VISTA BANK (ROMANIA) S.A.

Report regarding disclosure and transparency requirements related to the Year 2024

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1. GENERAL ASPECTS

The present Report has been drawn up with the purpose to meet the requirements to ensure an adequate level of transparency, by publishing the significant information on Vista Bank (Romania) SA (hereinafter referred to as the Bank)' risk profile and strategy, as per the provisions of NBR Regulation no. 5/2013 regarding the prudential requirements for credit institutions with the further modifications and of the EU Regulation 575/2013 on prudential requirements for credit institutions and investment firms with the further modifications.

The information included in this document is related to the year 2024 and have as reference date the date of 31.12.2024.

The following disclosure requirements provided by the EU Regulation 575/2013 are not applicable at the bank level:

- art 73 - Distributions on own funds instruments, paragraph (6) disclosure of the broad market indices on which their capital instruments rely
- art 441 - Indicators of global systemic importance
- art 444 - Use of ECAIs
- art 447 - Exposures in equities not included in the trading book
- art 449 - Exposure to securitisation positions
- art 452 - Use of the IRB Approach to credit risk
- art 454 - Use of the Advanced Measurement Approaches to operational risk
- art 455 - Use of Internal Market Risk Models

2. INFORMATION UNDER THE BANK'S PROPERTY AND CONFIDENTIAL INFORMATION

As per the EU Regulation 575/2013 on prudential requirements for credit institutions and investment firms with the further modifications, related to the definition of the information under bank's property, as well as of the confidential information, the following information are:

Bank's property (their disclosure may produce material and/or competition related damages in case of their publishing):

- The general business strategy;
- The way to determine and monitor the bank's risk profile;
- The internal regulation system (strategies, policies, plans, norms, manuals, procedures);
- The detailed description of the limits system used at the risk management;
- Any other strategic information.

Confidential (their disclosure may produce material and image damages for the Bank, for clients, providers and business partners):

- Information included in the contracts concluded with the clients and other business partners or providers of the Bank;
- Any kind of information on the architecture and functions of the IT system used by the Bank;
- Any information on the clients, business partners or providers without their express consent.

Considering the above, all the information included in this report is significant within the meaning of art. 432, point 2 of the Regulation 575/2013.

3. INFORMATION REGARDING THE ADMINISTRATOR FRAMEWORK OF THE ACTIVITY IN VISTA BANK (ROMANIA) SA

The Administrators framework of the Bank (bank governance) is regulated through the Constitutive Deeds, internal procedures and manuals and the Internal Functioning and Organization Regulation and it refers to responsibilities of the management from the perspective of establishing the business objectives and the risk Administrators strategy and the risk profile, ways of organizing the activities, assigning responsibilities and competencies, establishing the reporting lines and the related information, as well as the organization of the internal control system.

The Internal Functioning and Organization Regulation defines, in compliance with the legal requirements and the corporate governance principles, the following:

- The organization structure of the Bank;
- The duties and responsibilities of the Executive Managers of the Bank;
- The responsibilities of the Board of Administrators, Management Committee, Audit and Risk Management Committee, Assets and Liabilities Management Committee and other Committees of the Bank;
- The objectives and responsibilities of each department of the Bank's Head Office, the duties and responsibilities of the departments' managers;
- The responsibilities of the territorial units the duties and responsibilities of the Retail Network Department;
- Principles of internal control (the culture of internal control, risk assessment, control activities and segregation of duties, information and communication, monitoring and remediation of the deficiencies) as well as the organization of the internal control functions.

The Administrators framework of the Bank is adapted to the nature, extension and complexity of the performed activity.

MANAGEMENT BODY

Management Body in its Supervisory Function (Board of Administrators/BoA)

The Board of Administrators decides on the operations of the bank for which a decision and collective deliberation is required, the implementation of the decisions of the general meeting of shareholders and on any other activities of the bank that are within its competence.

The BoA has the authority to decide about the following issues, but not being limited to these:

- Approves the opening and closing of secondary units (branches, working points, agencies, etc.);
- Approves all internal norms and regulations of the Bank which are required by legal provisions to be approved by the Board. All other regulations and internal procedures of the Bank will be approved by the Bank's Management Committee;

- Decides upon the number, appointment and revocation of the Bank's Executive Directors, the tenor of their mandate and their remuneration.
- Analyses and approves the Organizational Chart of the Bank and makes sure that such Chart is:
    - adequate and transparent;
    - the workflows between the Bank's Departments and Units, as a whole, interact in order to assure an efficient structure;
- Approves the Organization and Functioning Regulation of the Bank;
- Establishes the business objectives of the Bank;
- Ensures the integrity of accounting and financial reporting systems, including the financial and operational controls and the compliance with relevant legislation and standards;
- Revises yearly and approves the Strategy for the Management of the Risks and the related policies;
- Monitors the strategy for the management of significant risks and the risk appetite of the bank;
- Approves the remediation plan presented by the Audit and Risk Management Committee, in case that the prices do not reflect accordingly the risks as per the business model and the strategy for the management of significant risks;
- Supervises the activity of the Bank's Executive Managers;
- Approves and reconsiders the risk profile for each significant risk, establishing objectives and strategies;
- At least once a year analyses and, if necessary, amend the Organizational Chart, the present Regulation and the duties and responsibilities of the Management Committee;
- Ensures that remuneration policies and practices of personnel, including members of the supervisory function and the members of the leadership position, corresponding credit institution culture, objectives and long-term strategy, and its control environment
- Approves the remuneration policy;
- Supervises the process for the publication and communication of information of the Bank;
- Analyses the Reports received from the Internal Audit, Risk Management and Compliance departments and takes necessary measures;
- May request the Bank's Management to submit reports on their activity;
- Monitors the performance of the Bank's Management;
- Analyses and decides upon the establishment of Committees;
- To approve the policies for the management of the significant risks, to periodically analyse them, at least once per year, and to revise them, if the case;
- Annually analyses the report of the Compliance Department;
- To ensure that the Executive Managers implement the appropriate measures to identify, evaluate, monitor and control the risks including the outsourced activities;

- To approve the procedures for attributions and responsibilities related to risk management;
- To approve new outsourced activity and its independent service provider and existing outsourced activity assigned to a new service provider;
- To approve the staff training policy;
- Reviews the reports on the results of the internal capital and liquidity risk adequacy process (ICAAP-ILAAP) and the results of the crisis simulations and takes into account the recommendations and opinions made by the Audit and Risk Management Committee;
- Approves the Reports on the results of the internal capital and liquidity risk adequacy process (ICAAP-ILAAP) and the results of the crisis simulations, a document that will be sent to the regulatory authority;
- Ensures the implementation of Bank's capital plan;
- Integrates the Internal Capital Adequacy Assessment Process philosophy into the culture and management process of the Bank;
- Shall approve the overall stress testing framework;
- Approves the Yearly Report about the conditions on which internal control is performed, with a distinct presentation of the aspects related to the risk control function, compliance function and internal audit function;
- Takes consequent measures after analyzing the performed stress tests results;
- Approves the report related to the activities which are not performed on an usual manner or are not transparent;
- Analyses and approves at least annually the Report on the disclosure and transparency requirements of the Bank (at the same time ratifies the frequency of information disclosure, as per the decision of the Management Committee);
- Approves the statement regarding the adequacy of the capital;
- Approves the statement regarding liquidity adequacy;
- Approves the risk appetite statement, which expresses the risk appetite. This includes qualitative and quantitative indicators expressed at least relative to profits, own funds, risk and liquidity indicators, as well as aspects regarding risks that are more difficult to quantify (such as: reputational risk and conduct risk) and regarding the field of money laundering, financing terrorism and unethical practices;
- Approves the declaration on the adequacy of risk management arrangements of the bank, providing assurance that the risk management systems put in place are adequate with regard to the bank's profile and strategy;
- Approves an explicit capital plan, which states at least the following:
    - The bank's objectives and the time horizon for achieving those objectives;
    - A general description of the capital planning process and the responsibilities for that process;
    - How the bank shall comply with capital requirements in the future;
    - Any relevant limits related to capital;
    - A general contingency plan for dealing with divergences and unexpected events, such as raising additional capital, restricting business or using risk mitigation techniques.
- Approves all Bank policies, internal Corporate Governance regulations, specific regulations (norms, internal audit, risk, human resources, Financial, accounting);

- The BoA is responsible for the implementation and maintaining of an adequate and efficient Internal Control system.
- Therefore, it has to:
    - Periodically, at least annually, must revise and approve the overall strategy and policies related to the bank activity;
    - The members of the management body in their supervisory role must monitor and discuss the bank's business strategy in a constructive manner;
    - Establish acceptable significant risks levels and take all measures needed (Bank Management) in order to identify, evaluate and monitor the relevant risks;
    - Supervise the way Internal Control efficiency is monitored by the Bank Management. Quarterly the Internal Control System Manager will submit activity reports and yearly will participate to BoA Meetings.
- The following measures has to be taken by Bank Management in order to achieve all assigned tasks:
    - Periodical discussions (quarterly preferred) with Bank Management regarding the Internal Control efficiency;
    - Periodical analysis (quarterly preferred) of the evaluations performed by Bank Management, Internal Audit, External Auditor if the case and National Bank of Romania, in respect of Internal Control System;
    - Ensure that the Bank Management implements all recommendations made by Internal & External Audit and National Bank of Romania with reference to the deficiencies that have been found in the Internal Control activity.
- Analysis of the impact following the implementation by the Bank's Management of the recommendations formulated by the internal audit, the financial auditor and the National Bank of Romania regarding the deficiencies of the internal control system and the examination of the effect of the implemented measures.
- Regarding the recovery plan:
    - Ensure the implementation of a sound recovery plan;
    - Review, provide input and approve the recovery plan;
    - Ensure sufficient resources are dedicated to the development and review of the recovery plan as well as for monitoring the recovery plan indicators.

    Establishing, approving and supervising the implementation of the bank's general business strategy and key policies, taking into account the applicable legal and regulatory framework, financial interests and long-term solvency;
- Establishing, approving and supervising the implementation of the general risk management strategy, including risk appetite and the risk management framework, as well as the necessary measures to ensure that the management body devotes sufficient time to risk-related issues;
- Establishing, approving and supervising the implementation of an adequate and effective activity management framework that includes a clear organizational structure, as well as an internal control framework that is based on the organization of independent control functions, namely the risk management function, the compliance function and the internal audit function;
- Establishing, approving and monitoring the amounts, types and distribution of both the internal capital and the regulated capital to adequately cover the risks;

- Establishing, approving and supervising the implementation of objectives aimed at managing liquidity;
- establishing, approving and supervising the implementation of a remuneration policy that respects the principles of remuneration;
- stablishing, approving and overseeing the implementation of a framework to ensure that the assessment of the suitability of the governing body, both at the individual and collective level, is carried out effectively, that the succession planning of the members and the composition of the governing body are appropriate and that the governing body management fulfills its duties effectively;
- establishing, approving and supervising the implementation of a process of selection and evaluation of the suitability of persons holding key positions;
- establishing, approving and supervising the implementation of a framework that ensures the internal functioning of each committee of the governing body, when it is established, and which includes in detail:
  (i) the attributions, responsibilities and composition of each committee;
  (ii) an adequate flow of information, including documentation related to the recommendations and conclusions formulated by each committee, reporting lines between each committee, the bank's management body and other parties;
- establishing, approving and supervising the implementation of a risk culture;
- establishing, approving and supervising the implementation of a corporate culture and values;
- establishing, approving and supervising the implementation of a policy regarding the conflict of interests at the institutional level;
- stablishing, approving and overseeing the implementation of an outsourcing policy, ensuring that any changes to it are implemented promptly.

Senior management/Management Committee

The Management Committee is responsible for taking all measures related to the management of Vista Bank (Romania) S.A. within the limits of the Bank's object of activity and in compliance with the exclusive competences provided by law, the Articles of Association, the General Meeting of Shareholders and the Board of Directors.

The Management Committee is the main forum with executive management responsibilities subordinated to the Board of Administrators.

The members of the Bank’s Management Committee --the Chief Executive Officer, the First Deputy Chief Executive Officer, and the two Deputy Chief Executive Officer ensure the management and coordination of daily activities of the Bank, having attributions and responsibilities as defined by Bank’s Constitutive Deeds, decisions of the Board of Directors and the legislation in force.

The Management Committee has the authority to decide about the following issues, but not being limited to these:

- Approval of the internal regulations of the Bank within its competence of approval. The Management Committee also pre-approves all internal regulations within the Board of Directors' competence to approve;
- Evaluation and approval/rejection of Loan Applications falling under local approval limits (of the Management Committee) or higher approval authorities in accordance with the Bank's procedures;
- Committee members are accountable to the Board of Directors and the General Meeting of Shareholders for the operations carried out within the Management Committee.
- Appoint Department Directors, Directors and Deputy Directors of the territorial units;

- Approve the signature rights of the Bank's employees;
- At least once a year they have the task to review and if necessary, will send for approval to the Board of Administrators, the proposals to modify the Organizational Structure, the present regulation, as well as the internal regulations of the bank;
- Analyses the reports issued by the Internal Audit, Risk Management departments, Antifraud and the Compliance & Money Laundering Prevention Department, adopting the measures considered necessary;
- Prepares and submits to the Board the annual report on compliance risk management;
- Approves modelling of sensitivity analysis or crisis scenarios;
- Agrees, approves and transmits to the Board of Administrators the Annual Report on the way the Internal Control is performed, having a detailed presentation of the aspects regarding the risk management, compliance and internal audit;
- Agrees, approves and transmits to the Board of Administrators the Reports on the results of the internal liquidity and risk capital adequacy process (ILAAP, ICAAP) and the results of the stress test;
- Adopts the necessary measures following the analysis of the results of the crisis scenarios performed;
- Agrees, approves and sends to the Board of Administrators the report on the activities that are not normally carried out or that are not transparent;
- Agree, approve and submit to the Board of Directors the statement on the adequacy of the Bank's risk management framework to ensure that the risk management systems in place are appropriate given the profile and strategy of the Bank;
- Agrees, approves and transmits to the Board of Directors the risk statement summarizing the overall risk profile of the Bank associated with the business strategy. This statement should include key indicators and data that provide external stakeholders with a comprehensive overview of how the Bank manages its risks, including how the Bank's risk profile interacts with the risk tolerance set by the management structure;
- Implements the strategies approved by the Board of Administrators and ensures that they are communicated to the authorized persons;
- Ensure communication of policies and procedures relating to the identification, assessment, monitoring and control of risks to staff involved in their implementation;
- Maintains adequate systems for reporting exposures and other risk elements;
- Establishes limits for the bank's exposure to risks, including limits for critical situations, in relation to the size, complexity and financial situation of the bank;
- Ensures the efficiency and effectiveness of the Internal Control System;
- Analyzes outsourced activities from a risk perspective for approval by the Board of Directors;
- Ensures a correlation between the staff remuneration policy and the bank's risk strategy;
- Ensures a permanent communication to the Board of Administrators regarding the recommendations to modify the risk management strategies and policies, whenever it is considered necessary, in order to reflect any modification of the internal and external factors, taking into account in particular the macroeconomic environmental changes, where the bank operates;
- Ensures that the Internal Control System provides an adequate segregation of responsibilities, with the aim of preventing conflicts of interest, establish and propose for approval to the Board of Administration policies in this respect;
- Define those strategies and policies that allow the maintenance of an appropriate capital and equity level, to cover the risks of the bank;
- Monitors and periodically assesses the effectiveness of the Bank’s internal governance structure;

- Integrates capital planning and capital management into the Bank's overall risk management culture approach;
- Reviews risk management and measurement procedures under their authorities;
- At least annually, analyses the information included in the Report on the Disclosure and Transparency requirements and Publication of Information of the Bank and sends it for approval to the Board of Administrators. Approves, based on the information provided by the involved departments the frequency of these information disclosure);
- Ensures that the Internal Liquidity and Capital Adequacy Assessment Process forms an integral part of the management process and decision-making culture of the Bank.
- Will grant the approval in case of Tenders based on the documentation and proposal received from Administrators & Repossessed Assets Department;
- Evaluates and approves the development and promotion of new products/ services, as well as for the modification of the characteristics of existing products/ services. The approval will be granted based on the business justification presented by respective business line, documentation that has to contain the product features, competition research, the target market proposed to be addressed and the approximate volume to be achieved, as well by taking into consideration the opinions of the relevant bank departments;
- Approves all new projects that will be started in the bank based on business cases presented for respective projects and offers selection.
- In respect of the recovery plan, informs the Board of Administrators with regards to the circumstances of the Bank and the option considered for its implementation.
- Decides on the appointment of the Bank's Recovery Plan Management Team, its composition and is responsible for the development and maintenance of the Bank's Recovery Plan
- At least a member of the senior management will be part of the Recovery Team.
- Examining Customer Complaints received in the analyzed period;
- Recommending and approving, where appropriate, improvements or updates to the Complaints Policy;
- The identification of any suggestions or any points for enhancement/ improvement of the products/ services offered to customers;
- The analysis of the causes that generated serious complaints;
- If the case, issuing recommendations on the improvement of certain workflows and/or responsibilities included in the Bank procedures;
- Evaluation and approval/ rejecting credit applications within the limits of the Committee's competencies and assessing and recommending the approval/ rejection of credit applications within the limits of the competence of a higher approval authority.
- Establishing, approving and overseeing the implementation of a framework to ensure the integrity of accounting and financial reporting systems, including operational and financial controls, and compliance with relevant legal provisions and standards;
- Oversight of the disclosure and communication process with the National Bank of Romania - Supervision Directorate and other interested third parties.
- Senior management must comprehensively report and inform the management body in its supervisory function, in accordance with internal procedures, on a regular basis and whenever appropriate without undue delay, on the elements relevant to the assessment of a situation, risks and developments affecting or potentially affecting the Bank, such as major decisions taken with regard to activities and risks, the assessment of the Bank's business and economic environment, liquidity and capital strength, and the assessment of significant risk exposures.

Decisions are taken by vote. For parity votes, the request will be sent to the next approval authority.

The structure of the Bank's Committees is as follows:

3.1 The bank committees, their responsibilities and structure

Responsibilities and operational terms of the Committees established as instruments for achieving management's objectives, are detailed within bank's Internal Functioning and Organization Regulation and Organizational Chart.

Committees under Management Body in its Supervisory Function:

a. Audit and Risk Management Committee
   - Members:
     - Mr. Theodoros Efthys (Member and Chairman of the Committee appointed on 24.09.2019)
     - Ms. Pavlina Tavridaki (Member since 02.04.2019)
     - Mr. Catalin Vasile Parvu (Member since 25.05.2020 and until 18.11.2024)
     - Mr. Panagiotis Konstantaras (Member since 29.11.2024, replacing Mr. Catalin Vasile Parvu)

b. Nomination Committee
   - Members
     - Mr. Stavros Lekkakos (Member and Chairman of the Committee since 24.09.2019)
     - Mr. Ilias Volonasis (Member since 25.05.2020)
     - Mr. Panagiotis Konstantaras (Member since 25.05.2020)

a. Audit and Risk Management Committee

Componence:

- The standard composition of the Committee consists of three non-executive independent members of the Board of Administrators.
- Due to the requirements of the applicable legislation in force the Chairman of the Board of Administrators cannot be also the Chairman of the Committee.
- The requirements of independence of a committee's member are identical to the requirements of independence of a Board of Administrators' member laid down in the applicable legislation in force.
- At least one Committee member should have competences in accounting and statutory audit area, as evidenced by specific qualification papers for the respective areas.
- The members of the Committee should all times possess, individually and collectively, the necessary knowledge, skills and expertise to fully understand the duties to be performed by the committee;
- The members of the Audit and Risk Management Committee as a whole shall have recent and relevant practical experience in the field of financial markets or need to have obtained, from their background business activities, sufficient professional experience directly related to financial markets activity. The Chairman of the Audit and Risk Management Committee shall have specific knowledge and experience in applying accounting principles and internal control processes;
- The Chairman of the Committee must be independent.

The committee has the following attributions and responsibilities:

- Annually the Committee shall assess the adequacy of the Bank's internal control system;
- The Committee shall be, on an ongoing basis, the point of reference for all independent internal control functions (Risk Management, Compliance and Money Laundering Prevention, Anti-Fraud and Internal Audit) as well as for the financial control area; it shall receive regular information from these structures on specific activities;
- The Committee reports to the Bank's Board of Directors periodically, when appropriate, or after each ordinary meeting and informs about all activities carried out, suggesting and/or recommending the necessary actions to improve the internal control system;
- Receive and consider audit reports.

Financial Reporting

- Supervise the setup of accounting policies by the Bank
- Monitor and analyses the financial reporting process (e.g., annual financial statements and the quarterly financial reports), submitting recommendations aimed at ensuring its integrity;

Internal Control System

- Monitor the effectiveness of the internal control and risk management systems and, where applicable, the internal audit function, in relation to the Bank's financial reporting, without prejudice to the independence of that function;
- Monitor and verify the effectiveness of the internal control system and compliance with applicable legal requirements, obtaining ongoing updates from the Bank's Management as well as the Director of Compliance;
- Review and approve the charter and work plan of the internal audit function (including the scope and frequency) prior to approval by the Board of Directors;
- Approve the appointment, remuneration and dismissal of directors of the internal control system independent functions;
- According to the provisions of the applicable regulations and professional auditing standards the Director of the Internal Audit Department shall confirm to the Committee and further to the Board of Directors, at least annually, the independent organization of the internal audit activity;
- Directors of internal control functions shall not be removed without prior approval of the Board of Directors;
- Review periodic reports issued by the Bank’s internal control functions;
- Monitor the implementation of recommendations made by the Bank's internal control functions;
- To analyses the results of verifications carried out by the Supervisory Authority and/or other control authorities;
- Verify the timely adoption by senior management of corrective actions necessary to address control deficiencies, non-compliance with legal and regulatory frameworks, policies, and other issues identified by auditors;
- To inform and support the Board of Directors on the monitoring of risk appetite and the implementation of the Bank's current and future risk strategy, taking into account all types of risks, to ensure compliance with the Bank's business strategy, objectives, culture and corporate values;
- To assist the Board of Directors in monitoring the implementation of the Bank's risk strategy and related limits;
- Oversee the implementation of the Bank's capital and liquidity management strategies and all other relevant risks, such as market, credit, operational (including legal and ICT risks) and reputational

risks, to assess their appropriateness in relation to the Bank's risk appetite and approved significant risk management strategy;

- Make recommendations to the Board of Directors on necessary adjustments to the significant risk management strategy as a result of, inter alia, changes in the Bank's business model, market developments or recommendations issued by the risk management function;
- Advise on the appointment of external consultants that the Board of Directors may decide to engage for advice or assistance;
- Analyze a range of possible scenarios, including crisis scenarios, to assess how the institution's risk profile would react to external and internal events;
- Assess, based on monthly and/or quarterly risk reports:
  o Compliance of the Bank's activities with risk policies;
  o the adequacy and effectiveness of risk management policies, compliance with the level of risk resilience adopted by the Bank and compliance with regulatory requirements;
  o the appropriateness of various limits;
  o the appropriateness of expected loan losses in relation to the level of risk assumed by the Bank;
- To verify that the pricing of liability and asset products offered to customers fully takes into account the Bank's business model and risk strategy. If the prices do not adequately reflect the risks in line with the business model and the risk strategy, the Audit and Risk Management Committee must present the Board of Directors with a plan to remedy the situation;
- Review, whether the incentives provided by the remuneration system take into account risk, capital, liquidity, and the probability and timing of returns to support the implementation of sound remuneration policies and practices and assess the recommendations of internal or external auditors and follow up on the appropriate implementation of the measures taken.

Statutory Audit

- To inform the Board of Administrators of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting and what was the effective role of the Audit and Risk Committee in that process;
- To monitor the financial reporting process and submit recommendations or proposal as to ensure its integrity and efficacy;
- To monitor the effectiveness of the internal control and risk management systems and the adequacy of internal audit regarding the financial reporting;
- To monitor the statutory audit of the annual and consolidated financial statements (if applicable), especially its performance, taking into account any findings and conclusions of the Authority for Public Supervision of the Statutory Audit Activity established according to the applicable legal provisions and to participate in meetings at least annually with the statutory auditor;
- To examine the activities carried out by the statutory auditors, including the working plan, and to assess the results presented in: the audit report, the additional report to the Committee, the management letter and in any other significant document, by discussing the relevant issues;
- To review and monitor the independence of the statutory/financial auditors as per legal applicable provisions, and in particular the appropriateness of performing of other services than the financial audit ones/ to the Bank in accordance with the applicable legislation in force;
- To be responsible for the financial auditor’s selection procedure and to recommend for further approval by the Board of Administrators their appointment, remuneration and recalling;
- Review the audit scope and frequency of the statutory audit of annual/ consolidated accounts.

b. Nomination Committee

Board of Administrators appoints the Committee, and it is composed of at least three non-executive directors (who do not have and never held in the past an Executive Management position within the bank). The Board of Administration of the Bank appoints one of the independent members of the Committee as President. The president is a non-executive member of the governing body (Board of Administration) in his supervisory capacity and must be able to exercise an objective judgment.
The Director or Deputy Director of the Human Resources Department will act as Secretary of the Committee. The representation in Nomination Committee is not possible.

The attributions and responsibilities of the Committee are as follows:

- Identify and recommend to the approval of the management body or the General Assembly of Shareholders, candidates to occupy the vacant positions within the management body, to assess the balance of knowledge, skills, diversity and experience within the management body and prepare a description of the roles and abilities with a view to appoint an individual on a particular position and assess the expectations as regards the time allocated to that end;
- To assess on a regular basis, but at least once a year, the structure, size, composition and performance of the management body and make recommendations to the management body with respect to any changes;
- To assess on a regular basis, but at least once a year, the knowledge, skills and experience of each member of the management body and of the management body as a whole and report to the management body accordingly;
- To review on a regular basis the policy of the management body as regards the selection and appointment of members of senior management and make recommendations to the management body.
- To decide with respect to a target concerning the representation of the male or female gender, poorly represented in the structure of the management body and draw up a policy concerning the means for increasing the number of these individuals in the structure of the management body in order to achieve the target concerned. The target, policy and its implementation shall be disclosed as per legal requirements.
- To contribute actively also to the fulfilment of the Bank's responsibilities concerning the adoption of internal policy on assessment of the adequacy of the members of the management body and of key function holders as per the legal provisions.
- To take into account, if possible and on an ongoing basis, the need to ensure that the decision-making process of the management body is not dominated by any individual or small group of individuals in a manner prejudicing the interests of the Bank as a whole.
- Will have access to all relevant and needed information and data for fulfilling their duties and responsibilities, including that information and data received from internal control and other relevant functions such as those related to the legal, financial, human resources;
- To ensure an appropriate involvement of internal control and other relevant functions, such as those related to the legal, financial, human resources, in their areas of expertise and / or to request the opinion of external consultants appointed by the management body in its supervisory function for this purpose, if necessary.

The Senior Management Committees are:

a. Assets and Liabilities Management Committee (ALCO)

The objective of the Asset and Liability Management Committee is to achieve efficiency in the use of capital by maximizing the return on risk-weighted assets and net profit in the context of a clearly defined growth policy.

The Committee's tasks and responsibilities:

- Analyses the balance sheet in terms of achieving the allocation and efficient use of assets and liabilities and ensuring their prudent management;
- Monitors and reviews the following risks of the bank and ensures their prudent management (credit risk, interest rate risk, liquidity risk, financing risk, portfolio and capital risk);
- Monitor the external environment and measure the impact on profitability of factors such as:
    - Interest rate volatility, its evolution, periodic performance of crisis simulations (application of stress-test scenarios), sensitivity analyses;
    - Market liquidity;
    - Exchange rate volatility, its evolution, periodic performance of crisis simulations (application of stress-test scenarios), sensitivity analyses;
    - Monetary and fiscal policies and the impact of other changes in the economic environment;
    - Competition on the banking market, market strategies and market shares.
- Monitors profitability at product and department level;
- Monitors profitability at product and department level with regard to capital allocation and cost;
- Analyses the current structure and the forecasted structure of the capital structure;
- Analyses the bank's current performance in relation to the budget and to the objectives and policies at the bank level;
- Analyses the structure and cost of attracted funds and their allocation and defines the financing policy of the lending activity;
- Analyses the structure and quality of the bank's loan portfolio;
- Analyses and orders measure regarding the following aspects:
    - Interest rate and commission policy;
    - The structure and maturity of their assets and liabilities;
    - Type and size of the interest rate gap;
    - The size of foreign exchange positions on the total and on each currency;
    - Stress and sensitivity analyses;
    - Liquidity analyses and liquidity rates.

- Analyses the conditions of the general and banking economic environment;
- Proposes to the Board of Directors the definition of the strategy regarding the management of the bank's assets and liabilities in order to optimize the profit;
- Analyses the movements on the clients' accounts and the dynamics of the deposits, the level of use of the contracted lines and limits;
- Analyses and makes comparisons regarding the interest rates practiced on the market and those practiced by the bank and makes proposals to modify them;
- Analyses and approves the prices of new products / services and / or price changes of existing products/ services, based on the economic assumptions of the respective business lines, as well as the way in which profitability will be improved by selling new products. For this purpose, the secretary of the committee will present during the meeting the minutes of the Steering Committee regarding the new products/ services under discussion or the modification of the existing ones, the minutes that will include the opinions of all the departments involved.

- In fulfilling the attributions mentioned above, the Committee ensures the fulfilment of strategies and policies, at the level of the Management Committee or of the Board of Directors;
- Analyses the Bank's liquidity position, through internal reports;
- Performs various liquidity simulations using the Liquidity Analysis Simulator;
- Proposes and approves appropriate measures in case of deviations from the proposed level of liquidity indicators.

b. Retail Credit Committee

The Retail Credit Committee is the main body of the Bank which has the competence to evaluate and approve or reject retail loan applications within the limits of the committee's competence.
The attributions and responsibilities of the Retail Credit Committee are as follows:

- The evaluation/ approval/ rejection of request of loans that are within the limits of approval of the committee

Authority

The Board of Administrators authorize the Retail Credit Committee to approve credit applications within its limit of authority and to initiate any activity it seems appropriate and within its terms of reference.
If the request is within the limits of the Committee and rejected by the committee, will not be forwarded to higher Approving Authority for evaluation.

c. Classified Loans Committee

The Committee's attributions:

- Analyzes for the Loan files of those customers that:
  - Are in the Prevention Unit or Corporate Department and Agri Department portfolio and will register delays in payments of more than 60 days at the date the committee takes place;
  - Are in the Debt Collection Unit portfolio.
- Approves the action plan to be followed for each customer;
- Follow-up the way the approved actions are performed;
- Closely follow – up the Customer’s legal and economic status
- Analyze the situation of customers which are subject to special monitoring, meeting the criteria mentioned in the procedure "000035 – procedure for the identification of debtors subject to special monitoring " or for which are signaled events which might lead to the inclusion of the respective clients on the watchlist, and decides on an individual basis which customers are in this situation, based on the criteria described in the above mentioned Manual or based on the information presented in the Committee.
- Approval of the actions regarding:
  - Making due and payable for loan facilities of analyzed customers;
  - The transfer of the file from Corporate Department/Agri Department to Debt Collection Department;
  - Starting of the forced execution procedure for the analyzed clients.

d. Information Security Committee & Access Control Committee

- Proposes the strategic and tactical direction for security initiatives and activities;
- Ensures that security initiatives (present and future) are aligned and support the achievement of business objectives;

- Provides support to the Information Security Unit regarding the purpose of the activities and the direction of the issues discussed;
- Analyses and recommends changes to the policies, standards and / or procedures proposed by the Information Security Unit before they are submitted to the Board for approval;
- Identifies other areas in which Information Security Unit may be involved, as well as its degree of involvement;
- Revises and proposes for approval the security requirements (presented by the Information Security Unit);
- Analyses and proposes for approval in the Board of Directors the annual plans prepared by the Information Security Unit;
- Communicates to the Bank's Management the security objectives and issues;
- Discusses technical and business information within policies, procedures or issues / vulnerabilities / risks in terms of information security;
- Initiates and monitors the process of defining, developing, implementing and maintaining information security, policies, procedures and security standards;
- Analyses and proposes for approval in the Steering Committee the derogations from the information security policy;
- Analyses the cases of information security breach, as defined in the policies and procedures in force, and proposes the plan to remedy the security breaches;
- Proposes for approval in the Steering Committee the training programs carried out by the Information Security Unit, as well as their frequency;
- Recommends and implements measures regarding information security applicable in all bank departments and territorial units;
- Analyses and proposes the approval or rejection of new profiles/ roles for end users within the IT Systems/ applications used, or requests the updating / modification of existing ones;
- Analyses, recommends the approval or rejection of requests for exceptions for access to various IT systems/ applications, which are not in accordance with the provisions of the Information Security Policies or Standards.

e. Business Continuity and Crisis Management Committee

The Business Continuity and Crisis Management Committee ensures that policies and procedures are in place for Crisis Management and analyses incidents that affect the continuity of critical activities as specified in the Business Continuity Plan.

The Committee's attributions:

- Validates and monitors the implementation of the Bank's Business Continuity Plan.
- Analyzes incidents that occur that affect critical business continuity as specified in the Business Continuity Plan for the affected departments;
- Ensures the control, management and review of the continuity plan, which will be implemented in the bank, so that corrective action is taken immediately in case of weaknesses;
- Provides information as necessary to fulfil the duties;
- In case of initiating an action plan and/or a Continuity Plan, inform, if necessary, the authority concerned.

f. Health and Safety at Work Committee

The Committee's attributions:

- Analyses and makes proposals regarding the protection plan, according to the applicable legal provisions and internal regulations;
- Elaborates and follows the realization of the prevention and protection plan, including the allocation of the necessary means to realize its provisions and their efficiency from the point of view of the improvement of the working conditions;
- Analyses the risk factors for accidents and occupational diseases existing at work and takes the necessary prophylaxis measures;
- Analyses the introduction of new technologies, the choice of equipment, taking into account the consequences on the safety and health of employees' and makes proposals in the situation of finding certain deficiencies;
- Analyses the choice, purchase, maintenance and use of work equipment, collective and individual protection equipment;
- Analyses the way of fulfilling the attributions that belong to the external service of prevention and protection;
- Proposes measures for arranging jobs, taking into account the presence of groups sensitive to specific risks;
- Analyses the requests made by the employees' regarding the working conditions and the way in which the persons designated with occupational safety and health attributions at the level of the bank and the external prevention and protection service fulfill their attributions;
- Follows the manner in which the legal regulations regarding safety and health at work, the measures ordered by the labor inspector and the sanitary inspectors are applied and observed;
- Analyses the employees' proposals regarding the prevention of work accidents and occupational diseases, as well as for the improvement of working conditions and proposes their introduction in the prevention and protection plan;
- Analyses the causes of accidents at work, occupational diseases and events and may propose technical measures to supplement the measures ordered following the research;
- Performs own checks on the application of own and work instructions and makes a written report on the findings made;
- Debates the written report, presented to the occupational safety and health committee by the bank manager at least once a year, regarding the occupational safety and health situation, the actions taken and their effectiveness in the year ended, as well as proposals for the prevention and protection plan to be implemented next year.
- After approval, the employer's report must be submitted by the Secretary to the Territorial Labor Inspectorate within 10 working days

g. Projects and technology committee

The objective of the Projects & Technology Committee is to support a centralized and easier management of existing projects or to identify new projects, in accordance with the bank's strategy and the efficient usage of resources involved in projects.

The attributions and responsibilities of the Committee are as follows:

- Ensures that Bank's IT strategy is aligned with the standards imposed by the Management of the Bank and NBR Regulations;
- Propose for endorsement the budgets for Projects and Technology of the Bank;
- Identifies the Bank's Strategic Projects assigns the Projects Sponsors, the Owners for each project;
- The proposal for moving on with a project will be based on the analysis of the business cases / business studies developed by Project Owners, from who's initiative the project was submitted to the committee;
- Reviews and establish the priority for Change Request issued by internal customers (business lines and support departments), in accordance with available technical resources;
- Analyze any technological development that create the premises for a better positioning within the banking market, by improving the offered services;
- Ensures that the bank carries/ holds approved and registered models and methodologies for the design and development of technology systems as well for the day-to- day operation and support;
- Ensures that the Bank carries/ holds approved and registered models and procedures for project management aiming to their successful completion;
- Monitors the progress of the projects based on the progress report and propose corrective actions where needed and calls the sponsors of important/ strategic projects to inform the committee about the progress of their projects. Where deemed necessary, the Committee will ask the Owners of important/ strategic projects to inform the committee about the progress of their projects;
- Analyze and propose the approval of projects expenditure, that is outside the initial approved limit;
- Ensures that with the completion of every project, the Projects Managers submits to the Management of the Bank, through the Project Owner, a Closure Report and later a Post Implementation Review. The benefits that arise from the realization of the project are registered and presented to the committee;
- Analyze and increase the quality of the IT services, rising from the safety, availability and security of the support provided to the bank's operational activity;
- In order to fulfill the "Security and Privacy by design" principles, the Projects and Technology Committee provides useful information that contributes to an adequate assessment of the security risks of information/ IT systems and the protection of personal data, so that it can be taken into account of the security recommendations from the conception and initiation phase of the project;
- Monitors the implementation of the IT Security Strategy, this being an integral part of the projects that use the bank's resources;

3.2 Corporate governance

Vista Bank (Romania) SA has developed and permanently updated an internal system of corporate governance with the purpose to follow the fulfilment of the interests of all relevant parties: shareholders, employees, providers, administrators, and clients etc., being a mechanism for monitoring the Bank's actions, policies and decisions.

The Bank's corporate governance framework has the following principal elements:

- The Bank's constitutive deed – document that defines the Bank's object of activity, the relations between the shareholders, the management and Administrators bodies and the competences

granted to them, as well as the main directions on the representation, control and financial Administrators;
- The management frame, periodically evaluated and properly revised, containing the concept on the bank's structure and organization (at level of Head Office and of the branches/ agencies network), management bodies and management levels, as well as the related principles and functioning rules;
- The Internal Functioning and Organization Regulation
- The internal control system with the 3 components, i.e., the internal audit, compliance and risk management activities;
- The Policy for Management of Significant Risks
- The Risk Strategy
- The Policy for Operational Risk
- The Fraud Management Policy
- The Compliance Policy
- The Money Laundering and Terrorist Financing Risk Management and Mitigation Policy
- The Conflicts of Interest Policy
- The Whistleblowing Policy
- The Code of Ethics and conduct
- The system of delegating the authority limits for decision and signing of the patrimony related documents
- The communication principles with shareholders, clients, employees, public and regulatory institutions.

The Policy for Management of Significant Risks

The policy regarding the management of significant risks was concluded in order to settle the general frame for the management of significant risks within the Bank, according to the provisions of the EGO no. 99/2006 with its further amendments of the regulations issued by the European Parliament and Council, of the NBR Norms Regulations and of all the Internal Regulations of the Bank.

The following types of significant risks are treated: credit risk, residual risk, concentration risk, risk arising from currency lending to unhedged borrowers, market risk (foreign exchange risk), interest rate risk from non-trading activities, liquidity risk, operational risk (including model risk), legal risk and reputational risk, compliance risk, information and communication technology (ICT) and security risk, strategic and business risk, risk due to outsourcing activities, excessive leverage risk, uncontrollable risk, securitization risk, settlement risk, environmental and social risks.

The Risk Strategy

The strategy regarding the management of significant risks was concluded in order to establish the risk profile of the Bank and to settle the general frame for the management of significant risks within the Bank, according to the provisions of the EGO no. 99/2006, as further amended, of the NBR Norms and Regulations, of the European Directives and regulations and of all the Internal Procedures of the Bank.

In order to establish the significant risks, the Bank performed a comprehensive internal risk assessment, as an integral part of the Internal Capital and Liquidity Adequacy Assessment Process.

Through this process all material risks of the Bank along with the relevant management activities were identified.

In order to monitor and mitigate the significant risks, the Bank has established internal limits which are permanently monitored.

The Policy for Operational Risk

This internal regulation has the role to establish the methodology for the management of the operational risk, meaning the identification, assessment and control of such risk.
In order to achieve the objectives, set for an efficient management of operational risks, the Bank has established the following modalities, in accordance with the methodology based on risk identification:

- Risk and control self-assessment (RCSA) workshops
- Risk awareness training programs
- Collection of Operational Loss Data (Operational Loss Database)
- Setting up of key risk indicators (KRIs)

A key characteristic of proper Operational Risk Management is that it involves the entire spectrum of Bank's activities.
Hence, the management of Operational Risk is the responsibility of all managers and staff members of the Bank (risk ownership).

The Fraud Management Policy

The purpose of the current Policy is to set out the basic principles underlying the management of fraud risk within the Bank.
The underlying aim is to minimize the impact of possible fraud related losses.
Fraud risk is an important risk facing the bank and financial institutions in general, particularly in the current economic environment.
The risk of fraud is one of the most important risks facing a bank both in terms of potential number of events as well as total cost. A serious fraud incident can damage an organization severely, not only in terms of direct monetary loss but also in terms of reputation, trust, loss of morale, loss of business and other indirect/ opportunity costs.
A fraud incident may severely impact customer perceptions, lead to regulatory penalties and constraints and lead to significant time and resource impacts on investigations and incident management.
Fraud can originate from a multitude of sources within and outside an organization.
Although no organization can assume that its internal controls and other safeguards can provide total protection from the risk of fraud, such controls should be as effective and as comprehensive as possible to mitigate this important risk.
It is generally accepted that individuals who commit fraud do so when three factors are present: opportunity, pressure and rationalization.

The Compliance Policy

The Compliance Policy is the internal document that presents the vision, strategy and values underlying the compliance activities of Vista Bank (Romania) S.A. (Bank). The Policy ensures the organization of a permanent Compliance Function and regulates its status, purpose and role, as well as the basic principles of compliance risk management to be followed at the Bank by all staff.

The Money Laundering and Terrorist Financing Risk Management and Mitigation Policy

The policy to prevent the use of the financial system for laundering of proceeds from criminal activities and terrorist financing aims at establishing the internal framework to manage the risks associated with money laundering and terrorist financing, including avoiding the involvement of the Bank in illegal operations. The Bank's involvement in money laundering and terrorist financing activities may entail a significant reputational risk that translates into losses and sanctions imposed by the special legislation applicable in Romania. In order to protect against these risks, the Bank has a legitimate interest in ensuring that banking operations carried out through clients' accounts are transactions and activities with a legitimate economic, commercial and legal purpose.

The Code of Ethics and Conduct

The Code of Ethics and Conduct aims to ensure impartial and constructive behaviour of all Bank employees based on moral principles and defines the framework within which all employees must behave, bearing in mind that their entire conduct reflects their personal image, that of their colleagues, as well as that of the Bank in general. .

The Code of Ethics and Conduct is part of VISTA Bank (Romania) SA's commitment to integrity. This Code focuses on areas of ethical risk, provides guidance to assist in recognising and addressing ethical issues and contributes to strengthening a culture of honesty and accountability.

The Policy on Conflicts of Interest

The scope of the Policy on Conflicts of Intere is to ensure the Bank’s compliance with applicable legal provisions and protection of reputation by establishing basic requirements for the prevention, identification and management of conflicts of interest.

In this respect, the Bank implemented the following measures:

- Prevention of potential conflicts of interest that may adversely affect the interests of the Bank or its customers. Such measures include the possibility of declining to conduct transactions or refusing to provide services;
- Identifying current and potential conflicts of interest within the Bank's activities, as well as reducing the related risks;
- Protecting the interests of the Bank's clients in all activities and maintaining the confidentiality of information at all levels;
- Respect for transparency and integrity;
- Establishing principles for conducting personal transactions (including by the members of the Board of Administrators, managers, employees and other persons related to them), in order to ensure compliance with the legal and regulatory framework.

The objectives of the policy are to strengthen the bank's internal control framework by:

a) identifying potential areas (relationships, services, activities, transactions) of conflicts of interest between Bank employees, companies owned by them, their relatives and the Bank;

b) establish measures and procedures for the prevention and management of conflicts of interest (barriers to the flow of information, appropriate segregation of duties, etc.);

c) assigning roles and responsibilities for the implementation of this policy;

d) ensuring compliance with the relevant legislative and regulatory framework at national and European level

The Whistleblowing Policy

The Whistleblowing Policy sets out the principles adopted by Vista Bank with regard to reports made by bank staff, suppliers or customers, regarding the observation of violations of legislation or internal regulations that may have a significant negative impact on the Bank, of improper conduct by employees that may be considered contrary to the provisions mentioned in the Code of Ethics and Conduct of VISTA BANK SA.

The purpose of this policy is to put in place a system whereby employees can report misconduct

confidentially, in good faith, with the person reporting being assured of the highest possible level of protection against any form of retaliation that may occur as a result of their reporting.
Vista Bank (Romania) S.A. is committed to the highest standards of honesty, openness, transparency and accountability.
The Bank has established this Policy to provide a basic framework for employees, external suppliers and any contracting parties, including customers, to bring to the attention of the Management Body, activities that constitute unlawful conduct or negligence in service.

4. APECTS REGARDING THE STRATEGY AND ORGANISATIONAL STRUCTURE OF THE BANK

4.1 Bank Strategy

Vista Bank business strategy follows the business model that includes main targeted market segments.
Vista Bank (Romania) S.A. is a universal bank that places (according to its estimations) as at 31.12.2024 the 14th position in the Romanian Banking System with 1.15%-1.2% market share, after the merger with Credit Agricole Bank Romania S.A. in October 2023.
The Bank provides a complete range of products and services to private individuals, small and medium-sized enterprises (SMEs) and large companies, via banking outlets, as distribution channels.
Vista Bank (Romania) SA customers includes Romanian companies as well as subsidiaries of foreign Groups on Corporate Business and Romanian individuals and foreign citizens on Retail Banking Business.
In Romania Vista Bank operates through a network of 38 units that covers 23 cities across the country, the biggest territorial concentration being in Bucharest.
The following elements represent the foundation of Vista bank’s Strategy:

1. Building long-term value added for shareholders, employees and clients to be achieved by providing high quality services with a team of well-trained and dedicated professionals who work in an environment that enables them to excel.

2. Culture and values;
   - Honesty and integrity;
   - Credibility;
   - Fairness and respect;
   - High Quality Service;
   - Staff Professionalism;
   - Social responsibility.

4.2 Shareholders’ Structure

During 2024 there have not been changes regarding the shareholders structure of the bank.
The share capital subscribed and paid-up of the Bank at 31.12.2024 registered with the Trade Register was RON 468,736,524.4.

4.3 Organisational Structure of Vista Bank (Romania) SA

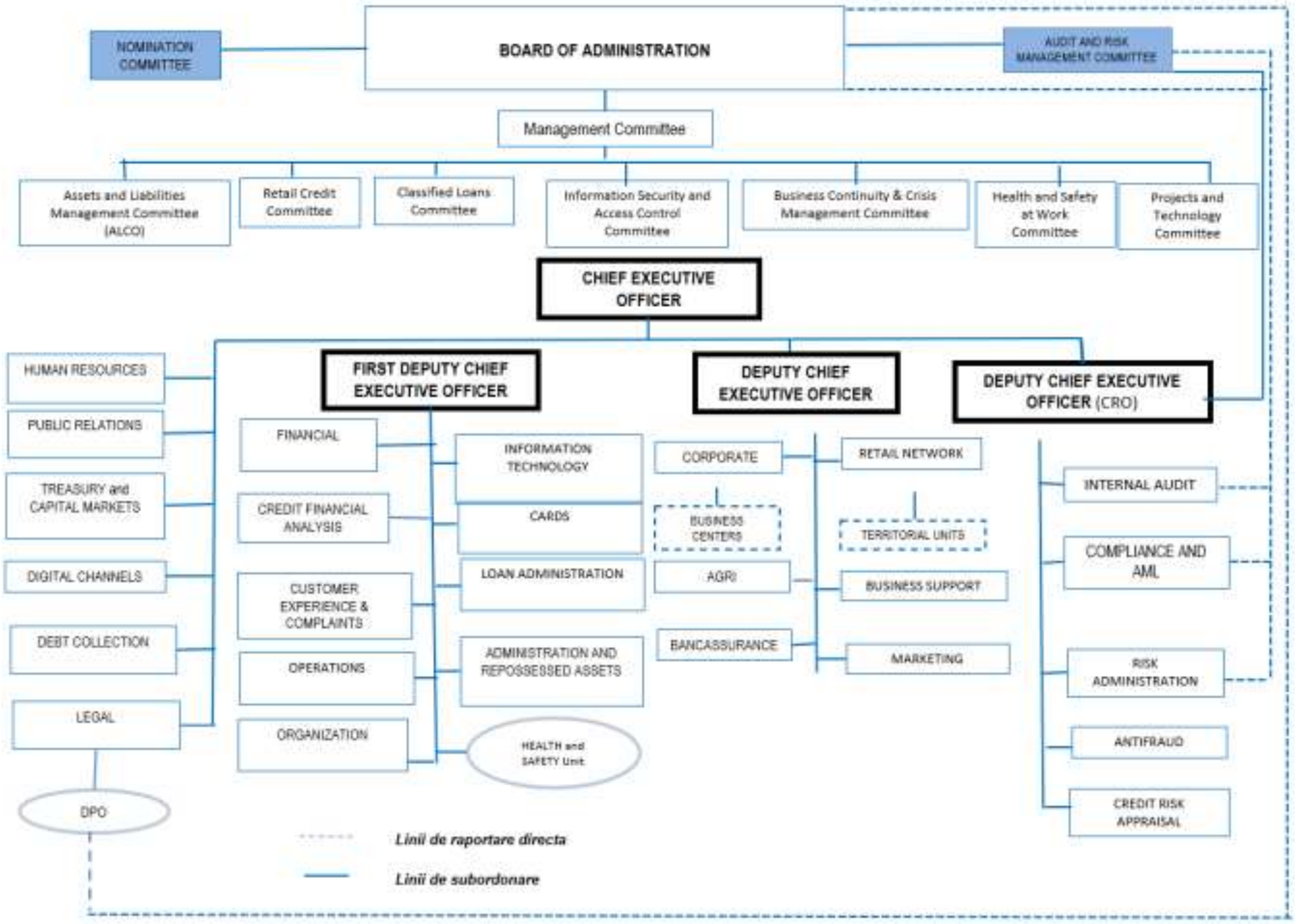
The Bank's Organization Chart is defined to have an adequate and transparent organizational structure. The Bank's Organizational Chart must promote the efficiency and has as foundation the prudentially principles.

The Chief Executive Officer, the First Deputy Chief Executive Officer and two Deputy Chief Executive Officer, all members of the Management Committee, being organized in departments at the Head Office level and network units' countrywide, manage the Bank. The territorial unit is represented by the branch/business center.

The departments can be organized in services, depending on the characteristics of the activity carried out. The Board of Administrators approves the organization of such units.

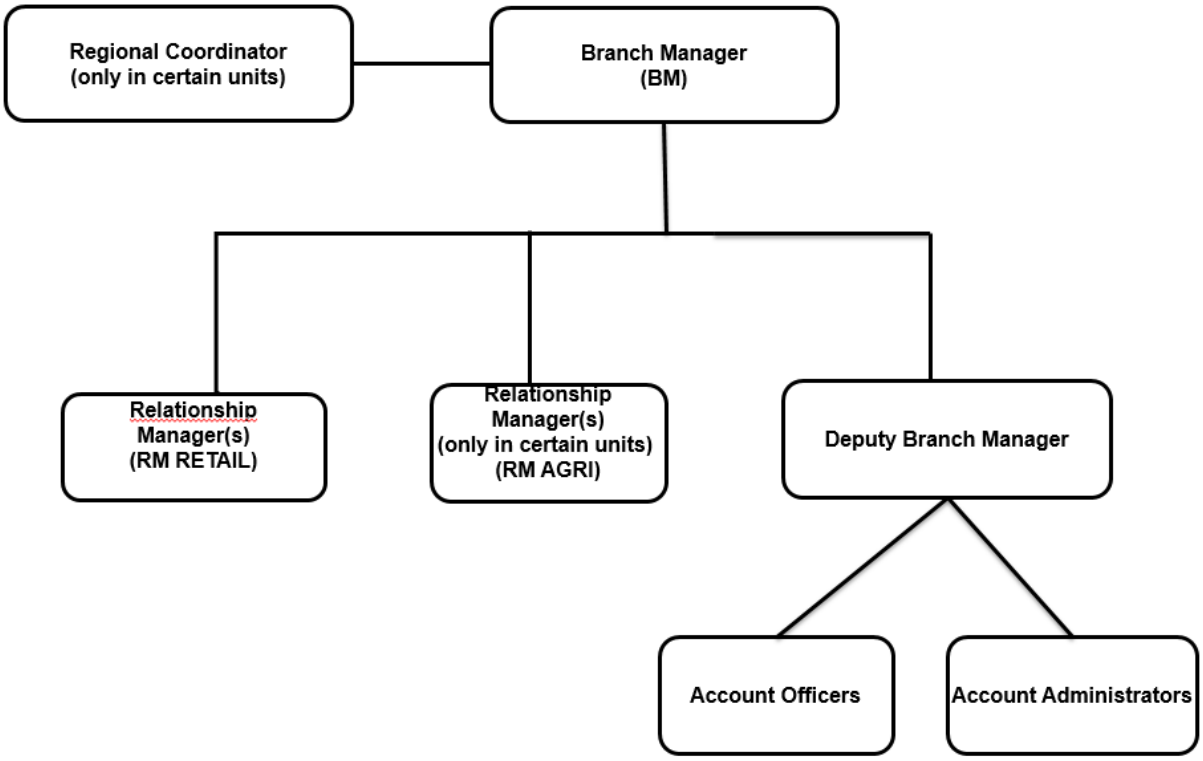
The organizational structure of the bank is described in the organizational chart of the Bank, which describes in detail the internal structure of the Headquarters, the subordination of the committees and the structure of the territorial units.

Organisational Structure of Vista Bank (Romania) S.A.

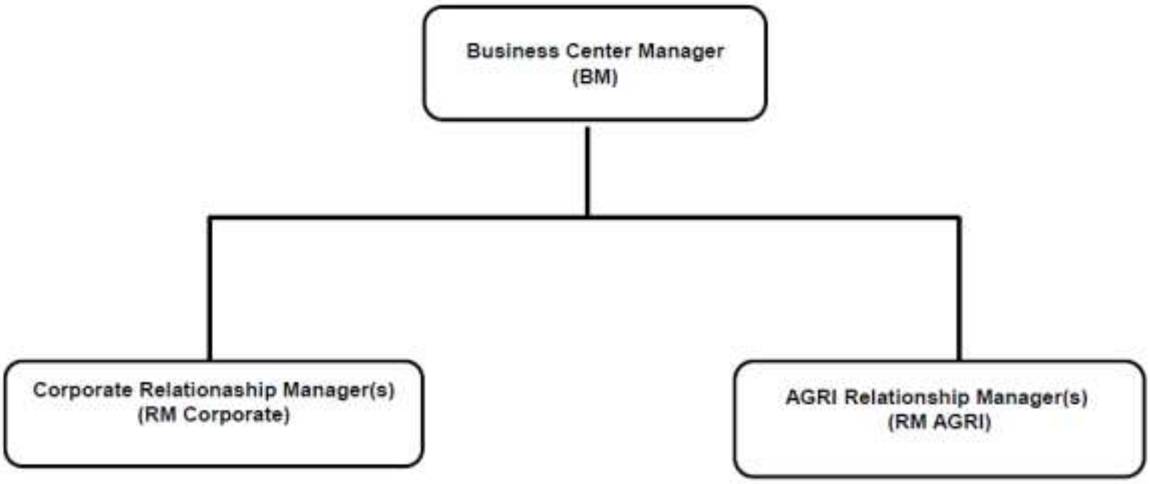


In addition, the Bank Network included in 2024 a number of 35 territorial units in Romania, with the following organizational structure:

VISTA Bank (Romania)S.A. – Territorial units Organizational Chart



VISTA Bank (Romania)S.A. Business Center Organizational Chart



4.4. Organization of the management structure

Vista Bank (Romania) S.A. operates under a unitary governance structure, with the management and administration of the Bank being entrusted to a Board of Directors (BoD), as the governing body in a supervisory capacity, which is responsible for the oversight of the Bank's activities as implemented by the Management Committee (Senior Management) which provides the operational management of the Bank. Both structures carry out their activities in accordance with the provisions of the regulations in force and the Articles of Incorporation.
The Board of Directors consists of 5 to 9 (nine) members appointed by the General Meeting of Shareholders, of which two are executive members. The Board of Directors has two advisory committees whose members do not have executive functions. - Audit and Administration Committee, Nomination Committee.
The management function is exercised by the Chief Executive Officer, the First Deputy Chief Executive Officer and two (2) Deputy Chief Executive Officers.
The Management Committee is composed of the Directors of the Bank, namely: the Chairman is the General Manager and the members are the First Deputy General Manager and 2 (two) Deputy General Managers.
The Deputy General Manager (CRO) in his capacity as Compliance Officer of the Bank (pursuant to Art.23., para.2. of Law no.129/2019) has the following responsibilities:

- coordinates the organisation and implementation of legislative requirements in the field of prevention and combating money laundering and terrorist financing;
- coordinates the implementation of the appropriate internal regulations on customer due diligence and the prevention and combating of money laundering and terrorist financing;
- oversees the development of appropriate internal regulations on customer due diligence, secondary and operational reporting and record keeping, internal control, risk assessment and management, compliance management and communication to prevent and deter suspicious money laundering and terrorist financing operations;
- monitors the bank's compliance with legislation in the area of preventing and combating money laundering and terrorist financing;
- coordinates activities arising from legislative requirements.

4.4.1 Supervisory function bodies

The Board of Administrators consists of 5 to 9 members appointed by the General Assembly of the Shareholders and approved by the National Bank of Romania. The Board of Administrators approves the Bank's strategy, products and new services to be offered, internal regulations, organization of the Bank and its development in accordance with the strategy in force. The Board of Administrators approves the annual budget and monitors the Bank's financial results and the activity of the Management Committee.
The provisions of Company Law no. 31/1990 as amended and supplemented, regulations issued by the National Bank of Romania, internal norms and procedures of the Bank, including but not limited to the Internal Functioning and Organization Regulation and the Regulation of the Board of Administrators govern the Board's activity.
As of 31.12.2024, the Board was composed of the following Members:

Nr crt	Name	Function	Gender
1.	Stavros Lekkakos	President (Independent)	Male
2.	IliasIlias Volonasis	Member (Independent)	Male

3.	Georgios Athanasopoulos	Member	Male
4.	Theodor Cornel Stanescu	Member	Male
5.	Pavlina Tavridaki	Member (Independent)	Female
6.	Theodoros Efthys	Member (Independent)	Male
7.	Panagiotis Konstantaras	Member (Independent)	Male

The Board members have participated actively and effectively in the exercise of their responsibilities during 2024, the Board holding 40 meetings. Meetings were held with the participation of membership required for the meeting according to the legal provisions in force and the Bank's Constitutive Deeds.

4.4.2 Management function bodies

The Management Committee consists of Bank's Directors, respectively the CEO, a First Deputy CEO and the 2 (two) Deputy CEO which are appointed by the Board of Administrators and approved by the National Bank of Romania. The CEO and the First Deputy CEO hold also the position of Members of the Board of Administrators of the Bank. The Meetings of the Management Committee are very frequent, the Committee having responsibilities for the management of the current activity of the Bank.

As of 31.12.2024, the structure of the Management Committee was the following:

- Mr. Georgios Athanasopoulos CEO
- Mr. Theodor Cornel Stanescu First Deputy
- Mr. Ovidiu Craciunas Deputy CEO
- Mr.Periklis Voulgaris Deputy CEO

The duties and responsibilities of the bodies that provide the management function, respectively the Directors members of the Management Committee are detailed in the Bank's Constitutive Deeds, the Regulation of the Management Committee and the Internal Functioning and Organization Regulation.

4.4.3 Number of mandates held by the members of the management structure

Members of the Bank's management structure hold the following mandates:

Nr crt	Name	Function	Mandates within the Bank	Period
1.	Stavros Lekkakos	President	4	2019-2020;2020-2024;2024-2028
2.	Ilias Volonasis	Member	3	16.04.2020;2020-2024;2024-2028
3.	Georgios Athanasopoulos	Member	17	2010-2020;2020-2024; 2024-2028
4.	Theodor Cornel Stanescu	Member	4	2018-2019;2019-2020;20202024;2024-2028
5.	Pavlina Tavridaki	Member	4	2019-2020;2020-2024; 2024-2028
6.	Theodoros Efthys	Membru	4	2019-2020; 2020-2024;2024-2028
7.	Panagiotis Konstantaras	Member	3	05.05.2020;2020-2024;2024-2028

- The Chairman of the Board holds a non-executive mandate (as chairman of the board);
- Each of the Board members holds one non-executive mandate, with the exception of the CEO and First Deputy CEO who, in addition to a non-executive mandate (as a member of the board) hold also an executive mandate (Georgios Athanasopoulos as CEO of Vista Bank (Romania) SA and Theodor Cornel Stanescu as First Deputy CEO of Vista Bank (Romania) SA.

Members of the management structure hold, at collective level, the knowledge, skills and adequate experience to be able to understand bank activities, including its major risks so they can take decisions being fully informed on all aspects of which must decide according to their competences.

4.4.4 The recruitment policy for the selection of members of the management structure and the knowledge, skills and their effective expertise

The activities related to recruitment and selection of the employees and the members of the management structure are performed in accordance with current Romanian legislation and practices, the collective agreement (if available) and bank`s policies and procedures, and in a manner which ensures the suitability and integrity of the new recruit.
When establishing the composition of the Board of Administrators members and Executive Management of the Bank are taken into account the requirements and criteria provided by the applicable legislation for the companies, as well as special legal provisions for credit institutions, taking into account that there is always an adequate number of members and an appropriate structure which contains a sufficiently wide range of relevant professional experience.
The BOA members and Executive Management of the Bank must have, collectively, knowledge, skills and experience to be able to understand the activities of the bank, including their major risks and to decide in full knowledge on all aspects according to their competencies.
The members of The BOA and Executive Management of the Bank are evaluated, pursuing the fulfilment of the conditions and criteria mentioned above, if a future revaluation of the members' adequacy is performed when certain events take place that request this action.

The Bank has a Board of Administrators whose members does the General Shareholders Assembly appoint and which exercises all the duties and competencies stipulated by the law on the trading companies and banking legislation, with the purpose of performing the bank object of activity.

The persons appointed as members to the BOA must have reputation and experience adequate to the nature, extent and complexity of the Bank's activity as well as to the assigned responsibilities, in order to ensure a sound and prudent bank management.
They must have an academic degree in related fields such as economics, finance, accounting or legal etc., as well as experience directly relating to the Bank's activities. The persons appointed must be fluent in the English language.

The Executive Management and the members of the Board of Administrators must be approved by the National Bank of Romania prior to exercising their responsibilities, according to the legal requirements issued in this respect.
The persons appointed to the Executive Management and as members to the BOA must have good knowledge of the strategy, practices, policies of the Bank, as well as, the legislation and regulations in

force in the financial-banking sector.
They must be able to take decisions and make their own judgments to be reliable, objective and independent

4.4.5 The policy regarding the diversity in the selection of members of the management structure, objectives and any relevant targets set out in the policy, and the extent to which they achieved the objectives and the respective targets

Bank considers diversity of the members of the management body as sum of characteristics like age, gender, geographical provenance and educational and professional background, and takes the necessary actions to ensure these are different to an extent that allows a variety of views within the management body.
The Bank shows considerable care so that diversity amongst its top leaders is ensured with the purpose to improve decision-making regarding strategies and risks by facilitating a broader range of views, opinions, experience, perception, values and backgrounds and reduces the phenomena of 'group think' and 'herd behaviour' in the process of decision-making.
The nominees as member of the Board/Executive management of the Bank must prove adequate reputation and prior experience in direct relation to the nature and complex activity of the Bank, as well as the allocated responsibilities in order to ensure a proper and prudent management of the Bank.
All Board and Management Team appointments are based on meritocracy with the prime consideration to maintain and enhance the Board's and Management`s overall effectiveness.
The selection of female candidates to join the Board of Administrators/Executive Management will depend on the pool of female candidates with the necessary qualifications: knowledge of the strategy, practices, policies of the Bank, as well as, the legislation and regulations in force in the financial-banking sector.
The ultimate decision will be based on merit and contribution the selected candidate will bring to the Board of Administrators/ Executive Management.
We believe that diversity, including gender diversity, is a very important factor, which reflects in the Bank's performance and effectiveness. In this respect, the Gender diversity policy has been updated and approved by the Board of Administrators and the Bank set as target appointment of at least one feminine person within the Board of Administrators/ Management Committee.

4.4.6 Organization of the Internal Control Functions

The internal control framework targets the institution as a whole, including the activities of all operational units, of the support and control functions and consists of appropriate internal regulations, mechanisms and appropriate plans that contribute to identifying the internal and external risks to which the bank is exposed.
For a prudent management of these risks, the central organizational unit that manages an area of activity of the bank, elaborates and implements internal regulations corresponding to the managed activity formalizing all processes and control activities to be carried out within respective area of activity.
The organizational units and the support functions have the main responsibility for establishing and maintaining adequate internal control procedures.
In order to provide the framework for the internal control, the verification and validation of compliance with these policies and procedures by the independent control functions, is mandatory.

Within Vista Bank (Romania) SA Internal Control is structured on three levels:
The first level of controls is implemented to ensure that the Bank's current activities and operations are

properly performed, in accordance with internal legislation and procedures. The controls are carried out by the structures within which the daily activities, respectively territorial units, business departments and their support are carried out.
The second level of control is:
a) The Risk Management function (ensures identification, measurement, evaluation, management, monitoring and reporting off all risks);
b) The Compliance function (identifies, evaluates, monitors and reports the related compliance risks of the activities performed at the Bank level);
c) The Antifraud function (prevention, monitors, decrease and recovery of losses from any fraudulent transaction directed against at the Bank or their clients)
The third level of controls is represented by the Internal Audit function, which carries out an independent assessment, based on a risk-based approach, and provides objective assurance on the compliance of all activities, including outsourced activities, with the Bank's policies and procedures; ensures that the Bank's policies and processes are respected in all activities and structures; it reviews the control policies, processes and mechanisms so that they remain sufficient and appropriate to the Bank's activity.
The functions of the Bank's Internal Control System are independent of the lines of activity that they monitor and control.

Independent control functions

The risk management function is a central component within the Bank and is structured so that it can implement risk policies and control the risk management framework. The Bank is constantly concerned with strengthening the culture of risk management, extended to both the level of its structures, as well as at the level of the lines of activity.
The responsibility for risk management lies with the staff in all lines of activity, not being limited only to the level of specialists in the field of risks or control functions.
The risk management function shall ensure that all significant risks are properly identified, evaluated, measured, monitored, managed and reported and shall be actively involved in the development of the Bank's risk management strategy in all significant risk management decisions.
The general framework for risk management comprises the entire framework of policies, procedures and systems that allow the bank to prudently manage the potential risks that may be generated by the activity carried out, thus ensuring their inclusion in the Bank's risk appetite.
On each line of activity, risk management is ensured through various levers / instruments, among which: supervision / control provided by the Bank's management structure, the Bank's standing committees, segregation of responsibilities, the principle of double verification (of the four eyes), policies and procedures dedicated to each area of activity.

The Compliance function advises the management body on the provisions of the legal and regulatory framework and on the standards that the bank must meet and assesses the possible impact of any changes in the legal and regulatory framework on the Bank's activities.
The compliance function is provided by the Compliance and Money Laundering Prevention Department (hereinafter referred to as the “Compliance Department”), which is responsible for managing the compliance risk within the Bank.
The role of the compliance function is to identify, assess, monitor and report on the compliance risk to the management body. The findings of the compliance function must be taken into account by the management

body in the decision-making process.
The compliance function also has the role of verifying whether the new products and the new procedures are in accordance with the applicable regulatory framework in force.

The Antifraud function
The role of the antifraud function is to prevent, detect and manage the risk of fraud.
As well, the Antifraud function provide specialized advice on the internal regulatory framework and new banking products from the antifraud perspective.

The Internal Audit function assesses whether the quality level of the internal control framework is both effective and efficient.
The internal audit function assesses the compliance of the entire bank's activities and operational units (including the risk management function and the compliance function) with the credit institution's policies and procedures. In this sense, the internal audit function is independent of the other two control functions mentioned above.
The internal audit function also assesses whether existing policies and procedures remain appropriate and comply with the requirements of the legal and regulatory framework.
Control functions are set at an appropriate hierarchical level and direct reporting lines to the governing body in its supervisory function or through the Audit and Risk Management Committee in the case of the internal audit function are defined. The internal control functions shall periodically submit to the management body official reports on the major deficiencies identified. The type and frequency of these reports is defined in the specific regulations. These reports shall include follow-up to previous findings and, for any new major deficiencies identified, relevant risks involved, an impact assessment and recommendations. The management body must act on the findings of the control functions in a timely and effective manner and must request appropriate remedial action.

The departments at which the functions related to the internal control framework are exercised, respectively the Compliance and Anti Money Laundering Department, Risk Management Department and Antifraud Department are directly subordinated to the Deputy Chief Executive Officer (CRO) while the Internal Audit Department has a direct reporting line to the Board of Administrators through to the Audit and Risk Management Committee, being subordinated only from administrative perspective to the Deputy Chief Executive Officer (Chief Risk Officer).
In addition, one of the organizational principles of the Bank's internal control system includes the direct involvement of the Board of Administrators and the Management Committee in the organization and Administrators of the internal control system. The Management Body has the responsibility to ensure the independence of the three functions of internal control, to ensure that they have an adequate number of qualified staff with appropriate authority, that they benefit from continuous training, and the staff of these functions has at their disposal appropriate data and support systems, with access to internal and external information needed to fulfil their responsibilities.

The culture of the Internal Control System
The principles of the Bank's Management are based on promoting integrity and high ethical values, by developing a real control environment, defining and presenting to all employees the importance and role of each and everyone in the internal control processes.
The control environment is the basis of the other components of the internal control function.
In accordance with their duties, the Board of Administrators and the Bank's Management Committee

develop the Internal Control System, by creating an organizational structure that is appropriate to the Bank's purpose and complexity, by clearly defining responsibilities, reporting lines, delegation of responsibilities and policies setting.

5. OBJECTIVES AND POLICIES OF THE BANK REGARDING RISK MANAGEMENT

The Bank acknowledges the need for good management and control of risks, for which the Risk Management Department was established in order to adequately identify, evaluate, measure, monitor, manage and report the risks involved in all its activities. The main responsibilities of Risk Management Department are:

- Development and review of the risk management strategy related to the management of significant risks;
- Analysis of transactions with affiliated parties, in order to identify and adequately assess the current and potential risks that they may cause to the Bank;
- Identification of risks generated by the complexity of the legal structure of the Bank;
- Assessment of significant changes;
- Measurement and internal risk assessment;
- Assuring that all identified risks can be effectively monitored by the operational units, periodical monitoring of actual risk profile of the bank and assessment in relation with the strategic objectives and risk tolerance/appetite of the bank;

Aspects related to not approved exposures, meaning independently analysing any breach or non-compliance with the strategies, the risk tolerance/appetite, or risk related limits, taking adequate measures against fraudulent internal or external behaviour and violation of the code of ethics.

5.1 Risk Strategy of Vista Bank Romania SA

In order to determine significant risks, the Bank performs a comprehensive internal evaluation of the risks, as part of the Internal Capital Adequacy Assessment Process. During this process, all significant risks of the Bank were identified, together with relevant management activities.
Based on the above assessment, the following risks are considered to be significant: credit risk, residual risk, concentration risk, risk arising from currency lending to unhedged borrowers, market risk (foreign exchange risk), interest rate risk from non-trading activities, liquidity risk, operational risk (including model risk), legal risk and reputational risk, compliance risk, information and communication technology (ICT) and security risk, strategic and business risk, risk due to outsourcing activities, excessive leverage risk, uncontrollable risk, securitization risk, settlement risk, environmental and social risks.

5.2 Policies regarding the risk management for each risk category

The policy regarding the management of significant risks regulates the general frame for the management of significant risks within the Bank, according to the provisions of the EGO no. 99/2006 and its further amendments, the regulations issued by the European Parliament and Council, the NBR Norms and Regulations and the Internal Regulations of the Bank.

5.2.1 Credit Risk

Regarding the Credit Risk management, from the perspective of identifying, assessing and monitoring the process, the Bank applied starting with 01.01.2008, the standardized approach and seeks after the improvement and the amendment of the internal procedures and policies with reference to the credit activity, based on the Regulation (EU) no 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, the Norms and Regulations of the National Bank of Romania, especially those of Regulation no. 5/2013 regarding prudential requirements for credit institutions and its further amendments and other NBR Regulations regarding the credit risk for the credit institutions.

Credit risk management has as object the limitation of losses caused by the depreciation of debtor's situation. A permanent information to the management regarding the result of the process of the loan portfolio and off-balance sheet exposures quality analysis is needed, in order to detect and correct those with potential problems in due time.

The analysis of the loan portfolio and off-balance sheet exposures is a permanent process which includes two stages: the first stage is for the prevention of the risk generating events 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.

One of the methods used by the bank in order to diminish credit risk is loan portfolio diversification and avoidance of excessive risk exposure, by limiting the concentrations on activity sector of the debtor, duration of facility, type of facility, residence of the debtor, company size and duration of activity, geographic area, type of product, financial performance of the debtor, the real beneficiary of the debtor for legal entities and the concentrations on the type of product, the geographical area and customer residence for private individuals/PFA/PL and on the loans currency and collateral type for the entire debtors' portfolio.
The Bank monitors the exposures towards a client or group of connected clients and exposures towards affiliated persons.
The Bank also monitors the exposures to issuers of letters of guarantee collaterals (credit institutions). The Bank monitors the volume of restructured exposures.
Another method of risk mitigation is the booking of Expected Credit Losses (ECL) in order to cover potential losses and to ensure a reserve for banking risks. ECL is booked in order to cover possible exposures, which, after analysing the financial performance of the debtors and the indebtedness degree, present uncertainty related to their repayment.
The Bank uses also as a method of mitigating the credit risk partially or totally transferring the risk towards the client through partially financing the acquisition, partially financing the project, insurance policies for buildings and construction site in case of a construction project, assignment of debtor's income and/or constitution of collateral deposits for partially or totally covering the debtor's payment obligations or towards the collateral issuers through letters of guarantee and/or collateral deposits.

5.2.2 Market Risk

Regarding the Market Risk management, from the perspective of identifying, assessing and monitoring the process, the Bank applied starting with 01.01.2008 the standardized approach.
The market risk management includes position monitoring and limit control, identification, measurement and monitoring of market risks, i.e., FX risk, interest rate risk, etc., including country and counterparty risk, analysis and monitoring of market conditions relating to the above risks.
The Bank prevents the appearance of the market risk by:

- Minimizing the systematic risk component from market risk by maintaining a hedged position on maturities and currencies, and increasing of portfolio quality;

- Minimizing the unsystematic risk component from market risk by expanding the clients' portfolio.

The Bank uses as techniques for mitigating of the market risk the following:
- continuous monitoring of the FX position and the relevant movements of the currency market;
- setting up open position limits for both intraday and overnight purposes;
- ensuring compliance with the established limits, i.e., individual exposure limit from FX operations;
- monitoring maturity limits, total borrowing limit;
- periodical re-evaluation of the trading limits;
- Respecting the procedure for positions reconciliation of the accounts involved in the FX position (NOSTRO, internal accounts).

For limiting and mitigating the market risk, the Bank establishes, according to the market environment and the Bank's risk appetite, limits for FX exposure per currency.

The currency risk management is performed in a specific framework, which includes:
- The transactions' performing and the risk management in the Treasury and Capital Markets Department;
- The processing and the control of the transactions in the Treasury Back-Office Unit;
- The analysis, the monitoring and the risk control of the transactions in the Risk Management Department;

Currency risk management is typically performed via foreign currency position management.
The objective of the interest rate risk management is to increase the Bank's profit with the condition to maintain interest rate risk exposure within authorized limits.
The methods used for managing the interest rate risk are based on the reprising GAP analysis through the relevant GAP report and on the Stress Testing on interest rate. The GAP method shows the net difference between assets and liabilities on a specific date for certain predetermined time periods, i.e., up to 1 month, 1-2 months, 2-3 months, 3-4 months, 4-5 months, 5-6 months, 6-9 months, 9-12 months, 1-3 years, 3-5 years, 5-10 years, over 10 years.

5.2.3 Liquidity Risk

As part of the Bank's Liquidity management strategies, the Bank aims to:
- Maintain a diversified and stable funding base;
- Establish strong and lasting relationships with depositors;
- Avoid the excessive reliance on any one counterparty or any one product or funding market;
- Maintain a government securities portfolio to be used in case of liquidity needs to access Lombard facility with NBR, to access the NBR Repo facility, to sell in the market, or use them into repurchase agreement with current banking counterparties.;
- Obtaining a stand-by liquidity agreement to access it in case of liquidity problems;
- Perform currency swaps operations to cover specific liquidity needs on certain currencies;
- Have the knowledge over the accrued amount on interest rate sensitive assets and over the roll-covered deposits;
- Know the applicable market haircuts to liquidate the assets positions under stressed conditions.

Assets and Liabilities Committee has the responsibility to monitor the liquidity of the bank and its evolution on each category of assets and liabilities.

The Treasury and Capital Markets Department has the responsibility to monitor and to assure the day-to-day liquidity of the bank's operations.
In considering liquidity risk, in addition to the contingency measures in case of liquidity crisis, the level of the stable deposit base was monitored.
For monitoring the impact of the liquidity risk, the bank employs the following methodologies:

- monitors the Liquidity Gap Report;
- monitors regulatory and internal liquidity indicators;
- monitors the Large Providers of Funds.

A set of early warning indicators is calculated and monitored daily.
The bank's objective regarding the liquidity risk is to maintain an adequate liquidity level if the necessary resources are ensured to support the budget objectives. For the purpose of maintaining adequate liquidity levels, the bank aims to maintain the LCR ratio at a level above 110%.
The Bank monitors the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR).
A minimum imposed level of 100% for LCR was imposed for each significant currency and for total.
The levels registered by the Bank as of 31st of December 2024 were as follows:

- LCR: 143.03%
- NSFR: 160.77%

Are presented below the data related to LCR in accordance with EBA Guide EBA/GL/2017/01:

Template EU LIQ1 - Quantitative information of LCR

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	31.12.2024	30.09.2024	30.06.2024	31.03.2024	31.12.2024	30.09.2024	30.06.2024	31.03.2024
EU 1b	Number of data points used in the calculation of averages								
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61					2,160,563,649.00	2,216,610,346.33	1,944,845,402.67	2,092,714,729.67
CASH - OUTFLOWS									
2	retail deposits and deposits from small business customers, of which:	3,471,325,537	3,592,051,413	3,604,726,897	3,531,436,985	378,153,293	400,612,334	405,332,483	395,691,416
3	*Stable deposits*	1,124,158,481	1,109,404,447	1,098,113,743	1,108,517,414	56,207,924	55,470,222	54,905,687	55,425,871
4	*Less stable deposits*	2,280,244,249	2,417,365,092	2,438,785,093	2,358,499,318	321,945,369	1,043,632,399	350,426,796	340,265,545
5	Unsecured wholesale funding	3,892,792,333	3,736,141,213	3,733,082,646	4,349,171,660	1,915,894,882	1,853,343,439	1,859,152,847	2,099,306,905
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	-	-	-	-	-	-	-	-
7	*Non-operational deposits (all counterparties)*	3,892,792,333	3,736,141,213	3,733,082,646	4,349,171,660	1,915,894,882	1,853,343,439	1,859,152,847	2,821,027,413
8	*Unsecured debt*	-	-	-	-	-	-	-	-
9	*Secured wholesale funding*					-	-	-	-
10	Additional requirements	338,417,100	352,115,132	288,571,526	323,864,776	140,912,824	112,232,412	75,591,740	163,888,679
11	*Outflows related to derivative exposures and other collateral requirements*	124,382,833	91,224,667	49,767,000	140,828,667	124,382,833	91,224,667	49,767,000	140,828,667
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	214,034,267	260,890,465	238,804,526	183,036,109	16,529,991	21,007,745	25,824,740	23,060,013
14	Other contractual funding obligations	104,585,356	111,086,620	117,094,959	96,271,590	104,382,184	110,883,421	116,891,732	96,068,572
15	Other contingent funding obligations	748,276,030	732,763,510	673,425,449	632,434,464	80,095,561	69,901,085	58,788,306	68,661,241
16	TOTAL CASH OUTFLOWS					2,619,438,744	2,546,972,691	2,515,757,108	2,823,616,813
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	1,305,479,393	1,317,581,307	1,788,394,796	2,110,252,436	1,264,064,565	1,260,042,747	1,746,742,132	2,072,775,998
19	Other cash inflows	183,267,244	121,137,870	112,534,416	295,784,356	183,267,244	121,137,870	112,534,416	295,784,356
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	1,488,746,637	1,438,719,177	1,900,929,211	2,406,036,792	1,447,331,809	1,381,180,617	1,859,276,548	2,368,560,354
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	1,488,746,637	1,438,719,177	1,900,929,211	2,406,036,792	1,447,331,809	1,381,180,617	1,859,276,548	2,368,560,354
TOTAL ADJUSTED VALUE									
21	LIQUIDITY BUFFER					2,160,563,649	2,216,610,346	1,944,845,403	2,092,714,730
22	TOTAL NET CASH OUTFLOWS					1,172,106,935	1,165,792,074	715,372,733	705,904,203
23	LIQUIDITY COVERAGE RATIO					191.90%	191.29%	277.92%	296.88%

Template EU LIQ2: Net Stable Funding Ratio

		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	696,791,139	-	-	121,309,604	818,100,743
2	*Own funds*	696,791,139	-	-	121,309,604	818,100,743
3	*Other capital instruments*		-	-	-	-
4	Retail deposits		2,013,872,799	1,268,559,425	143,081,564	3,152,813,225
5	*Stable deposits*		697,075,103	413,778,084	25,549,391	1,080,859,919
6	*Less stable deposits*		1,316,797,696	854,781,341	117,532,173	2,071,953,306
7	Wholesale funding:		3,541,334,782	720,282,593	117,669,490	1,813,165,024
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		3,541,334,782	720,282,593	117,669,490	1,813,165,024
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	92,364,365	9,007,781	47,740,238	52,244,129
12	*NSFR derivative liabilities*	-				
13	*All other liabilities and capital instruments not included in the above categories*		92,364,365	9,007,781	47,740,238	52,244,129
14	**Total available stable funding (ASF)**					**5,836,323,120**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					-
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		1,649,109,217	1,189,799,104	2,840,034,887	3,397,028,688
18	*Performing securities financing transactions with financial customerscollateralised by Level 1 HQLA subject to 0% haircut*		-	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		772,988,978	130,581,991	29,247,984	171,837,877
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		779,731,054	978,579,661	1,993,272,264	2,089,865,793
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
22	*Performing residential mortgages, of which:*		96,389,185	80,637,452	817,514,639	651,754,029
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		48,927,655	62,510,562	658,233,663	483,570,989
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		-	-	-	-
25	Interdependent assets		-	-	-	-
26	Other assets:		1,502,447,858	2,894,212	34,410,954	224,363,395
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		-	-	-	-
29	*NSFR derivative assets*		3,911,735			3,911,735
30	*NSFR derivative liabilities before deduction of variation margin posted*		471,553,000			23,577,650
31	*All other assets not included in the above categories*		1,026,983,123	2,894,212	34,410,954	196,874,010
32	Off-balance sheet items		38,137,119	53,147,319	82,314,640	8,726,806
33	**Total RSF**					**3,630,118,889**
34	**Net Stable Funding Ratio (%)**					160.77%

5.2.4 Operational Risk

Regarding the Operational Risk management, from the perspective of identifying, assessing and monitoring the process, the Bank applied starting with 01.01.2008 the Basic Indicator Approach.
Internal regulations regarding operational risk are intended to establish this risk management framework within the Bank to meet legislative requirements in force.
The Bank's operational risk management is based on a quantitative and qualitative approach offering a more comprehensive perception of risks arising from activities undertaken within each process.
The main objective of operational risk management refers to:

- Defining and implementing specific policies and procedures;
- Obtaining bank-wide transparency regarding risk management arising from improper operation or implementation of processes, systems or due to human errors, external events or legal uncertainties, and to obtain information about possible losses associated therewith;
- Defining and implementing stress test scenarios for operational risk;
- Optimization of operational risk management, permanent following of risk / return approaches;
- Strengthen and increase efficiency identification and assessment method of operational risks, to mitigate these risks and improve the Bank's risk profile;
- Prevention of events and minimizing losses through effective monitoring and control in the permanent monitoring;
- Raising awareness and incorporation of operational risk management processes daily:
- Increasing the quality of services offered to clients;
- Reducing capital requirement for operational risk in the context of improving operational efficiency and customer service quality;
- Increased credibility in relationships with customers, rating agencies, shareholders and regulators.

In order to achieve the targets, set for the effective management of operational risk, the Bank established according to the methodology based on identifying, measuring, reporting/ monitoring and risk management, the following methods:

- Risk identification through training sessions conducted to raise awareness of the effects of operational risk through self-assessment and risk control measures (RCSA) and identifying, recording and reporting operational risk events;
- Reporting/ monitoring risks through early warning system based on key indicators for measuring risks;
- Risk management by:
    - Avoiding risk - by failure to engage in significant risk-bearing activities or difficult to monitor and predicting future events that may cause the loss and the prevention of loss events - e.g., interruption of risky activities;
    - Mitigating risk by preventing or specific impact of a particular event; ex. intensifying the control actions, restructuring processes, replacing IT systems, contingency management;
    - Transfer risk to third parties through insurance policies and outsourcing contracts;
    - Acceptance of risk;
    - The process of escalation and continuation of the activity/ crisis management.

Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

	Banking activities	a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	204,516,503	250,862,934	293,198,517	37,428,898	467,861,221
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches					
3	*Subject to TSA:*					
4	*Subject to ASA:*					
5	Banking activities subject to advanced measurement approaches AMA					

5.2.5 Business continuity management framework

Vista Bank Romania has prepared a Business Continuity Plan to be activated and followed in case of a major disaster / incident such as: natural disaster, terrorist attack, power outage, prolonged interruption or total failure of critical IT systems, as well as in pandemic case. Also, any contractual partner of Vista Bank Romania to which essential services have been outsourced have Business Continuity Plans prepared to be activated in case of disaster. Vista Bank has prepared a secondary operational site/building, where the Bank’s critical activities could continue, and in the context of the pandemic, also especially dedicated IT and secure communication systems have been configured to facilitate the remote work of employees.

Vista Bank has also prepared a Disaster Recovery Plan for critical IT systems that support the bank's critical business processes. Critical IT systems can be recovered into a secondary Data Center if the IT systems from the primary Data Center become unavailable.
The Bank's critical processes are identified following a business impact analysis, which assesses the effect for the Bank on the impossibility of providing / providing services to customers, as well as from a legal, reputational or financial point of view. Values such as RTO (Recovery Time Objective - to be achieved as a goal so that critical activity can continue), or RPO (Recovery Point Objective – the maximum time objective that can pass from the last data backup to the time of disaster so that critical activity could continue).
Both Plans are updated annually (or more often if necessary, following the implementation of a new critical process or a new critical IT system within the Bank).
The Bank's management has appointed a Business Continuity Plan Coordinator (and a Replacement of the Coordinator), as well as a Disaster Recovery Plan Coordinator, who are responsible for ensuring that plans are up-to-date, acknowledged by employees and tested annually. The Bank's management, which also coordinates the Management Team for Business Continuity and Crisis Management, is authorized to officially declare a disaster and decide to activate the Business Continuity Plan (BCP) and / or the Disaster Recovery Plan (DRP).
The annual tests simulate various disaster scenarios, with the objective that the participants to the tests within the departments or territorial units that carry out critical activities to gain the necessary experience in order to react adequately and in time in case of a disaster. Also, the annual tests help to assess the operational or technical capabilities of disaster recovery and continuation, so that any identified deficiencies can be improved / remedied in time. The results of the annual tests of the business continuity plan and of the recovery of critical IT systems are presented to the Bank's Management and to the Business Continuity and Crisis Management Committee. Following the last business continuity and disaster

recovery tests conducted by the Bank from a Secondary Operational building and using applications and servers recovered into a Disaster Recovery Data-Centre, a satisfactory level of compliance with the provisions of the Business Continuity Plan resulted, with no significant problems reported by the test participants.

5.3 Information on the structure and organization of the risk management function

The risk management function, part of the Bank's internal control system is exercised in the Risk Management Department, and has functional subordination reporting to the Deputy Chief Executive Officer – CRO, who is the Coordinator of Risk Management Function within the Bank for daily activities. It reports directly to the Board of Administration independently of reporting to the Bank's Management Committee Administrators.

During 2024 within the Risk Management Department have carried out its activity 11 employees, organized within the following units: Credit Risk Unit, Market Risk, Operational Risk and Permanent Control, Risk Modeling and Projects eUnit and Information Security Unit, under the coordination of the Manager and the Deputy Manager.

Risk Management Department informs monthly Board of Administrators and the Management Committee, and on a quarterly basis or whenever necessary the Risk Management Committee, on the significant risks to which the Bank is exposed.

6. SIGNIFICANT INFORMATION REGARDING THE FINANCIAL AND OPERATIONAL RESULTS

Significant information on financial and operating results is presented in the individual annual financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. They are published on the Bank's website and contain the following main elements:

- Statement of financial position
- Profit and loss statement
- Cash flow statement
- Statement of changes in capital
- Notes to the financial statements

At the end of the year 2024, the level of key indicators recorded by the Bank is presented in the Annual Individual Financial Statements published on the Bank's website.

7. INFORMATION REGARDING THE OWN FUNDS

The components elements of the Total own funds as well as the main objectives of the Bank in this respect are mentioned in the note 3.7 from the annual individual Financial Statements for the year 2024 published on the bank's web-site.
The Own Funds of the Bank consist of Tier1 and Tier 2 items. The Tier 1 capital of an institution consists of the sum of the Common Equity Tier 1 capital and Additional Tier 1 capital of the bank.
Common Equity Tier 1 items of the bank consist of the following:

- share capital
- retained earnings;
- other reserves (legal, general banking risk, etc.);

Bank deducts from the Tier 1 items the following:

- carried losses
- intangible assets
- deferred tax assets

The Bank has Tier 2 items in the form of subordinated debts.

Subject to the legislation in force, bank satisfied at all times, during 2024 the following own funds requirements:

- Common Equity Tier 1 capital ratio of 6.78%;
- Tier 1 capital ratio of 9.05%;
- Total capital ratio of 12.06%.

Bank shall calculate the capital ratios as follows:

- Common Equity Tier 1 capital ratio is the Common Equity Tier 1 capital of the institution expressed as a percentage of the total risk exposure amount;
- Tier 1 capital ratio is the Tier 1 capital of the institution expressed as a percentage of the total risk exposure amount;
- Total capital ratio is the own funds of the institution expressed as a percentage of the total risk exposure amount.

Total risk exposure amount shall be calculated as the sum of:

- the risk weighted exposure amounts for credit risk
- the own funds requirements, determined for foreign-exchange risk;
- the own funds requirements, determined for operational risk;

Moreover, as of January 1st, 2016 the provisions of Order No. 12/2015 of the National Bank of Romania on the capital conservation buffer and the anti-cyclic capital buffer are applied so that credit institutions must meet the requirements of maintaining a capital buffer equal to a certain percentage of the total value of exposure to risk which in 2024 for the capital conservation buffer was 2.5% and for the anticyclical buffer was 1% since October 2023.

In this context, as outlined at article 355 of the Guidelines on Common Procedures and Methodologies for the Supervisory Review and Evaluation Process (SREP) of Credit Institutions issued by the European Banking Authority, the Overall Capital Requirement (OCR) consists of the TSCR requirement, the buffer requirements set out in the Capital Requirements Directive and the additional own funds requirements to cover macro-prudential risks.

Also, according to the provisions of Order no. 4/09.05.2018 of the National Bank of Romania, starting 30 June 2018, credit institutions must meet the requirements for maintaining a systemic risk capital buffer in accordance with the methodology set out in the annex to the Order mentioned above which was 1% during 2024.

Consequently, the overall capital requirement for Total Tier 1 equity (Tier 1 ORC) is composed of the TSCR requirement for the Tier 1 equity ratio and the capital buffer requirements (capital conservation buffer applicable in 2024 at a rate of 2.5% and systemic risk buffer of 1% and the anticyclical capital buffer of 1%).

Reconciliation of the Common Tier 1 and Supplementary Tier 1, as well as elements of Tier 2, deductions applicable in line with articles 32-35, 36, 56, 66 and 79, from Regulation UE 575/2013, of the Total Own Funds with the elements of the Financial Statements of the Bank is presented below:

Template EU CC1 - Composition of regulatory own funds

		(a}	(b)
		Amounts	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	504,907,982	*29*
	of which: Instrument type 1		
	of which: Instrument type 2		
	of which: Instrument type 3		
2	Retained earnings	109,765,236	*32*
3	Accumulated other comprehensive income (and other reserves)	20,142,398	*30*
EU-3a	Funds for general banking risk	7,568,064	*30*
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	75,877,927	*31*
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	718,261,607	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	-	
8	Intangible assets (net of related tax liability) (negative amount)	(20,996,548)	*16*
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	(40,200)	*15*
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-	

17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
EU-20c	of which: securitisation positions (negative amount)	-	
EU-20d	of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
24	Not applicable		
25	of which: deferred tax assets arising from temporary differences	-	
EU-25a	Losses for the current financial year (negative amount)	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	(433,720)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	(21,470,468)	
29	**Common Equity Tier 1 (CET1) capital**	696,791,139	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	-	
31	of which: classified as equity under applicable accounting standards	-	

32	of which: classified as liabilities under applicable accounting standards	-	
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	-	
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
41	Not applicable		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	-	
44	**Additional Tier 1 (AT1) capital**	-	
45	**Tier 1 capital (T1 = CET1 + AT1)**	696,791,139	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	121,309,604	*19; 20*
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR	-	
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2	-	

48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	-	
51	**Tier 2 (T2) capital before regulatory adjustments**	121,309,604.00	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
54a	Not applicable		
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
56	Not applicable		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
56b	Other regulatory adjustments to T2 capital	-	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	-	
58	**Tier 2 (T2) capital**	121,309,604	
59	**Total capital (TC = T1 + T2)**	818,100,743	
60	**Total risk exposure amount**	4,513,310,705	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1	15.44%	
62	Tier 1	15.44%	
63	Total capital	18.13%	
64	Institution CET1 overall capital requirements	11.12%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	0.84%	
67	of which: systemic risk buffer requirement	1.00%	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement		
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	6.62%	

68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	1.72%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	-	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

Template EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements

		Balance sheet as in published financial statements	Reference
Assets – *Breakdown by asset clases according to the balance sheet in the published financial statements*			
1	Cash and current accounts at the National Bank of Romania	888,951,472.00	
2	Loans and advances to banks at amortised cost	790,303,097.00	
3	Loans and advances to customers at amortised cost	4,966,102,686.00	
4	Financial instruments at amortised cost	1,865,072,883.00	
5	Financial assets at fair value through other comprehensive income	18,976,949.00	
6	Financial assets mandatory measured at fair value through profit or loss	2,499,737.00	
7	Investments in subsidiaries	-	
8	Financial assets held for trading, out of which: Derivative financial instruments	3,911,735.00	
9	Financial assets held for trading, out of which: Debt instruments	4,994,188.00	
10	Repossessed assets (inventories)	23,272,718.00	
11	Other financial assets	15,658,589.00	
12	Other assets	20,543,360.00	
13	Investment property	81,898,901.00	
14	Current income tax receivables	-	
15	Deferred tax assets	40,200.00	10
16	Intangible assets	20,996,548.00	8
17	Property and equipment	40,537,498.00	
18	Right-of-use assets	49,723,687.00	
	Total assets	**8,793,484,248.00**	
Liabilities - Breakdown by liability clases according to the balance sheet in the published financial statements			
19	Deposits from banks	64,531,768.00	46
20	Deposits from customers	7,739,991,359.00	46
21	Loans from banks	-	
22	Derivative financial instruments	-	
23	Other financial liabilities	77,902,656.00	
24	Other liabilities	7,810,701.00	
25	Lease liabilities	53,250,226.00	
26	Subordinated loans	121,587,130.00	
27	Other provisions	5,862,303.00	
28	Deferred tax liabilities	4,286,499.00	
	Total liabilities	**8,075,222,642.00**	
	Shareholders' Equity		
29	Share capital	504,907,982.00	1
30	Reserves	27,710,460.00	3; EU-3a
31	Result for the period	84,864,026.00	EU-5a
32	Retained earnings profit	100,779,138.00	2
	Total shareholders' equity	**718,261,606.00**	

8. INFORMATION RELATED TO THE CAPITAL ADEQUACY

8.1. Capital requirements

The capital requirements are calculated using the approaches defined by the European Committee through specific regulations for credit risk, market risk and operational risk.

The Bank uses the standardized approach to determine the minimum capital requirements for credit risk. The calculation of capital requirements is conducted in accordance with Regulation 575 / 2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms with subsequent modifications and NBR Regulation No. 5 / 12.20.2013 on prudential requirements for credit institutions with subsequent modifications.

The Bank determines minimum capital requirements, where applicable, for the trading, counterparty and currency risk in accordance with Regulation 575 / 2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms with subsequent modifications.

In order to determine the minimum capital requirement for operational risk, the Bank adopted the basic indicator approach. The calculation of capital requirements is conducted under the provisions of Regulation 575 / 2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms with subsequent modifications.

The table below shows the total risk weighted assets of Vista Bank (Romania) SA as of 31.12.2024:

Template EU OV1 – Overview of total risk exposure amounts

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		12/31/2024	12/31/2023	12/31/2024
1	Credit risk (excluding CCR)	4,016,600,917	3,563,051,090	321,328,073.33
2	Of which the standardised approach	4,016,600,917	3,563,051,090	321,328,073.33
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which: slotting approach	-	-	-
EU 4a	Of which: equities under the simple riskweighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-
6	Counterparty credit risk - CCR	28,848,567	29,543,602	2,307,885.36
7	Of which the standardised approach	-	-	-
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	-	-	-
EU 8b	Of which credit valuation adjustment - CVA	638,768	-	51,101.44
9	Of which other CCR	28,209,799	29,543,602	2,256,783.92
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	-	-	-
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	-	-	-
EU 19a	Of which 1250%/ deduction	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	-	-	-
21	Of which the standardised approach	-	-	-
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	Operational risk	467,861,221	378,277,484	37,428,897.70
EU 23a	Of which basic indicator approach	467,861,221	378,277,484	37,428,897.70
EU 23b	Of which standardised approach	-	-	-
EU 23c	Of which advanced measurement approach		-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	-	-	-
29	**Total**	4,513,310,705	3,970,872,177	361,064,856.39

Countercyclical capital buffer of the credit institution's specific capital

The countercyclical capital buffer is a macro-prudential tool for preventing and limiting excessive credit growth and indebtedness to the nongovernmental sector.
Credit institutions shall maintain a specific countercyclical buffer, equivalent to the institution's total exposure amount, multiplied by the weighted average of the rates of the countercyclical damping. This buffer shall consist of own basic Tier 1 holdings in addition to the requirements imposed by Regulation (EU) No. 575/2013.
The rate of the countercyclical buffer of the credit institution shall be equal to the weighted average of the rates of the countercyclical buffer applied in the jurisdictions in which the relevant credit exposure of the credit institution is located.

For the purpose of calculating the weighted average, credit institutions shall apply to each rate of buffer applicable in a jurisdiction the ratio obtained by reporting its total own funds requirements for credit risk corresponding to exposures located in that jurisdiction to total own funds requirements for the credit risk related to all its relevant credit exposures.
Starting October 2023, the rate of the countercyclical buffer imposed by the National Bank of Romania for exposures located in Romania was 1%.

Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for non-trading book		Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
010	**Breakdown by country:**													
	United Arab Emirates	187,868	-	-	-	-	187,868	5,260	-	-	5,260	65,750	0.00163%	0.00%
	Antigua and Barbuda	49,731	-	-	-	-	49,731	-	-	-	-	-	0.000000%	0.00%
	Belgium	9,340,756	-	-	-	-	9,340,756	164,970	-	-	164,970	2,062,125	0.0510%	1.00%
	Canada	394,632	-	-	-	-	394,632	4,974	-	-	4,974	62,175	0.0015%	0.00%
	Switzerland	293,669,059	-	-	-	-	293,669,059	4,700,233	-	-	4,700,233	58,752,913	1.4526%	0.00%
	Cyprus	34,078,563	-	-	-	-	34,078,563	2,244,790	-	-	2,244,790	28,059,875	0.6937%	1.00%
	Spain	66,321	-	-	-	-	66,321	3,979	-	-	3,979	49,738	0.0012%	0.00%
	France	11,006,574	-	-	-	-	11,006,574	475,141	-	-	475,141	5,939,263	0.1468%	1.00%
	United Kingdom	459,598	-	-	-	-	459,598	13,059	-	-	13,059	163,238	0.0040%	2.00%
	Greece	703,129,362	-	-	-	-	703,129,362	28,683,464	-	-	28,683,464	358,543,300	8.8643%	0.00%
	Ireland	28,321,983	-	-	-	-	28,321,983	2,263,515	-	-	2,263,515	28,293,938	0.6995%	1.50%
	Israel	124,420	-	-	-	-	124,420	843	-	-	843	10,538	0.0003%	0.00%
	Italy	99,925	-	-	-	-	99,925	-	-	-	-	-	0.0000%	0.00%
	Jersey	9,673,962	-	-	-	-	9,673,962	628,785	-	-	628,785	7,859,813	0.1943%	0.00%
	Saint Kitts and Nevis	11,568,032	-	-	-	-	11,568,032	24,005	-	-	24,005	300,063	0.0074%	0.00%
	Liberia	85,037,450	-	-	-	-	85,037,450	5,185,107	-	-	5,185,107	64,813,838	1.6024%	0.00%
	Marshall Islands	160,710,928	-	-	-	-	160,710,928	10,316,854	-	-	10,316,854	128,960,675	3.1883%	0.00%
	Malta	34,831,300	-	-	-	-	34,831,300	1,393,252	-	-	1,393,252	17,415,650	0.4306%	0.00%
	Netherlands	45,434	-	-	-	-	45,434	-	-	-	-	-	0.0000%	2.00%
	Portugal	73,147,852	-	-	-	-	73,147,852	1,170,366	-	-	1,170,366	14,629,575	0.3617%	0.00%
	Romania	8,825,922,787	-	-	-	-	8,825,922,787	265,960,601	-	-	265,960,601	3,324,507,516	82.1919%	1.00%
	United States	12,531,137	-	-	-	-	12,531,137	345,659	-	-	345,659	4,320,738	0.1068%	0.00%
020	Total	10,294,397,674	-	-	-	-	10,294,397,674	323,584,857	-	-	323,584,857	4,044,810,716	100%	

Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer

		a
1	Total risk exposure amount	4,513,310,705
2	Institution specific countercyclical capital buffer rate	0.8414%
3	Institution specific countercyclical capital buffer requirement	37,975,358

8.2 Internal Capital Adequacy Assessment Process ("ICAAP")

According to Basel III Capital Adequacy Framework, Pillar I sets the ways of measuring risks, especially credit, market and operational risks and aims to the alignment of the capital requirements with the risks undertaken.

The above rules are completed by Pillar II, which sets the requirements for monitoring, assessing and controlling all material risks to which credit institutions are exposed. Those requirements are associated with the Internal Capital Adequacy Assessment Process (ICAAP) applied by credit institutions.

The Bank recognizes the importance of an effective Internal Capital Adequacy Assessment Process (ICAAP). The development and implementation of ICAAP aims at ensuring the adequacy of the credit institutions' own funds for covering the various types of material risks which they are exposed to, as a result of their business activities.

The ICAAP objectives are:

- the proper identification, measurement, control and overall assessment of all material risks;
- the development of the appropriate systems for the measurement and management of those risks;
- the internal evaluation of the capital required for the mitigation of risks ("internal capital").

In this respect, the bank has developed an internal regulatory framework respectively the Policy regarding the Internal Capital Adequacy Assessment Process (ICAAP).

The bank performed the ICAAP exercise for the year 2024 by estimating the relevant internal capital for all major risk types. The ICAAP contains the following:

- Risk profile assessment
- Risk measurement and internal capital adequacy assessment
- Stress testing development, analysis and evaluation
- ICAAP reporting framework
- ICAAP documentation

The Bank has recognized and analysed under the ICAAP the following risks to which it is exposed, including also the regulatory risks (for which the capital requirement may be adjusted/differently approached): credit risk including the concentration risk on debtor/group of debtors learn and on activity sector, residual risk and foreign currency risk related to borrowers exposed to currency risk, operational risk, market risk - currency risk, liquidity risk, interest rate risk in the banking book, strategic and business risk, reputational risk, compliance risk and other uncontrollable risks.

Internal capital requirements are computed per each risk type, then summed up for all the risks and compared with the assessed internal capital. Calculations were based on the methodologies that have already been developed in the ICAAP Framework. Results showed that the bank has sufficient capital to cover the material risks that it is exposed to in its business activities, registering a level of the total capital adequacy ratio of 11.79% and a Tier 1 capital ratio of 10.04%, The total capital adequacy ratio registered a marginal level slightly below the compared with the tolerance level as established through the ICAAP Policy, while the Tier 1 capital ratio registered both a level above the tolerance level as established through the ICAAP Policy.

8.3 Stress testing Policy

The Bank performs stress testing for the following significant risk categories:

- Credit risk (including credit concentration risk);
- Market risk (foreign exchange and interest rate risk);
- Liquidity risk;
- Operational risk;
- Reputational risk.

Stress testing complements other risk management tools used by the Bank, its main role being to assist the management body in assessing their view of risks, identifying risk concentrations or taking/planning mitigating actions.

The objectives of the stress testing process as an integrated process of the risk management framework are as follows:

- Assess the possible financial impact of extreme but plausible events in relation to the Bank's risk appetite;
- Identify underlying causes of potential extreme events (control failures etc.);
- Check the reasonableness of the Bank's risk (internal) capital calculations;
- Identify main risk drivers and inter-dependences between risk drivers and the business cycle;
- Forward looking tool for the ICAAP/ capital planning process;
- Setting/ assessment of the appropriateness of the system of risk limits used / risk profile;
- Develop/ enhance contingency capital and funding plans;
- Take pre-emptive action to protect the Bank.

The measures that the management body could implement when considering the Bank's risk exposure compared to the risk appetite/ risk tolerance or business strategy or objectives in the context of the stress testing process are:

- Reviewing the set of limits, especially for the risks which are subject to regulatory limits;
- Implementation/ enhancement of risk mitigation techniques;
- Reducing exposures or business in specific sectors, countries, regions or portfolios;
- Reconsidering the funding policy;
- Reviewing capital adequacy;
- Implementing contingency plans.

Regarding **credit risk**, for the stress testing exercise, the current IFRS 9 impairment methodology for estimation of probability of default was used in order to obtain stressed values. The PD curve is obtained by forecasting the shift between the TTC and PIT matrices, driven by the current economic position and forecasted macroeconomic variables. The EBA adverse inflation and unemployment rates stress scenarios were used for Romania in order to build stressed PD curves.

For the LGD parameter, the collateral values for RRE and CRE were adjusted using the EBA published stressed scenarios available for Romania for these asset classes.

In the scenario related to accelerated deterioration of debtors' payment behavior, the main indicators taken into account were the rate of non-performing loans and the coverage with provisions, their variations having a direct impact on profitability and capital adequacy. In this sense, an increase by 4 times of the non-performing rate increase was evaluated.
Additionally, two more stress test scenarios were used, namely the default of some debtors / groups of debtors and the deterioration of the situation / significant increase of the credit risk for certain categories of non-resident debtors.

In developing **operational risk** stress test scenarios, were considered the following categories of events:

- Business disruption of a territorial unit due to extreme weather conditions (fire, power outage)
- Damage or destruction of Head Office following an earthquake
- Payment's system interruptions (due to technical issues which affect the communication line between the Bank and Transfond)
- Internal fraud events (Maximum amount of cash available in the vault, stolen by a Bank employee);
- Loss of an important amount of money in a short period of time due to litigations with customers
- Business disruption of the territorial units from different geographical areas following a crisis due to a pandemic.

For the **foreign exchange risk** stress testing exercise, the Bank analyses the effects of foreign exchange rates fluctuations and open currency position increase, in the form of potential loss and supplementary capital requirements for the corresponding open currency position, with final impact on solvability.
In order to conduct stress tests for the **interest rate risk in the banking book**, the Bank analyses the effects of interest rates changes using scenarios based on standard regulatory methodology (changing of economic value) and scenarios-based earnings perspective. The bank performs stress testing according to the EBA Guidelines on the management of interest rate risk arising from non-trading activities (Commission Delegated Regulation (EU) 2024/857).
For the purpose of the **liquidity risk** stress testing exercise, the Bank uses the underlying scenario and assumptions that are embedded in the Liquidity Coverage Requirement (LCR) as per the EU Capital Requirements Regulation (CRR). As per the regulatory proposals (Basel 3 text), the underlying scenario for the LCR entails a combined idiosyncratic (institution specific) and market-wide shock.
Also, the Bank assesses the potential impact of the stress tests scenarios performed during the annual business plan process on the level of the leverage indicator.
In order to carry out crisis simulations for ICT security risk, the bank carried out crisis simulations in 2024 starting from 2 cyber-attack scenarios (examples: ransomware attack that affected critical systems, such as the Core Banking system and its backups for the last 3 days, or a Supply Chain attack).

9. COUNTERPARTY CREDIT RISK EXPOSURE

In order to have an efficient management of counterparty credit risk, the Bank has established a set of counterparty limits. The list of counterparty limits is maintained and updated at Risk Management Department level. In order to implement the new counterparty limits or increase existing limits, the approval of the Board of Administrators is required. Limits monitoring is performed by Risk Management Department which reports to bank management.

Counterparty limits are established based on an analysis that also includes counterparty credit rating of financial institutions. Ratings are provided by external rating agencies, namely Moody's known, Standard & Poor's and Fitch. The set of limits is reviewed in accordance with the bank workload and financial market conditions.
At the end of 2024 the Bank held derivatives financial instruments at fair value amounting to RON 3.911.735 while the contractual value in RON equivalent was RON 475.464.735.

10. ADJUSTMENTS FOR CREDIT RISK (EXPECTED CREDIT LOSSES)

10.1 Definitions and general information

Exposures to non-financial customers are classified into three (3) stages, taking into account the criteria below:

	Exposures	**Individually/Collectively assessed**
1	**Stage 1**	If, at the reporting date, the credit risk on the financial instrument has not increased significantly since initial recognition
2	**Stage 2**	If, at the reporting date, the credit risk on the financial instrument has increased significantly since initial recognition. The indicators representing significant increase in credit risk are: Quantitative indicators: • Days past due - more than 30 days past due since origination compared with the reporting date; • Increase in the probability of default (PD) from the date of reporting compared to the moment of origination. The quantitative analysis is based on the comparison of the PD from the reporting date for the entire lifetime with the PD from the origination date (for the entire lifetime), the parameters being adjusted so that both values are comparable.; Qualitative indicator: • Forborne exposures • The debtor is on the monitoring list of debtors under observation ("watch list"); • Deterioration of the prospects for the sector or industry in which the debtor operates; • Deterioration of the future cash flows without affecting the ability to pay for the immediate period (without the need for restructuring as immediate measure); • The decision of the Bank's management to intensify the monitoring of a debtor or a group of debtors; • Increase of the interest margin as a measure of increasing the credit risk associated with the debtor.
3	**Stage 3**	Defaulted exposures
4	**POCI**	Depreciated financial assets at the origination/aquisition date

For Stage 3 allocation, Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013 (EBA/GL/2016/07) are considered.
The Bank applies the default definition at debtor's level, both for non-retail customers and for retail customers. The same definition of default is used for all types of exposures.
Defaulted exposures are the ones which meet at least one of the following criteria:
a) Past due criterion in the identification of default
b) Indications of unlikeliness to pay.

Past due criterion in the identification of default considers:
i) Past due loan obligation and materiality threshold;
ii) Counting of days past due;
iii) Suspending the counting of days past due;
iv) Technical past due situation.
Regarding past due criterion, starting 31.12.2020, and the Bank takes into consideration the following materiality thresholds set by the NBR for the past due loan obligations:
• For retail exposures:
a) the level for the relative component of the materiality threshold is 1%;
b) the level for the absolute component of the materiality threshold is 150 lei;
• For exposures other than retail:
a) the level for the relative component of the materiality threshold is 1%;
b) the level for the absolute component of the materiality threshold is 1.000 lei.
The Bank considers that the obligor is defaulted when both the limit expressed as the absolute component of the materiality threshold and the limit expressed as the relative component of that threshold are exceeded for more than 90 consecutive days. When the criterion of the materiality threshold is no longer met, the debtor remains under monitoring for a period of 3 months (90 days). If during the monitoring period the materiality thresholds are not breached for more than 30 consecutive days, after the expiration of this period the debtor will exit the default/ non-performing status. If during the monitoring period the materiality thresholds are breached for more than 30 consecutive days, the monitoring period is reset and the debtor remains under monitoring for a new period of 3 months (90 days). If the breach is maintained for a period over 90 consecutive days, the debtor remains in default/nonperforming status.
The debtor is considered to be in default when at least one of the following indications of unlikeliness to pay is identified:
a) Non-accrued status;
b) Specific credit risk adjustments (expected credit losses stage 3);
c) Sale of the credit obligation;
d) Distressed restructuring;
e) Bankruptcy or other similar protection;
f) Confirmed fraud or suspicion of fraud;
g) other indications of unlikeliness to pay:
   i) Clients under forced execution procedure;
   ii) Clients having at least one exposure restructured (categories 2, 3 and 4 of classification for forborne exposures from the specific database);
   iii) Clients which sent to the Bank debt resolution request.
   iv) Clients for which the Bank identified on the basis of internal information the unlikeliness to pay that could be considered by include the following:

- a borrower’s sources of recurring income are no longer available to meet the payments of instalments;
- there are justified concerns about a borrower’s future ability to generate stable and sufficient cash flows
v) Clients for whom the Bank has identified from external sources negative information regarding the ability to pay, such as a crisis in the sector in which the counterparty operates in combination with the counterparty's weak position in this sector.

Also, for stage 3 allocation the Bank analyses the individually significant exposures for which trigger events for impairment occurred.
The bank has defined the following impairment trigger events:

- Clients from real estate sector;
- The debtor invokes significant financial difficulty;
- Delay in payments for more than 60 days for corporate clients and more than 30 days for private individuals;
- At least one of the Customer’s facilities has been restructured in the last 12 months;
- The financial performance of the Customer is E, except from the customers that were classified in E since they did not present the last financial statements, but had a better ratting based on the previous statements;
- The existence of evidences of becoming probable that the borrower will enter bankruptcy or other financial reorganization, in case of legal entities.

Even if the above-mentioned trigger events occurred, the Bank will individually asses each Customer to see if there is any objective evidence of impairment.

For Bank & Sovereign exposures, the Bank uses for staging purposes the following indicators representing significant increase in credit risk:

- Days past due - more than 2 working days past due since origination compared with the reporting date; and/or
- ECAI ratings - downgrade by at least two notches in ECAI ratings since origination compared with the reporting date for initial ratings above or equal to BB+/Ba1 and downgrade by at least one notch in ECAI ratings since origination compared with the reporting date for initial ratings below or equal to BB+/Ba1; In case of multiple ECAI ratings for the same counterparty are available the lowest rating of the two highest ratings is taken into consideration.

10.2 Expected credit loss calculation (Adjustments for impairment)

During 2024 the expected credit losses for loans portfolio were calculated according to IFRS 9 principles. The bank has elaborated its own policy regarding impairment of financial assets for the purposes of preparing MBR’s individual financial statements in accordance with IFRS.
The Impairment methodology and procedure under IFRS 9 is approved by the Board of the Administrators of the Bank and the monthly expected credit losses calculation is reviewed by the Management Committee.
For the purpose of calculating expected loan losses, the Bank groups credit exposures into portfolios with similar credit risk characteristics. Portfolio segmentation is performed taking into account the common characteristics of the exposures, related on the one hand to the customer type (private individual/legal entity) and on the other hand to the type of credit facility (revolving / non-revolving, secured / unsecured).

During 2024 the changes in the ECL volume was determined mainly by the increase of the loan portfolio and the updated parameters based on the historical data.
The evolution of the ECL volume and the distribution by stages for portfolio of clients from the following categories: Other financial companies, non-financial companies, Households in 2024 compared to 2023 are briefly presented below:

Stages	**31.12.2024**			**31.12.2023**		
	On balance exposure	Expected credit losses (ECL)	ECL coverage	On balance exposure	Expected credit losses (ECL)	ECL coverage
Stage 1	4,653,168,689	50,633,199	1.09%	4,139,938,876	43,540,450	1.05%
Stage 2	321,778,359	12,354,251	3.84%	290,019,145	12,892,578	4.45%
Stage 3	77,502,851	35,495,100	45.80%	78,803,219	39,163,390	49.70%
POCI	12,362,064	305,243	2.47%	22,907,352	382,060	1.67%
TOTAL	**5,064,811,963**	**98,787,793**	**1.95%**	**4,531,668,593**	**95,978,479**	**2.12%**

10.2.1 Expected credit loss for non-financial Customers

According to the internal Procedure, the Bank has calculated 3 categories of expected credit losses:

- Stage 1: If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Bank measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses;
- Stage 2: If, at the reporting date, the credit risk on a financial instrument has increased significantly since initial recognition, the Bank measured the loss allowance for that financial instrument at an amount equal to lifetime expected credit losses;
- Stage 3: Expected credit losses for defaulted exposures;
- POCI: Expected credit losses Expected credit losses for POCI exposures.

For non-financial customers, in order to calculate the ECL, two different PD values are required:
• PD for 12 months: the estimated probability of default occurring in the next 12 months (or for the remaining life of the financial asset, if it is less than 12 months).
• PD for lifetime (Lifetime PD/LT PD): the estimated probability that an asset will go into default at a given time during its remaining lifetime.
The main requirements of IFRS9 for PD measurement are the following:
• The requirements regarding the life span mean that it is necessary to have a structure of PDs by terms.
• PD must represent a point of reference (Point in Time/PIT).
• PD must be conditioned by expectations regarding future macroeconomic conditions, including forward looking information.
For the purposes of IFRS 9, the adjustments (ECL) for Stage 1 accounts will be calculated using the first year structure of marginal PD on terms, while for accounts on Stage 2, the full term structure of marginal PD will be used.
For the calculation of the PD values above, historical data on defaults, with a cohort type structure, are required. Each cohort includes the performing portfolio (without default) and the behavior is monitored

for 12 months, in order to observe if defaults appear in any of the months of the following year. The frequency of the cohort will be quarterly.
In order to calculate the ECL, two different PD values are needed:
- PD for 12 months: the estimated probability of default occurring in the next 12 months (or for the remaining life of the financial asset, if it is less than 12 months).
- PD for lifetime (Lifetime PD/LT PD): the estimated probability that an asset will go into default at a given time during its remaining lifetime.
- The main requirements of IFRS9 for PD measurement are the following:
- The requirements regarding the duration of life mean that it is necessary to have a structure of PDs on terms.
- PD must represent a point of reference (Point in Time/PIT).
- PD must be conditioned by expectations regarding future macroeconomic conditions, including forward looking information.
For the purposes of IFRS 9, the adjustments (ECL) for Stage 1 accounts are calculated using the first year structure of marginal PD on terms, while for Stage 2 accounts, the full term structure of marginal PD is used.
For the calculation of the PD values above, historical data on defaults, with a cohort type structure, are required. Each cohort includes the performing portfolio (without default) and the behavior is monitored for 12 months, in order to observe if defaults appear in any of the months of the following year. The frequency of the cohort is quarterly.
Also, IFRS 9 requires the use of forward-looking components. In practice, this condition is translated by establishing a link between the PD curve used for the expected credit impairment adjustments and the macroeconomic factors. Based on the forecasts of macroeconomic factors, the PD curve is adjusted according to the created model.
The historical database for point PDs (pre-adjustment) is updated by the Bank at least once a year, together with 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 is no longer working as planned.
Loss given default is a factor that determines the severity of a loss given default. Basically, LGD represents the value of the total exposure that the Bank expects not to recover in the event of a loan impairment.
In order to calculate the LGD, for the secured portfolio, the unsecured part of the specific portfolio is used, based on the present value of the future cash flows from the collaterals (PVC). It was decided to use the recovery rate (RR) from the collaterals due to the fact that the significant part of the defaulted exposures was recovered through the execution of the collaterals (foreclosure and bankruptcy procedures). In the LGD calculation, the following types of collaterals are exclusively taken into account:
- Letters of guarantee received from Banks and letters of guarantee issued by APIA, FNGCIMM, FRC and FGCR, to which the adjustment coefficients are applied in accordance with the relevant internal procedural framework;
- Real estate collaterals at the market value if they have been revalued according to the procedure in force or, taking into account the period that has passed since the expiration 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 anticipatory components, the link between the loss given default curve (LGD) and macroeconomic factors was established. Thus, based on the forecasts of macroeconomic factors, the default loss curve is adjusted in accordance with the elaborated model.

10.2.2 Bank & Sovereign exposures

The Bank had as at 31.12.2024 exposures to Banks (money markets and other deposits) domestic & foreign, as well as bonds issued by the Romanian State. The expected credit losses for Banks & Sovereign exposure were calculated according to IFRS 9 principles.
According to the internal Procedure, the Bank has calculated 2 categories of expected credit losses:

- Stage 1: for exposures in stage 1 to which a 12 Month probability of default is assigned for ECL calculations;
- Stage 2: for exposures in stage 2 to which a lifetime probability of default is assigned for ECL calculations.

For Sovereign & Bank exposures, the Bank uses a simplified approach based on external credit ratings. The PD associated with the rating from the 10-year sovereign/ corporate migration matrix is used.
The fitted PD is calculated with an exponential fitting on the maximum PD from the three rating agencies, separately for corporate and sovereign. Also, a maximum PD between corporate and sovereign exposures is taken into consideration for the corporate fitted PD.
The PD for NBR exposures in RON is considered zero. In case of multiple ECAI ratings for the same counterparty are available the lowest rating of the two highest ratings is taken into consideration.
Where the issuer of the bond is not a rated entity, the rating associated with the country of incorporation will be used. Also, it was assumed that no Bank can have a rating above the rating of the country of incorporation (origin).
For determining LGD for Sovereign & Bank exposures, recovery rates are historical averages of bond prices in default, published by Moody's: 55% for non-investment grade exposures (below Baa3, BBB-, BBB- as per rating agencies hierarchy) and 45% for investment grade exposures. Hence flat LGD of 45% is applied for non-investment grade exposures and flat LGD of 55% is applied for investment grade exposures, unless other haircuts would be required individually.

10.3 Credit risk mitigation techniques

The Bank employs a comprehensive collateral management process based on documented procedures along with appropriate credit risk mitigation techniques. This thesis is also supported by the fact that appropriate procedures for loan and collateral documentation/Administrators are in place. Moreover, the Legal Department provides advice on collaterals accepted by the Bank along with general legal assistance in collateral Administrators in terms of documentation and alignment with laws and regulatory requirements.
Also, for the purpose of managing the credit risk, the Bank fulfils the following legal requirements:

- Ensures that the collateral are legally enforceable in all jurisdictions which are relevant at the time of the conclusion of the credit agreement;
- Ensures that the collateral contracts are valid, i.e., all legal requirements for concluding the contracts are met.

The collateral revaluation is performed during the collateral periodic reviews. The evaluation methods used are compliant with the Assets Valuation Standards developed by ANEVAR, standards in accordance with International Valuation Standards and internal regulations corresponding to the collateral evaluation processes. As per the provisions of the internal procedure, the Bank performs regular revaluation of the immovable assets by approved external evaluators. The frequency for regular revaluation of immovable properties is stipulated as 3 years for residential properties and 1 year for all other properties.

The Bank accepts all types of collaterals according to the internal Procedures and NBR Norms.
The collaterals accepted by the Bank are personal and real: mortgages on immovable properties: residential properties, commercial properties and lands, mortgages on movable properties: on current accounts, on collateral deposits, on equipment, ships, assignments of: insurance policies, rental contracts, Sale-Purchase contracts, commercial contracts, payment instruments, letters of guarantee from financial institution and other types of collaterals easy to be evaluated and slightly sensitive to the economic evolutions and possible to enforce taking into consideration the market frame.
In accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms with further amendments, Vista Bank Romania (SA) accepts the following instruments for mitigation of credit risk:

- Unfunded credit protection (guarantees) from: central Administrators and central banks, regional Administrators and local authorities, credit institutions;
- Funded credit protection: cash deposits, debt securities and material collaterals: residential and commercial real estate properties, other physical collaterals.

10.3.1 Revaluation of material collaterals

The estimation of the market value of the collaterals accepted by the bank is performed according to the stipulations of the Assets Valuation Standards, developed by ANEVAR, standards in accordance with International Valuation Standards, in compliance with the requirements from NBR regulations (Regulation no.5/2013 with its further amendments).
The estimation of the market value (equal to the fair value) of collaterals is performed periodically in order to:

- deduct the collaterals value from the exposure within the computation of LGD (Loss Given Default) and of necessary ECL (Expected Credit Losses);
- recognize the value of collaterals that can be taken into account as credit risk mitigation, when determining the risk weighted value of exposures, in order to compute the minimum capital requirements for credit risk.

The values of the collaterals have to be monitored frequently as follows:

a) in case of residential real estates, the valuation has to be performed at least once at every three years and for the commercial real estates and vacant land type building, the valuation has to be performed once per year.
b) in case of tangible goods, the valuation has to be performed at least once per year
c) residential collateral related to non-performing exposures shall be revalued annually.

In addition, valuation of collaterals may be necessary during the validity of the loan in certain specific cases (when are analysed operations of replacing existing exposures or when are analysed new operations having joint collaterals with other existing loans), according to Bank's regulations. The valuation of collaterals is performed by external valuators or internal valuators of the bank, members of ANEVAR (Romanian National Valuators Association).

Information on exposure value covered by financial collateral, other collateral, guarantees and credit derivatives are understood as information on outstanding secured exposures and the secured amount within those exposures. Related information as of 31.12.2024 is presented below:

10.4 General quantitative information on credit risk

Template EU CR1: Performing and non-performing exposures and related provisions

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3		of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3			
005	**Cash balances at central banks and other demand deposits**	**1,213,325,884**	**1,213,325,884**	**-**	**-**	**-**	**-**	**(25,111)**	**(25,111)**	**-**	**-**	**-**	**-**		**-**	**-**
010	**Loans and advances**	**5,393,021,132**	**5,071,242,772**	**321,778,360**	**89,864,915**	**-**	**77,502,851**	**(63,506,391)**	**(51,152,140)**	**(12,354,251)**	**(35,800,343)**	**-**	**(35,495,100)**	**(6,237,186)**	**3,097,771,489**	**53,900,988**
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	29,175	29,175	-	-	-	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	401,908,240	401,908,240	-	-	-	-	(43,370)	(43,370)	-	-	-	-	-	-	-
050	*Other financial corporations*	170,153,874	150,325,659	19,828,215	-	-	-	(4,157,845)	(3,345,584)	(812,261)	-	-	-	-	9,715,326	-
060	*Non-financial corporations*	3,969,844,093	3,708,776,521	261,067,572	52,464,518	-	44,814,448	(55,367,949)	(44,665,231)	(10,702,718)	(30,068,617)	-	(29,763,374)	(6,237,186)	2,275,329,870	22,263,590
070	*Of which: SMEs*	3,306,341,266	3,045,319,660	261,021,606	29,433,581	-	21,783,511	(42,519,076)	(31,820,386)	(10,698,690)	(14,753,506)	-	(14,448,263)	(6,237,186)	2,062,759,368	14,547,764
080	*Households*	851,085,750	810,203,177	40,882,573	37,400,397	-	32,688,403	(3,937,227)	(3,097,955)	(839,272)	(5,731,726)	-	(5,731,726)	-	812,726,293	31,637,398
090	**Debt Securities**	**1,884,515,577**	**1,884,515,577**	**-**	**-**	**-**	**-**	**(2,597,481)**	**(2,597,481)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	1,884,515,577	1,884,515,577	-	-	-	-	(2,597,481)	(2,597,481)	-	-	-	-	-	-	-
120	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	**Off-balance sheet exposures**	**1,493,691,061**	**1,442,420,155**	**51,270,906**	**49,318**	**-**	**49,318**	**4,765,884**	**4,227,397**	**538,487**	**24,659**	**-**	**24,659**		**-**	**-**
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
180	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
190	*Other financial corporations*	25,494,793	25,494,793	-	-	-	-	13,841	13,841	-	-	-	-		-	-
200	*Non-financial corporations*	1,454,110,149	1,405,471,841	48,638,308	1,406	-	1,406	4,437,311	4,101,603	335,708	703	-	703		-	-
210	*Households*	14,086,119	11,453,521	2,632,598	47,912	-	47,912	314,732	111,953	202,779	23,956	-	23,956		-	-
220	***Total***	9,984,553,654	9,611,504,388	373,049,266	89,914,233	-	77,552,169	(61,363,099)	(49,547,335)	(11,815,764)	(35,775,684)	-	(35,470,441)	(6,237,186)	3,097,771,489	53,900,988

Template EU CR1-A – Maturity of exposures

		a	b	c	d	e	f
		Net exposure value					
		On demand	**<= 1 year**	**> 1 year <= 5 years**	**> 5 years**	**No stated maturity**	**Total**
1	Loans and advances	-	1,672,225,071	1,109,759,519	2,184,039,580	-	4,966,024,170
2	Debt Securities	-	382,511,660	1,376,671,707	127,728,917	-	1,886,912,284
3	**Total**	-	2,054,736,731	2,486,431,226	2,311,768,497	-	6,852,936,454

Template EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

		Unsecured carrying amount	**Secured carrying amount**			
				Of which **secured by collateral**	Of which **secured by financial guarantees**	
						Of which **secured by credit derivatives**
		a	b	c	d	e
1	Loans and advances	3,544,539,454.00	3,151,672,477.00	2,909,917,737.00	241,754,740.00	-
2	Debt securities	1,889,509,765.00	-	-	-	
3	Total	5,434,049,219.00	3,151,672,477.00	2,909,917,737.00	241,754,740.00	-
4	*Of which non-performing exposures*	35,963,927.00	53,900,988.00	53,285,790.00	615,198.00	-
EU-5	*Of which defaulted*	*35,963,927.00*	*53,900,988.00*	*53,285,790.00*	*615,198.00*	-

Template EU CR4 – standardised approach – Credit risk exposure and CRM effects

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEA	RWEA density (%)
		a	b	c	d	e	f
1	Central governments or central banks	2,711,715,178	-	3,305,120,160	53,134,481	66,497,723	1.98%
2	Regional government or local authorities	-	-	-	-	-	0.00%
3	Public sector entities	-	-	-	-	-	0.00%
4	Multilateral development banks	-	-	-	-	-	0.00%
5	International organisations	-	-	-	-	-	0.00%
6	Institutions	766,905,094		828,031,999	39,410,655	246,854,093	28.46%
7	Corporates	3,375,865,213	1,175,440,275	3,001,053,279	263,172,240	2,800,501,467	85.79%
8	Retail	765,575,570	318,250,785	528,962,002	43,190,521	357,389,567	62.46%
9	Secured by mortgages on immovable property	770,518,814	-	686,679,007	-	228,208,599	33.23%
10	Exposures in default	54,064,573	49,318	50,038,168	24,659	53,743,696	107.35%
11	Exposures associated with particularly high risk	-	-	-	-	-	0%
12	Covered bonds	-	-	-	-	-	0%
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
14	Collective investment undertakings	-	-	-	-	-	0%
15	Equity	4,631,473	-	4,631,473	-	4,631,473	100%
16	Other items	323,171,582	-	323,171,582	-	258,774,299	80%
17	**TOTAL**	8,772,447,497	1,493,740,378	8,727,687,670	398,932,556	4,044,810,716	44%

Template EU CR5 – standardised approach

	Exposure classes	Risk weight															Total	Of which unrated
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	3,225,259,195	-	-	-	-	-	132,995,446	-	-	-	-	-	-	-	-	3,358,254,641	
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Institutions	-	-	-	-	761,130,329	-	23,368,596	-	-	82,943,729	-	-	-	-	-	867,442,654	
7	Corporates	-	-	-	-	-	-	-	-	-	3,264,225,519	-	-	-	-	-	3,264,225,519	
8	Retail	-	-	-	-	-	-	-	-	572,152,523	-	-	-	-	-	-	572,152,523	
9	Secured by mortgages on immovable property	-	-	-	-	-	686,679,007	-	-	-	-	-	-	-	-	-	686,679,007	
10	Exposures in default	-	-	-	-	-	-	-	-	-	42,701,090	7,361,737	-	-	-	-	50,062,827	
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Unit or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Equity	-	-	-	-	-	-	-	-	-	4,631,473	-	-	-	-	-	4,631,473	
16	Other items	64,397,283	-	-	-	-	-	-	-	-	258,774,299	-	-	-	-	-	323,171,582	
17	**TOTAL**	3,289,656,478	-	-	-	761,130,329	686,679,007	156,364,042	-	572,152,523	3,653,276,110	7,361,737	-	-	-	-	9,126,620,226	

10.5 Counterparty credit risk

Template EU CCR1 – Analysis of CCR exposure by approach

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	**Potential future exposure (PFE)**	**EEPE**	**Alpha used for computing regulatory exposure value**	**Exposure value pre-CRM**	**Exposure value post-CRM**	**Exposure value**	**RWEA**
EU1	EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU2	EU - Simplified SA-CCR (for derivatives)	1,097,835	19,052,022		1.4	28,209,799	28,209,799	28,209,799	28,209,799
1	SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
2	IMM (for derivatives and SFTs)								
2a	*Of which securities financing transactions netting sets*								
2b	*Of which derivatives and long settlement transactions netting sets*								
2c	*Of which from contractual cross-product netting sets*								
3	Financial collateral simple method (for SFTs)								
4	Financial collateral comprehensive method (for SFTs)								
5	VaR for SFTs								
6	**Total**					28,209,799	28,209,799	28,209,799	28,209,799

Template EEU CCR2 – Transactions subject to own funds requirements for CVA risk

		a	b
		Exposure value	**RWEA**
1	Total transactions subject to the Advanced method		
2	(i) VaR component (including the 3× multiplier)		
3	(ii) stressed VaR component (including the 3× multiplier)		
4	Transactions subject to the Standardised method	638,768.00	638,768.00
EU4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)		
5	**Total transactions subject to own funds requirements for CVA risk**	638,768.00	638,768.00

Template EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

	Exposure classes	**Risk weight**											
		a	**b**	**c**	**d**	**e**	**f**	**g**	**h**	**i**	**j**	**k**	**l**
		0%	**2%**	**4%**	**10%**	**20%**	**50%**	**70%**	**75%**	**100%**	**150%**	**Others**	**Total exposure value**
1	Central governments or central banks												-
2	Regional government or local authorities												-
3	Public sector entities												-
4	Multilateral development banks												-
5	International organisations												-
6	Institutions									28,209,799	-	-	28,209,799
7	Corporates												
8	Retail												
9	Institutions and corporates with a short-term credit assessment												
10	Other items												
11	**Total exposure value**	-	-	-	-	-	-	-	-	28,209,799	-	-	28,209,799

Annex I – Disclosure templates: forbearance

The ratio between the gross carrying amount of nonperforming loans and advances and the total amount of loans and advances is less than 5% so the templates EU CR2a, EU CQ2, EU CQ6 and EU CQ8 are not applicable.

Template EU CQ1: Credit quality of forborne exposures

		a	b	c	d	e	f	g	h
		Gross carrying amount/ Nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	Of which impaired		Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
5	Cash balances at central banks and other demand deposits								
10	Loans and advances								
20	Central banks								
30	General governments								
40	Credit institutions								
50	Other financial corporations	-	-	-	-	-	-	-	-
60	Non-financial corporations	18,451,138	5,042,870	5,042,870	5,042,870	(211,457)	(2,393,968)	20,329,615	2,499,686
70	Households	5,932,533	6,301,211	6,301,211	6,301,211	(122,347)	(643,828)	11,383,789	5,654,339
80	Debt Securities								
90	Loan commitments given								
100	***Total***	24,383,671	11,344,081	11,344,081	11,344,081	(333,804)	(3,037,796)	31,713,404	8,154,025

Annex II – Disclosure templates: non-performing exposures

Template EU CQ3: Credit quality of performing and non-performing exposures by past due days

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount / Nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or Past due < 30 days	Past due > 30 days < 90 days		Unlikely to pay that are not past-due or past-due < = 90	Past due > 90 days <= 180 days	Past due > 180 days < =1 year	Past due > 1 year <= 2 years	Past due > 2 year <= 5 years	Past due > 5 year <= 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	1,213,325,884	1,213,325,884	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	5,393,021,132	5,386,638,819	6,382,313	89,864,915	33,652,220	19,322,664	861,566	14,826,125	13,124,003	6,071,724	2,006,613	85,520,978
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	29,175	29,175	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	401,908,240	401,908,240	-	-	-	-	-	-	-	-	-	-
050	*Other financial corporations*	170,153,874	170,153,874	-	-	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	3,969,844,093	3,968,258,009	1,586,084	52,464,518	2,736,982	14,266,404	799,117	14,697,260	12,699,188	5,258,954	2,006,613	52,080,016
070	*Of which SMEs*	3,306,341,266	3,304,755,182	1,586,084	29,433,581	2,736,982	1,255,051	799,117	12,625,475	4,751,389	5,258,954	2,006,613	29,049,079
080	*Households*	851,085,750	846,289,521	4,796,229	37,400,397	30,915,238	5,056,260	62,449	128,865	424,815	812,770	-	33,440,962
090	Debt Securities	1,884,515,577	1,884,515,577	-	-	-	-	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	1,884,515,577	1,884,515,577	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	1,493,691,061			49,318								49,318
160	*Central banks*	-			-								-
170	*General governments*	-			-								-
180	*Credit institutions*	-			-								-
190	*Other financial corporations*	25,494,793			-								-
200	*Non-financial corporations*	1,454,110,149			1,406								1,406
210	*Households*	14,086,119			47,912								47,912
220	***Total***	9,984,553,654	8,484,480,280	6,382,313	89,914,233	33,652,220	19,322,664	861,566	14,826,125	13,124,003	6,071,724	2,006,613	85,570,296

Template EU CQ4: Quality of non-performing exposures by geography

		a	b	c	d	e	f	g
		Gross carrying/Nominal amount				Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing		of which: subject to impairment			
				of which: defaulted				
010	***On balance sheet exposures***	7,372,395,812	89,864,915	85,520,978	7,371,887,827	(101,904,215)		
020	*Belgium*	58,046	-		58,046	(128)		
030	*Cyprus*	34,485,347			34,485,347	(480,434)		
040	*Spain*	70,530			70,530	(4,209)		
050	*Greece*	471,722,336			471,722,336	(2,767,161)		
060	*Antigua and Barbuda*	554			554	(10)		
070	*Italy*	4,184			4,184	(75)		
080	*Netherlands*	45,516			45,516	(82)		
090	*Switzerland*	127,687			127,687	(280)		
100	*Israel*	3,260			3,260	(61)		
110	*Romania*	6,587,252,273	89,649,420	85,305,483	6,587,252,273	(97,084,648)		
120	*Jersey*	9,769,280			9,769,280	(244,540)		
130	*United Kingdom*	463,402	215,495	215,495	463,402	(3,803)		
140	*France*	10,141,828			10,141,828	(7,223)		
150	*Liberia*	85,465,987			85,465,987	(428,537)		
160	*Marshall Islands*	160,861,230			160,861,230	(845,644)		
170	*United Arab Emirates*	188,303			188,303	(435)		
180	*Saint Kitts and Nevis*	11,228,064			11,228,064	(35,775)		
190	*Canada*	395,544				(913)		
200	*Ireland*	112,441				(257)		
210	***Off balance sheet exposures***	1,493,740,379	49,318	49,318			4,790,543	
220	*Cyprus*	73,650					684	
230	*Greece*	168,861,537					1,573,934	
240	*Israel*	121,222					6,905	
250	*Italy*	95,816					892	
260	*Romania*	1,288,487,353	49,318	49,318			2,891,410	
270	*Jersey*	149,223					-	
280	*Marshall Islands*	695,348					35,510	
290	*Antigua and Barbuda*	49,187					455	
300	*Saint Kitts and Nevis*	375,743					28,852	
310	*Malta*	34,831,300					251,901	
320	***Total***	8,866,136,191	89,914,233	85,570,296	7,371,887,827	(101,904,215)	4,790,543	-

Template EU CQ5: Credit quality of loans and advances to non-financial corporations by industry

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing		of which: loans and advances subject to impairment		
				of which: defaulted			
010	Agriculture, forestry and fishing	1,155,832,754	16,149,850	15,765,348	1,155,832,754	(26,966,864)	
020	Mining and quarrying	-	-	-	-	-	
030	Manufacturing	298,959,629	4,244,613	4,244,613	298,959,629	(6,121,269)	
040	Electricity, gas, steam and air conditioning supply	330,847,004	-	-	330,847,004	(6,089,216)	
050	Water supply	23,732,488	-	-	23,732,488	(517,644)	
060	Construction	442,121,436	17,273,399	17,273,399	442,121,436	(10,557,475)	
070	Wholesale and retail trade	673,482,385	1,007,102	1,007,102	673,482,385	(11,604,240)	
080	Transport and storage	307,430,464	9,019,571	9,019,571	307,430,464	(8,106,138)	
090	Accommodation and food service activities	34,654,645	18,594	18,594	34,654,645	(268,324)	
100	Information and communication	2,263,561	-	-	2,263,561	(12,320)	
110	Real estate activities	-	-	-	-	-	
120	Financial and insurance actvities	373,858,390	4,751,389	4,751,389	373,858,390	(6,724,594)	
130	Professional, scientific and technical activities	254,426,693	-	-	254,426,693	(6,952,729)	
140	Administrative and support service activities	15,040,026	-	-	15,040,026	(298,499)	
150	Public administration and defense, compulsory social security	-	-	-	-	-	
160	Education	12,843,070	-	-	12,843,070	(106,551)	
170	Human health services and social work activities	66,619,850	-	-	66,619,850	(500,482)	
180	Arts, entertainment and recreation	18,907,256	-	-	18,907,256	(124,296)	
190	Other services	11,288,960	-	-	11,288,960	(485,925)	
200	**Total**	**4,022,308,611**	**52,464,518**	**52,080,016**	**4,022,308,611**	**(85,436,566)**	

Annex V – Disclosure templates: foreclosed assets

Template EU CQ7: Collateral obtained by taking possession and execution processes

		a	b
		Collateral obtained by taking possession accumulated	
		Value at initial recognition	Accumulated negative changes
010	Property Plant and Equipment (PP&E)		
020	Other than Property Plant and Equipment	27,402,981	(4,130,263)
030	*Residential immovable property*	3,456,174	(539,010)
040	*Commercial Immovable property*	23,946,807	(3,591,253)
050	*Movable property (auto, shipping, etc.)*		
060	*Equity and debt instruments*		
070	*Other*		
080	***Total***	**27,402,981**	**(4,130,263)**

11. MARKET RISK EXPOSURE

VISTA BANK (ROMANIA) S.A. has a trading portfolio classified as a small trading book business, consequently, the Bank does not calculate capital requirements for market risk related to trading portfolio (under Article 92(3)(b) of the CRR, Regulation (EU) No 575/2013). The only capital requirements relating to market risk are those for open foreign currency position, which are calculated in accordance with Regulation 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms with subsequent amendments. Due to the fact that the total net open currency position was less than 2% of the bank's own funds no capital requirements (Pillar 1) were necessary for currency risk at 31.12.2024.

The Bank uses the exposure method (Value at Risk) for monitoring currency risk. VaR values are used internally as a tool for risk management. Risk Management Department calculates daily VaR for the open foreign currency position using a confidence interval of 99% and holding period of 1 day. VaR calculation is done on the assumption that variations of individual risk factors (exchange rates) have a normal distribution. The average daily VaR indicator for the last three months and annualized values of VaR are also calculated.

12. EQUITY EXPOSURES NOT INCLUDED IN THE TRADING BOOK

Shares that are not included in the trading portfolio are included in banking book portfolio. Investments in shares included in banking book portfolio are recognized at their fair value as follows:

Share	Issuer	Currency	Fair Value (RON equivalent)
Shares	Credit Bureau	RON	88.183
Shares	Transfond	RON	2.043.553
Shares	Visa	USD	2.268.143
Shares	Swift	EUR	231.594

13. INTEREST RATE RISK

For the purposes of monitoring and reporting the potential impact of interest rate risk, Risk Management Department is responsible for drafting the report on the spread between interest rates. The report aims to assess interest rate risk in terms of earnings (unrealized earnings / loss in the event of a change in the yield curve across all maturities and for each significant currency from the balance sheet) and also from the economic value perspective (changes of economic value).

The potential change of bank's economic value is calculated using the methodology set out in NBR Regulation 5/2013. This involves parallel changing (increase or decrease) of interest rates with 200 basis points for all maturities.

On 31.12.2024 the potential change of Bank's economic value as a result of changing interest rates levels with standard shock of 200 basis points is RON 57,434,812 representing 7.02% of the banks own funds and 8.24% of Tier 1 own funds. The calculation is performed by adding weighted net positions, in absolute value, calculated for different currencies.

The bank also performs six other stress testing scenarios according to the Commission Delegated

Regulation (EU) 2024/857 on the management of IRRBB.
Interest rate shock scenarios
Thousands of RON

		Changes in Economic value of equity		Changes in Net interest income	
		Dec-24	Dec-23	Dec-24	Dec-23
1	Parallel shock up	-99,549	-	4,482	-
2	Parallel shock down	6,205	-	-39,682	-
3	Steepener shock	-19,822	-		-
4	Flattener shock	-3,628	-		-
5	Short rates shock up	-35,394	-		-
6	Short rates shock down	0	-		-

14. LEVERAGE EFFECT

Leverage effect is a financial technique which has as scope the improvements of the ROE. The leverage ratio is calculated in order to reduce the bank's liabilities through the set-up of a minimum level of the equity versus the bank's assets.
The leverage effect makes a connection between the ROA and ROE. Its multiplier effect on the ROE is known as "leverage effect".
The calculation mode and the items included is similar with the solvency ratio but in a simplified manner based on accounting data, not adjusted in terms of risk. The scope of monitoring this ratio is to control the risk of an inflated balance sheet.
The leverage ratio has two objectives: first is to limit the excessive leverage effect and the second to action as a protective mechanism for the capital requirements.

Leverage ratio = Capital (Tier 1)/Total exposures (not-adjusted) > 6%

Bank monitors the level and the modifications of leverage ratio, and also the associated risk as part of the ICAAP process.
Regulation UE 575/2013, established uniform rules regarding the general prudential requirements as follows:

- own funds requirements regarding the quantifiable items, uniform and standardized of credit risk, market risk, operational risk and settlement risk
- requirements regarding the limitation of large exposures
- requirements regarding the liquidity, regarding the quantifiable items, uniform and standardized of the liquidity risk
- reporting requirements regarding the own funds, large exposures, liquidity and leverage effect
- requirements regarding the information publishing.

Leverage effect represents the relative dimensions of assets items and off-balance sheet items in relation to the own funds of the bank.
The associated risk of excessive leverage effect means the risk resulted from the vulnerability towards a leverage effect which can lead to not-estimated measures to correct the business plan.

Leverage effect is defined as: „capital requirements" (numerator), divided at "level of exposure" (nominator). The leverage ratio shall be calculated as bank's capital measure (Tier 1 capital) divided by bank's total exposure measure (the sum of the exposure values of all assets and off-balance sheet items) and shall be expressed as a percentage.
Bank shall determine the exposure value of off-balance sheet items, in accordance with following conversion factors:

- the conversion factor to be applied to the nominal value for undrawn credit facilities, which may be cancelled unconditionally at any time without notice, is 10%
- the conversion factor for medium/low risk trade finance related off-balance sheet items is 20 %;
- the conversion factor for medium risk trade finance related off-balance sheet items is 50 %;
- the conversion factor for all other off-balance sheet items is 100 %.

Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		a
		Applicable amount
1	Total assets as per published financial statements	8,899,518,976.00
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the-total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	28,209,799.00
9	Adjustment for securities financing transactions (SFTs)	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	546,851,731.00
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	(106,034,731.00)
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	(21,036,748.00)
13	**Total exposure measure**	9,347,509,027.00

Template EU LR2 - LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	
		a	b
		2024	2023
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	8,899,518,976.00	9,594,717,213.00
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	(106,034,731.00)	(104,363,689.00)
6	(Asset amounts deducted in determining Tier 1 capital)	(21,036,748.00)	(24,723,877.00)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**8,772,447,497.00**	**9,465,629,647.00**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	-	-
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	1,536,969.00	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	-	-
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	26,672,830.00	-
EU-9b	Exposure determined under Original Exposure Method	-	29,543,602.00
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivatives exposures**	28,209,799.00	29,543,602.00
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	1,493,740,378.00	1,140,053,690.00
20	(Adjustments for conversion to credit equivalent amounts)	(946,888,647.00)	(703,439,991.00)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	
22	**Off-balance sheet exposures**	546,851,731.00	436,613,699.00

Excluded exposures			
EU-22a	(Exposures excluded from the ~~leverage ratio~~ total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Total exempted exposures)	-	-
Capital and total exposure measure			
23	**Tier 1 capital**	696,791,139.40	608,802,546.00
24	**Total exposure measure**	9,347,509,027.00	9,931,786,948.00
Leverage ratio			
25	Leverage ratio	7.45%	6.13%
EU-25	Leverage ratio excluding the impact of the exemption of public sector investments and promotional loans) (%)	7.45%	6.13%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	7.45%	6.13%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
EU-26b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%
27	Leverage ratio buffer requirement (%)	3.00%	3.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures			
EU-27**b**	Choice on transitional arrangements for the definition of the capital measure		
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables		
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables		
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	9,347,509,027.00	9,931,786,948.00
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	9,347,509,027.00	9,931,786,948.00
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.45%	6.13%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.45%	6.13%

Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	8,793,484,245.00
EU-2	Trading book exposures	4,994,188.00
EU-3	Banking book exposures, of which:	8,788,490,057.00
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	2,706,720,990.00
EU-6	Exposures to regional governments, MDB, international organisations and PSE **not** treated as sovereigns	-
EU-7	Institutions	766,905,094.00
EU-8	Secured by mortgages of immovable properties	770,518,814.00
EU-9	Retail exposures	765,575,570.00
EU-10	Corporates	3,375,865,213.00
EU-11	Exposures in default	54,064,573.00
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	348,839,803.00

15. REMUNERATION POLICY

The basic principles of the remuneration framework applied within the Bank are defined in the Remuneration Policy. The Policy is accessible and applicable to all employees of the Bank, and it is characterised by clarity and transparency, based on the Bank`s long term objectives and strategy and general results, values and long-term interests including the Bank`s control environment.

15.1 Incentives and remuneration/ compensation structure of the Bank

The remuneration within Vista Bank (Romania) SA contains:

- a fix part - represented by the paid annual salary
- a variable part – represented by the incentives/ bonuses

The fix remuneration (annual salary) is represented by the salary and other salary related incomes, in the form of regular monetary payments, which remunerate the proper performance of employee, in terms of his professional competences at the level set in the annual performance indicators.

The variable remuneration is a combination of remuneration schemes intended to:

a) Increase employee engagement in the achievement of the Bank's long-term objectives,
b) Recognize employee performance over a long-term basis while discouraging excessive risk taking,
c) Encourage employees to take into account the long-term interests of the institution's shareholder,
d) Ensure a fair distribution of the extra value between shareholders and employees and,
e) Retain and attract high performers.

The variable remuneration involves the following:
Cash Bonus Scheme (Distributed as Exceptional or Normal), which takes the form of cash payment.
There are two types of cash payments within the Cash Bonus Scheme in Vista Bank Romania (SA):

- Exceptional Cash Bonus - this is distributed to employees of the Identified and Non-Identified (Special) Groups

- Normal Cash Bonus - this is distributed to employees in the Non-Identified (Regular Group) who have an appraisal score that reflects excellent, very good and good performance

Guaranteed variable remuneration is not part of prospective remuneration plans.
Variable remuneration is subject to vesting, claw back and malus criteria. Variable remuneration may be retracted at its entire value or partially in the case of a proved fraud or when performance evaluation is based on the information of further possibility of being inconsistently incorrect.

15.2 Information related to compensation policies and practices tor those categories of staff whose professional activities have a significant impact on the risk profile

The Bank established a Nomination Committee, formed by the members of the Management Body of the Bank that do not have an executive function in the Bank. The Nomination Committee periodically evaluates, but at least once a year, the knowledge, competencies and work experience of each member of the Management Body of the Bank and of the Management Body of the Bank as a whole, and report to the latter accordingly.

15.2.1 Information on the relationship between the total remuneration and performance

The Remuneration Policy within the Bank is connected with the Performance Appraisal Procedure.
Thus, the performance appraisal process is properly formalized and transparent for employees.
According to Performance Appraisal Procedure, the performance appraisal system focuses on the following two basic elements:

- Results: The extent to which quantitative and qualitative goals, which flow from and are aligned with the team objectives and the strategic goals of the Bank, are realized. Individual goals are directly linked with the employee's Job Description and to the Key Performance Indicators of the job.
- Behaviours: These are directly related to and flow from predetermined Competencies (Shared Competencies: Customer Service Orientation, Teamwork & Cooperation, Compliance with Procedures, Flexibility, Initiative and Achievement Orientation), and Management Competencies: Developing Others, Leadership, Impact & Influence and Change Management).

In view of the above, the performance appraisal system assesses both the degree to which the individual achieves results – "WHAT" – as well as "HOW" these results are achieved.

15.2.2 Design features of the remuneration system

The fixed remuneration system within the Bank it is based on the following criteria:

- Job Evaluation – value of job position.
- Potential of the employee.
- Market Value.
- Fixed compensation paid by competition for similar job positions and employee abilities.
- Local employment legislation (Labour Code).

According to legal provisions variable Compensation is subject to vesting, claw back and malus criteria.

15.2.3 The relationship between the fixed and the variable remuneration

For Identified Staff, namely the Executive Members of the Board of Administrators, Members of the Management Committee, the rapport between the fixed and the variable remuneration is established as follows:

- The maximum ratio on the variable component in relation to the fixed component is set at 100%.
- At least 40% of the variable component (up to 60% for very large amounts) is deferred over a period of 3 years and vested on a pro rata basis of 1/3 per year.

For Identified Staff – Internal Control Functions, other staff deemed to have a significant impact on the risk profile of the bank:

- The maximum ratio on the variable component in relation to the Fixed Component is set at **50%.**
- At least 40% of the variable component is deferred over a period of 3 years and vested on a pro-rata basis of 1/3 per year.

As regards to the first deferred part, it must not be paid earlier than 12 months from the start of the deferral period. The deferral period ends when entitlement to the variable remuneration was granted or if the amount was reduced to zero because of a malus agreement.
For all Bank`s staff, except the above-mentioned positions, the proportion of variable and fix remuneration is set as follows:

- maximum level of the variable remuneration is of 100% from fix remuneration
- under normal conditions the variable remuneration is granted upon end of the accumulation period.

15.2.4 Information regarding the performance criteria underpinning the right to shares, options or other variable components of remuneration

The Bank has not granted in 2024 shares, options or other variable component of the remuneration.

15.2.5 Variable remuneration

- Must not be paid by means or methods that are not in accordance with the Bank organizational culture, long-term objectives and strategy and internal control framework
- Has to be aligned with the risk strategy of the Bank, the size of the Bank and its internal organization and activities
- Starts from assessing the Bank's performance and organizational structure in which it operates and the individual performance.
- Does not limit the Bank`s capacity to strengthen its capital base / liquidation in order for it to comply with the prudential requirements of the regulator on capital ratios and liquidity;
- It is not paid through means or methods that facilitate the circumvention of the regulations in force
- Allocation of variable compensation components will be made taking into account all current and future risks
- It should not exceed 100% of the fix component of total remuneration for each identified staff
- In case of misconduct, the Bank may decide to cancel granting it, depending on the type of offense.

15.2.6 Aggregate quantitative information on remuneration, per field of activity

Consolidated remuneration within the Bank (Gross RON):	**Average no of beneficiaries**	**01.01.2024 - 31.12. 2024**
Vista Bank (Romania) SA	460.54	82.550.645

15.2.7 Aggregated quantitative information on remuneration to the members of the management and members of staff whose actions have a significant impact on the risk profile of the institution

Vista Bank (Romania) SA (Gross RON):	No of beneficiaries	01.01.2024 -31.12. 2024
Fix remuneration - members of the executive management function (Management Committee))	4	3.335.740
Variable remuneration - members of the executive management function (Management Committee)	3	526.375
Fix remuneration – members of the supervisory function (Board of Administrators)	6	469.693
Variable remuneration – members of the supervisory function (Board of Administrators)	0	0
Fix remuneration - members of the staff with significant impact (except for the executive management function)	14	5.056.649
Variable remuneration - members of the staff with significant impact	10	498.222

The deferred, due and unpaid remuneration was not granted within the Bank in 2024.
The deferred remuneration paid and lowered expanded via performance adjustments it was not granted within the Bank in 2024.

15.2.8 Number of employees who received a remuneration of EUR 1 million or more per financial year

The Bank had no employees during the financial year 2024 to benefit from a remuneration of EUR 1 million or more per financial year, broken down by salary foresee of EUR 500,000 for remuneration between EUR 1 million and EUR 5 million and foresee salary EUR 1 million for remuneration greater than or equal to EUR 5 million.

Annex 1

The Statement of VISTA Bank (Romania) SA Management regarding the risk profile of the Bank in 2024

Developing a solid culture regarding risk management represents one of the main strategic objectives of VISTA Bank (Romania) SA, this being promoted at the level of each line of activity having responsibilities related to risk management and risk control, as well as at the level of operational structures and each person within the institution.

Risk management includes determining, for all activities conducted by the Bank, of the **risk appetite**, ensuring business continuity conditions are sound and prudent. The sizing target risk profile is made annually, considering market conditions and macroeconomic, past performance (historical) and Bank's strategy timeframe immediately following (12 months).

In 2024, Vista Bank (Romania) SA assumed the following levels of risk:

Risk category	Profile as of 31.12.2024	Target Profile 2024
A: CAPITAL RELATED RISKS		
CREDIT RISK	Low to medium	Medium
RESIDUAL RISK	Medium	Medium
CREDIT CONCENTRATION RISK	Medium	Medium
FX LENDING RISK	Low	Low to medium
MARKET RISK (FX ALL BOOKS)	Low	Medium
IRRBB	Medium	Medium
OPERATIONAL RISK	Low	Medium
COMPLIANCE RISK	Low to medium	Medium
REPUTATIONAL RISK	Medium	Low to medium
SETTLEMENT RISK	Low	Low
SECURITY RISK	Low	Medium
STRATEGIC&BUSINESS RISK	Low	Low to medium
TOTAL SCORE FOR CAPITAL RELATED RISKS	**LOW**	**MEDIUM**
B: LIQUIDITY RELATED RISKS		
LIQUIDITY RISK	Low to medium	Medium

C: EXCESSIVE LEVERAGE RISK		
EXCESSIVE LEVERAGE RISK	Low	Low to medium
AVERAGE RISK APPETITE SCORE*	**LOW TO MEDIUM**	**MEDIUM**

* as average score of capital related risks, liquidity risk and excessive leverage risk scores

Risk category	Profile as of 31.12.2024	Target Profile 2024
TOTAL CAPITAL ADEQUACY RATIO (CAR)	**18.13%**	**17.50% <= CAR**
LIQUIDITY COVERAGE RATIO (LCR)	**143.03%**	**150% <= LCR**
LEVERAGE RATIO	**7.45%**	**5% <= LEVERAGE**

In order to fulfil the strategic objectives regarding the risk appetite of the Bank, its levels have been transposed into a wide set of operational limits for general and specific risk management indicators.
The credit risk identification occurs when new borrowing transactions are initiated or during the existing transaction. The Bank identifies credit risk derived from counterparty quality and from its credit products. In this respect, there were established limits for the distribution of the credit portfolio by geographical areas, sectors of activity, duration, product types, type of residence, currency, financial performance, beneficial owner, collateral type.
The general and specific indicators established were permanently monitored during 2024, the Bank being within the risk appetite assumed.

We mention the following key indicators:

Template EU KM1 - Key metrics template

		a	b	c	d	e
		12/31/2024	9/30/2024	6/30/2024	3/31/2024	12/31/2023
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	696,791,139	656,334,265	642,877,868	611,447,985	608,802,546
2	Tier 1 capital	696,791,139	656,334,265	642,877,868	611,447,985	608,802,546
3	Total capital	818,100,743	772,350,203	762,168,141	729,648,709	703,141,662
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	4,513,310,705	4,146,978,810	4,228,572,540	4,144,386,980	3,970,872,177
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	15.44%	15.83%	15.20%	14.75%	15.33%
6	Tier 1 ratio (%)	15.44%	15.83%	15.20%	14.75%	15.33%
7	Total capital ratio (%)	18.13%	18.62%	18.02%	17.61%	17.71%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	4.06%	4.06%	4.08%	4.08%	4.08%
EU 7b	of which: to be made up of CET1 capital (percentage points)	2.28%	2.28%	2.30%	2.30%	2.30%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	3.0500%	3.05%	3.06%	3.06%	3.06%
EU 7d	Total SREP own funds requirements (%)	12.06%	12.06%	12.08%	12.08%	12.08%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.84%	0.89%	0.92%	0.90%	0.90%
EU 9a	Systemic risk buffer (%)	1.00%	1.00%	1.00%	1.00%	1.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer	0.00%	0.00%	0.00%	0.00%	0.00%
11	Combined buffer requirement (%)	4.34%	4.39%	4.42%	4.40%	4.40%
EU 11a	Overall capital requirements (%)	16.40%	16.45%	16.50%	16.48%	16.48%
12	CET1 available after meeting the total SREP own funds requirements (%)	1.72%	2.18%	1.53%	1.12%	1.22%
	Leverage ratio					
13	Total exposure measure	9,347,509,027	9,597,564,790	9,403,967,241.00	9,929,285,723	9,931,786,948
14	Leverage ratio (%)	7.45%	6.84%	6.84%	6.16%	6.13%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0%	0%	0%	0%	0%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0%	0%	0%	0%	0%
EU 14c	Total SREP leverage ratio requirements (%)	0%	0%	0%	0%	0%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0%	0%	0%	0%	0%
EU 14e	Overall leverage ratio requirements (%)	3%	3%	3%	3%	3%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	2,044,709,349	2,375,877,156	1,970,779,640	1,896,158,220	2,484,441,883
EU 16a	Cash outflows - Total weighted value	2,480,863,883	2,517,432,296	2,466,325,976	2,877,357,257	2,926,088,744
EU 16b	Cash inflows - Total weighted value	1,051,346,762	1,167,067,128	1,590,444,116	2,535,265,019	1,883,116,662
16	Total net cash outflows (adjusted value)	1,429,517,121	1,350,365,168	875,881,860	719,339,314	1,042,972,082
17	Liquidity coverage ratio (%)	143.03%	175.94%	225.01%	263.60%	238.21%
	Net Stable Funding Ratio					
18	Total available stable funding	5,836,323,120.45	5,967,907,773	5,888,982,681	6,193,222,008	6,146,751,430
19	Total required stable funding	3,630,118,888.75	3,522,394,001	3,309,814,482	3,196,268,776	3,184,129,601
20	NSFR ratio (%)	160.77%	169.43%	177.92%	193.76%	193.04%

Annex 2

The Statement of Vista Bank (Romania) SA
Management regarding the adequacy of the risk management framework in 2024

In compliance with the NBR Regulation no. 5/20.12.2013 regarding prudential requirements for credit institutions with the further modifications, and, more specific, with regards to the requirements stipulated by article 435, lit e.) from the Regulation no. 575/2013 of the European Parliament and Council dated 26.06.2013, regarding prudential requirements for credit institutions and investment companies, with the subsequent modifications, through the present statement, the Management of Vista Bank (Romania) SA certifies that the existing systems for risk management are adequate taking into consideration the risk profile and the strategy of the institution.

The risk management framework is one of the basic components of the management framework for the Bank, being adapted to the structure of the institution, activity, and the nature and complexity of the risks inherent in the business model. This ensures the effective and prudential management of the Bank, inclusively segregation of duties within the organization, prevention of conflict of interests and, in the same time, follow up the strategic objectives of risk to be placed in the target risk profile of the bank.

Annex 3

Statement of the Management of Vista Bank (Romania) S.A. on measures taken to ensure adequate and effective corporate governance in 2024

In accordance with the requirements of Regulation no. 575/2013 of the European Parliament and Council of 26.06.2013, as amended by Regulation no. 876/2019 of the European Parliament and of the Council of 20.05.2019, regarding the prudential requirements for credit institutions and investment companies, with subsequent amendments and completions, by this declaration, the Management Structure of Vista Bank (Romania) S.A. guarantees that the Bank constantly analyzes its activity in the field of corporate governance, adopting adequate and efficient measures.

In this regard, Vista Bank (Romania) S.A. has developed and permanently updated an internal corporate governance system in order to pursue the interests of all stakeholders: shareholders, employees, suppliers, administrators, customers, etc., being a mechanism for monitoring the actions, policies and decisions of the Bank.

Annex 4

Template EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories

	a	b	c	d	e	f	g
			Carrying values of items				
	Carrying values as reported in published financial statements	Carrying values under the scope of regulatory consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and balances with central banks	888,951,472.00	888,951,472.00	888,951,472.00	-	-	-	-
Loans and advances to banks at amortised cost	790,303,097.00	790,303,097.00	790,303,097.00	-	-	-	-
Loans and advances to customers at amortised cost	4,966,102,686.00	4,966,102,686.00	4,966,102,686.00	-	-	-	-
Financial instruments at amortised cost	1,865,072,883.00	1,865,072,883.00	1,865,072,883.00	-	-	-	-
Financial assets at fair value through other comprehensive income	18,976,949.00	18,976,949.00	18,976,949.00	-	-	-	-
Financial assets mandatory measured at fair value through profit or loss	2,499,737.00	2,499,737.00	2,499,737.00	-	-	-	-
Financial assets held for trading, out of which:	8,905,923.00	8,905,923.00	8,905,923.00	-	-	-	-
Derivative financial instruments	3,911,735.00	3,911,735.00	3,911,735.00	-	-	-	-
Debt securities	4,994,188.00	4,994,188.00	4,994,188.00	-	-	-	-
Repossessed assets (inventories)	23,272,718.00	23,272,718.00	23,272,718.00	-	-	-	-
Other financial assets	15,658,589.00	15,658,589.00	15,658,589.00	-	-	-	-
Other assets	20,543,360.00	20,543,360.00	20,543,360.00	-	-	-	-
Investment properties	81,898,901.00	81,898,901.00	81,898,901.00	-	-	-	-
Current tax receivables	-	-	-	-	-	-	-
Property and equipment	40,537,498.00	40,537,498.00	40,537,498.00	-	-	-	-
Right-of-use assets	49,723,687.00	49,723,687.00	49,723,687.00	-	-	-	-
Intangible assets	20,996,548.00	20,996,548.00	-	-	-	-	20,996,548.00
Deferred tax assets	40,200.00	40,200.00	-	-	-	-	40,200.00
Total assets	**8,793,484,248.00**	**8,793,484,248.00**	**8,772,447,500.00**	**-**	**-**	**-**	**21,036,748.00**
Liabilities							
Deposits from banks	64,531,768.00	64,531,768.00	-	-	-	-	64,531,768.00
Deposits from customers	7,739,991,359.00	7,739,991,359.00	177,158,629.00	-	-	-	7,562,832,730.00
Other financial liabilities	77,902,656.00	77,902,656.00	-	-	-	-	77,902,656.00
Other liabilities	7,810,701.00	7,810,701.00	-	-	-	-	7,810,701.00
Lease liabilities	53,250,226.00	53,250,226.00	-	-	-	-	53,250,226.00
Subordinated loans	121,587,130.00	121,587,130.00	-	-	-	-	121,587,130.00
Other provisions	5,862,303.00	5,862,303.00	-	-	-	-	5,862,303.00
Deffered tax liabilities	4,286,499.00	4,286,499.00	-	-	-	-	4,286,499.00
Total liabilities	**8,075,222,642.00**	**8,075,222,642.00**	**177,158,629.00**	**-**	**-**	**-**	**7,898,064,013.00**

Template EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

	a	b	c	d	e
	Total	Items subject to			
		Credit risk framework	CCR framework	Securitisation framework	Market risk framework
Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	8,772,447,500.00	8,772,447,500.00	-	-	-
Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	177,158,629.00	177,158,629.00	-	-	-
Total net amount under the scope of prudential consolidation	8,595,288,871.00	8,595,288,871.00	-	-	-
Off-balance-sheet amounts	1,521,950,177.00	1,521,950,177.00	-	-	-
Differences due to credit conversion factors	(962,409,020.00)	(962,409,020.00)	-	-	-
Exposure amounts considered for regulatory purposes	9,154,830,028.00	9,154,830,028.00	-	-	-

Template EU AE1 - Encumbered and unencumbered assets

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	**Assets of the reporting institution**	-	-			8,793,484,248	1,886,912,284		
030	Equity instruments	-	-	-	-	4,631,473	-	4,631,473	-
040	Debt securities	-	-	-	-	1,886,912,284	1,886,912,284	1,885,280,617	1,885,280,617
050	of which: covered bonds	-	-	-	-	-	-	-	-
060	of which: securitisations	-	-	-	-	-	-	-	-
070	of which: issued by general governments	-	-	-	-	1,886,912,284	1,886,912,284	1,885,280,617	1,885,280,617
080	of which: issued by financial corporations	-	-	-	-	-	-	-	-
090	of which: issued by non-financial corporations	-	-	-	-	-	-	-	-
120	Other assets	-	-			6,901,940,491	-		