustments determined using the PPA („Purchase Price Allocation”) analysis, amortized at December 31, 2023. The value of amortizations between the acquisition date and December 31, 2023 is of RON -2,865,739.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1. Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2024**

	Stage 1	Stage 2	Stage 3	Total
<b>Total off-balance sheet loans and advances to customers</b>				
<b>Gross value as at January 1, 2024</b>	<b>594,728,587</b>	<b>14,071,930</b>	<b>388,072</b>	<b>609,188,589</b>
Changes in gross amount				
- Transfer to Stage 1	6,380,140	-6,380,140	-	-
- Transfer to Stage 2	-6,065,638	6,065,638	-	-
- Transfer to Stage 3	-	-	-	-
New financial assets	329,709,760	14,615,616	1,407	344,326,782
Net movement in the year	-248,564,527	-8,530,270	-340,159	-257,434,957
<b>Total off-balance sheet loans and advances to customers as at December 31, 2022</b>	<b>676,188,322</b>	<b>19,842,774</b>	<b>49,319</b>	<b>696,080,414</b>
<b>Expected loss as at December 31, 2024</b>	<b>-4,227,396</b>	<b>-538,488</b>	<b>-24,659</b>	<b>-4,790,543</b>

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1. Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2023**

Total off-balance sheet loans and advances to customers	Stage 1	Stage 2	Stage 3	Total
<b>Gross value as at January 1, 2023</b>	<b>438,066,327</b>	<b>42,108,641</b>	<b>448,071</b>	<b>480,623,040</b>
Changes in gross amount				
- Transfer to Stage 1	26,876,203	-26,865,443	-10,760	-
- Transfer to Stage 2	-5,492,145	5,492,145	-	-
- Transfer to Stage 3	-466,440	-12,947	479,387	-
New financial assets	404,373,941	308,732	-	404,682,673
Net movement in the year	-268,629,299	-6,959,198	-528,626	-276,117,124
<b>Total off-balance sheet loans and advances to customers as at December 31, 2022</b>	<b>594,728,587</b>	<b>14,071,930</b>	<b>388,072</b>	<b>609,188,589</b>
<b>Expected loss as at December 31, 2023</b>	<b>-4,715,856</b>	<b>-681,814</b>	<b>-355,153</b>	<b>-5,752,823</b>

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2024**

	Stage 1	Stage 2	Stage 3	Total
<b>Total loans and advances to banks</b>				
<b>Gross value as at January 1, 2024</b>	<b>2,667,177,423</b>	-	-	<b>2,667,177,423</b>
Changes in gross value	-	-	-	-
- Transfer between stages	-	-	-	-
Net movement in loans and advances to banks during 2024	-1,075,400,953	-	-	-1,075,400,953
<b>Total loans and advances to banks as at December 31, 2024</b>	<b>1,591,776,470</b>	-	-	<b>1,591,776,470</b>
<b>Expected loss as at December 31, 2024</b>	<b>-68,481</b>	-	-	<b>-68,481</b>

**December 31, 2023**

	Stage 1	Stage 2	Stage 3	Total
<b>Total loans and advances to banks</b>				
<b>Gross value as at January 1, 2023</b>	<b>1,956,424,184</b>	-	-	<b>1,956,424,184</b>
Changes in gross value	-	-	-	-
- Transfer between stages	-	-	-	-
Net movement in loans and advances to banks during 2023	710,753,239	-	-	710,753,239
<b>Total loans and advances to banks as at December 31, 2023</b>	<b>2,667,177,423</b>	-	-	<b>2,667,177,423</b>
<b>Expected loss as at December 31, 2023</b>	<b>-114,782</b>	-	-	<b>-114,782</b>

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2024**

Total investments held at amortised cost	Stage 1	Stage 2	Stage 3	Total
Gross value as at January 1, 2024	2,026,538,538	-	-	2,026,538,538
- Transfers between stages	-	-	-	-
Net movement in investments held to maturity during 2024	-158,893,033	-	-	-158,893,033
Total investments held to maturity as at December 31, 2024	1,867,645,505	-	-	1,867,645,505
Expected loss as at December 31, 2024	-2,572,622	-	-	-2,572,622

**December 31, 2023**

Total investments held at amortised cost	Stage 1	Stage 2	Stage 3	Total
Gross value as at January 1, 2023	1,274,349,290	-	-	1,274,349,290
- Transfers between stages	-	-	-	-
Net movement in investments held to maturity during 2023	752,189,248	-	-	752,189,248
Total investments held to maturity as at December 31, 2023	2,026,538,538	-	-	2,026,538,538
Expected loss as at December 31, 2023	-2,340,059	-	-	-2,340,059

Free translation from the original Romanian version.



**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2024**

Total financial assets measured at fair value through other comprehensive income	Stage 1	Stage 2	Stage 3	Total
Gross value as at January 1, 2024	10,351,172	-	-	10,351,172
- Transfers between stages				
Net movement in financial assets at fair value through other comprehensive income during 2024	8,625,777	-	-	8,625,777
Total financial assets measured at fair value through other comprehensive income as at December 31, 2024	18,976,949	-	-	18,976,949
Expected loss as at December 31, 2024	-24,859	-	-	-24,859

**December 31, 2023**

Total financial assets measured at fair value through other comprehensive income	Stage 1	Stage 2	Stage 3	Total
Gross value as at January 1, 2023	58,428,768	-	-	58,428,768
- Transfers between stages				
Net movement in financial assets at fair value through other comprehensive income during 2023	-48,077,596	-	-	-48,077,596
Total financial assets measured at fair value through other comprehensive income as at December 31, 2023	10,351,172	-	-	10,351,172
Expected loss as at December 31, 2023	-12,136	-	-	-12,136

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**c) Non-performing loans and advances (continued)**

**December 31, 2024**

	Stage 1	Stage 2	Stage 3	Total
Total financial assets held for trading				
Gross value as at January 1, 2024	4,994,188	-	-	4,994,188
Net movement in financial assets at fair value through other comprehensive income during 2024	4,994,188	-	-	4,994,188
Total financial assets held for trading at December 31, 2024	4,994,188	-	-	4,994,188

**December 31, 2023**

	Stage 1	Stage 2	Stage 3	Total
Total financial assets held for trading				
Gross value as at January 1, 2023	-	-	-	-
Net movement in financial assets at fair value through other comprehensive income during 2023	-	-	-	-
Total financial assets held for trading at December 31, 2023	-	-	-	-

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Loans and advances (continued)**

**d) Forborne loans and advances**

A change in a financial asset occurs when the contractual clauses governing the cash flows of a financial asset are renegotiated or otherwise altered between the initial recognition and the maturity of the financial asset. A change affects the value and / or timing of contractual cash flows either immediately or at a later date.

The Bank renegotiates loans to customers in financial distress to maximize collection and minimize the risk of default (restructuring). A postponement of payment is granted in cases where, although the borrower has made all reasonable efforts to pay under the initial contractual terms, there is a high risk of default and the borrower is expected to meet the revised conditions. The revised terms in most cases include an extension of the maturity of the loan, changes in the timing of the cash flows of the loan within the initial contractual maturity, refinancing outstanding principal and interest. The Bank has a restructuring policy that applies to its corporate and retail clients.

Type of restructuring	31.12.2024		
	Gross exposure	Expected loss	Net book value
Extension of maturity	25,215,852	2,700,433	22,515,419
Refinancing	6,790,628	432,590	6,358,038
Rescheduling within contractual maturity	3,721,273	238,576	3,482,697
<b>Total restructuring operations</b>	<b>35,727,752</b>	<b>3,371,599</b>	<b>32,356,153</b>

Type of restructuring	31.12.2023		
	Gross exposure	Expected loss	Net book value
Extension of maturity	20,028,035	3,780,095	16,247,940
Refinancing	6,857,095	1,770,796	5,086,299
Rescheduling within contractual maturity	3,514,513	538,308	2,976,205
<b>Total restructuring operations</b>	<b>30,399,643</b>	<b>6,089,199</b>	<b>24,310,444</b>

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.3 Securities portfolio**

The table below presents the analysis of the investments securities portfolio as at December 31, 2024 and December 31, 2023, based on the Standard & Poor's ratings or equivalent:

	December 31, 2024	December 31, 2023	Rating	
			December 31, 2024	December 31, 2023
Investments at amortised cost (i)	1,867,645,505	2,026,538,538	BBB-	BBB-
Financial assets at fair value through other comprehensive income (ii)	18,976,949	10,351,172	BBB-	BBB-
Financial assets mandatorily measured through profit or loss	2,499,737	1,771,990	AA-/ A-1+	AA-/ A-1+
Financial assets held for trading	4,994,188	-	BBB-	-

(i) The investments at amortised cost are securities issued by the Romanian Government and have a low credit risk. As at December 31, 2024 and December 31, 2023 the credit rating for Romania was BBB- with stable perspective in 2023 and negative perspective in 2024.

(ii) The financial assets at fair value through other comprehensive income represent securities issued by the Government of Romania.

**3.1.5 Placements with banks**

The table below presents the analysis of the placements with banks by evaluations performed on December 31, 2024 and December 31, 2023, based on the Standard & Poor's ratings or equivalent:

	December 31, 2024	December 31, 2023	Rating	
			December 31, 2024	December 31, 2023
	Total balance	Total balance	Long/ short term	Long/ short term
<b>Current accounts</b>				
KBC Brussels	9,051,599	6,578,782	A+/A-1	A+/A-1
Optima Bank	1,494,590	1,045,633	-	-
ING Bank NV - RO	1,000,040	4,606,923	A+/A-1	A+/A-1
Bank of New York Mellon	10,263,260	3,880,162	A/A-1	A/A-1

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.1 Credit risk (continued)**

**3.1.5 Placements with banks (continued)**

	December 31, 2024	December 31, 2023	Rating	
			December 31, 2024	December 31, 2023
	Total balance	Total balance	Long/ short term	Long/ short term
<b>Placements with banks</b>				
Credit Europe Bank (Romania) SA	-	44,984,975	-	-
BRD GROUPE SOCIETE GENERALE	-	49,761,546	BBB+/A-2	BBB+/A-2
GARANTI BANK SA	-	23,637,030	BB/B	BB-/B
PATRIA BANK	-	4,976,134	-	-
UBP SA	293,542,148	215,951,807	AA/	AA/
Banca Română de Credite și Investiții	14,986,445	23,504,819	-	-
Optima Bank S.A.	353,322,313	389,382,719	-	-
Banco Comercial Português SA	73,149,337	-	BBB/A-2	BBB-/A-3
Citibank Europe plc, Dublin – Romania branch	-	145,444,602	A+/A-1	A+/A-1
Societe Generale	10,141,828	-	A/A-1	-
Amounts recoverable	23,398,003	24,110,979		
<b>Total placements with banks</b>	<b>790,349,563</b>	<b>937,866,111</b>	-	-
<b>At December 31, 2024</b>				
	Stage 1	Stage 2	Stage 3	Total
Current accounts	21,809,489	-	-	21,809,489
Demand deposits	366,691,485	-	-	366,691,485
Term deposits	378,450,586	-	-	378,450,586
Amounts recoverable	23,398,003	-	-	23,398,003
<b>Total</b>	<b>790,349,563</b>	-	-	<b>790,349,563</b>
Expected credit loss	-46,466	-	-	-46,466
<b>Total placements with banks</b>	<b>790,303,097</b>	-	-	<b>790,303,097</b>
<b>At December 31, 2023</b>				
	Stage 1	Stage 2	Stage 3	Total
Current accounts	16,111,500	-	-	16,111,500
Demand deposits	223,819,311	-	-	223,819,311
Term deposits	673,824,320	-	-	673,824,320
Amounts recoverable	24,110,979	-	-	24,110,979
<b>Total</b>	<b>937,866,110</b>	-	-	<b>937,866,110</b>
Expected credit loss	-53,150	-	-	-53,150
<b>Total placements with banks</b>	<b>937,812,960</b>	-	-	<b>937,812,960</b>

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

#### **3.2 Market risk**

The market risk represents the possibility of some economic losses resulted out of the variations of the market prices and instalments, including equity and prices, as well as interest rates and of the exchange rate. The market risk may affect, in general, both the position of the financial instruments portfolio and the banking intermediations portfolio, as well as assets and liabilities elements of the balance sheet. The Bank applied generally accepted technics for the evaluation of the market risk, such as the incomes analysed depending on the risk and sensitivity indicators.

As mentioned within the Strategy regarding the management of the significant risks, the objective related to the risks of the interest rate and the exchange rate are to maintain these parameters at a medium risk level.

Earning at Risk (EaR) indicator expresses the sensitivity of the net income resulted from the interest rate at the alterations suffered for a pre-defined period of time, usually one year.

The decrease of the economic value of the Bank (long time discrepancy) measures the alteration of the value of the economic potential of the Bank due to the rate interest variations outside the financial instruments portfolio.

The global exposure of the interest rate risk from the activities outside the trading portfolio in all currencies and all due dates should not be over 20% of the equity regulated by the Bank after applying a parallel standard shock of 200 basis points.

The objective for the management of the interest rate risk is to obtain a maximum decrease of the impact over the economic value of the Bank, as a consequence of applying the standard stress shock, under 14% of the equity of the Bank. The Bank is considering maintaining a medium level regarding the interest rate risk.

#### **3.3 Currency risk**

The Bank is exposed to the effects of the exchange rates fluctuations in force over its financial positions and over cash flows. The Bank establishes limits regarding the exposure level according to the currency for the overnight and intra-day positions, which are monitored on a daily basis.

As far as the exchange rate risk is concerned, the Bank established maximum limits of the opened positions for each currency, the maximum being of EUR 15 mil., a maximum level of daily VaR of EUR 100 thousand.

The Bank shall maintain a level of 9-13 of the total currency position in comparison to the equity to be framed within the medium-low risk category. Under the level of 9%, there shall be considered medium-low risk profile, while over 13% there shall be a medium to high risk level, pointing out the need to decrease the currency position.

The tables below summarize the exposure of the Bank at the exchange rate risk on December 31, 2024 and December 31, 2023. The table also includes the financial assets and liabilities of the Bank at their carrying amount, classified according to the currency.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.3 Currency risk (continued)**

December 31, 2024	RON	EUR	USD	Other currencies	Total
<b>Financial assets</b>					
Cash and balances with central banks	673,595,191	204,821,254	5,403,645	5,131,382	888,951,472
Loans and advances to banks	10,136,706	542,620,685	126,659,009	110,886,697	790,303,097
Loans and advances to customers	2,545,657,900	2,067,050,708	342,313,981	11,080,097	4,966,102,686
Financial assets at amortised cost	1,415,994,880	324,394,402	124,683,601	-	1,865,072,883
Financial assets at fair value through other comprehensive income	2,131,736	8,533,368	8,311,845	-	18,976,949
Financial assets mandatorily at fair value through profit or loss	-	231,594	2,268,143	-	2,499,737
Financial derivatives	3,911,735	-	-	-	3,911,735
Financial assets held for trading	-	4,994,188	-	-	4,994,188
Other financial assets	10,558,504	5,054,323	43,632	2,130	15,658,589
<b>Total financial assets (A)</b>	<b>4,661,986,652</b>	<b>3,157,700,522</b>	<b>609,683,856</b>	<b>127,100,306</b>	<b>8,556,471,336</b>
<b>Financial liabilities</b>					
Bank deposits	64,531,768	-	-	-	64,531,768
Customers deposits	4,502,231,883	2,605,805,374	505,479,056	126,475,046	7,739,991,359
Loans from banks	-	-	-	-	-
Subordinated loans	-	45,141,954	76,445,176	-	121,587,130
Financial derivatives	-	-	-	-	-
Lease liabilities	3,467,312	49,782,914	-	-	53,250,226
Other financial liabilities	56,479,036	17,350,516	2,730,223	2,007,907	78,567,682
<b>Total financial liabilities (B)</b>	<b>4,626,709,999</b>	<b>2,718,080,758</b>	<b>584,654,455</b>	<b>128,482,953</b>	<b>8,057,928,165</b>
<b>Net financial assets/ liabilities (A-B)</b>	<b>35,276,653</b>	<b>439,619,764</b>	<b>25,029,401</b>	<b>-1,382,647</b>	<b>498,543,171</b>

Category Other currencies includes, mainly, the Swiss franc and British pound.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.3 Currency risk (continued)**

<b>December 31, 2023</b>	<b>RON</b>	<b>EUR</b>	<b>USD</b>	<b>Other currencies</b>	<b>Total</b>
<b>Financial assets</b>					
Cash and balances with central banks	1,281,052,871	528,602,947	5,407,539	2,559,135	1,817,622,492
Loans and advances to banks	-	328,572,257	508,239,569	101,001,134	937,812,960
Loans and advances to customers	2,395,112,292	1,986,658,494	34,709,022	19,340,354	4,435,820,162
Financial assets at amortised cost	1,580,427,078	280,355,458	163,415,943	-	2,024,198,479
Financial assets at fair value through other comprehensive income	2,127,790	8,223,382	-	-	10,351,172
Financial assets mandatorily at fair value through profit or loss	-	-	1,771,990	-	1,771,990
Financial derivatives	3,065,690	-	-	-	3,065,690
Other financial assets	7,066,041	4,879,112	19,219	1,425	11,965,797
<b>Total financial assets (A)</b>	<b>5,268,851,762</b>	<b>3,137,291,650</b>	<b>713,563,282</b>	<b>122,902,048</b>	<b>9,242,608,742</b>
<b>Financial liabilities</b>					
Bank deposits	138,722,422	-	-	-	138,722,422
Customers deposits	5,100,263,663	2,587,416,830	660,860,521	122,233,837	8,470,774,851
Loans from banks	-	-	-	-	-
Subordinated loans	-	45,188,865	50,508,785	-	95,697,650
Financial derivatives	-	-	-	-	-
Lease liabilities	4,066,259	49,162,744	-	-	53,229,003
Other financial liabilities	67,455,300	8,638,470	1,974,936	5,763	78,074,469
<b>Total financial liabilities (B)</b>	<b>5,310,507,644</b>	<b>2,690,406,909</b>	<b>713,344,242</b>	<b>122,239,600</b>	<b>8,836,498,395</b>
<b>Net financial assets/ liabilities (A-B)</b>	<b>-41,655,882</b>	<b>446,884,741</b>	<b>219,040</b>	<b>662,448</b>	<b>406,110,347</b>

Category Other currencies includes, mainly, the Swiss franc and British pound.



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

**3.4 Interest rate risk**

The interest rate risk regarding the cash flow is the risk that the future cash flows of a financial instrument fluctuate due to changes of the interest rate on the market. The interest rate risk regarding the fair value is the risk that the value of a financial instrument to fluctuate due to changes of the interest rate on the market. The Bank is exposed to risks regarding the effects of the fluctuation of the interest rate on the market, both as far as the fair value is concerned and the cash flow. The interest margins may be increased as a consequence of such changes, but they may decrease or create losses if there is any unforeseen movement.

The objectives established by the risk profile are performed, mainly, by constant monitoring of the indicators for the interest rate risk (relative GAP, the level of the return in conjunction with the average interest level, the difference between the medium active interest of the foreign currency credit and the costs of the sources cumulatively attracted with the risk margin, etc.).

The Bank determines and monitors on a quarterly basis the indicator "potential change of the economic value" as a consequence of the change of the interest rates levels, by applying some sudden and unexpected changes of the interest rates – standard shock/shocks of 200 basis points in both directions, regardless the currency.

Also, for the prevention of inconsistencies regarding risk tolerance and the risk-taking profile, the Bank monitors the dynamic evolution of the assets and liabilities of the Bank sensitive at the variation of the interest rate, makes assumptions, scenarios and "stress testing" simulations.

The internal regulations regarding the market risk are presented for approval towards the Board of Directors.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.4 Interest rate risk (continued)**

The table below presents the Bank's exposure to the interest rate risk at December 31, 2024 and at December 31, 2023. There are included within the table, the financial assets and liabilities of the Bank at the carrying amounts, classified according to the most recent date between the interest rate alteration date and the maturity date.

**December 31, 2024**

	<b>Less than 1 month</b>	<b>1 – 3 months</b>	<b>3 months – 1 year</b>	<b>1 year – 5 years</b>	<b>Over 5 years</b>	<b>Non-bearing interest</b>	<b>Total</b>
<b>Financial assets</b>							
Cash and current accounts with the National Bank of Romania	824,772,338	-	-	-	-	64,179,134	888,951,472
Loans and advances to banks	746,696,047	9,942,218	-	-	9,992,777	23,672,055	790,303,097
Loans and advances to customers	4,202,476,296	417,400,873	267,543,812	57,009,985	232,539	21,439,181	4,966,102,686
Financial assets at amortised cost	-	64,844,946	278,377,949	1,363,403,700	119,207,979	39,238,309	1,865,072,883
Financial assets at fair value through other comprehensive income	-	-	-	13,182,276	3,438,185	2,356,488	18,976,949
Financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	2,499,737	2,499,737
Financial derivatives	321,910	2,204,395	1,385,430	-	-	-	3,911,735
Other financial assets	-	-	-	-	-	15,658,589	15,658,589
<b>Total financial assets</b>	<b>5,774,266,591</b>	<b>494,392,432</b>	<b>547,307,191</b>	<b>1,433,595,961</b>	<b>137,711,130</b>	<b>169,198,031</b>	<b>8,556,471,336</b>
<b>Financial liabilities</b>							
Bank deposits	54,429,407	10,000,000	-	-	-	102,361	64,531,768
Customers deposits	3,370,214,658	1,077,831,035	3,116,613,495	64,760,605	47,774,429	62,797,137	7,739,991,359
Subordinated loans	-	121,309,604	-	-	-	277,526	121,587,130
Loans from banks	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	53,250,226	53,250,226
Other financial liabilities	-	-	-	-	-	78,567,682	78,567,682
<b>Total financial liabilities</b>	<b>3,424,644,065</b>	<b>1,209,140,639</b>	<b>3,116,613,495</b>	<b>64,760,605</b>	<b>47,774,429</b>	<b>194,994,932</b>	<b>8,057,928,165</b>
<b>Total sensitivity at the interest rate (GAP)</b>	<b>2,349,622,526</b>	<b>-714,748,207</b>	<b>-2,569,306,304</b>	<b>1,368,835,356</b>	<b>89,936,701</b>	<b>-25,796,901</b>	<b>498,543,171</b>

Line Loans and advances to customers for less than 1 month includes loans in amount of RON 3,672,881,408 with an interest rate discount period of 3M for which the following date for an interest rate change is less than one month.

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.4 Interest rate risk (continued)**

**December 31, 2023**

	Less than 1 month	1 – 3 months	3 months – 1 year	1 year – 5 years	Over 5 years	Non-bearing interest	Total
<b>Financial assets</b>							
Cash and current accounts with the National Bank of Romania	1,811,196,309	-	-	-	-	6,426,183	1,817,622,492
Loans and advances to banks	897,677,334	15,411,886	-	-	-	24,723,740	937,812,960
Loans and advances to customers	3,673,506,363	408,621,983	237,351,161	66,845,017	338,351	49,157,287	4,435,820,162
Financial assets at amortised cost	89,863,309	148,277,477	436,609,077	1,152,556,241	163,451,348	33,441,027	2,024,198,479
Financial assets at fair value through other comprehensive income	-	-	-	-	8,212,169	2,139,003	10,351,172
Financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	1,771,990	1,771,990
Financial derivatives	445,005	1,383,130	1,237,555	-	-	-	3,065,690
Other financial assets	-	-	-	-	-	11,965,797	11,965,797
<b>Total financial assets</b>	<b>6,472,688,320</b>	<b>573,694,476</b>	<b>675,197,793</b>	<b>1,219,401,258</b>	<b>172,001,868</b>	<b>129,625,027</b>	<b>9,242,608,742</b>
<b>Financial liabilities</b>							
Bank deposits	123,044,089	15,500,000	-	-	-	178,333	138,722,422
Customers deposits	3,836,191,186	1,724,725,542	2,748,364,768	67,964,180	19,135,206	74,393,969	8,470,774,851
Subordinated loans	49,453,800	44,885,316	-	-	-	1,358,534	95,697,650
Loans from banks	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	53,229,003	53,229,003
Other financial liabilities	-	-	-	-	-	78,074,469	78,074,469
<b>Total financial liabilities</b>	<b>4,008,689,075</b>	<b>1,785,110,858</b>	<b>2,748,364,768</b>	<b>67,964,180</b>	<b>19,135,206</b>	<b>207,234,308</b>	<b>8,836,498,395</b>
<b>Total sensitivity at the interest rate (GAP)</b>	<b>2,463,999,245</b>	<b>-1,211,416,382</b>	<b>-2,073,166,975</b>	<b>1,151,437,078</b>	<b>152,866,662</b>	<b>-77,609,281</b>	<b>406,110,347</b>

Line Loans and advances to customers for less than 1 month includes loans in amount of RON 3,353,189,317 with an interest rate discount period of 3M for which the following date for an interest rate change is less than one month.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.4 Interest rate risk (continued)**

The Bank did not trade interest rate derivatives, it only undertook cross-currency swaps for liquidity hedging purposes.

**Sensitivity analysis**

All amounts are in RON

	Effect on profit or loss	
	December 31, 2024	December 31, 2023
RON	+6,808,737/-6,808,737	+8,215,184/-8,215,184
EUR	-1,361,989/+1,361,989	-577,130/+577,130
USD	+6,825,657/-6,825,657	+4,665,830/-4,665,830
<b>TOTAL Interest rate (± 200 b.p.)</b>	<b>+12,272,405/-12,272,405</b>	<b>+12,303,884/-12,303,884</b>

Volatility interval	Stressed currency profile	Currency position % own funds		Effect on profit or loss 2024	Effect on profit or loss 2023
		2024	2023		
5 business days	current level	0,95%	0,74%	-367,332	-178,042
	average	11%	11%	-2,366,311	-3,064,072
	average-high	15%	15%	-3,226,787	-4,178,280
	high	22%	22%	-4,732,622	-6,128,144
10 business days	current level	0,95%	0,74%	-469,866	-218,089
	average	11%	11%	-3,052,915	-3,890,230
	average-high	15%	15%	-4,163,066	-5,304,860
	high	22%	22%	-6,105,831	-7,780,461

Highest changes in the foreign exchange rates in the last 10 years.

interval	EUR	USD	GBP	CHF
5 business days	1.91%	5.04%	7.97%	20.42%
10 business days	2.42%	8.03%	10.22%	22.68%

As at December 31, 2024, if the interest rate on the market had been 200 bp higher and the other variables had been maintained at a constant level, the net profit of the following year would have been RON 12,272 thousand higher (2023: RON 12,303 thousand higher).

On December 31, 2024, if the exchange rates had negatively fluctuated at a value equal to the maximum registered in any 10 consecutive business days in the last 10 years (the other variables being maintained at a constant level) the net profit of the year would have been RON 470 thousand lower (2023: RON 218 thousand lower).

**Parameters for calculating sensitivity**

The sensitivity towards the interest rate: calculation based on the measures equivalent to the duration presented within the IR Gap report. Taking into consideration the fluctuations of the interest rate from the previous year, as well as the analysis and assumptions of the Treasury Department, it is considered that 200 basis points represent a reasonable estimate of the interest rate movement.

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

**3.4 Interest rate risk (continued)**

The sensitivity towards the exchange rate: calculation based on the open positions in foreign currency, at the reporting date and stressed position corresponding to high-risk profiles. The exchange rate fluctuations are determined by calculating the maximum variation of foreign exchange rates in any 5 / 10 consecutive business days in the last 10 years. It is estimated that an extremely high open position may be closed in 1-2 days' time, but extreme intervals of 5-10 days are used in which it is estimated that the currency position will be dropped at the level assumed in the risk profile. The effects on profit or loss, the additional capital requirement and the change of solvency ratio are calculated.

**3.5 Liquidity risk**

Liquidity risk indicates the current or future risk of adverse outcome of the profits and share capital, determined by the Bank's incapacity to fulfil its liabilities on due date, taking into consideration the volatility of the deposits which ensure, mainly, the funding, because certain creditors are more sensitive to the market events than others.

The Bank is exposed to daily requirements regarding settlement in cash deposits with one day maturity date, current accounts, drawdowns of loans and guarantees. The Bank does not keep monetary excessive resources to honour all these liabilities, the experience indicating that a minimum level of reinvestment of the due funds may be provided with a high level of certitude. The Bank establishes limits regarding the minimum level of the necessary funds for honouring such requirements, which must be available to cover withdrawals at unforeseen request levels.

**a) Cash flows related to non-derivative financial instruments**

The table below presents the cash flows which must be paid by the Bank in accordance with the financial liabilities until the contractual due dates at the balance sheet date and the expected payment date. The financial liabilities presented within the table represent non-updated contractual cash flows. The financial assets presented within the table represent non-updated contractual cash flows corresponding to receivables registered as at the balance sheet date. The Bank manages the liquidity risk based on the estimated undiscounted cash flows.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.5 Liquidity risk (continued)**

**a) Cash flows related to non-derivative financial instruments (continued)**

**As at December 31, 2024**

	Less than 1 month	1 – 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Total
<b>Financial assets</b>						
Cash and current accounts with the National Bank of Romania	888,951,472	-	-	-	-	888,951,472
Loans and advances to banks at amortized cost	746,797,010	33,371,481	-	-	10,134,606	790,303,097
Loans and advances to customers	90,608,800	279,157,909	1,740,463,875	1,606,104,653	1,249,767,449	4,966,102,686
Investments at amortised cost	772,165	71,874,449	309,814,590	1,363,403,700	119,207,979	1,865,072,883
Financial assets at fair value through other comprehensive income	213,509	-	11,243	13,182,276	5,569,921	18,976,949
Financial assets mandatorily at fair value through profit or loss	-	-	-	-	2,499,737	2,499,737
Financial derivatives	321,910	2,204,395	1,385,430	-	-	3,911,735
Financial assets held for trading	154,538	-	-	-	4,839,650	4,994,188
Other financial assets	8,737,696	6,837,493	83,400	-	-	15,658,589
<b>Total financial assets (contractual maturities)</b>	<b>1,736,557,100</b>	<b>393,445,727</b>	<b>2,051,758,538</b>	<b>2,982,690,629</b>	<b>1,392,019,342</b>	<b>8,556,471,336</b>
<b>Financial liabilities</b>						
Bank deposits	54,481,351	10,050,417	-	-	-	64,531,768
Customers deposits	3,281,387,538	1,100,940,246	3,184,879,222	118,049,881	54,734,472	7,739,991,359
Subordinated loans	-	277,526	-	-	121,309,604	121,587,130
Loans from banks	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-
Lease liabilities	1,032,421	2,073,563	9,146,515	31,842,250	9,155,477	53,250,226
Other financial liabilities	78,567,682	-	-	-	-	78,567,682
Loans and other liabilities regarding lending	7,570,138	2,693,338	80,854,729	81,463,500	851,140	173,432,845
Guarantee letters issued	34,714,700	62,256,917	157,914,514	239,193,079	28,568,359	522,647,569
<b>Total financial liabilities (contractual maturities)</b>	<b>3,457,753,830</b>	<b>1,178,292,007</b>	<b>3,432,794,980</b>	<b>470,548,710</b>	<b>214,619,052</b>	<b>8,754,008,579</b>
<b>Net position</b>	<b>-1,721,196,730</b>	<b>-784,846,280</b>	<b>-1,381,036,442</b>	<b>2,512,141,919</b>	<b>1,177,400,290</b>	<b>-197,537,243</b>

The liquidity risk is represented by the difficulty of an entity to fulfil its contractual liabilities. The Bank has a net position of less than 1 year because of the short maturity of the customers' deposits, but also of the credit institutions. The Bank does not keep monetary resources to honour all these liabilities, the experience indicating that a minimum level of reinvestment of the due funds may be provided with a high level of certitude; based on the history related to the prolongations of the deposits by the customers, the Bank reasonably considers these financing resources as being stable.

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.5 Liquidity risk (continued)**

**a) Cash flows related to non-derivative financial instruments (continued)**

**As at December 31, 2023**

	<b>Less than 1 month</b>	<b>1 – 3 months</b>	<b>3 months - 1 year</b>	<b>1 - 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Financial assets</b>						
Cash and current accounts with the National Bank of Romania	1,817,622,492	-	-	-	-	1,817,622,492
Loans and advances to banks at amortized cost	898,230,897	39,582,063	-	-	-	937,812,960
Loans and advances to customers	157,685,321	250,142,976	1,584,185,031	1,349,789,549	1,094,017,285	4,435,820,162
Investments at amortised cost	92,571,148	151,351,762	460,924,502	1,155,899,719	163,451,348	2,024,198,479
Financial assets at fair value through other comprehensive income	-	-	11,213	-	10,339,959	10,351,172
Financial assets mandatorily at fair value through profit or loss	-	-	-	-	1,771,990	1,771,990
Financial derivatives	445,005	1,383,130	1,237,555	-	-	3,065,690
Other financial assets	5,642,814	6,195,515	127,468	-	-	11,965,797
<b>Total financial assets (contractual maturities)</b>	<b>2,972,197,677</b>	<b>448,655,446</b>	<b>2,046,485,769</b>	<b>2,505,689,268</b>	<b>1,269,580,582</b>	<b>9,242,608,742</b>
<b>Financial liabilities</b>						
Bank deposits	123,137,422	15,585,000	-	-	-	138,722,422
Customers deposits	3,793,785,606	1,758,784,368	2,793,427,418	101,538,809	23,238,650	8,470,774,851
Subordinated loans	1,054,985	303,549	-	-	94,339,116	95,697,650
Loans from banks	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-
Lease liabilities	950,885	1,900,910	8,355,388	35,655,277	6,366,543	53,229,003
Other financial liabilities	78,074,469	-	-	-	-	78,074,469
Loans and other liabilities regarding lending	2,126,700	5,905,293	103,608,233	51,716,639	758,482	164,115,347
Guarantee letters issued	40,469,410	70,019,409	106,523,551	178,364,094	49,696,778	445,073,242
<b>Total financial liabilities (contractual maturities)</b>	<b>4,039,599,477</b>	<b>1,852,498,529</b>	<b>3,011,914,590</b>	<b>367,274,819</b>	<b>174,399,569</b>	<b>9,445,686,984</b>
<b>Net position</b>	<b>-1,067,401,800</b>	<b>-1,403,843,083</b>	<b>-965,428,821</b>	<b>2,138,414,449</b>	<b>1,095,181,013</b>	<b>-203,078,242</b>

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.6 The fair values of the financial assets and liabilities**

The analysis of the fair value scale of the financial instruments measured at the fair value.

Level 1 - includes instruments listed on the active markets for identical assets or liabilities;

Level 2 - includes instruments whose fair value is determined using observable information for assets or liabilities, directly (such as prices) or indirectly (such as prices derivatives); and

Level 3 - includes instruments whose fair value is determined using information which are not relied on observable market data (unobservable entries).

**Assets and liabilities measured at fair value as at December 31, 2024**

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<i>Other financial assets</i>				
Financial assets at fair value, of which				
- Financial assets at fair value through other comprehensive income	16,845,213	-	2,131,736	18,976,949
- Financial derivatives	-	-	3,911,735	3,911,735
Financial assets mandatorily at fair value through profit or loss	4,994,188	-	-	4,994,188
	-	-	2,499,737	2,499,737
<b>Total assets stated at fair value</b>	<b>21,839,401</b>	<b>-</b>	<b>8,543,208</b>	<b>30,382,609</b>
<b>Financial liabilities</b>				
Financial derivatives	-	-	-	-
<b>Total liabilities at fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Assets and liabilities measured at fair value as at December 31, 2023**

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<i>Other financial assets</i>				
Financial assets at fair value, of which				
- Financial assets at fair value through other comprehensive income	8,223,382	-	2,127,790	10,351,172
- Financial derivatives	-	-	3,065,690	3,065,690
Financial assets mandatorily at fair value through profit or loss	-	-	1,771,990	1,771,990
<b>Total assets stated at fair value</b>	<b>8,223,382</b>	<b>-</b>	<b>6,965,470</b>	<b>15,188,852</b>
<b>Financial liabilities</b>				
Financial derivatives	-	-	-	-
<b>Total liabilities at fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

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

**3.6 The fair values of the financial assets and liabilities (continued)**

**Financial instruments which were not presented at fair value within the balance sheet**

The table below summarizes the fair values of the financial assets and liabilities which are not presented at the fair value within the Bank's balance sheet. The purchase prices are used at the appraisal of the fair values of the assets and the sale prices are applied for liabilities.

**Assets and liabilities whose fair value is presented as at December 31, 2024:**

	Level 1	Level 2	Level 3	Fair value	Book value
<b>Financial assets</b>					
Cash and current accounts with the National Bank of Romania	888,951,472	-	-	888,951,472	888,951,472
Loans and advances to banks	-	790,303,097	-	790,303,097	790,303,097
Loans and advances to customers	-	-	4,957,124,647	4,957,124,647	4,966,102,686
Financial assets at amortised cost	1,865,072,883	-	-	1,865,072,883	1,865,072,883
Other financial assets	-	-	15,658,589	15,658,589	15,658,589
	<b>2,754,024,355</b>	<b>790,303,097</b>	<b>4,972,783,236</b>	<b>8,517,110,688</b>	<b>8,526,088,727</b>
<b>Total financial assets</b>					
	Level 1	Level 2	Level 3	Fair value	Book value
<b>Financial liabilities</b>					
Bank deposits	-	64,531,768	-	64,531,768	64,531,768
Loans from banks	-	-	-	-	-
Customers deposits	-	7,739,991,359	-	7,739,991,359	7,739,991,359
Subordinated loans	-	121,587,130	-	121,587,130	121,587,130
Other financial liabilities	-	-	78,567,682	78,567,682	78,567,682
<b>Total financial liabilities</b>	<b>-</b>	<b>7,926,110,257</b>	<b>78,567,682</b>	<b>8,004,677,939</b>	<b>8,004,677,939</b>

**Assets and liabilities whose fair value is presented as at December 31, 2023:**

	Level 1	Level 2	Level 3	Fair value	Book value
<b>Financial assets</b>					
Cash and current accounts with the National Bank of Romania	1,817,622,492	-	-	1,817,622,492	1,817,622,492
Loans and advances to banks	-	937,812,960	-	937,812,960	937,812,960
Loans and advances to customers	-	-	4,427,327,249	4,427,327,249	4,435,820,162
Financial assets at amortised cost	2,024,198,479	-	-	2,024,198,479	2,024,198,479
Other financial assets	-	-	11,965,797	11,965,797	11,965,797
<b>Total financial assets</b>	<b>3,841,820,971</b>	<b>937,812,960</b>	<b>4,439,293,046</b>	<b>9,218,926,977</b>	<b>9,227,419,890</b>
	Level 1	Level 2	Level 3	Fair value	Book value
<b>Financial liabilities</b>					
Bank deposits	-	138,722,422	-	138,722,422	138,722,422
Loans from banks	-	-	-	-	-
Customers deposits	-	8,470,774,851	-	8,470,774,851	8,470,774,851
Subordinated loans	-	95,697,650	-	95,697,650	95,697,650
Other financial liabilities	-	-	78,074,469	78,074,469	78,074,469
<b>Total financial liabilities</b>	<b>-</b>	<b>8,705,194,923</b>	<b>78,074,469</b>	<b>8,783,269,392</b>	<b>8,783,269,392</b>

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

**3.6 The fair values of the financial assets and liabilities (continued)**

a. Receivables from credit institutions

The receivables from credit institutions include inter-bank placements and amounts pending settlement.

The fair value of the placements with variable interest and overnight deposits is represented by their carrying amount. The estimated fair value of the fixed interest deposits is based on the updated cash flows, using the interest rate on the monetary market for liabilities with a similar credit risk and maturity.

Taking into consideration that the products' prices are based on variable interest rates, there are no significant differences between the fair value and the carrying amount.

b. Receivables from customers

The loans and advances to customers are calculated net of the impairment provisions. The estimated fair value of the loans and advances represent the updated value of the future cash flows estimated to be received. The estimated cash flows are updated at the market rate in order to establish the fair value.

Taking into consideration that the products' prices are based on variable interest rates, there are no significant differences between the fair value and the carrying amount.

c. Deposits and contracted loans

The estimated fair values of the deposits which do not have a specified maturity, which include deposits with no interest, are represented by amount reimbursed on request. The estimated fair value of the deposits with fixed interest and of other loans without a market price is based on the updated cash flows using the interest rate for the new liabilities with similar maturity.

Taking into consideration that the products' prices are based on variable interest rates, there are no significant differences between the fair value and the carrying amount.

d. Financial assets at amortised cost

The fair value of investments at amortised cost is determined by using the price mentioned in bid-ask margin, the most representative being the fair value under the related circumstances, the price taken into consideration by the management being the last price of trading at the reporting date.

e. Financial assets measured at fair value through other comprehensive income

The equities held for sale include investments which are not traded on an active market. Due to the nature of the local capital markets, the market value for these securities cannot be obtained.

The shares are not rated and recent values regarding their trade price are not accessible for the public. The management does not intend to sell these assets within the near future. The Bank has determined the fair value for them using the net asset method based on the published financial statements.

The fair value of investments at fair value through other comprehensive income (investment securities) is determined using the price maintained in the bid-ask margin, being the most representative fair value in the given circumstances, the price that the management takes into consideration being the last transaction price on the reporting date.

f. Financial assets and liabilities

The Bank's management considered that the fair value is the same with the carrying amount, taking into consideration that these financial assets and liabilities are estimated to be settled within a month or are without a fixed maturity, respectively they are on short term and the carrying amount is not significantly different from the fair value.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

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

**3.7 Capital management**

The Bank calculates its own funds according to Regulation No. 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms and NBR Regulation no. 5 / 20.12.2013 on prudential requirements for credit institutions.

The National Bank of Romania, as regulation and supervisory authority of the banking system at national level, monitors the equity requirements of the Group within the limits imposed by EU Regulation no. 575/2013 on prudential requirements for credit institutions and investment firms which provide:

- an equity ratio Tier 1 of 4.5 %;
- an equity ratio Tier 1 of 6%;
- an equity ratio of 8%.

As at December 31, 2024, the request for equity was as follows:

- a basic capital adequacy ratio Tier 1 of 6.78%;
- a capital adequacy ratio Tier 1 of 9.05%;
- a total capital adequacy ratio of 12.06%.

In terms of capital management, the Bank assesses capital adequacy for risks in accordance with the “Policy on the Internal Capital Adequacy Assessment” packages, the NBR regulations and the CRD IV regulations respectively.

The table below summarizes the capacity of the regulation capital and the indicators for the financial year ended on December 31, 2024 and December 31, 2023.

	December 31, 2024	December 31, 2023
Tier 1 equity		
Total tier 1 equity	696,791,139	585,931,570
Tier 2 equity		
Total tier 2 equity	121,309,604	94,339,116
<b>Total equity</b>	<b>818,100,743</b>	<b>680,270,686</b>
Total credit risk exposure	4,512,671,937	3,964,561,883
Total credit risk weighted exposure	4,044,810,716	3,586,284,398
<b>Tier 1 equity ratio</b>	<b>15.44%</b>	<b>14.78%</b>
<b>Total equity ratio</b>	<b>18.13%</b>	<b>17.16%</b>

The Bank holds subordinated loans classifiable as Tier 2 equity.

At December 31, 2024, the following subordinated loan agreements worth USD 16 million and EUR 9 million were effective:

- subordinated loan from EDEN SHIPHOLDING LTD, in total amount equivalent to RON 14,330,400 (USD 3,000,000) principal, granted on June 3, 2020 and due on June 3, 2030, with an interest rate of 7.7134% (3M SOFR plus 3% margin);
- subordinated loan from EDEN SHIPHOLDING LTD, in total amount equivalent to RON 14,330,400 (USD 3,000,000) principal, granted on March 7, 2023 and due on April 7, 2031, with an interest rate of 7.7134% (3M SOFR plus 3% margin);
- subordinated loan from EDEN SHIPHOLDING LTD, in total amount equivalent to RON 9,553,600 (USD 2,000,000) principal, granted on February 16, 2024 and due on February 16, 2030, with an interest rate of 7.7134% (3M SOFR plus 3% margin);
- subordinated loan from GOULANDRIS NICHOLAS JOHN, in total amount equivalent to RON 9,553,600 (USD 2,000,000) principal, granted on June 3, 2020 and due on June 3, 2030, with an interest rate of 7.7134% (3M SOFR plus 3% margin);
- subordinated loan from GOULANDRIS NICHOLAS JOHN, in total amount equivalent to RON 14,330,400 (USD 3,000,000) principal, granted on March 7, 2023 and due on April 7, 2031, with an interest rate of 7.7134% (3M SOFR plus 3% margin);
- subordinated loan from GOULANDRIS NICHOLAS JOHN, in total amount equivalent to RON 14,330,400 (USD 3,000,000) principal, granted on February 19, 2024 and due on February 15, 2030, with an interest rate of 7.7134% (3M SOFR plus 3% margin);
- subordinated loan from OPTIMA BANK Greece, in total amount of EUR 9,022,899 principal, taken on September 16, 2021 from Credit Agricole S.A France and initially granted in 2011, with an interest rate of 3M EURIBOR plus 3% margin;

At December 31, 2024, the Bank registered a Tier 1 equity ratio of 15.44%, and a total equity ratio of 18.13%, above the minimum level imposed by the National Bank of Romania, namely 13.39% and 16.40%.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

**4 BASIC ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR ACCOUNTING POLICIES APPLICATION**

The Bank makes certain estimates and adopts certain theories affecting the amounts where the assets and liabilities are registered during the next financial year. The estimates and assumptions are assessed constantly and are based on the historical experience and on other factors, including the expectations regarding the future events considered reasonably under the given circumstances.

*a) Impairment losses on loans and advances*

The Bank reviews its loans portfolio on a monthly basis in order to evaluate the impairment. The impairment revision shall be done according to the policy regarding the evaluation of the risk exposures approved by the management. In order to establish whether an impairment loss must be registered within the profit or loss account, the Bank makes assumptions regarding the existence of some obvious information to indicate a calculable decrease of the future cash flows estimated from a loan portfolio before the time when the decrease could be associated to a certain loan from the respective portfolio. These evidences may include obvious information indicating an unfavourable change in the statute of the debtors within a group or economic conditions at economic national or local level to be connected with the impairment of the assets of the Bank.

In planning future cash flows the management uses estimates based on historical loss experience for assets related to similar credit risk characteristics and objective evidences of the impairment similar to the portfolio. The methodology and the assumptions used in the appraisal of both the value and the calendar of the future cash flows are reviewed constantly in order to reduce the differences between the estimates regarding the losses and the real losses registered.

*b) Future tax losses*

According to the Romanian tax legislation, tax losses may be carried forward for a period of 7 years generating deferred tax when the related tax benefits, by future taxable profit, is probable. The deferred income tax assets related to the tax losses reported are recognised if the fiscal benefit by future taxable profits is possible. The future taxable profits and the benefits of the deferred tax credit probable in the future are based on a business plan prepared by the management. The business plan takes into consideration a positive and steady evolution of the income through an organic increase and assumption of medium risks, strict control of the costs and increased efficiency, as well as the maintenance of an adequate level of capitalisation and a firm position of the liquidity level.

In 2024 the Bank used all tax losses reported and became corporate income tax payer. For further details, please see Note 9.

*c) Financial assets at amortised cost*

The fair value of investments at amortised cost is determined using the price maintained in the bid-ask margin, as it is the most representative fair value given the circumstances, and the price considered by management is the latest trading price at the reporting date.

**5 NET INTEREST INCOME RECOGNISED USING THE EFFECTIVE INTEREST RATE METHOD**

	<b>2024</b>	<b>2023</b>
<b>Interest income</b>		
Current accounts and deposits with banks	88,535,260	83,196,785
Loans and advances to customers*	384,693,615	385,074,606
Financial assets at amortised cost	120,220,398	99,315,022
Financial assets at fair value through other comprehensive income	609,727	1,420,955
<b>Total</b>	<b>594,059,000</b>	<b>569,007,368</b>

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**5 NET INTEREST INCOME RECOGNISED USING THE EFFECTIVE INTEREST RATE METHOD (continued)**

	<b>2024</b>	<b>2023</b>
<b>Interest expenses</b>		
Current account and deposits with banks	-4,393,054	-3,702,006
Current account and deposits from customers	-335,273,792	-349,626,711
Subordinated loans	-9,048,960	-6,451,638
Lease liabilities	-2,260,454	-1,863,832
<b>Total</b>	<b>-350,976,260</b>	<b>-361,644,187</b>

\* Interest income for the year ended December 31, 2024 include interest adjustments corresponding to impaired financial assets: RON – 961,410 (December 31, 2023: RON – 1,670,393).

The interest expenses and income for assets and liabilities other than those carried at fair value through profit or loss are calculated using the effective interest rate method.

The net interest income for 2024 was RON 243,082,740 (2023: RON 207,363,181). The variation in net interest income between the two years ended December 31, 2024 and December 31, 2023, was RON 35,719,559 and was determined by a higher volume of business activity.

**6 NET FEE INCOME**

	<b>2024</b>	<b>2023</b>
<b>Fees and commission income</b>		
Inter-bank transactions fees	25,244	31,380
Customer proceeds and payments fees	4,788,224	4,290,036
Customer credit fees	3,379,613	1,265,829
Custody and intermediation fees	12,024	-
Assistance and consultancy fees	404,512	215,670
Means of payment fees	7,520,430	6,833,218
Other fees	149,496	112,353
<b>Total income from contracts with customers</b>	<b>16,279,543</b>	<b>12,748,486</b>
Fees from loan commitments and issued guarantee letters	3,801,807	3,180,595
<b>Total</b>	<b>20,081,350</b>	<b>15,929,081</b>

Fee income is income from contracts with customers and is accounted for in accordance with IFRS 15. Income from contracts with customers comes from the following categories:

- Payment modalities fees:

These fees are charged when the transaction takes place. This category includes all fees related to direct debit agreements, payment orders and other payment methods.

In the case of transaction-based fees (e.g. cash withdrawal / payment fee, merchants' fee, exchange fee, etc.), the fees will be paid immediately after the transaction or monthly. The fee is usually determined as percentage of the transaction with a fixed minimum amount.

- Customers' receipts and payment fees:

Applies to a wide range of standard banking services, related fees (SMS alert, internet banking, monthly administration fee, opening current accounts, escrow accounts, significant collateral account and closing accounts, etc.)

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**6 NET FEE INCOME (continued)**

These fees are considered as single fees related to a specific service that is provided by the Bank and are therefore accounted for when the service is provided, however it may also be charged monthly for services provided in the previous month.

- Credit analysis fees and agent fees from the granting of syndicated loan

This category includes fees related to loan analysis that are not included in the calculation of the effective interest rate due to their nature, as follows: credit analysis fee (for analyses for which no loans are granted), early repayment fee, non-withdrawal fee (for off-balance sheet exposures), agent's fee, etc.

- Loan commitment fees and letters of guarantee issued

Fees for financial and credit guarantees are amortized on a straight-line basis over the life of the instruments.

	2024	2023
<b>Fees and commission expenses</b>		
Inter-bank transactions fees	-1,125,965	-1,394,169
Customer operation fees	-440,326	-385,594
Means of payment fees	-1,443,713	-1,011,569
Lending commitments and guarantees	-721,620	-91,538
Other fees	-63,950	-62,803
<b>Total</b>	<b>-3,795,574</b>	<b>-2,945,673</b>

**7 OTHER OPERATING INCOME**

	2024	2023
<b>Operating income from:</b>		
Dividends and similar income	1,379,471	1,086,479
Sale of financial assets	169,925	179,425
Gains on measurement of financial assets	371,764	444,429
Safe deposit boxes	79,081	67,078
Sale of repossessed assets (ii)	6,154,325	875,962
Net income from impairment allowances of repossessed assets	198,756	-
Net income from impairment allowances for receivables from sundry operations	280,004	20,854
Sale of investment property (iii)	-	1,157,404
Revaluation of investment property	4,834,922	-
Lease of investment property	685,182	1,097,397
Net income from other provisions	1,610,471	1,056,751
Other income	2,170,301	1,702,136
<b>Total</b>	<b>17,934,202</b>	<b>7,687,915</b>

- i. In 2024, Vista Bank sold bonds issued by the Government of Romania from its portfolio of financial assets measured at fair value through other comprehensive income, at a market price higher than their acquisition price.
- ii. In 2024, Vista Bank sold properties held further to the execution of non-performing loans, at a total price of RON 23,570,656 (2022: RON 10,969,563), which were registered at a net carrying amount of RON 17,416,331 (2023: RON 10,093,601), registering a profit of RON 6,154,325 (2023: profit of RON 875,962).
- iii. In 2024, Vista Bank did not sell properties held further to the execution of non-performing loans classified as investment properties (2023: RON 10,757,356) which were registered at a net carrying amount of RON 9,599,952 (2023: RON 9,599,952), thus not registering profit (2023: RON 1,157,404).

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**7. 1. NET GAINS ON FOREIGN EXCHANGE DIFFERENCES**

	<b>2024</b>	<b>2023</b>
Net gain on transactions	14,604,418	15,086,938
Net gain/(loss) on revaluation	8,057,930	4,594,703
<b>Total</b>	<b>22,662,348</b>	<b>19,681,641</b>

**8 OTHER OPERATING EXPENSES**

	<b>2024</b>	<b>2023</b>
<b>Operating expenses, of which:</b>		
Rents	-491,914	-448,526
Employees' benefits	-88,122,367	-75,329,597
Social contributions	-2,663,497	-2,293,528
Deposit Guarantee Fund Contributions	-4,792,838	-7,544,748
Other fees and taxes	-15,643,102	-2,187,620
Supplies	-2,760,599	-2,409,490
Maintenance and repairs	-19,714,803	-12,515,243
Utilities	-3,241,085	-3,445,824
Post office and telecommunications	-7,019,613	-7,266,226
Collaborators and brokerage	-370,243	-600,041
Dislocations, secondments, transfers	-414,768	-383,236
Other services performed by third parties (i)	-19,651,847	-19,425,555
Protocol	-3,909,197	-3,139,195
Publicity and advertising	-1,026,202	-1,304,000
Amortization/depreciation of tangible and intangible assets	-15,030,373	-16,810,912
Amortisation of right-of-use assets	-12,206,249	-11,316,546
Net expenses with other provisions	-	-368,919
Expenses with revaluation of investment property	-	-26,782
Net loss on the scrapping and sale of tangible and intangible assets*	-357,969	-351,770
Other operating expenses	-1,253,132	-554,023
<b>Total</b>	<b>-198,129,798</b>	<b>-167,721,782</b>

\*Net loss on the scrapping and sale of tangible and intangible assets at December 2024 consists of RON - 357.969, the net loss from the scrapping and sale of tangible and intangible assets at the net accounting value of RON 357.969 and no income obtained from the sale and scrapping of tangible and intangible assets.

The average number of employees at the end of 2024 is 461 (2023: 442 employees).

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

**8 OTHER OPERATING EXPENSES (CONTINUED)**

i. Break-down of line *Other services performed by third parties* is presented herein below.

	<b>Other third- party services (lei)</b>	<b>%</b>
Insurance premiums	3,061,952	16%
Non-deductible expenses	762,817	4%
Audit	1,686,618	9%
Consultancy	4,651,133	24%
Staff training	1,519,266	8%
Bank security	2,018,257	10%
Transport of valuable assets	495,077	3%
Cleaning	1,515,878	8%
Labour protection	213,185	1%
Card processing	1,666,131	8%
Other sundry expenses	2,061,532	10%
	<b>19,651,847</b>	<b>100%</b>

Line "Other third-party services" also includes the taxes paid by the Bank to the statutory auditor for the audit of the statutory financial statements for 2024 as follows:

The fees paid by the Bank for 2024 to Deloitte are as follows:

- Statutory audit and audit and non-audit services: RON 1,686,618 (December 31, 2023: RON 1,613,825)

The fees paid to the statutory auditor also include the audit services for the information presented in the FINREP separate financial statements – F18 as at June 30, 2024 and the audit of the financial information presented in FINREP at December 31, 2024 and the review of interim separate profit at September 30, 2024 and additional non-audit services permitted, provided by the audit firm.

The amounts mentioned include VAT.

ii. In 2024, bonds matured issued by the Romanian government included in the portfolio of financial assets carried at fair value through other comprehensive income without with negative effect (in 2023, with no negative effect).



**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

**9 INCOME TAX EXPENSE**

The Bank's income tax expense is presented hereinafter.

The income tax registered by the Bank differs from the theoretical value which would result as a consequence of the use of the basic tax rate, as shown below.

	<b>2024</b>	<b>2023</b>
<b>Gross profit before tax</b>	<b>100,818,441</b>	<b>75,609,893</b>
Theoretical income tax, expense calculated at 16% regulated rate	-16,130,951	-12,097,583
<b>Tax effect of:</b>		
Non-deductible expenses	-10,508,265	-9,655,910
Non-taxable income	3,643,602	3,844,658
Derecognition of deferred tax recognised priorly from tax loss caried forward	-	-
Utilisation of deferred tax recognised priorly from tax loss caried forward	1,917,176	14,049,247
Recognition/Derecognition of temporary deductible differences not priorly recognised	5,124,023	-8,879,330
<b>Income tax expenses</b>	<b>-15,954,415</b>	<b>-12,738,917</b>

The current tax is calculated by applying a 16% rate (2023: 16%). The deferred income tax is calculated for all the temporary differences based on the accrual principle, using a tax income rate of 16% (2023: 16%).

The accounting profit registered by the Bank in 2024 in amount of RON 100.818.441 was adjusted for the calculation of the tax result by RON 3,643,602, resulting from non-taxable income, and with RON 10.508.265 resulting from non-deductible expenses.

The tax profit generated by the Bank in 2024 in amount of RON 111.079.518 and it decreased the remaining tax losses carried forward from previous periods in amount of RON 12.233.599.

At December 31, 2024, the Bank does no longer register tax loss carried forward.

At December 31, 2023 the Bank's tax losses were as follows:

<b>EXPIRY</b>	<b>TAX LOSSES 2023</b>
	<b>Total</b>
<b>2023</b>	-
<b>2024</b>	-
<b>2025</b>	-
<b>2026</b>	-
<b>2027</b>	-
<b>2028</b>	3,481,071
<b>2029</b>	8,752,528
<b>TOTAL</b>	<b>12,233,599</b>

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**9 INCOME TAX EXPENSE (CONTINUED)**

The movement of deferred tax assets is attributable to the following items:

	December 31, 2023	Tax recognised in profit or loss	Tax recognised in other comprehensive income	December 31, 2024
<b>Tax loss carried forward</b>	<b>1,957,376</b>	-	-	<b>1,957,376</b>
Tax effect of the differences caused by the change of the fair value of the financial assets at fair value through other comprehensive income	-	-	-	-
Derecognition of deferred tax previously recognised from tax losses carried forward	-	-1,917,176	-	-1,917,176
<b>Tax effect of the temporary non-deductible/ (taxable) differences (including tax losses carried forward)</b>	<b>1,957,376</b>	<b>-1,917,176</b>	-	<b>40,200</b>

The bank recognised deferred tax assets for the tax effect of the deductible/taxable temporary differences at December 31, 2024 in amount of RON 40,200.

The movement of deferred tax liabilities is attributable to the following items:

	December 31, 2024	December 31, 2023
<b>Opening balance</b>	<b>5,732,050</b>	<b>7,420,725</b>
Tax effect of the acquisition	-	-
Increases	198,874	81,229
Reductions	-1,640,425	-1,769,905
<b>Closing balance</b>	<b>4,286,499</b>	<b>5,732,050</b>

Tax recognised to profit or loss

	December 31, 2024	December 31, 2023
Opening balance	-	-
Derecognition of deferred tax assets for Vista Bank	-1,917,176	-14,049,247
Derecognition of fair value adjustments of deferred tax from acquisition	1,431,041	1,310,330
Other adjustments	-	-
<b>Income tax expense/income</b>	<b>-486,135</b>	<b>-12,738,917</b>

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**10 IMPAIRMENT ALLOWANCES REGARDING FINANCIAL ASSETS**

	<b>2024</b>	<b>2023</b>
Specific adjustments for expected losses on inter-banking operations	47,276	50,880
Specific adjustments for expected losses on operations with securities	- 525,341	- 1,767,896
Specific adjustments for expected losses on operations with customers	-6,368,124	-9,074,968
Losses on receivables not covered by impairment	-262,979	-64,988
Income from receivables recovered	6,092,341	6,472,502
<b>Total net expenses with impairment</b>	<b>-1,016,827</b>	<b>-4,384,470</b>

**11 CASH AND CURRENT ACCOUNTS WITH THE NATIONAL BANK OF ROMANIA**

	<b>2024</b>	<b>2023</b>
Cash (including at ATMs )	64,148,578	64,261,832
Accounts with the National Bank of Romania	824,802,894	1,753,360,660
- in RON	646,026,840	1,252,880,870
- in EUR	178,776,054	500,479,790
<b>Total</b>	<b>888,951,472</b>	<b>1,817,622,492</b>

The current accounts must fulfil the mandatory requirements regarding the minimum reserves imposed by the National Bank of Romania. This reserve represents a medium minimum deposit on a month period, based on the resources raised in the previous month.

The cash balances at the National Bank of Romania ensure compliance with the minimum reserve requirements.

At December 31, 2024, the minimum reserve requirement was 8% (December 31, 2023: 8%) for funds attracted from customers in lei and 5% (December 31, 2023: 5%) for funds attracted in foreign currency, both with a residual maturity of less than 2 years from the end of the reporting period. For liabilities with a residual maturity of more than 2 years at the end of the reporting period without a repayment, transfer and early withdrawal clause, the minimum reserve requirement was 0% (December 31, 2023: 0%).

In 2024, the interest rates varied between 0.74% and 0.83% (2023: 0.69% and 0.82%) for reserves held in RON, and 0.08% - 0.19% for reserves held in EUR (2023: 0.02% - 0.11%).

All these balances have been included in cash and cash equivalents (Note 32).

**12 LOANS AND ADVANCES TO BANKS AT AMORTISED COST**

	<b>2024</b>	<b>2023</b>
Current accounts with other banks	21,809,489	16,111,500
Sight deposits at other banks	366,691,485	223,819,311
Term deposits at other banks	378,450,586	673,824,320
Expected loss on investments	-46,466	-53,150
<b>Total</b>	<b>766,905,094</b>	<b>913,701,981</b>
Other amounts recoverable	23,398,003	24,110,979
<b>Total loans and advances to banks at amortized cost</b>	<b>790,303,097</b>	<b>937,812,960</b>

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

---

**12 LOANS AND ADVANCES TO BANKS AT AMORTISED COST (continued)**

During 2024, the interest rates with the USD placements varied between 4.3% and 5.6% (2023: 4.05% and 5.6% and the ones with the EUR placements between 2.7% and 4.2% (2023: 1.95% and 4.2%). The interest rates with the RON placements varied between 5.5% and 9.12% (2023: 6.00% and 6.065%).

The outstanding sight and term investments with contractual maturity of 3 months or less than 3 months were included in Cash and cash equivalents (Note 32).

The balances of term investments at other banks depending on the contractual maturity are presented in the tables below:

	<b>2024</b>	<b>2023</b>
<b>Total term deposits at other banks, of which:</b>	<b>378,450,586</b>	<b>673,824,320</b>
- less than 3 months	368,308,758	673,824,320
- more than 3 months	10,141,828	-

Other amounts recoverable at December 31, 2024 represent collateral deposits in amount of EUR 4,700,376 for swap transactions undertaken with Citi Bank which cannot be used for other purposes than the ones for which they were created.

Other amounts recoverable at December 31, 2023 represent collateral deposits in amount of EUR 4,846,818 for swap transactions undertaken with Citi Bank which cannot be used for other purposes than the ones for which they were created

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**13 FINANCIAL ASSETS AT AMORTISED COST**

	<b>2024</b>	<b>2023</b>
Bonds issued by the Romanian Government		
- in RON	1,415,994,880	1,580,427,078
- in EUR	324,394,402	280,355,458
- in USD	124,683,601	163,415,943
<b>Total</b>	<b>1,865,072,883</b>	<b>2,024,198,479</b>
Bonds issued by the Government of Romania - gross	1,867,645,505	2,026,538,538
Expected loss	-2,572,622	-2,340,059
<b>Total</b>	<b>1,865,072,883</b>	<b>2,024,198,479</b>

The coupon rates for the securities in the bond portfolio issued by the Romanian Government in 2023 in RON ranged between 0.0% and 8.75% (2023: 0.0% and 8.75%), for the EUR bond portfolio between 1.375% and 6.625% (2023: 1.0% and 6.625%) and for those in USD they ranged between 3.0% and 6.625% (2023: 3.0% and 6.625%).

The movements in the financial assets at amortised cost are presented below:

	<b>Total</b>
<b>Balance on January 1, 2024</b>	<b>2,024,198,479</b>
Inputs (purchases)	494,220,941
Outputs (matured)	-685,536,000
Collected interest	-98,269,053
Amortisation discount / premium	120,220,398
Exchange rate differences	12,810,740
<b>Total</b>	<b>1,867,645,505</b>
Expected loss	-2,572,622
<b>Balance on December 31, 2024</b>	<b>1,865,072,883</b>
<b>Balance on January 1, 2023</b>	<b>1,272,650,113</b>
Inputs (purchases)	1,342,114,389
Outputs (sold or matured)	-606,055,014
Collected interest	-81,946,822
Amortisation discount / premium	99,315,022
Exchange rate differences	460,850
<b>Total</b>	<b>2,026,538,538</b>
Expected loss	-2,340,059
<b>Balance on December 31, 2023</b>	<b>2,024,198,479</b>

VISTA BANK ROMANIA SA  
NOTES TO FINANCIAL STATEMENTS  
FOT THE YEAR ENDED DECEMBER 31, 2024  
(all amounts are expressed in RON, unless otherwise stated)

**13. FINANCIAL ASSETS AT AMORTISED COST (continued)**

Movement of the expected losses related to financial assets at amortized cost:

	<b>Total</b>
<b>Balance on January 1, 2024</b>	<b>-2,340,059</b>
Inputs	-596,975
Outputs	373,784
FX differences	-9,372
<b>Balance at December 31, 2024</b>	<b>- 2,572,622</b>
<b>Balance on January 1, 2023</b>	<b>-1,699,177</b>
Inputs	-1,312,268
Outputs	671,985
FX differences	-599
<b>Balance on December 31, 2023</b>	<b>- 2,340,059</b>

**14 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	<b>2024</b>	<b>2023</b>
<b>Bonds issued by the Government of Romania</b>		
- in RON	-	-
- in EUR	8,533,368	8,223,382
- in USD	8,311,845	-
<b>Total bonds</b>	<b>16,845,213</b>	<b>8,223,382</b>
Participations in Vista Bank (Transfond and Credit Office)	2,131,736	2,127,790
<b>Total</b>	<b>18,976,949</b>	<b>10,351,172</b>

	<b>Total</b>
<b>Balance on January 1, 2024</b>	<b>8,223,382</b>
Inputs (purchases)	8,304,180
Outputs (matured)	-
Collected interest	-609,728
Interest	557,552
Income from sale	-18,102
Loss on sale	-
Adjustment of market value	-1,593,991
Exchange rate differences	1,981,919
<b>Balance on December 31, 2024</b>	<b>16,845,213</b>

VISTA BANK ROMANIA SA  
NOTES TO FINANCIAL STATEMENTS  
FOT THE YEAR ENDED DECEMBER 31, 2024  
(all amounts are expressed in RON, unless otherwise stated)

**14 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)**

	<b>Total</b>
Movement in bonds:	
<b>Balance on January 1, 2023</b>	<b>56,530,943</b>
Inputs (purchases)	-
Outputs (matured)	-50,000,000
Collected interest	-1,420,955
Interest	2,136,802
Income from sale	-79,504
Loss on sale	-
Adjustment of market value	-1,684,679
Exchange rate differences	2,740,777
<b>Balance on December 31, 2023</b>	<b>8,223,382</b>

The accumulated impairment related to financial assets at fair value through other comprehensive income was RON 24,859 in 2024 (2023: RON 12,136).

Movements in investments in Transfond and the Credit Office:

	<b>Total</b>
<b>Balance on January 1, 2024</b>	<b>2,127,790</b>
Gains from changes in fair value	3,946
<b>Balance on December 31, 2024</b>	<b>2,131,736</b>

  

	<b>Total</b>
<b>Balance on January 1, 2023</b>	<b>1,897,825</b>
Gains from changes in fair value	229,964
<b>Balance on December 31, 2023</b>	<b>2,127,790</b>

<b>Name</b>	<b>Nature of activity</b>	<b>Investment held in 2024</b>
Transfond SA	Interbank transfers and set-off	2,043,553
Biroul de Credite SA	Retail credit rating	<u>88,183</u>
<b>Total</b>		<b><u>2,131,736</u></b>

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

**15 FINANCIAL ASSETS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>2024</b>	<b>2023</b>
Visa shares - USD	2,268,143	1,771,990
Swift shares - EUR	231,594	-
<b>Total</b>	<b>2,499,737</b>	<b>1,771,990</b>

As Visa Europe Limited ("Visa Europe") and Visa Inc. announced on November 2<sup>nd</sup>, 2015, Visa Inc agreed to purchase Visa Europe, under the condition of receiving the approval within the regulation framework. Taking into account that the Bank is a principal member of Visa Europe, the Bank is part of this transaction. In 2016, the amount of EUR 1,367,592.75 was confirmed and paid in cash, representing the completion of the cash transaction, including the sale of the EUR 10 share of Visa Europe.

In addition, the bank received 496 preferential shares Series C in Visa Inc. and cash pro rata with the 0.0105373816% holding to receive after the third anniversary valued at EUR 117,070 and received on June 21, 2019.

In 2021, the Bank sold all its shares held for USD 733,725 registering a profit of USD 107,720.

In 2022, the Bank held 496 preference shares in VISA Inc., type C, which are registered as financial assets at fair value through profit or loss, whose fair value is based on the closing price of the ordinary shares in VISA Inc. listed at the New York Stock Exchange.

Of the initial 496 series C preference shares received from Visa Inc., a number of 15 series C preference shares were converted in 2022 into series A preference shares, so that the Bank had in its portfolio at the end of 2022, a number of 496 series C preference shares and 15 series A preference shares.

In January 2023, the Bank sold its 15 Series A preference shares, thus obtaining a revenue from the assignment thereof of RON 154,443.

In July 2024, of the initial 496 series C preference shares received from Visa Inc., a number of 9 series C preference shares were converted into series A preference shares.

At December 31, 2024, the Bank held 496 type C preference shares in VISA Inc., and 9 type A preference shares which are registered as financial assets at fair value through profit or loss, whose fair value is based on the closing price of the ordinary shares in VISA Inc. listed at the New York Stock Exchange.

VISA Inc. related preference shares are classified in the Bank's portfolio as "Equity securities - Financial assets mandatorily carried at fair value through profit or loss".

Income from dividends related to Visa series C and A shares are classified as operating income.

The Bank also holds SWIFT SCRL shares in EUR in its portfolio of financial instruments mandatorily carried at fair value through profit or loss.

In February 2024, the Bank was informed that the SWIFT SCRL shares were allocated to it. According to the statute of SWIFT SCRL., the allocation of shares takes place at a minimum interval of three years, the last one being carried out in Q1 2024 and having as allocation basis the contribution paid by the members during 2023.

The Bank, as a member of SWIFT SCRL., was reclassified from "non-shareholder member" to "shareholder member", following which 6 SWIFT shares at the value of EUR 7,760 per share were allocated to it.

According to Article 11 of the By-laws of SWIFT SCRL., the allocation is mandatory and cannot be refused by any member. Thus, Vista Bank paid EUR 46,560 for the 6 shares.



**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**16 INTANGIBLE ASSETS**

December 31, 2024	2024		2023
Cost	40,557,289		42,821,661
Accumulated amortisation	-19,560,741		-19,859,422
Net book value	20 996 548		22,962,239
	IT software	Customer relations*	Total
Net carrying amount at January 1, 2024	15,742,510	7,219,729	22,962,239
Inputs	5,797,095	-	5,797,095
Transfers	85,212	-	85,212
Outputs	-8,146,678	-	-8,146,678
Amortization expense	-6,386,058	-566,667	-6,952,725
Accumulated amortization for outputs	7,251,405	-	7,251,405
Net carrying amount at December 31, 2024	14,343,486	6,653,062	20,996,548
	IT software	Customer relations*	Total
Net carrying amount at January 1, 2023	20,887,636	7,791,666	28,679,302
Inputs	4,973,052	-	4,973,052
Transfers	7,562	-	7,562
Outputs	-4,801,122	-	-4,801,122
Amortization expense	-9,475,192	-571,937	-10,047,130
Accumulated amortization for outputs	4,150,573	-	4,150,573
Net carrying amount at December 31, 2023	15,742,510	7,219,729	22,962,239

The Bank recognized intangible assets in progress representing projects started for software applications as inputs in 2024 and it also recognized licenses of use or improvements made to programs in the value of other fixed assets already in operation. Both internal projects aimed at improving the internal processes and security of the bank as well as developments brought to the Internet/Mobile banking application, Factoring or improvements to the "core banking" application can be listed as representative projects, which will bring new added value from an operational point of view as well.

In 2024 and 2023 no software application was developed internally.

*\*As a result of the business combination, valued using the income-based method (Multi-Period Excess Earnings Method), which was applied to determine the fair value of customer relationships, considering the number of active customers. This method estimates the fair/market value based on the value of the cash flows attributable to the intangible asset, net of the normal return on other assets (fixed assets, net working capital and other identified and valued intangible assets) that contributed to the generation of those cash flows.*

*The main element in the valuation of the customer relationship is the estimation of cash flows, i.e. the future benefits from loans and deposits related to the valued customer base. The estimated market value of the customer relationships was 8.5 million lei at the valuation date, with an estimated amortization period of 15 years, using the straight-line method.*

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**17 TANGIBLE ASSETS**

December 31, 2024	Lands and buildings	Design	Furniture and equipment	Assets in progress	Total
<b>Net carrying amount on January 1, 2024</b>	<b>3,835,236</b>	<b>9,900,928</b>	<b>20,154,927</b>	<b>2,386,759</b>	<b>36,227,850</b>
Inputs	-	172,720	5,602,108	6,964,404	12,739,232
Reclassifications from Repossessed assets category	-	-	-	-	-
Transfers	-	4,939,519	3,325,367	-8,350,097	-85,211
Outputs	-	-1,186,013	-3,231,878	-220,739	-4,638,630
Amortization expense	-56,136	-2,385,836	-5,635,675	-	-8,077,647
Other acquisition adjustments	-	-	-	-	-
Revaluation	-	-	-	-	-
Accumulated amortization for outputs	-	1,186,013	3,135,893	-	4,321,906
<b>Net carrying amount as at December 31, 2024</b>	<b>3,779,100</b>	<b>12,627,331</b>	<b>23,350,742</b>	<b>780,327</b>	<b>40,537,500</b>
Cost	3,968,451	17,536,423	45,667,497	780,327	67,952,698
Accumulated amortization	-189,351	-4,909,092	-22,316,755	-	-27,415,198
<b>Net carrying amount as at December 31, 2024</b>	<b>3,779,100</b>	<b>12,627,331</b>	<b>23,350,742</b>	<b>780,327</b>	<b>40,537,500</b>
December 31, 2023	Lands and buildings	Design	Furniture and equipment	Assets in progress	Total
<b>Net carrying amount on January 1, 2023</b>	<b>2,352,590</b>	<b>3,634,152</b>	<b>13,956,733</b>	<b>6,895,942</b>	<b>26,839,417</b>
Inputs	-	591,354	4,116,341	12,158,977	16,866,672
Reclassifications from Repossessed assets category	-	-	-	-	-
Transfers	1,538,784	7,477,618	7,322,609	-16,346,573	-7,562
Outputs	-	-2,915,317	-4,736,952	-321,588	-7,973,857
Amortization expense	-56,137	-1,776,373	-4,931,271	-	-6,763,782
Other acquisition adjustments	-	-	-	-	-
Revaluation	-	-	-	-	-
Accumulated amortization for outputs	-	2,889,494	4,427,467	-	7,316,961
<b>Net carrying amount as at December 31, 2023</b>	<b>3,835,236</b>	<b>9,900,928</b>	<b>20,154,927</b>	<b>2,386,759</b>	<b>36,227,850</b>
Cost	3,968,451	13,610,196	39,971,900	2,386,759	59,937,305
Accumulated amortization	-133,214	-3,709,268	-19,816,973	-	-23,659,455
<b>Net carrying amount as at December 31, 2023</b>	<b>3,835,236</b>	<b>9,900,928</b>	<b>20,154,927</b>	<b>2,386,759</b>	<b>36,227,850</b>

The Bank recognized improvements mainly brought to the arrangements of operational offices with modernization works, as well as the provision of furniture and IT equipment in the amount related to tangible non-current assets.

Free translation from the original Romanian version.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**18 RIGHT-OF-USE ASSETS**

<b>Right-of-use assets</b>	<b>2024</b>	<b>2023</b>
Right-of-use assets	91,656,969	82,036,953
Amortization/depreciation of right-of-use assets	-41,933,282	-32,174,293
<b>Total</b>	<b>49,723,687</b>	<b>49,862,659</b>

Most leases are in EUR and only two in RON and are concluded for a contractual period of maximum 10 years.

At December 31, 2024 Vista had 40 leases for rental spaces, of which 39 contracts did not have a rental period of less than 12 months, which is why they were included in the calculation of the right-of-use, and only one had a rental period of less than 12 months, which is why it was excluded from the calculation of the right-of-use.

The Bank operates as lessee in vehicle leases and leases for rental of office spaces for the Bank's branches. Expenses with short-term leases and low value assets are expensed directly to profit or loss. In 2024, expenses with such items was RON 491,914.

<b>Right-of-use assets</b>	<b>2024</b>	<b>2023</b>
Right-of-use assets – vehicles	4,757,536	5,604,993
Right-of-use assets - rentals	44,966,151	44,257,666
<b>Total</b>	<b>49,723,687</b>	<b>49,862,659</b>

**Movement of right-of-use assets in 2024**

	<b>Vehicles</b>	<b>Land and buildings</b>	<b>Total</b>
<b>Balance at January 1, 2024</b>	<b>5,604,993</b>	<b>44,257,666</b>	<b>49,862,659</b>
New leases	816,875	5,280,356	6,097,231
Amended leases	-	5,975,649	5,975,649
Cancellation / Closing	-5,603	-	-5,603
Amortization during the year (-)	-1,658,729	-10,547,520	-12,206,249
<b>Balance at December 31, 2024</b>	<b>4,757,536</b>	<b>44,966,151</b>	<b>49,723,687</b>

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**18 RIGHT-OF-USE ASSETS (continued)**

**Movement of right-of-use assets in 2023**

	<b>Vehicles</b>	<b>Land and buildings</b>	<b>Total</b>
<b>Balance at January 1, 2023</b>	<b>660,363</b>	<b>47,264,320</b>	<b>47,924,683</b>
New leases	4,176,818	2,893,063	7,069,881
Amended leases	16,231	1,955,966	1,972,197
Cancellation / Closing	1,969,044	2,243,400	4,212,444
Amortization during the year (-)	-1,217,463	-10,099,083	-11,316,546
<b>Balance at December 31, 2023</b>	<b>5,604,993</b>	<b>44,257,666</b>	<b>49,862,659</b>

**Amounts recognised to profit or loss for IFRS 16 lines at December 31, 2024**

<b>RON</b>	<b>Vehicles</b>	<b>Land and buildings</b>	<b>Total</b>
Expenses with impairment of right-of-use assets	1,658,729	10,547,520	12,206,249
Expenses with interest of leasing liabilities	252,847	2,007,607	2,260,454
<b>Total</b>	<b>1,911,576</b>	<b>12,555,127</b>	<b>14,466,703</b>

**Amounts recognised to profit or loss for IFRS 16 lines at December 31, 2023**

<b>RON</b>	<b>Vehicles</b>	<b>Land and buildings</b>	<b>Total</b>
Expenses with impairment of right-of-use assets	1,217,463	10,099,083	11,316,546
Expenses with interest of leasing liabilities	51,441	1,812,391	1,863,832
<b>Total</b>	<b>1,268,904</b>	<b>11,911,474</b>	<b>13,180,378</b>

**19 INVESTMENT PROPERTY**

<b>Investment property</b>	<b>2024</b>	<b>2023</b>
Investment property		
- land	63,345,021	56,594,190
- buildings	18,553,880	20,549,303
<b>Total</b>	<b>81,898,901</b>	<b>77,143,493</b>

In 2024, there were no repossessed assets reclassified as investment property – land in accordance with IAS 40 (fair value model) (2023: RON 195,453). Investment properties are valued annually at market value, based on a report prepared by an ANEVAR accredited valuer. In addition, the revalued amount is verified by an independent valuer indicated by the NBR. In 2024, the Bank registered income from leasing investment properties in amount of RON 685,182 (2023: RON 1,097,397) included in line Other income, presented in Note 7.

According to the analysis of the fair value hierarchy, investment properties are classified as Tier 3.

The movements in the investment property portfolio were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Opening balance</b>	<b>77,143,493</b>	<b>86,574,773</b>
Reclassification from repossessed assets	-	195,453
Inflows	4,834,922	-26,781
Outflows	-79,514	-9,599,952
<b>Closing balance</b>	<b>81,898,901</b>	<b>77,143,493</b>
Price received for assets sold	-	<b>10,757,356</b>

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**20 REPOSSESSED ASSETS**

	<b>2024</b>	<b>2023</b>
<b>Reposessed assets</b>		
Reposessed assets – gross amount	27,402,981	44,724,829
Impairment allowance for reposessed assets	-4,130,263	-5,175,074
<b>Net value</b>	<b>23,272,718</b>	<b>39,549,755</b>

The movement in the portfolio of reposessed assets was as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Opening balance (gross value)</b>	<b>44,724,829</b>	<b>56,843,852</b>
Inflows (gross value)	940,540	122,243
Outflows (gross value)	-18,262,387	-12,045,208
Reclassification to investment property	-	-196,059
Reclassification to fixed assets	-	-
<b>Closing balance</b>	<b>27,402,981</b>	<b>44,724,829</b>
<b>Price received for assets sold</b>	<b>23,570,656</b>	<b>10,969,563</b>

The movement of the provision for reposessed assets impairment representing assets achieved as a consequence of foreclosure of receivables is as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Opening balance	5,175,074	7,186,342
Increases	150,146	368,919
Decreases	-348,902	-427,974
Reversal of sold reposessed assets	-846,056	-1,951,607
Restatement to investment property	-	-606
<b>Closing balance</b>	<b>4,130,263</b>	<b>5,175,074</b>

**21 OTHER ASSETS**

	<b>2024</b>	<b>2023</b>
<b>Other financial assets</b>		
Cash and cash equivalents to be recovered*	8,737,696	5,642,814
Various debtors - net	6,837,493	6,195,515
Incomes to be received - net	83,400	127,468
<b>Total</b>	<b>15,658,589</b>	<b>11,965,797</b>
<b>Other non-financial assets</b>		
Inter-bank settlements	248,705	907,045
Advances to personnel	12,820	29,669
Deductible/recoverable VAT	1,981	2,649
Other receivables regarding the state budget	792,393	593,301
Prepaid expenses	9,298,257	7,539,664
Other settlement accounts	10,189,204	3,286,931
Materials and other consumables	-	-
<b>Total</b>	<b>20,543,360</b>	<b>12,359,259</b>
<b>Total other assets</b>	<b>36,201,949</b>	<b>24,325,056</b>

\*Line Cash and cash equivalents to be recovered also includes the amounts recoverable from EURONET in amount of RON 4,137,938 (December 31, 2023: RON 4,808,810).

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**21. OTHER ASSETS (continued)**

Nature of the assets	December 31, 2024	December 31, 2023
Sundry debtors - gross	7,109,585	6,472,058
Provision	-272,092	-276,543
<b>Net amount recoverable</b>	<b>6,837,493</b>	<b>6,195,515</b>
Gross incomes to be received	286,879	606,220
Provision	-203,479	-478,752
<b>Net amount of income receivable</b>	<b>83,400</b>	<b>127,468</b>

The movement of the provision for sundry debtors is as follows:

	December 31, 2024	December 31, 2023
Opening balance	276,543	289,705
Increases	202,559	-
Decreases	-207,010	-13,162
Write-down of provision	-	-
FX differences	-	-
<b>Closing balance</b>	<b>272,092</b>	<b>276,543</b>

The movement of the provision for income to be received is as follows:

	December 31, 2024	December 31, 2023
Opening balance	478,752	486,409
Increases	-	-
Decreases	-275,553	-7,691
FX differences	280	34
<b>Closing balance</b>	<b>203,479</b>	<b>478,752</b>

**22 DEPOSITS FROM BANKS**

	2023	2022
Correspondent accounts (Loro)	49,429,407	115,044,089
Maturity deposits	15,102,361	23,678,333
<b>Total</b>	<b>64,531,768</b>	<b>138,722,422</b>

In 2024, for inter-banking deposits drawn, expressed in RON, interest rates ranged between 5.5% and 6.0% (2023: 6.00% and 7.00%). For inter-bank deposits denominated in EUR, interest rates ranged between 2.75% and 3.84%, for USD the interest rate was 4.8% and for GBP 5.1% (for 2023, there were no deposits denominated in EUR, USD or GBP).

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**23 CUSTOMERS' DEPOSITS**

	<b>2024</b>	<b>2023</b>
Current accounts	1,540,863,330	1,803,009,060
Savings accounts	4,748,648	9,261,781
Sight deposits	316,884,794	382,509,653
Maturity deposits	5,680,514,099	6,121,941,292
Collateral deposits	196,980,488	154,053,065
<b>Total</b>	<b>7,739,991,359</b>	<b>8,470,774,851</b>

The interest rates regarding current accounts and customers deposits in 2024 varied between 0% and 8.79% (2023: between 0% and 9.65%) on accounts and deposits denominated in RON, between 0.00% and 3.92% (2023: between 0.00% and 4.28%) on deposits denominated in EUR, between 0.00% and 4.85% (2023: between 0.00% and 5.38%) on accounts and deposits denominated in USD, between 0.00% and 5.59% (2023: between 0.00% and 5.84%) on accounts and deposits denominated in GBP, between 0.00% and 0.05% (2023: between 0.00% and 0.05%) on accounts and deposits denominated in CHF.

In 2024, accounts were opened in two other currencies, namely CAD and DKK, with an interest rate of 0.00% (2023: none)

At December 31, 2024, retail clients (individuals and micro enterprises) represent 37% of the portfolio, while corporate clients represent 63% of the portfolio (December 31, 2023: retail 32%, corporate 68%).

At December 31, 2024, the Bank's deposit and current account portfolio was allocated 20% in current accounts and 80% in deposits (for 2023: 21% current accounts and 79% deposits).

At December 31, 2024, the portfolio of current accounts and deposits was structured by currency as follows: 58% in RON, 34% in EUR, 7% in USD and 2% other currencies (2023: 60% in RON, 31% in EUR, 8% in USD and 1% other currencies).

**24 SUBORDINATED LOANS**

	<b>2024</b>	<b>2023</b>
Subordinated loans on undefined term	121,587,130	95,697,650
<b>Total</b>	<b>121,587,130</b>	<b>95,697,650</b>

Subordinated loans within the Bank.

At December 31, 2024 the following subordinated loan agreements at an equivalent of USD 16 million were effective:

- subordinated loan from EDEN SHIPHOLDING LTD, in total amount equivalent to RON 14,330,400 (USD 3,000,000) principal, granted on June 3, 2020 and due on June 3, 2030, with an interest rate of 7.7134% (3M SOFR plus 3% margin);
- subordinated loan from EDEN SHIPHOLDING LTD, in total amount equivalent to RON 14,330,400 (USD 3,000,000) principal, granted on March 7, 2023 and due on April 7, 2031, with an interest rate of 7.7134% (3M SOFR plus 3% margin);
- subordinated loan from EDEN SHIPHOLDING LTD, in total amount equivalent to RON 9,553,600 (USD 2,000,000) principal, granted on February 16, 2024 and due on February 16, 2030, with an interest rate of 7.7134% (3M SOFR plus 3% margin);
- subordinated loan from GOULANDRIS NICHOLAS JOHN, in total amount equivalent to RON 9,553,600 (USD 2,000,000) principal, granted on June 3, 2020 and due on June 3, 2030, with an interest rate of 7.7134% (3M SOFR plus 3% margin);
- subordinated loan from GOULANDRIS NICHOLAS JOHN, in total amount equivalent to RON 14,330,400 (USD 3,000,000) principal, granted on March 7, 2023 and due on April 7, 2031, with an interest rate of 7.7134% (3M SOFR plus 3% margin);
- subordinated loan from GOULANDRIS NICHOLAS JOHN, in total amount equivalent to RON 14,330,400 (USD 3,000,000) principal, granted on February 19, 2024 and due on February 15, 2030, with an interest rate of 7.7134% (3M SOFR plus 3% margin)

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

**24 SUBORDINATED LOANS (continued)**

The subordinated loan taken over from the Bank Credit Agricole SA, worth EUR 9,022,899 granted in 2011, with a variable interest rate consisting of EURIBOR 3M plus a 1.80% margin. Further to sale of Bank Credit Agricole Romania SA of September 16, 2021, the loan was transferred to Optima Bank Greece, and through an addendum concluded at such date the interest margin was set at a fixed 3%, which is maintained in 2024.

In 2024, the Bank did not operate any drawdowns or repayments of its subordinated loans. The increase of the year is mainly due to the effect of the USD 5 million representing the two new subordinated loans granted over a period of 6 years by Mr. Goulondris Nicholas John (USD 3 million), granted from February 19, 2024 to February 15, 2030, and by EDEN SHIPHOLDING LTD (USD 2 million), granted from February 16, 2024 to February 16, 2030, but also by the impact of exchange rates.

At December 31, 2024, the interest on all subordinated loan agreements in USD and EUR is in total value of equivalent RON 277,526.

Subordinated liabilities are treated as part of the Bank's own funds.

**25 FINANCIAL ASSETS HELD FOR TRADING**

	<b>2024</b>	<b>2023</b>
Financial derivatives		
<b>Finance assets at fair value through profit or loss</b>	3,911,735	3,065,690
Foreign exchange swaps	<b>3,911,735</b>	<b>3,065,690</b>

The amount represents unrealised gain on foreign exchange swaps. The swaps are made for liquidity purposes for foreign exchange management.

<b>At December 31, 2024</b>	<b>within 1 month</b>	<b>1-3 months</b>	<b>3 – 12 months</b>
<b>Finance assets at fair value through profit or loss (swap)</b>			
Unrealised gain (asset)	321,910	2,204,395	1,385,430
Unrealised loss (liability)	-	-	-
<b>At December 31, 2023</b>	<b>within 1 month</b>	<b>1-3 months</b>	<b>3 – 12 months</b>
<b>Finance assets at fair value through profit or loss (swap)</b>			
Unrealised gain (asset)	3,065,690	-	-
Unrealised loss (liability)	-	-	-



**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**25 FINANCIAL ASSETS HELD FOR TRADING (continued)**

Off-balance sheet foreign exchange positions for swaps are as follows:

Off-balance sheet foreign exchange positions	2024		2023	
	Assets	Liabilities	Assets	Liabilities
RON	-	475,464,735	-	500,525,690
USD	23,884,000	-	-	-
GBP	-	-	-	-
EUR	447,669,000	-	497,460,000	-
<b>Total</b>	<b>471,553,000</b>	<b>475,464,735</b>	<b>497,460,000</b>	<b>500,525,690</b>

Debt instruments

	2024	2023
Bonds issued by Romanian government		
- in EUR	4,994,188	-
<b>Total</b>	<b>4,994,188</b>	<b>-</b>

**26 CURRENT TAX ASSETS AND DEFERRED TAX ASSETS/LIABILITIES**

**Current income tax**

	2024	2023
Current tax assets	-	7,632,149
<b>Total</b>	<b>-</b>	<b>7,632,149</b>

**Deferred tax**

	2024	2023
Deferred tax receivables	40,200	1,957,376
Deferred tax liabilities	-4,286,499	-5,732,050
<b>Total</b>	<b>-4,246,299</b>	<b>-3,774,674</b>

The movement of deferred tax assets and liabilities is presented in Note 9.

**27 LEASE LIABILITIES**

Lease liabilities	2024	2023
Lease liabilities – vehicles	4,875,932	5,621,371
Lease liabilities – rentals	48,374,294	47,607,632
Associated liabilities	-	-
<b>Total</b>	<b>53,250,226</b>	<b>53,229,003</b>

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**28 LEASE LIABILITIES (CONTINUED)**

**Maturities of lease liabilities at December 31, 2024**

<b>RON</b>	<b>Vehicles</b>	<b>Land and buildings</b>	<b>Total</b>
Within 1 year	1,770,969	10,481,530	12,252,499
1 - 5 years	3,104,963	28,737,287	31,842,250
Over 5 years	-	9,155,477	9,155,477
<b>Total</b>	<b>4,875,932</b>	<b>48,374,294</b>	<b>53,250,226</b>

**Maturities of lease liabilities at December 31, 2023**

<b>RON</b>	<b>Vehicles</b>	<b>Land and buildings</b>	<b>Total</b>
Within 1 year	1,409,465	9,797,718	11,207,182
1 - 5 years	4,211,906	31,443,371	35,655,277
Over 5 years	-	6,366,543	6,366,543
<b>Total</b>	<b>5,621,371</b>	<b>47,607,632</b>	<b>53,229,003</b>

**Changes in lease liabilities in 2024**

	<b>Vehicles</b>	<b>Land and buildings</b>	<b>Total</b>
<b>Balance at January 1, 2024</b>	<b>5,621,371</b>	<b>47,607,632</b>	<b>53,229,003</b>
Interest expenses	252,847	2,007,607	2,260,454
Lease payments (principal + interest)	-1,809,354	-12,398,070	-14,207,424
New leases	816,658	2,144,713	2,961,370
Amended leases	-	9,029,124	9,029,124
FX impact	-630	-16,710	-17,340
Cancellation / Closing	- 4,961	-	-4,961
<b>Balance at December 31, 2024</b>	<b>4,875,932</b>	<b>48,374,294</b>	<b>53,250,226</b>

**Changes in lease liabilities in 2023**

	<b>Vehicles</b>	<b>Land and buildings</b>	<b>Total</b>
<b>Balance at January 1, 2023</b>	<b>719,588</b>	<b>50,417,389</b>	<b>51,136,977</b>
Interest expenses	51,441	1,812,391	1,863,832
Lease payments (principal + interest)	-1,330,458	-11,719,295	-13,049,753
New leases	6,193,473	7,593,702	13,787,175
Amended leases	16,315	1,864,120	1,880,435
FX impact	4,372	198,839	203,212
Cancellation / Closing	- 33,359	-2,559,514	-2,592,874
<b>Balance at December 31, 2023</b>	<b>5,621,371</b>	<b>47,607,632</b>	<b>53,229,003</b>

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**28 OTHER LIABILITIES**

	<b>2024</b>	<b>2023</b>
<b>Other financial liabilities</b>		
Other due amounts	60,261,571	66,654,051
Sundry creditors	7,001,917	6,763,530
Expenses payable	4,128,991	763,089
Deferred income	6,510,177	3,893,799
<b>Total</b>	<b>77,902,656</b>	<b>78,074,469</b>
<b>Other liabilities</b>		
Collected/payable VAT	29,919	38,846
Other taxes and social benefits payable	4,770,503	4,575,477
Other regulatory accounts and differences	2,916,160	1,992,715
Deferred income	93,601	268,136
Dividends	518	-
<b>Total</b>	<b>7,810,701</b>	<b>6,875,174</b>

Other due amounts include amounts in transit from customers and banks as well as amounts to be paid to suppliers that are closed within a few days or may be additional amounts deposited by credit card customers or resulting from the balance of promissory notes and checks and that are closed in the short term and also come from receipts from credit guarantee funds/SMEs. For receipts from credit guarantee funds, following the collection process, the Credit Management department identifies and allocates the amounts received to the outstanding balance of the exposure of customers who have accessed various grant programs for SME investments.

The balance of Other financial liabilities is estimated to be closed in less than 1 month.

**29 OTHER PROVISIONS**

	<b>2024</b>	<b>2023</b>
Provisions for loan commitments, financial guarantees and other given commitments	4,790,543	5,752,822
Litigation provisions	295,476	948,876
Provisions for untaken leaves	767,979	733,000
Other provisions	8,305	37,492
<b>Total</b>	<b>5,862,303</b>	<b>7,472,190</b>

The risk provision value is based on the best estimate of the necessary amount for the settlement of the obligation, taking into consideration the associated risks.

Once the Company adopted IFRS 9 as of January 1, 2018, it calculated additional provisions according to the methodology in force, for crediting commitments and financial guarantees.

Litigation provisions refer to risks of legal disputes related to abusive clauses (risks of increases of interest rates and the collection of application, administration and restructuring fees).

The litigation provisions are recognised for all the situations where the following conditions are met: there is a legal or constructive obligation as a consequence of a past event, the possibility that an outflow incorporating economic benefits necessary for the settlement of the obligation is more likely than the possibility of not being necessary and a reliable estimate may be done regarding the value of the obligation.

The provisions for employees' benefits refer mainly to provisions registered for employees' legal holidays, untaken at reporting date.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**29 OTHER PROVISIONS (CONTINUED)**

The changes in **total provisions for risks and charges** are presented below:

	<b>2024</b>	<b>2023</b>
<b>Balance at the beginning of the year</b>	<b>7,472,190</b>	<b>8,520,393</b>
Increases	10,601,994	12,922,886
Decreases	-12,212,458	-13,979,634
FX differences	577	8,545
<b>Balance at the end of the year</b>	<b>5,862,303</b>	<b>7,472,190</b>

The changes in the **provisions for loan commitments, financial guarantees and other given commitments** are presented below:

	<b>2024</b>	<b>2023</b>
<b>Balance at the beginning of the year</b>	<b>5,752,822</b>	<b>6,126,442</b>
Increases	9,674,056	12,097,681
Decreases	-10,636,924	-12,478,846
FX differences	589	7,545
<b>Balance at the end of the year</b>	<b>4,790,543</b>	<b>5,752,822</b>

The changes in the **litigation provisions** are presented below:

	<b>2024</b>	<b>2023</b>
<b>Balance at the beginning of the year</b>	<b>948,876</b>	<b>1,055,174</b>
Increases	159,959	92,205
Decreases	-813,350	-199,350
FX differences	-9	847
<b>Balance at the end of the year</b>	<b>295,476</b>	<b>948,876</b>

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**29 OTHER PROVISIONS (continued)**

The changes in the **provisions for untaken leaves** are presented below:

	<b>2024</b>	<b>2023</b>
<b>Balance at the beginning of the year</b>	<b>733,000</b>	<b>1,297,763</b>
Increases	767,979	733,000
Decreases	-733,000	-1,297,763
FX differences	-	-
<b>Balance at the end of the year</b>	<b>767,979</b>	<b>733,000</b>

Changes in the provision for **Other provisions** are presented below:

	<b>2024</b>	<b>2023</b>
<b>Balance at the beginning of the year</b>	<b>37,492</b>	<b>41,014</b>
Increases	-	-
Decreases	-29,184	-3,675
FX differences	-3	153
<b>Balance at the end of the year</b>	<b>8,305</b>	<b>37,492</b>

**30 SHARE CAPITAL**

	<b>2024</b>	<b>2023</b>
Shared capital registered with the Trade Registry	468,736,524	468,736,524
Increase of share capital during the year	-	-
Adjusting the share capital with inflation (IAS 29)	36,171,458	36,171,458
<b>Share capital according IFRS</b>	<b>504,907,982</b>	<b>504,907,982</b>
<b>Shareholder</b>	<b>2024</b>	<b>2023</b>
	<b>(%)</b>	<b>(%)</b>
Barniveld Enterprises Limited	99.72	99.72
Shareholders – legal entities	0.17	0.17
Shareholders - natural persons	0.11	0.11
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

The Bank's share capital consists of 4,687,365,244 (2023: 6,687,365,244) ordinary shares allocated and paid in full in the amount of RON 0.1 each share (2021: RON 0.1 each). Every share represents a vote.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**31 RESERVES**

	<b>2024</b>	<b>2023</b>
Legal reserve	17,923,253	12,685,072
General reserve for banking risks	7,568,063	7,568,063
Differences from changes in the fair value of financial assets at fair value through other comprehensive income – Credit Office	255,195	251,251
Differences from the alterations of the fair value of equity instruments at fair value through other comprehensive income – securities	-1,783,969	-1,901,892
Other reserves for reinvested profit	3,747,918	-
<b>Total</b>	<b>27,710,460</b>	<b>18,602,494</b>

The changes in reserves are detailed as follows for each reserve category:

<b>Legal reserve</b>	<b>2024</b>	<b>2023</b>
<b>Balance at the beginning of the year</b>	<b>12,685,073</b>	<b>8,904,578</b>
Transfer as profit allocation	5,238,181	3,780,495
<b>Balance at the end of the year</b>	<b>17,923,253</b>	<b>12,685,073</b>
<b>Other reserves for reinvested profit</b>	<b>2024</b>	<b>2023</b>
<b>Balance at the beginning of the year</b>	-	-
Transfer as profit allocation	3,747,918	-
<b>Balance at the end of the year</b>	<b>3,747,918</b>	-

Differences from changes in the fair value of equity instruments at fair value through other comprehensive income:

	<b>2024</b>	<b>2023</b>
<b>Balance at the beginning of the year</b>	<b>251,250</b>	<b>21,285</b>
Registering the differences regarding the fair value	3,945	229,965
<b>Balance at the end of the year</b>	<b>255,195</b>	<b>251,250</b>

According to the Romanian legislation regarding the banking institutions and operations, the Bank must distribute the profit as dividends or to perform a transfer in the reported result (reserves) based on the financial statements concluded in accordance with Order 27/2010. The transferred amounts in the reserve accounts must be used for the purposes defined at the time of the transfer.

According to the Romanian company legislation, the Bank has the obligation to create a legal reserve of 5% of the gross income, until the total reserve reaches 20% out of the issued and fully paid share capital.

According to the legislation issued by the National Bank of Romania, in the past the Bank had the obligation to create a general reserve for banking risk, out of the gross income. This reserve may be used to cover losses from loans. At present, the reserve is not used until a clarification is issued regarding this regulation by the National Bank of Romania.

The amounts transferred in reserves must be used for the purpose defined at the time of the transfer. According to the national legislation, these reserves cannot be used for other purposes.

After reducing taxes and eliminating statutory and general reserves as previously presented, the remaining balance out of the net income may be distributed to the shareholders. Only the dividends from the current statutory income may be declared.

The legal reserves may not be ordinarily distributed to shareholders because they are kept for compliance with the legal provisions and to protect the company's capital. In exceptional cases and in certain conditions, with the approval of the Annual General Meeting of Shareholders, a distribution can be made, but subject to taxation as per the tax legislation in force.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

**32 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at the end of the reporting period, as presented in the statement of cash flows, may be reconciled with the related items in the reporting position, as follows:

	<b>2024</b>	<b>2023</b>
Cash and current accounts with the National Bank of Romania (Note 11)	888,951,472	1,817,622,492
Cash at ATM-EURONET (Note 21)	4,137,938	4,808,810
Loans and advances to banks at amortised cost (Note 12)	756,763,266	913,701,981
<b>Total</b>	<b>1,649,852,676</b>	<b>2,736,133,283</b>

Cash and cash equivalents include cash on hand and at ATMs, current accounts with central banks, Nostro accounts with other banks, placements with other banks with original maturity of less than 90 days and are recorded at amortized cost in the statement of financial position.

Cash and cash equivalents do not carry a significant risk of changes in fair value and are used by the Bank to manage its short-term commitments.

The breakdown of cash and cash equivalents includes:

	<b>2024</b>	<b>2023</b>
Cash (Note 11)	64,148,578	64,261,832
Cash at Central Bank (Note 11)	824,802,894	1,753,360,660
Cash at ATM -EURONET (Note 21)	4,137,938	4,808,810
Accounts at other banks (Note 12)	21,809,489	16,111,500
Short-term inter-banking deposits with other banks (Note 12)	734,953,777	897,590,481
<b>Total</b>	<b>1,649,852,676</b>	<b>2,736,133,283</b>

**33 RELATED PARTY TRANSACTIONS**

The nature of the relationship with related parties for those related parties with which the Bank concluded significant transactions or registered significant balances as at December 31, 2024 is herein presented.

Barniveld Enterprises Limited is the parent company of Vista Bank Romania SA.

The main related parties of the Bank are as follows:

- Mr. Ioannis Vardinogiannis – Greek citizen, ultimate beneficial owner of 100% of the share capital of Gem Force Investments Limited.
- Gem Force Investments Limited owns a majority stake in the share capital of Barniveld Enterprises Limited
- Barniveld Enterprises Limited, owns 99.72% of the share capital of Vista Bank Romania SA

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
(all amounts are expressed in RON, unless otherwise stated)

**33. RELATED PARTY TRANSACTIONS (continued)**

<b>2024</b>	<b>Management*</b>	<b>Key positions*</b>	<b>Parent bank</b>	<b>Other related parties</b>
<b>Assets</b>				
Current accounts with banks	-	-	-	1,494,123
Placements with banks	-	-	-	353,293,328
Customers' loans	278,760	2,407,150	-	122,509,676
Banks' loans	-	-	-	-
<b>Total assets</b>	<b>278,760</b>	<b>2,407,150</b>	<b>-</b>	<b>477,297,038</b>
<b>Liabilities</b>				
Current accounts with banks	-	-	-	49,429,407
Deposits of banks	-	-	-	-
Customers' deposits	3,496,991	1,532,405	427,266	1,042,885,395
Subordinated loans	-	-	-	121,587,130
<b>Total liabilities</b>	<b>3,496,991</b>	<b>1,532,405</b>	<b>427,266</b>	<b>1,213,901,932</b>
<b>2023</b>	<b>Management*</b>	<b>Key positions*</b>	<b>Parent bank</b>	<b>Other related parties</b>
<b>Assets</b>				
Current accounts with banks*	-	-	-	1,045,308
Placements with banks*	-	-	-	389,382,719
Customers' loans	299,936	2,441,035	-	138,971,859
Banks' loans	-	-	-	-
<b>Total assets</b>	<b>299,936</b>	<b>2,441,035</b>	<b>-</b>	<b>529,399,886</b>
<b>Liabilities</b>				
Current accounts with banks	-	-	-	115,044,089
Deposits of banks	-	-	-	-
Customers' deposits	2,120,155	1,767,527	61,359	1,196,359,236
Subordinated loans	-	-	-	95,697,650
<b>Total liabilities</b>	<b>2,120,155</b>	<b>1,767,527</b>	<b>61,359</b>	<b>1,407,100,975</b>



**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

**34. RELATED PARTY TRANSACTIONS (continued)**

In 2018, the majority shareholder of the Bank became Barniveld Enterprises Limited with 58 Arch. Makarios II, Iris Tower, 8<sup>th</sup> floor, 1075, Nicosia, Cyprus.

*In note "Related party transactions" for December 31, 2023, the RON 390,428,026 presented on line "Placements with banks" was redistributed, as mentioned on line "Current accounts with banks" and "Placements with banks", without having the effect of changing the amount on line "Total assets".*

On May 20, 2019, the Bank changed its name from Marfin Bank (Romania) SA to Vista Bank (Romania) SA.

On September 16, 2021, the Bank acquired 99.95% in the share capital of Credit Agricole Bank Romania SA, at which date it also obtained control.

At October 1, 2022, Vista Bank (Romania) SA merged with Credit Agricole Bank Romania SA, which is the effective date of the merger, when it produces legal and operational effects and when the physical and universal transfer of the patrimony (the totality of assets and liabilities taken over from the absorbed bank, Credit Agricole Bank Romania SA, to the absorbing bank, VISTA Bank Romania SA) took place.

	<b>2024</b>				<b>2023</b>			
	<b>Management*</b>	<b>Key positions*</b>	<b>Parent bank</b>	<b>Other related parties</b>	<b>Management*</b>	<b>Key positions*</b>	<b>Parent bank</b>	<b>Other related parties</b>
<b>Income</b>								
Bank placement interest	-	-	-	13,879,136	-	-	-	11,428,161
Customers' loans interest	18,607	165,761	-	8,515,817	26,692	126,049	-	7,580,151
Banks' loans interest	-	-	-	-	-	-	-	-
<b>Total income</b>	<b>18,607</b>	<b>165,761</b>	<b>-</b>	<b>22,394,953</b>	<b>26,692</b>	<b>126,049</b>	<b>-</b>	<b>19,008,312</b>
<b>Expenses</b>								
Bank deposit interest	-	-	-	2,024	-	-	-	2,542
Customer deposit interest	99,985	57,810	-	36,019,436	60,061	46,253	-	35,274,062
Interest on subordinated loans	-	-	-	9,048,960	-	-	-	6,451,638
Salary expenses	4,331,808	5,554,871	-	-	3,116,050	4,138,135	-	-
<b>Total expenses</b>	<b>4,431,793</b>	<b>5,612,681</b>	<b>-</b>	<b>45,070,420</b>	<b>3,176,111</b>	<b>4,184,388</b>	<b>-</b>	<b>41,728,243</b>

In 2024, the Bank paid salaries to management in amount of RON 9,886,679 (December 31, 2023: RON 7,254,185).

*\*Management comprises all members of the Executive Board.*

*\*\*Key positions are held by the managers of the following departments: Finance, Risk, Internal Audit, Treasury, Compliance, Legal, Sales, IT, Operations and Human Resources*

## **34 COMMITMENTS AND CONTINGENT LIABILITIES**

### **Taxation**

The Romanian tax system suffered multiple alterations over the last years and now is in the phase of adjusting to the European Union jurisdiction. Therefore, there are still different interpretations of the tax legislation. In certain situations, the tax authorities may treat differently certain aspects, performing the calculation of some additional fees and taxes and of the related interest and delay penalties (at the present time the penalties established according to the delay period, plus 0.01% per day default interest). In Romania, the fiscal year remains opened for tax verification for 5 years. The Bank's management considers that the tax liabilities included in these financial statements are adequate.

### **Transfer pricing**

The Romanian tax legislation includes the "market value" principle, according to which the trades between the related parties must be performed at the market value. The local contributors performing transactions with the related parties must draw up and to put at the disposal of the Romanian tax authorities, at their written request, the documentation file of the transfer prices. Failure to present the documentation file or the incomplete presentation of such may cause penalties for noncompliance; additional to the content of the documentation file of the transfer prices, the tax authorities may interpret the transactions and circumstances different from the management's interpretation, therefore, they may impose additional tax liabilities resulted out of the adjustment of the transfer prices. The Bank's management considers that the Group will not have any losses if a tax control should occur for the assessment of the transfer prices. Nevertheless, the impact of the different interpretations of the tax authorities may not be reliably appraised. It can be significant for the Bank's financial position and/or operations.

### **Tax risk**

The Romanian tax system is in the phase of consolidation and adjustment with the European Union legislation. However, there are still different interpretations of the tax legislation. In certain situations, the tax authorities may treat differently certain aspects, performing the calculation of some additional fees and taxes and of the related interest and delay penalties. In Romania, the fiscal year remains opened for tax verification for 5 years. The Bank's management considers that the tax liabilities included in these financial statements are adequate and they are not aware of any circumstances which may cause significant liability in this respect.

### **Loan commitments**

The main purpose of these instruments is to ensure the availability of the funds to respond to the customers' requirements.

The guarantees and standby letters of credit, which constitute an irrevocable assurance that the Bank will make the payments if a customer is not able to fulfil its liabilities towards a third party, are exposed to the same loan risk as the loans.

The commercial and documentary letters of credit representing written commitments of the Bank for the benefit of a customer and authorising a third party to draw instalments on Group within the limit of a stipulated amount and within specific terms and conditions are guaranteed by the related assets delivery presenting accordingly a considerably lower risk than the direct loans.

The loan extension commitments represent unused segments loan extension authorisations under the form of loans, guarantee letters or letters of credit. Regarding the credit risk related to the expansion commitments of the loan, the Bank is potentially exposed to a loss equal with the total unused commitments.

Nevertheless, probable volume of the loss, although difficult to be quantified, is significantly lower than the total unused commitments since most of the expansion commitments of the loan are conditioned by the observance by the customers of certain specific credit standards. The Bank monitors the credit maturities because, in general, the long-term commitments present a higher degree of credit risk than the short-term credit commitments.

**VISTA BANK ROMANIA SA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOT THE YEAR ENDED DECEMBER 31, 2024**  
**(all amounts are expressed in RON, unless otherwise stated)**

**34 COMMITMENTS AND CONTINGENT LIABILITIES (continued)**

**Loan commitments (continued)**

The outstanding amounts are as follows:

	<b>2024</b>	<b>2023</b>
Commitments in favour of the customers (irrevocable unused credit facilities)	173,432,845	164,115,347
Guarantees for customers	522,647,569	445,073,242
<b>Total</b>	<b>696,080,414</b>	<b>609,188,589</b>

**Performance guarantees**

Details regarding the letters of guarantee on December 31, 2024 and December 31, 2023 are presented below:

	<b>2024</b>	<b>2023</b>
Letters of financial guarantee	368,800,634	289,051,082
Performance bond letters	153,846,936	156,022,159
<b>Total</b>	<b>522,647,569</b>	<b>445,073,242</b>

In 2024 and 2023, the Bank had no pledged securities.

**35 SUBSEQUENT EVENTS**

**1. Acquisition of Alpha Leasing Romania**

In 2025, Vista Bank will further expand its presence in the Romanian market through the full acquisition in March 2025 of Alpha Leasing Romania, which holds 100% of Alpha Insurance Brokerage Romania.

Alpha Bank and Alpha International Holdings sold Alpha Leasing Romania IFN and Alpha Insurance Brokers to Vista Bank Romania, and the transaction is expected to be completed in the second quarter of 2025.

The acquisition of Alpha Leasing Romania represents a new important moment for Vista Bank and is in line with the Bank's strategy to support its growth strategy and further consolidate its position on the Romanian market. The Bank also focuses its efforts on supporting the Romanian economy by generating value for all stakeholders: customers, employees and shareholders.

The acquisition transaction of Alpha Leasing Romania will depend on the approval of the authorities and is expected to be completed in the 2<sup>nd</sup> quarter of 2025.

**2. Vista Bank will manage the loan portfolio of EUROBANK SA in Romania (former Bancpost)**

Starting March 31, 2025, Vista Bank manages the loan portfolio held by EUROBANK SA in Romania.

Thus, the bank has concluded an agreement with EUROBANK SA (Greece) for the management of the loan portfolio of the former subsidiary of EUROBANK SA in Romania (Bancpost), offering services such as collecting installments on behalf of Eurobank, taking over requests from customers, etc.

The portfolio includes over 8,000 retail and SME clients, with a total exposure of over EUR 500 million.

**35 SUBSEQUENT EVENTS (continued)**

**3. *Ukraine crisis – 3 years from commencement***

On February 24, 2022, the Russian Federation engaged in military actions on the territory of Ukraine. The Bank still does not have direct exposure to entities from the Russian Federation, Ukraine or Belarus and closely monitors developments that may affect financial markets, clients' exposures, sanctions, government action and developments in Ukraine. The Bank will continue to assess the impact of the crisis in Ukraine and will take any potential action needed, as the facts and circumstances may change.

At the date of preparation and approval for publication of the financial statements, the Bank's management assessed the current political and economic framework and the measures already taken or planned by the Government of Romania, the National Bank of Romania and the European Council, which could have a negative impact on the Bank. Based on this assessment, management does not expect the economic impact of current developments to affect the company's going concern ability.

The financial statements were endorsed in the Meeting of the Board of Directors of April 4, 2025 and approved in the General Shareholders Assembly of April 16, 2025 and signed by:

---

**Georgios Athanasopoulos**  
**CEO**

---

**Theodor-Cornel Stanescu**  
**First Deputy CEO**



## **CONSOLIDATED REPORT OF THE BOARD OF ADMINISTRATION ON THE ACTIVITY CARRIED OUT IN 2024**

**VISTA BANK (ROMANIA) S.A.**, Romanian legal entity, having the headquarters in 90-92 Emanoil Porumbaru Street, Bucharest, district 1, Romania, is registered with the Trade Registry under no. J1998004436402, having the unique registration code RO 10556861, share capital RON 468,736,524.4, and is registered at the National Bank of Romania Registry no. RB-P-JR-40-044 dated 18.02.1999.

### **Budget - 2024**

In line with the revised Budget, the following levels of principal elements have been estimated for 2023:

- ☐ Total assets – RON 8,793 million (2023: RON 9,490 million);
- ☐ Customer loans – RON 4,966 million (2023: RON 4,436 million);
- ☐ Instruments – RON 1,887 million (2023: RON 2,032 million);
- ☐ Customer deposits – RON 7.740 million (2023: RON 8.471 million).

### **Profit & Loss account:**

- ☐ Net interest income – RON 243 million (2023: RON 207 million);
- ☐ Net commission income – RON 16 million (2023: RON 13 million);
- ☐ Net FX earning – RON 23 million (2023: RON 20 million);
- ☐ Operational costs – RON 183 million (2023: RON 167 million).

The Bank focuses on the following objectives:

- ☐ the limitation of losses due to the depreciation of the debtor's quality by monitoring the loan portfolio, which is a permanent process that includes two stages: the first stage is for the prevention of the events which may cause risks and takes place before taking the decision of financing potential clients, being followed by the credit risk monitoring stage which takes place after the loan financing and until the full repayment.
- ☐ to speed up the selling of the repossessed assets;
- ☐ to increase the collections related to the non-performing portfolio.
- ☐ to detect and correct the occurred problems in due time.
- ☐ the improvement and amendment of the Procedures of the Bank according to the legislation in force.
- ☐ increase of the level of the professional qualification of our employees by participating at training programs.
- ☐ improving the IT System in order to minimize the risks of the Bank.
- ☐ acceptance of retailers' cards.

- ❑ focus on expanding the retail lending in local currency, as a strategy the Bank will focus on medium and high net individuals that are not so sensitive at current market fluctuation.
- ❑ moderate lending expansion to new corporate customers with focus on financing of the current activity of the companies; as a strategy the Bank will focus on medium & large corporate customers with solid financial statement that can sustain their business in the current market conditions.

To have a balanced loan portfolio the Bank will focus on sectors related to real economy such: food, services, trade with primary products, agriculture, energy, distribution, constructions, real estate etc.

- ❑ focus on expanding the corporate and especially SME lending in local currency and convert existing exposure from foreign currency into local currency.
- ❑ avoid investment loans in real estate project or in non-productive projects for corporate clients;
- ❑ focus in co-financing the projects with EU Structural funds option for corporate and SME clients;
- ❑ granting working capital credit lines addressed to SMEs with state guarantee;
- ❑ increasing the turnover of our customers through our account – better monitoring of quality of services;
- ❑ improving the capital base and the prudential ratios;
- ❑ attract new deposits from the customers that have funds availability;

**Corporate Banking Division** serves a wide range of clients, legal entities from all the sectors of the economy.

The products and services provided to clients support a mutually beneficial relation, with the purpose of contributing to the Bank's profitability and to cover clients' needs.

The main objectives of Corporate Banking for 2024 were the following:

- offering support to the network selling channels for enlarging the corporate portfolio by attracting new clients with acceptable risk and profitability;
- monitoring constantly the market evolution in order to adjust the corporate financing to the clients' needs and improve products offered to customers;
- Improving the structuring, negotiation, execution and performance of loan facilities and contributing to the minimization of losses from lending activity.

**Retail Banking Division** offers a variety of lending and savings products for individuals. Retail Banking has developed a range of savings products to improve the Bank's liquidity and attract financial resources from the population.

On the Retail segment, the Bank focuses on the following types of loans:

- Real estate investment loans
- Consumer loans
- Credit cards
- Overdrafts

The main objectives of Retail Banking for 2024 were the following:

- improving the efficiency of the loan approval process by improving the automation of related operations;
- continuous improvement of existing products, both loans and deposits, to adapt the offer to the new market requirements and consumers;
- developing of creative savings products to diversify resources and increase the customers' base;
- expanding client portfolio by attracting customers according to risk strategy;
- optimizing the cross-selling customer's portfolio.

## **Risk management**

The risk management activity is a process focused on the analysis of the risk profile, to achieve a balance between the level of undertaken risks and the profitability related thereto, in the purpose of ensuring the development of the Bank's activity on solid grounds. In this way, the Bank's capital will be protected and the added value for shareholders will increase.

The main risks which the Bank is facing result from the performance of the banking activity on the Romanian territory, as well as with foreign counterparties.

The most important financial risks to which the Group is exposed are the credit risk, the operational risk, the liquidity risk, the market risk and the reputation risk. The market risk includes the currency risk, the interest risk and the price risk.

### *a) The credit risk*

The Group is exposed to the credit risk, namely to the risk of undergoing losses or not realizing the estimated profits, as a consequence of the counterparty's default in fulfilling its contractual obligations. The credit risk source is not represented only by the classic credit activity, this occurring in any activity which involves a counterparty risk. In this sense, the identification, assessment, management and control of the credit risk are concerned both with the activities emphasized in the balance sheet and with those off-balance sheet, which are subject to this risk.

The credit risk is treated, managed and monitored differently, based on the nature of the counterparty to which it is exposed: non-banking clients, respectively private individuals and legal entities (classic credit risk) and credit institutions (the limitation of exposure towards other banks and the correspondent relations).

At Bank's overall level, the emphasis is placed on the degree of concentration of the portfolio function of various factors, such as: a) for legal entities: activity sector, facility duration, facility type, country of origin, company size, geographical area and b) for private individuals: product type and geographical area as well as the interdependencies between such, the final objective being that of holding a diversified credit portfolio, which allows the control and management of the undertaken risks and the avoidance of the deterioration of its quality, due to the similarities between the composing elements.

To limit the counterparty risk to the level of placements or correspondent banking account with other banks, the Bank establishes and monitors the compliance with the maximum limits of exposure for each bank on the money market and foreign exchange markets, in correlation with the risk of such counterparties, and also to the level of the Bank's own funds.

### *b) The operational risk*

The operational risk - the risk of undertaking losses or of failing to realize the estimated profits, which may be determined by internal factors (the inadequate development of certain internal activities, the existence of an inadequate staff or systems, etc.) or of external factors (economic conditions, changes in the bank environment, technological processes, etc.).

To manage operational risk, the Bank monitors the operational risk events by establishing Key Risk Indicators and maintaining a Loss Database with the losses generated by these events.

At the same time, the management of the legal risk is considered component of the operational risk, which occurs as a consequence of the failure to apply or of the incorrect application of the legal or contractual obligations, which has a negative influence on the Bank's operations or situation.

To manage legal risk, the bank monitors the litigations in which it is involved as plaintiff, as defendant or as garnished third party.

### *c) Liquidity risk*

The liquidity risk is the risk of undergoing losses or of not realizing the estimated profits, which results from the Bank's impossibility to honour at any time the short-term payment obligations, without these involving costs or losses which cannot be borne by the Bank.

The structure of assets and liabilities was analysed based on the period remaining until the contractual due date. The Bank wants to keep a balance between the maturity dates of placements and the due dates of the attracted sources. The essence of managing the liquidity risk means the certainty that the Bank holds or may access liquid funds to be able to satisfy the operational needs in regular activity conditions which needs additional sources of liquidities, but also in unpredictable situations.

*d) Currency risk*

The currency risk, the component of the market risk, is generated by miscorrelations between the Bank's receivables and commitments in a certain currency (represented in the Bank's balance sheet and in elements outside the balance sheet). The main currencies held by the Bank are EUR, USD and GBP.

*e) Interest rate risk*

The interest rate risk, component of the market risk, results from the GAP between the Bank's assets and liabilities which carry interest and the spread between them per band and cumulative.

The sources of the interest risk are the miscorrelation between the re-pricing date of assets and liabilities which carry interest, unfavourable evolutions in the shape and inclination level of the interest efficiency curves (non-parallel evolutions of the efficiencies of the Bank's interests payable and to be collected), the non-correlation of the evolutions between reference interests to which the Bank's payable interests and interests to be collected are added, as well as the options incorporated into the Bank's products, options which the clients may exert (the anticipated refunding of credits, the withdrawal before the due date of term deposits).

To limit the interest risk at the level of the credit activity, the Bank generally practices for loans variable interests, based on the Bank's policy and based on certain reference interests on the market (EURIBOR, LIBOR, and ROBOR). To limit the interest risk at the level of attracted sources, the Bank practices for deposits fixed interests. Based on the amount of the deposit as well as the market conditions, the Bank may negotiate the interest for such deposits.

*f) Price risk*

The price risk, component of the market risk, occurs from the market fluctuations of the price in the movable valuables, goods and derived financial instruments.

The Bank does not hold at the end of the financial year, a trading portfolio and consequently it is not subject to the price risk.

*g) Reputation risk*

The reputation risk, the risk of undergoing losses or of not realizing the estimated profits, as a consequence of lack of trust in the Bank's integrity.

The management of the reputation risk is concerned with the permanent insurance, based on reality, of a positive image on the market with the clients, the other financial institutions in the system, the shareholders, the State's institutions, the supervision control, and the media.

Actual figures at the end of 2024 are presented below, underlying the main items of assets and liabilities from the Balance sheet and Profit & Loss account:

**Actual 2024 Balance sheet**

***Due from banks***

The total due from banks amounted to RON 1,591.66 million representing 18.10% from the total assets and has the following structure:

- Balances with National Bank of Romania amounted to RON 824.80 million, out of which the local currency reached the level of RON 646.03 million and the foreign currency reached EUR 35.94 million. Minimum mandatory reserves at December 31, 2024 were: RON 362.75 million and EUR 33.52 million;
- Funds in the correspondent accounts amounted to RON 21.81 million, of which RON 1 million represents funds in domestic banks and RON 20.81 million represents funds at the banks abroad.
- Placements represented RON 745.10 million, with local banks.

Allowances for expected loss are set up in accordance with IFRS and amount to RON 0.07 million.

**Customer loans**

The loans granted to customers at a value net of provisions, including the related accruals, represent 56.47% from the total assets and amounted to RON 4,966.10 million. The gross value of granted loans is RON 5,060.22 million, out of which:



- ☐ RON 4.182,24 million legal entities (82.6%)
- ☐ RON 877.98 million private individuals (17.4%)

Specific risk provisions are constituted as per the IFRS regulations, amounting to RON 98.79 million.

#### **Fixed assets**

The fixed assets amounted to RON 61.53 million, representing 0.70% from the total assets.

The Board of Administration of Vista Bank SA decided on using the straight-line amortization method, during the life spans specified in the legislation in force per each category.

Constructions are represented by works carried out at the Bank's headquarters and at the leasehold improvements for the spaces rented for the activity of branches, an office building (for Deva Branch), as well as a villa purchased for the Bank's representatives. These expenses are capitalized and are amortized over a period of 50 years for the purchased real estate and respectively, over the number of years for the duration of rental contracts.

#### **Due to banks**

- ☐ deposits from banks are in amount of RON 64.53 million.

#### **Customer deposits**

- ☐ liabilities to customers amount to RON 7,739.99 million represent 96% of the total funds attracted, out of which:
  - RON 4,895.04 million – granted to legal entities (63%)
  - RON 2,844.96 million – granted to individuals (37%)

#### **Subordinated loan**

- ☐ The subordinated loans are in EUR and USD, for a defined period of time of 6 – 10 years and amount to RON 121.59 million

#### **SHARE CAPITAL**

The Vista Group share capital registered at Trade Registry, amounting to RON 468.74 million and consists of 4,687,365,244 shares, with a face value amounting to RON 0.1 each, which grant legal rights to their holders.

The adjustment for inflation in accordance with IAS 29 amounts to RON 36.17 million and the Bank's share capital presented in the Financial Statements amounting to RON 504.91 million.

#### **2024 income statement**

The total income for 2024 amounting to RON 654.74 million, out of which:

- ☐ RON 594.06 million - interest income received;
- ☐ RON 20.08 million - income from commissions;
- ☐ RON 22.66 million - net profit from exchange operations;
- ☐ RON 17.94 million - other income.

The total expenses related to the income realized in 2024 amounted to 553.92 million, are as follows:

- ☐ RON 350.98 million - interest expenses paid;
- ☐ RON 3.80 million – commissions expenses;
- ☐ RON 1.01 million – net expenses with impairment of financial assets.
- ☐ RON 198.13 million – other operating expenses.

The net interest income is RON 243.08 million, and net commission income is RON 16.29 million.

Other operating costs amounting to RON 198.13 million have the following structure:

- ❑ RON 88.12 million expenses with the staff members;
- ❑ RON 82.77 million represent administrative expenses;
- ❑ RON 27.24 million expenses with the depreciation and revaluation of fixed assets.

As at 31.12.2024, the Bank registered a profit of RON 84.86 million.

#### Other information

At December 31, 2024, the Bank operates in 35 branches and the headquarters, located in Romania, that employ a total of 496 people.

For the end of 2024, Vista Bank has registered the following financial performance indicators presented comparable with 2023:

Ratios/ Reporting data	Dec-24	Dec-23
	RON	RON
<b>Own funds</b>		
Own funds Tier 1	696,791,139	585.931.570
Own funds Tier 2	121.309.604	94.339.116
Total own funds	818,100,743	680.270.686
<b>Capital adequacy ratios</b>		
Capital adequacy ratio Tier 1	15.44%	14.78%
Total capital adequacy ratio	18.13%	17.16%
<b>Debt-to-Equity ratio</b>	7.45%	5.90%
<b>Liquidity ratios</b>		
Liquidity ratio	n/a	n/a
Quick ratio	43.86%	53.82%
Liquidity coverage ratio (LCR)	142.57%	237.59%
<b>Profitability ratios</b>		
Return on Assets (ROA)	0.97%	0.66%
Return on Equity (ROE)	11.82%	9.92%
Total expenses to total revenues	84.60%	89.87%
<b>Ratios on the quality of the assets</b>		
Non-performing loans ratio	0.65%	0.76%
Impaired receivables/Total credits	1.64%	1.94%
Coverage of non-performing loans and advances by provisions	39.84%	38.88%
<b>Other ratios</b>		
Granted loans/attracted deposits	64.16%	52.37%
Total debt/Total equity	11.24	13.97

The obligations to social insurances and to the State budget were paid entirely and within the terms established by the regulations in force.

The evaluation of assets and liabilities expressed in currency is made at the exchange rates on the currency market, communicated by the National Bank of Romania, on the last working day of the month.

The realization of the obligations stipulated by the law regarding the organizing and fair and to-date accountancy is in compliance with the accounting principles (prudence, permanence of methods, going concern, independence of the financial year, intangibility of the opening balance sheet, non-compensation).

The bookkeeping records are kept in Romanian and in the national currency. The accountancy of operations performed in currency is kept both in national currency and in foreign currency. The bookkeeping records are made based on documents prepared legally, chronologically and systematically. Any patrimonial operation is written down, when it is made, in a document which constitutes the

base of bookkeeping records, thus acquiring the capacity of supporting document.

The internal control system is organized as a separate activity within the Bank being composed by the following: risk administration department, compliance department and internal control department, having as purpose the application of procedures and of internal norms, and the compliance with the legal banking norms in force.

The exchange rates published by the National Bank of Romania at 31.12.2024 were the following:

❑ RON/EUR – 4.9741

❑ RON/USD – 4.7768

### **Going concern**

The financial statements of the Bank have been prepared in accordance with the going concern principle, which implies activity pursue on the part of the Bank in the foreseeable future.

### **External context**

The banking sector in Central and Eastern Europe (CEE) has faced numerous challenges in recent years, amidst the worsening macroeconomic balance, including the international geopolitical tension, both economically and financially, marked by multiple uncertainties.

After a prolonged and widespread stagnation, the EU economy resumed growth in the first quarter of 2024. According to the first quarter projections, the expansion continued at a modest but steady pace in the second and third quarters, as inflationary pressures continued to decline.

Experts' macroeconomic projections estimate that the gradual economic recovery in the euro area will continue in the coming years, against the backdrop of significant geopolitical and political uncertainties. Although the economy resumed growth at a moderate pace in the course of 2024, recent indicators suggest a moderation in the short-term dynamics, as low consumer confidence and high uncertainties in the current period are likely to strengthen the saving behavior of households. However, there are premises for a further intensification of economic growth. Specifically, rising real wages and employment, in the context of robust labor markets, are expected to support an economic recovery that continues to be driven by consumption, one of the main drivers.

Regarding the future cyclical position of the Romanian economy, economic growth slowed down more than expected in 2024, and in the period 2025-2026 it will probably recover less than previously anticipated, but under conditions of gradual acceleration, against the background of tempering inflation, the revival of external demand and the more intensive use of European funds related to the Next Generation EU instrument until the expiration of the program in 2027.

The efficient attraction and use of European funds, especially those related to the Next Generation EU program, are essential for achieving the necessary structural reforms and the energy transition, but also for counterbalancing, at least partially, the contractionary impact of geopolitical conflicts and budgetary consolidation, as well as for increasing the growth potential and strengthening the resilience of the Romanian economy.

The EU economic outlook remains highly uncertain, with risks being largely tilted to the downside. Russia's protracted war of aggression against Ukraine and the escalating conflict in the Middle East fuel geopolitical risks and the continued vulnerability of European energy security. A further increase in protectionist measures by trading partners could affect global trade, with a negative impact on the EU's highly open economy and the amplification of the crisis.

It should also be noted that cyber risks remain elevated in the context of geopolitical tensions and the development of digitalisation and artificial intelligence, with incidents in the banking sector increasing in recent years. Russia's war against Ukraine has led to large-scale cyber attacks against EU-based entities. The EBA's risk assessment questionnaire shows that cyber risks and data security rank the highest among operational risks, followed by conduct and legal risks, as well as fraud.

The European Central Bank has completed its cyber resilience stress test, which assessed how banks would react to a severe but plausible cybersecurity incident and how they would recover from such an event. Overall, the stress test showed that banks have response and recovery frameworks in place, but there is room for improvement.

In addition, the entry into force of the European Digital Operational Resilience Act (DORA) Regulation on 17 January 2025 will provide a robust framework that will require banks to step up their efforts to promote a culture of continuous cyber risk management. This new EU regulation aims to strengthen the cybersecurity of financial institutions and ensure that the EU financial sector can remain resilient in the event of a severe operational disruption.

The development of artificial intelligence at EU level is also a priority for the European Commission, which argues that the bloc must have the ambition to be a leader in the development of artificial intelligence for its strong sectors, to regain and maintain control over sensitive data and cloud services, and to develop solid financial support and an adequate workforce to support innovation in the field of IT and artificial intelligence.

Low productivity growth may make it increasingly difficult for companies to support wage increases, which leads them to either reduce the workforce or transfer rising costs to consumers.

In Romania, starting January 1, 2025, as an integral part of the efforts to digitize the public system, the Government is introducing the mandatory electronic invoicing system (e-Invoice) in commercial relations with individuals, thus aiming to increase the degree of VAT collection and combat tax evasion. The project started in an optional regime for the period June 1, 2024 and December 31, 2024.

Also, a major event that will have repercussions on the Romanian economy is the accession to the free movement area, by applying, starting with March 31, 2024, the Schengen acquis, by eliminating controls at air and sea borders, and from January 1, 2025, land borders will also enter the community space. The economic benefits of this long-awaited agreement will be seen in the coming periods, especially in the fields of tourism, transport and foreign investments, as well as in the significant reduction of operational costs and salary expenses of employees at border points.

Regarding the Romanian banking system, 2024 marked a record level of profitability. According to NBR data, the cumulative net profit of banks in Romania was approximately RON 14.8 billion, an increase compared to the previous year (almost RON 14 billion).

The 2024 performance thus marks the third consecutive year of growth in banking profitability, following the strong post-pandemic recovery. Overall, all major banks in Romania were profitable in 2024, highlighting a focused and financially robust banking sector.

This performance was supported by the maintenance of high interest rates and the constant growth of lending at an average rate of 7% in 2024, similar to that in 2023, strengthening the role of banks in financing the economy.

Also, the non-performing loan ratio remained relatively low, standing at 2.54% in September 2024, indicating a good quality of loan portfolios.

Among the factors that contributed to this evolution are the growth of banking assets, the monetary policy of the NBR and a controlled level of risks.

Return on assets (ROA) stood at 0.97% and return on equity (ROE) at 11.82%, slightly changed from 2023 levels (0.66% ROA and 9.92% ROE).

The banking system's solvency fell below 23.66%, but remains significantly above the minimum threshold of 8%, indicating sufficient room for continued lending.

The Romanian banking system is in an adequate prudential and financial position, with most indicators above the averages of the banking sectors in the European Union. Romanian banks are solid and well capitalized, with the solvency ratio reaching 23.66%, three times above the required minimum.

From a liquidity perspective, the indicators are at comfortable levels and, in addition, the balance sheet structure of banks is oriented towards liquid assets. The liquidity coverage indicator stood at 248.83%, according to NBR data in September 2024, while the European average was 167.1% in December 2023.

The liquidity related to the Romanian banking sector maintained its prudent position, the credit institutions having a consistent stock of liquid assets able to manage liquidity shocks and to contribute to the reduction of risks from the retail sector.

Banks have sufficient room to increase lending on a sustainable basis, with all indicators indicating stability, liquidity and resilience being adequate.

The degree of coverage with provisions of non-performing loans and advances - according to the definition of the European Banking Authority (EBA) of the banking system in Romania was 66.81% in September 2024, much higher than the European average, of 42.3%, in December 2023, thus ensuring stability and resilience.

The degree of coverage with provisions of non-performing loans and advances - according to the definition of the European Banking Authority (EBA), for VISTA BANK was 38.49% in September 2024, compared to that of the banking system, of 66.81%, for the same period.

Ensuring agile and sustainable financing, possible in a context in which banks are provided with optimal conditions for capitalization growth, produces economic growth, through increased consumption and investment and, implicitly, ensuring the resources that the Romanian state, the population and companies need, especially in the current context. Otherwise, the Romanian economy becomes more vulnerable to possible external shocks of the nature of international crises, especially when we are going through another series of overlapping crises.

The implementation of Basel III will lead to the need to increase the own funds of banks in Romania by 8.9% by 2028, according to the EBA.

The most affected portfolios would be those related to exposures to non-financial companies (especially in the case of small and medium-sized enterprises), i.e. consumer loan portfolios. Despite the pronouncedly negative results, the banking sector could continue lending activity while respecting prudential capital requirements. However, certain vulnerabilities are evident in the case of small credit institutions.

In the medium term, the adoption of the Basel III regulatory framework at European level will lead to an increase in capital requirements, with a potential negative effect on the capital adequacy ratio.

Thus, the introduction of the latest changes associated with the Basel III regulatory framework will lead to a 12.6 percent increase in the minimum Tier 1 capital requirements for the entire pool of European banks until full implementation in 2028, and an 8.9 percent increase in the case of the pool of medium and small banks (which also included banks in Romania).

The minimum reserve requirements for foreign exchange liabilities remained unchanged, at 5% and at 8% for liabilities in RON.

The NBR maintains the monetary policy interest rates, so at the end of 2024 it was 6.5% (2023: 7%) with a corridor for the facility, extended to +/- 1%. At the same time, the NBR maintains the interest rate for the lending facility (Lombard) at 7.5% per annum and the interest rate on the deposit facility at 5.5% per annum.

During 2024, the RON/USD and RON/EUR exchange rates continued to fluctuate, given the uncertainty on international financial markets, global economic developments and signals regarding the extension of the central banks' accentuated monetary policy conduct.

Thus, the RON/EUR exchange rate registered a constant fluctuation during 2024, with a value of 4.9741 at the end of 2024, compared to 4.9746 at the end of 2023.

In December 2024, household and corporate deposits reached 632.5 billion lei and marked an annual increase of 10.5% compared to December 2023.

Data published by the National Bank of Romania (BNR) show that bank deposits and lending decreased at the beginning of 2025. Compared to December 2024, household and corporate savings recorded a slight decrease, and the volume of loans granted by banks decreased. Although compared to the same period last year, there are increases in certain sectors, the short-term trend indicates increased caution on the part of both the population and the business environment.

The quarterly IRCC or the quarterly Consumer Credit Reference Index, which has replaced the ROBOR in calculating the interest rate for variable interest loans, decreased in 2024 to 5.66% at the end of the third quarter of 2024 compared to 5.90% at the end of the fourth quarter of 2023.

#### **Internal context**

Vista Bank is a universal bank, of low size and complexity, ranking the 14<sup>th</sup> bank at December 31, 2023 in terms of assets (1.18% of the total banking assets of the Romanian banking system).

In addition to the external context, one must also consider the internal factors related to the size and performance of Vista Bank: the total value of assets decreased by 7% at December 31, 2024 compared to December 31, 2023, to RON 8,793.48 million from RON 9,490.35 million.

As regards the evolution of liabilities, they decreased as well, especially due to the decrease of customer and bank deposits (by 9%, namely RON 804.97 million).

The final result for 2024 is a profit of RON 84.86 million, compared to RON 62.87 million in December 2023.

During December 2023 – December 2024, the total own funds of the credit institution increased by 20.2%, while the rate of total own funds increased slightly against the background of increasing assets, namely from 17.16% to 18.13%.

As regards the quality of assets, the rate of non-performing exposures (NPE) decreased significantly, below the average of the banking system at December 31, 2024 (0.65% vs. 1.84% Q3 2024).

The degree of coverage with provisions recorded at 31.12.2024, has values below the system average of 39.84% vs. 66.81% in Q3 2024.

As of 2024, the banking sector pays a new tax, the turnover tax, at a rate of 2% for the period January 1, 2024 – December 31, 2025 inclusively, and 1% starting as of January 1, 2026. This minimum turnover tax is owed additionally, in addition to the corporate income tax due.

For 2024, the Bank calculated a turnover of RON 673,516,500, thus, the 2% turnover tax is in the absolute value of RON 13,470,330.

As regards processes and their quality, it is worth mentioning that they were not affected by telework, which did not have adverse effects on communication inside the organisation or on the quality of work.

### **Conclusion**

The main conclusion of these evolutions of the external and internal business environment is that Vista Bank maintains its position as a solid bank, which has the capacity to manage work processes and to adapt to market changes, because it holds a base of stable customers, with the opportunity to extend its business in the future, by diversifying the portfolio of clients and products.

### **Subsequent events and going concern**

#### **1. Acquisition of Alpha Leasing Romania**

In 2025, Vista Bank will further expand its presence in the Romanian market through the full acquisition in March 2025 of Alpha Leasing Romania, which holds 100% of Alpha Insurance Brokerage Romania.

Alpha Bank and Alpha International Holdings sold Alpha Leasing Romania IFN and Alpha Insurance Brokers to Vista Bank Romania, and the transaction is expected to be completed in the second quarter of 2025.

The acquisition of Alpha Leasing Romania represents a new important moment for Vista Bank and is in line with the Bank's strategy to support its growth strategy and further consolidate its position on the Romanian market. The Bank also focuses its efforts on supporting the Romanian economy by generating value for all stakeholders: customers, employees and shareholders.

The acquisition transaction of Alpha Leasing Romania will depend on the approval of the authorities and is expected to be completed in the 2<sup>nd</sup> quarter of 2025.

#### **2. Vista Bank will manage the loan portfolio of EUROBANK SA in Romania (former Bancpost)**

Starting March 31, 2025, Vista Bank manages the loan portfolio held by EUROBANK SA in Romania.

Thus, the bank has concluded an agreement with EUROBANK SA (Greece) for the management of the loan portfolio of the former subsidiary of EUROBANK SA in Romania (Bancpost), offering services such as collecting installments on behalf of Eurobank, taking over requests from customers, etc.

The portfolio includes over 8,000 retail and SME clients, with a total exposure of over EUR 500 million.

**3. *Ukraine crisis – 3 years from commencement***

On February 24, 2022, the Russian Federation engaged in military actions on the territory of Ukraine. The Bank still does not have direct exposure to entities from the Russian Federation, Ukraine or Belarus and closely monitors developments that may affect financial markets, clients' exposures, sanctions, government action and developments in Ukraine. The Bank will continue to assess the impact of the crisis in Ukraine and will take any potential action needed, as the facts and circumstances may change.

At the date of preparation and approval for publication of the financial statements, the Bank's management assessed the current political and economic framework and the measures already taken or planned by the Government of Romania, the National Bank of Romania and the European Council, which could have a negative impact on the Bank. Based on this assessment, management does not expect the economic impact of current developments to affect the company's going concern ability.

**Proposals**

As a result of activity performed during the financial year 2024, the Management of the Bank requests for approval to the General Shareholders' Meeting:

- Report of the Board of Administration regarding the development and activities of Vista Bank (Romania) SA and its financial position for the year ended December 31, 2024.

**Stavros Lekkakos**  
**Chairman of the Board of Directors**

**By proxy Georgios Athanasopoulos**  
in accordance with the decision of the Board of Directors of Vista Bank of March 17, 2025