BCR GROUP DISCLOSURE REPORT 2021 Q3

Pursuant to NBR Regulation no. 11/2020 for the amendment and completion of the NBR Regulation no.5/2013 on prudential requirements for credit institutions and Regulation (EU) No 2019/876 (CRR2) amending Regulation (EU) No 575/2013 (CRR)

Incorporated in Romania

Trade Register J40/90/1991

Unique Registration Code 361757

Bank Register RB-PJR-40-008/18.02.1999

www.bcr.ro

BCR GROUP DISCLOSURE REPORT 2021 Q3

Contents

1 Introduction

The provisions of the Regulation no. 11/2020 for the amendment and completion of the NBR Regulation no. 5/2013 on prudential requirements for credit institutions and Regulation (EU) No 2019/876 (CRR2) amending Regulation (EU) No 575/2013 (CRR) apply to BCR Group, hereinafter referred to as BCR Group. This Report is prepared on a consolidated basis (IFRS) according to NBR's Regulations. All information herein is presented as of September 30th, 2021 unless otherwise stated.

Following an overall frequency assessment of all Pillar 3 disclosures this quarterly report Pillar 3 Report provides principally an update to the areas mentioned below, which are also in line with the recommendations provided by the European Banking Authority ("EBA") in its Final Report – Final draft implementing technical standards on public disclosures by institutions of the information referred to in titles II and III of Part Eight of Regulation (EU) No. 575/2013 (EBA/ITS/2020/04) and Regulation EU 2019/876 of the European Parliament and of the Council of 20 May 2019.

In addition, the following disclosure requirements are applied on a quarterly basis:

- EBA/GL/2020/07 – Guidelines on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis and NBR Instructions / 03.08.2020 on reporting and disclosure of exposures subject to measures applied in response to the COVID-19;
- EBA/GL/2020/12 – Final Report - Guidelines amending Guidelines EBA/GL/2018/01 on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 (CRR) on the transitional period for mitigating the impact of the introduction of IFRS 9 on own funds to ensure compliance with the CRR 'quick fix' in response to the COVID-19 pandemic.

Considering the above, areas which require that quarterly disclosures to be provided are as follows:

- Information on the overview of risk-weighted exposure amount
- Information on the institution key metrics, which includes also information on Pillar 2 requirements
- Information on the institution's LCR, its liquidity buffers, cash outflows, cash inflows and high-quality liquid assets, complemented by qualitative information
- Information on disclosure requirements for the exposures subject to the payment moratoria in accordance with the GL EBA/2020/07
- Information on comparison of own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 in accordance with EBA/GL/2020/12.

For the full set of information please refer to "BCR GROUP DISCLOSURE REPORT 2020" which is available on the BCR Group website (https://www.bcr.ro/en/investors/transparency-and-public-disclosure).

2 Overview of Non-applicable Disclosures

The following table provides an overview of the CRR 2 Articles which are not covered by the quarterly Disclosure Report alongside an explanation regarding the reason behind their non-applicability.

1 Non-applicable CRR 2 articles

CRR2 article number	Article description	Reason for non-applicable disclosure
438 (h)	Disclosure of own funds requirements and risk-weighted exposure amounts	BCR Group calculates the risk-weighted exposure amounts under Standardized approach.
447 (h)	Disclosure of key metrics	BCR Group is identified as an O-SII institution
468	DISCLOSURE REQUIREMENTS COVERED: EBA/GL/2020/12	The full impact related to unrealized gains and losses for financial assets measured at fair value through other comprehensive income is considered in the calculation of own funds, capital ratios and leverage ratio
473 (a)	DISCLOSURE REQUIREMENTS COVERED: EBA/GL/2020/12	The full impact related to credit risk provisions calculated in accordance with IFRS 9 requirements is considered in the calculation of own funds, capital ratio and leverage ratio

3 Overview of total risk exposures amount

DISCLOSURE REQUIREMENT COVERED BY: ART. 438 (d) CRR 2

Template EU OV1 on the overview of risk-weighted exposure amount (RWEA). This template provides an overview of the total RWEA forming the denominator of the risk-based capital requirements calculated in accordance with Article 92 of the CRR.

The regulatory capital requirements computed as of September 30th, 2021, for the credit risk, market risk and operational risk were as follows:

2 Template EU OV1 - Overview of risk weighted exposure amounts

	mn RON	Total risk exposure amounts (TREA)		Total own funds requirements
		Sep-21	Jun-21	Sep-21
1	**Credit risk (excluding CCR)**	**32,451**	**30,873**	**2,596**
2	Of which the standardised approach	32,628	30,873	2,610
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**	**210**	**262**	**17**
7	Of which the standardised approach	100	94	8
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	-	-	-
EU 8b	Of which credit valuation adjustment - CVA	33	23	3
9	Of which other CCR	77	146	6
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)	117	131	9
21	Of which the standardised approach	117	131	9
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	**Operational risk**	**7,767**	**7,702**	**621**
EU 23a	Of which basic indicator approach	325	325	26
EU 23b	Of which standardised approach	-	-	-
EU 23c	Of which advanced measurement approach	7,443	7,378	595
24	**Amounts below the thresholds for deduction (subject to 250% risk weight)**		-	-
29	**Total**	**40,546**	**38,969**	**3,244**

As of September 30th, 2021, the total RWA for BCR Group was 40,546 mil. RON, with 1,577 mil. RON higher as compared to June 30th, 2021 (38,969 mil. RON). The increase in credit risk RWA (including CCR) by 1,526 mil. RON was mainly driven by the increase in the volume of loans to customers.

RWA equivalent for market risk decreased with -14 mn RON due to decrease in debt instruments position. RWA equivalent for operational risk increased with 65 mn RON, following a higher capital requirement according to AMA (Advanced Measurement Approach).

4 Disclosure of key metrics

DISCLOSURE REQUIREMENT COVERED BY: ART. 447 (a-g) CRR 2

Template EU KM1, on institutions' key metrics, has been developed in application of Article 447 of the CRR, and includes a summary of the main prudential and regulatory information and ratios covered by the CRR.

3 Template EU KM1 – Key metrics

	mn RON	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	8,468	7,959	8,066	8,035	7,490
2	Tier 1 capital	8,468	7,959	8,066	8,035	7,490
3	Total capital	8,541	8,087	8,248	8,268	7,776
Risk-weighted exposure amounts						
4	Total risk exposure amount	40,546	38,969	39,262	38,559	38,962
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	20.88%	20.42%	20.54%	20.84%	19.22%
6	Tier 1 ratio (%)	20.88%	20.42%	20.54%	20.84%	19.22%
7	Total capital ratio (%)	21.07%	20.75%	21.01%	21.44%	19.96%
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 (%)	2.84%	2.84%	2.84%	3.95%	3.95%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.60%	1.60%	1.60%	2.22%	2.22%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.13%	2.13%	2.13%	2.96%	2.96%
EU 7d	Total SREP own funds requirements (%)	10.84%	10.84%	10.84%	11.95%	11.95%
Combined buffer and overall capital 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 (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	1.00%
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	2.00%	2.00%	2.00%	2.00%	2.00%
11	Combined buffer requirement (%)	4.50%	4.50%	4.50%	4.50%	4.50%
EU 11a	Overall capital requirements (%)	15.34%	15.34%	15.34%	16.45%	16.45%
12	CET1 available after meeting the total SREP own funds requirements	6,561	6,127	n/a	n/a	n/a
Leverage ratio						
13	Total exposure measure	88,836	87,929	88,157	86,971	82,255
14	Leverage ratio (%)	9.53%	9.05%	9.15%	9.24%	9.11%
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 (%)					
EU 14b	of which: to be made up of CET1 capital (percentage points)					
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	30,658	29,516	28,150	26,689	25,028
EU 16a	Cash outflows - Total weighted value	15,438	15,022	15,106	15,062	14,741
EU 16b	Cash inflows - Total weighted value	3,031	3,248	3,943	4,186	4,023
16	Total net cash outflows (adjusted value)	12,408	11,775	11,163	10,876	10,719
17	Liquidity coverage ratio (%)	247%	251%	252%	245%	234%
Net Stable Funding Ratio						
18	Total available stable funding	62,877	62,057			
19	Total required stable funding	35,606	35,099			
20	NSFR ratio (%)	176.59%	176.80%			

5 Disclosure of liquidity requirements

DISCLOSURE REQUIREMENT COVERED BY: ART. 451a (2) CRR 2

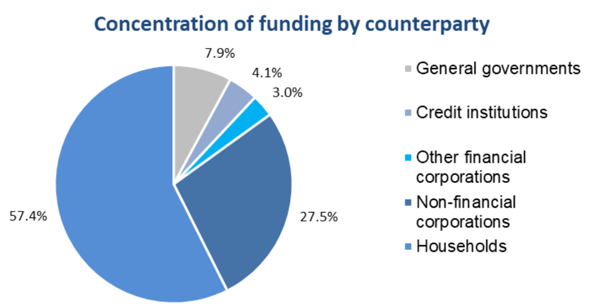
Template on qualitative information on LCR

Concentration of funding:

- By counterparty and by product:

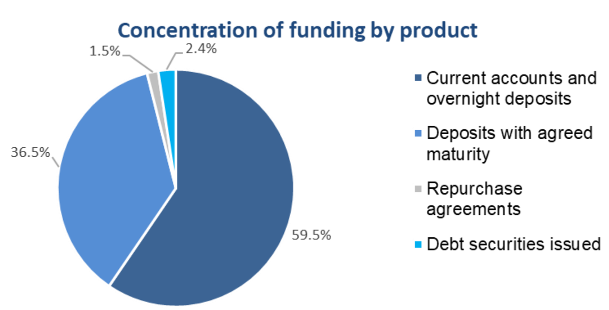
Compared with H1 2021, the percentage of funding from households slightly decreased in September 2021 from 57.6% to 57.4%, while the funding provided by non-financial corporations increased from 26.2% to 27.5%. At the same time, funding from credit institutions decreased from 5.6% to 4.1%. Also, in the same period, the percentage of funding from deposits with agreed maturity decreased from 38.7% to 36.5% while funding received from current accounts and overnight deposits increased from 56.8% to 59.5%.

4 Concentration of funding sources (as of 30 September 2021 for BCR Bank)



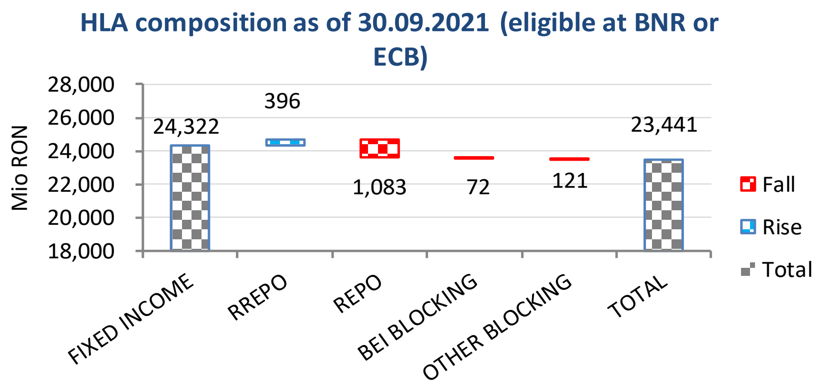
- By top 10 funding providers: - the weight of first 10 funding providers in total funding is equal to 11.6%.

Concentration of liquidity sources:

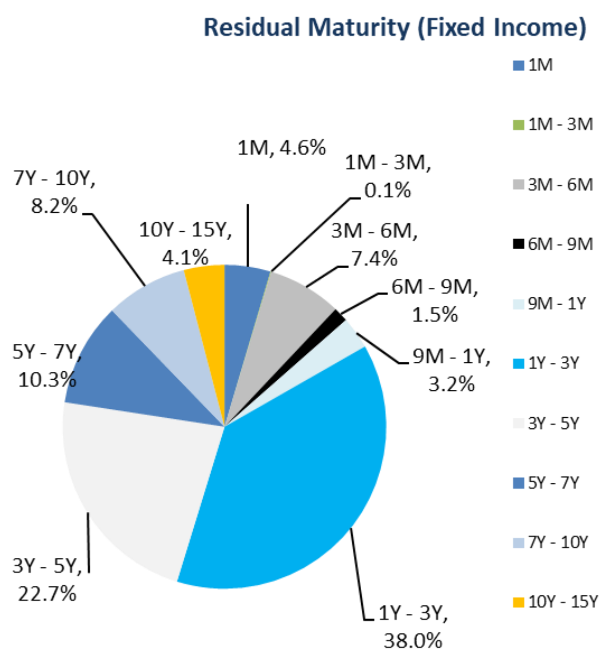


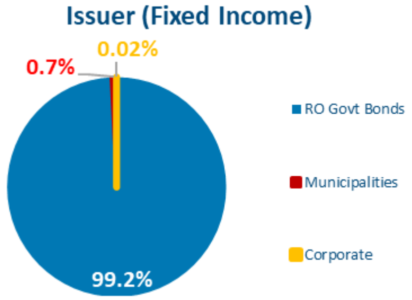
Compared with June 2021, the total eligible fixed income portfolio increased from 22,461 mn RON to 23,441 mn RON.

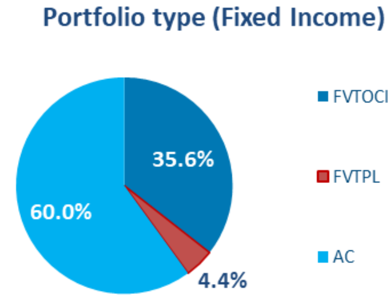
5 HLA Composition for BCR Standalone



6 Portfolio split based on residual maturity, issuer and type (accounting) for BCR Standalone







In addition to fixed income portfolio in amount of 23,441 mn RON, the liquidity buffer contains a stock of cash in amount of 5,616 mn RON.

Derivative exposures and potential collateral calls

Derivatives in Trading Book are closed back-to-back with Erste Group Bank, with the exception of FX swaps for which the bank can maintain open positions. In September 2021, there was an exposure of 7,6 mn RON, coming from mainly transactions for liquidity management purposes (Banking Book positions). The derivatives exposure as of 30.09.2021 is presented in the following table:

7 Derivative exposures

As of 30.09.2021	TB/BB	Long (Assets)		Short (Liabilities)		Net Exposure
in RON thousands		Notional	MtM	Notional	MtM	MtM
IRS		1,953,054	18,885	1,939,640	18,484	401
	TB	1,939,445	18,452	1,939,640	18,484	(32)
	BB	13,609	433	-	-	433
CIRS	BB	-	-	-	-	-
FX Swap		1,696,324	7,418	736,510	743	6,675
	TB	495,768	1,942	371,033	511	1,430
	BB	1,200,556	5,476	365,477	232	5,244
FX Option	TB	-	-	-	-	-
IR Option	TB	598,108	962	131,147	962	-
Forward	TB	218,198	5,167	201,809	4,557	609
Total Exposure		**4,465,683**	**32,432**	**3,009,106**	**24,746**	**7,686**

In LCR, the outflows related to derivative exposures are offset by inflows related to derivative exposures.

Currency mismatch in the LCR

In BCR, the LCR is calculated in all major currencies that exceed 5% of the institution's total liabilities (EUR and RON). Thus, the liquidity buffer requirements must be determined for different currencies.

The distribution of the liquidity buffer in foreign currency is monitored monthly in order to ensure that net cash outflows in significant currencies (RON and EUR) are fully covered by liquid assets denominated in the same currency.

8 Composition of liquidity buffers by currency

	BCR Bank		BCR Group	
weighted amounts, mn RON	**RON**	**EUR**	**RON**	**EUR**
Liquidity buffer	19,569	8,342	20,809	8,357
Coins and banknotes	2,894	1,573	2,894	1,588
Withdrawable central bank reserves	-	-	-	-
Central bank assets	2	0.16	2	0.16
Central government assets	16,613	6,600	17,852	6,600
Regional government / local authorities assets	-	170	-	170
Multilateral development bank and international organisations assets	-	-	-	-
Extremely high quality covered bonds	-	-	-	-
Regional government / local authorities or Public Sector Entity assets (Member State, RW20%)	59	-	59	-
Corporate debt securities (CQS2/3)	-	-	-	-
Shares (major stock index)	1	-	1	-
Net liquidity outflow	10,760	4,162	10,790	4,105

High-level description of the composition of the institution`s liquidity buffer

The main component of Liquidity Buffer is represented by Fixed Income Portfolio. Other elements that are taken into consideration for Liquidity Buffer are: Cash, Excess/Deficit of Mandatory Minimum Reserves and Shares fulfilling the eligibility criteria laid down in the LCR Delegated Act.

This template below provides information on the institution's LCR, its liquidity buffers, cash outflows, cash inflows and high-quality liquid assets.

9 Template EU LIQ1 – Quantitative information on LCR

in mn RON

		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	Sep-21	Jun-21	Mar-21	Dec-20	Sep-21	Jun-21	Mar-21	Dec-20
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)	-	-	-	-	30,658	29,516	28,150	26,689
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	43,402	42,663	41,894	40,775	3,331	3,268	3,208	3,121
3	Stable deposits	24,057	23,714	23,283	22,624	1,203	1,186	1,164	1,131
4	Less stable deposits	19,345	18,949	18,611	18,151	2,129	2,082	2,044	1,990
5	Unsecured wholesale funding	20,953	20,063	19,445	19,165	9,058	8,611	8,349	8,317
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7	Non-operational deposits (all counterparties)	20,952	20,061	19,444	19,151	9,056	8,609	8,347	8,303
8	Unsecured debt	2	2	2	14	2	2	2	14
9	Secured wholesale funding	-	-	-	-	-	-	-	-
10	Additional requirements	1,838	1,883	2,286	2,524	1,837	1,882	2,281	2,512
11	Outflows related to derivative exposures and other collateral requirements	1,837	1,882	2,278	2,505	1,837	1,882	2,278	2,505
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	1	1	8	18	0	0	3	7
14	Other contractual funding obligations	821	830	836	628	551	615	641	483
15	Other contingent funding obligations	16,755	16,365	15,387	14,545	661	646	628	629
16	TOTAL CASH OUTFLOWS	-	-	-	-	15,438	15,022	15,106	15,062
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	1,513	1,642	1,366	1,298	60	119	89	110
18	Inflows from fully performing exposures	1,643	1,747	2,048	2,030	1,133	1,247	1,577	1,572
19	Other cash inflows	1,837	1,882	2,276	2,504	1,837	1,882	2,276	2,504
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	4,994	5,272	5,691	5,832	3,031	3,248	3,943	4,186
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	4,994	5,272	5,691	5,832	3,031	3,248	3,943	4,186
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER	-	-	-	-	30,658	29,516	28,150	26,689
22	TOTAL NET CASH OUTFLOWS	-	-	-	-	12,408	11,775	11,163	10,876
23	LIQUIDITY COVERAGE RATIO	-	-	-	-	247%	251%	252%	245%

LCR registered a minor decrease compared to the previous quarter, however being significantly above the 100% regulated threshold due to the stock of high-quality liquid assets (HQLA). Thus, the HQLA increased in Q3 compared to the previous period as a result of the evolution of the portfolio of securities issued by Central governments, while the Net Cash Outflows registered a higher level compared to Q2, based on the increase of the deposits in corporate segment.

Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile

The Bank considers that all the relevant information for its liquidity profile was already presented in this report.

BCR

6 Disclosure of exposures subject to measures applied in response to the COVID-19 crisis

DISCLOSURE REQUIREMENTS COVERED: EBA GL/2020/07 Guideline on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis and NBR Instructions / 03.08.2020 on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis

Template 1 presented below provides an overview of the credit quality of loans and advances subject to moratoria on loan repayments applied in the light of the COVID-19 crisis. The gross carrying amount and the related accumulated impairment or accumulated changes in fair value due to credit risk are disclosed broken down by counterparty, by performing / non-performing status and by forbearance status. Separate presentation is required for performing exposures with significant increase in credit risk since initial recognition (Stage 2) and for non-performing exposures that are unlikely to pay and that are not past-due or past-due with less than 90 days. Inflows to non-performing exposures are also highlighted.

NPL ratio stood at 16% as of September 2021, stable as compared with June 2021.

10 Template 1: Information on loans and advances subject to legislative and non-legislative moratoria

mn RON	Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
		Performing			Non performing				Performing			Non performing			
			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures
1 Loans and advances subject to moratorium	**4,483**	**3,778**	**200**	**2,211**	**705**	**527**	**588**	**(759)**	**(260)**	**(42)**	**(255)**	**(499)**	**(378)**	**(413)**	**46**
2 of which: Households	3,044	2,778	39	1,416	266	117	186	(320)	(148)	(6)	(145)	(171)	(65)	(105)	31
3 of which: Collateralised by residential immovable property	1,793	1,665	20	914	128	65	118	(157)	(81)	(3)	(80)	(76)	(39)	(70)	14
4 of which: Non-financial corporations	1,383	944	160	774	439	409	401	(440)	(112)	(36)	(109)	(327)	(313)	(308)	15
5 of which: Small and Medium-sized Enterprises	428	374	39	295	54	33	31	(82)	(43)	(5)	(43)	(39)	(28)	(20)	6
6 of which: Collateralised by commercial immovable property	497	435	138	408	63	57	60	(120)	(78)	(34)	(77)	(42)	(39)	(40)	0

Legislative and Non-legislative Moratorium

Considering the spread of COVID-19, a variety of measures have been taken by the Romanian government aimed at addressing the economic consequences of the outbreak on individuals, households and businesses. Such measures include legislative / public moratorium on repayment of loans, overdraft facilities and mortgages.

The Romanian government adopted GEO 227/30.12.2020, which reactivates and modifies GEO no. 37/2020 for loan instalment postponement (legislative moratorium). According to GEO 227/30.12.2020, clients were able to submit only between 15th of February and 15th of March 2021 requests for new deferrals of ongoing loans for a maximum of 9 months, this period including also any deferrals from which they benefited during 2020. On this basis, on September 30th, BCR registered loan volumes that still benefit from certain deferred payments of 0.04% for retail loans.

11 Template 2: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

	mn RON	Number of obligors	Gross carrying amount							
				Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
						<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
1	**Loans and advances for which moratorium was offered**	**318,407**	**4,673**							
2	**Loans and advances subject to moratorium (granted)**	**316,591**	**4,483**	**2,689**	**4,469**	**14**	**-**	**-**	**-**	**-**
3	of which: Households		3,044	1,475	3,032	12	-	-	-	-
4	of which: Collateralised by residential immovable property		1,793	1,213	1,784	9	-	-	-	-
5	of which: Non-financial corporations		1,383	1,213	1,382	2	-	-	-	-
6	of which: Small and Medium-sized Enterprises		428	397	428	0	-	-	-	-
7	of which: Collateralised by commercial immovable property		497	343	497	-	-	-	-	-

Template 2 provides details on EBA-compliant moratorium (legislative and non-legislative) for loans and advances that meet the requirements described in paragraph 10 of the EBA Guidelines on moratorium. The template provides information on the number of obligors and gross carrying amount of loans and advances subject to different statuses of EBA-compliant moratorium (requested/granted). In addition, the template contains a breakdown by the residual maturity of EBA-compliant moratorium and information on the gross carrying amount of legislative moratorium as per the definition of the EBA Guidelines on moratorium.

As of September 2021, moratorium participation rate is 11% for Retail and 6% for Corporate, most payment deferrals measures being expired.

12 Template 3: Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

	mn RON	Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
			of which: forborne	Public guarantees received	Inflows to non-performing exposures
1	**Newly originated loans and advances subject to public guarantee schemes**	**1,630**	**4**	**1,125**	**0.0**
2	of which: Households	0			-
3	of which: Collateralised by residential immovable property	-			-
4	of which: Non-financial corporations	1,630	4	1,125	0.0
5	of which: Small and Medium-sized Enterprises	1,336			0.0
6	of which: Collateralised by commercial immovable property	44			-

Template 3 provides details on newly originated loans and advances as referred to in paragraph 15 of EBA GL 2020 07 that are subject to public guarantee schemes that the Romanian State introduced in response to the COVID-19 crisis. In the case of refinancing of previous debt with a new loan or of repackaging of several debts into a new loan, the new loan recognised in the financial statements is reported in this template provided that it is covered by a public guarantee scheme related to the COVID-19 crisis (not the case for BCR as of 30th of September 2021). The template provides a breakdown of the gross carrying amount, the forbearance measures and the amount of public guarantees related to loans and advances and the inflows to non-performing exposure.

7 Disclosure of international financial reporting standard 9 (IFRS 9) transitional arrangements

DISCLOSURE REQUIREMENTS COVERED: EBA/GL/2020/12 – Final Report - Guidelines amending Guidelines EBA/GL/2018/01 on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 (CRR) on the transitional period for mitigating the impact of the introduction of IFRS 9 on own funds to ensure compliance with the CRR 'quick fix' in response to the COVID-19 pandemic.

13 Template on the comparison of own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs

	mn RON	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20
	Available capital (amounts)					
1	CET1 capital	8,468	7,959	8,066	8,035	7,490
2	CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	8,468	7,959	8,066	8,035	7,490
2a	CET1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied	8,468	7,959	8,066	8,035	7,490
3	Tier 1 capital	8,468	7,959	8,066	8,035	7,490
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	8,468	7,959	8,066	8,035	7,490
4a	Tier 1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	8,468	7,959	8,066	8,035	7,490
5	Total capital	8,541	8,087	8,248	8,268	7,776
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	8,541	8,087	8,248	8,268	7,776
6a	Total capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	8,541	8,087	8,248	8,268	7,776
	Risk-weighted assets (amounts)					
7	Total risk-weighted assets	40,546	38,969	39,262	38,559	38,962
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	40,546	38,969	39,262	38,559	38,962
	Capital ratios					
9	CET1 (as a percentage of risk exposure amount)	20.88%	20.42%	20.54%	20.84%	19.22%
10	CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	20.88%	20.42%	20.54%	20.84%	19.22%
10a	CET1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	20.88%	20.42%	20.54%	20.84%	19.22%
11	Tier 1 (as a percentage of risk exposure amount)	20.88%	20.42%	20.54%	20.84%	19.22%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	20.88%	20.42%	20.54%	20.84%	19.22%
12a	Tier 1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	20.88%	20.42%	20.54%	20.84%	19.22%
13	Total capital (as a percentage of risk exposure amount)	21.07%	20.75%	21.01%	21.44%	19.96%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	21.07%	20.75%	21.01%	21.44%	19.96%
14a	Total capital (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	21.07%	20.75%	21.01%	21.44%	19.96%
	Leverage ratio					
15	Leverage ratio total exposure measure	88,836	87,929	88,157	86,971	82,255
16	Leverage ratio	9.53%	9.05%	9.15%	9.24%	9.11%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	9.53%	9.05%	9.15%	9.24%	9.11%
17a	Leverage ratio as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	9.53%	9.05%	9.15%	9.24%	9.11%

BCR Group does not apply the transitory measures described in article 473a relate to IFRS 9. The full impact related to credit risk provisions calculated in accordance with IFRS 9 requirements is considered in the calculation of own funds, capital ratio and leverage ratio.

BCR Group does not apply the transitory measures described in article 468 related to unrealized gains and losses for financial assets measured at fair value through other comprehensive income. The full impact related to this is considered in the calculation of own funds, capital ratios and leverage ratio.

Versus June 30th, 2021, the total own funds increased by RON 454mn, the common equity tier 1 is higher by RON 509 mn mainly due to inclusion of interim profit net of any foreseeable dividends RON 391mn as of September 2021 resulting in non-deduction of the allocations for credit risk provisions RON 73mn, lower deductions of intangible assets for which the prudential amortization is higher than the accounting amortization with an impact of RON 107mn, partially compensated by lower fair value reserve calculated for debt securities measured at fair value through other comprehensive income RON 20 mn. Tier 2 continued to be lower due to maturing of a subordinated loan in amount of EUR 120mn on September 30th and amortization of the subordinated loan remained in portfolio in accordance with CRR provisions.

8 Abbreviations

AC Amortized Cost
A-IRB Advanced Internal Rating-based Approach
ALCO Assets and Liabilities Management Committee
AMA Advanced Measurement Approach
ANEVAR National Association of Romanian Authorized Valuers
ART article
ASF Available Stable Funding
AT1 Additional Tier 1 capital
BB Banking Book
BCBS Basel Committee on Banking Supervision
BCR Banca Comerciala Romana
BSM Balance Sheet Management Division
CCP Central Counterparty
CCR Counterparty Credit Risk
CCyB Countercyclical capital buffer
CET1 Common Equity Tier 1
CQS Credit Quality Step
CRD Capital Requirement Directive
CRM Credit Risk Mitigation
CRO Chief Risk Officer
CRR Capital Requirements Regulation
CRR Capital Requirement Regulation
CSD Credit Spread Derivative
CVA Credit Valuation Adjustment
DCF Discount Cash Flow
DTL Deferred Tax Liability
EBA European Banking Authority
ECAI External Credit Assessment Institution
ECB European Central Bank
ECL Expected credit loss
EGB Erste Group Bank
EOY end of year
EU European Union
EVE Economic Value of Equity
FIRB Foundation Internal Rating-based Approach
F-IRB Foundation
FNGCIMM National credit guarantee fund for SMEs
FTP Funds Transfer Pricing
FVTOCI Fair Value Through the statement of Other Comprehensive Income
FVTPL Fair Value Through Profit or Loss
FX Foreign Exchange
GCM Global Capital Markets
GEO Government Emergency Ordinance
GL Guideline
G-SII Global Systemically Important Institutions
HLA High Liquid Assets
HQLA High Quality Liquid Assets
IAA Internal Assessment Approach

ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standards
ILAAP	Internal Liquidity Adequacy Assessment Process
IMA	Internal Model Approach
IMM	Internal Model Method
IRB	Internal Rating-based Approach
IT	Information Technology
ITS	Implementing Technical Standards
LCR	Liquidity Coverage Ratio
LR	Leverage Ratio
MB	Management Board
MLRM	Market and Liquidity Risk Management Department
mn	million
MtM	Mark to market
MVoE	Market Value of Equity
NACE	statistical classification of economic activities in the European Community
NBR	National Bank of Romania
NBR	National Bank of Romania
NII	Net interest income
NPL	Non-Performing Loan
NSFR	Net Stable Funding Ratio
OCI	Other Comprehensive Income
OCI	Other Comprehensive Income
OLC	Operative Liquidity Committee
O-SII	Other Systemically Important Institutions
PAP	Product Approval Process
PIs	Personal Individuals
PP&E	Property, plant and equipment
PSE	Public Sector Enterprises
PVBP	Present Value of a Basis Point
RAS	Risk Appetite Statement
RMA	Risk Materiality Assessment
RREPO	Reverse REPO
RSF	Required Stable Funding
RW	Risk Weight
RWA	Risk Weighted Assets
RWEA	Risk Weighted Exposure Amount
S/L	Stop/Loss
SA	Standardized Approach
SA-CCR	Standardized approach for counterparty credit risk
SB	Supervisory Board
SEC	Securitization
SEC-ERBA	Securitization: External-ratings-based approach
SEC-IRBA	Securitization: Internal-ratings-based approach
SEC-SA	Securitization: Standardized Approach
SFT	Securities Financing Transactions
SICR	Significant increase in credit risk since initial recognition
SMEs	Small Medium Enterprises
SPA	Survival Period Analysis
SREP	Supervisory Review and Evaluation Process
SRM	Strategic Risk Management

T1	Tier 1 capital
T2	Tier 2 capital
TB	Trading Book
TC	Total Capital
TDI	Trade Debt Income
TREA	Total Risk Exposure Amounts
VaR	Value-at-Risk