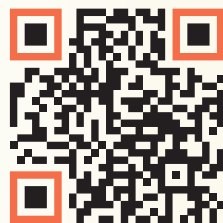




FONDUL DE GARANTARE A DEPOZITELOR BANCARE
BANK DEPOSIT GUARANTEE FUND



THE BANK DEPOSIT GUARANTEE FUND

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ANNUAL REPORT 2024

2024 ANNUAL REPORT



NOTES

The 2024 Annual Report received the endorsement of the Supervisory Board of the Bank Deposit Guarantee Fund (FGDB) during a Board meeting on 24 April 2025, and was approved by the Board of Directors of the National Bank of Romania in its meeting on 6 May 2025, in compliance with Law no. 311/2015 on deposit guarantee schemes and the Bank Deposit Guarantee Fund, with subsequent amendments and completions.

The statistical data used in the present Report are the data that were available as at 31 December 2024. Due to rounding, totals may not fully correspond with the sum of the separate figures and, also, small differences as to percentage variations in the graphs and tables may be present.

Sources were cited only when various other institutions had provided the respective statistical data.

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REPORT

on the

BANK DEPOSIT GUARANTEE FUND'S ACTIVITY

in

2024

MISSION

The mission of the FGDB in its capacity as the statutory guarantee scheme officially recognised across Romania, is to safeguard deposits. In instances when deposits held with an affiliated credit institution are no longer available, the FGDB pays due compensation to guaranteed depositors, in consonance with legal provisions.

The FGDB is the administrator of the bank resolution fund and may perform a series of other duties as part of the measures the National Bank of Romania takes towards the recovery and resolution of credit institutions: temporary administrator of credit institutions going through recovery procedures (early intervention), special administrator of credit institutions under resolution, shareholder of a bridge bank or of an asset management vehicle, in line with legislation on the recovery and resolution of credit institutions.

The FGDB also acts as sole liquidator of credit institutions where liquidation is either initiated by shareholders or follows a decision by the National Bank of Romania.

VALUES shared and promoted by the FGDB

FGDB by guaranteeing the safety of natural and legal persons' deposits, the FGDB contributes to maintaining depositors' confidence in the financial and banking system, which is crucial to financial stability, and also stimulates the savings process.

The FGDB treats all depositors and all participating credit institutions with due respect, thoughtfulness, and professionalism.

The FGDB is an apolitical, financially autonomous institution whose running costs are funded exclusively from revenues resulting from investments of the available financial resources of the deposit guarantee fund and of the bank resolution fund, which both consist of contributions coming from the affiliated credit institutions.

The FGDB's staff value responsibility and integrity, seen as cardinal standards guiding their activity, and dedicate all their knowledge and skills to accomplishing the mission of the FGDB and to managing its financial resources in compliance with legal provisions and the principles of professional ethics.

CONTENTS

Composition of the Supervisory Board and of the Audit Committee
Composition of the Executive Board and the FGDB's Organisational Chart

1 **The Bank Deposit Guarantee Fund and Its Administrative Framework**

- 9** The FGDB's Administration and Management
- 10** The FGDB's Activities in 2024
- 16** The FGDB's Risk Management Framework
- 19** Business Continuity
- 19** Internal Audit Within the FGDB

2 **The 2024 Background and Regulatory Framework**

- 21** The 2024 Background and Regulatory Framework
- 22** International Framework and Framework Regulating the Activity of Deposit Guarantee Schemes
- 24** European Framework for Crisis Management and Deposit Guarantee
- 29** Internal Regulatory Framework
- 31** Developments in the Banking Sector in the European Union and in Romania
- 36** Cooperative Relations at the National Level
- 38** International Activities

3 **Deposit Guarantee**

- 39** Deposit Guarantee
- 40** Evolution of Deposits in 2024
- 49** The Payout Process
- 51** Inspection Visits at FGDB-Affiliated Credit Institutions

4 **FGDB-Managed Financial Resources**

5 **Liquidation of Failed Banks**

- 65** Liquidation of Failed Banks
- 66** Results of the Liquidation Process at Banks Where the FGDB is Creditor or Liquidator
- 72** Recovery of the FGDB's Claims

7 **The FGDB's Financial Statements**

6 **Public Information**

ANNEXES

- 105** Abbreviations
- 106** Definitions
- 107** Deposits with FGDB-Member Credit Institutions as at 31 December 2024
- 109** List of FGDB-Member Credit Institutions as at 31 December 2024



Chairperson

Lucian Croitoru
Advisor to the Governor
National Bank of Romania

SUPERVISORY BOARD

AUDIT COMMITTEE



Chairperson of the Audit Committee

Dan Costin Nițescu
Advisor to the Governor
National Bank of Romania



Alina Mirela Petre
Director
Ministry of Finance



Demetrian Octav Magheru
Strategy Consultant
National Bank of Romania



Lucia Sanda Stoenescu
Senior Expert
National Bank of Romania



Petru Valentin Diaconu
Expert
National Bank of Romania



Nicoleta Cîrciumaru
ANAF President
Ministry of Finance*

* member of the FGDB's Supervisory Board in the 25 April 2024-28 January 2025 period. Previously, over the period spanning 28 December 2022 - 25 April 2024, Mr. Ștefan Nanu, General Director in the Ministry of Finance, was a member of the FGDB's Supervisory Board.

ORGANISATIONAL CHART

EXECUTIVE BOARD

Deputy General Director



Adriana Sîvu

Deposit Guarantee,
Bank Resolution and
Liquidation Department

Deposit
Guarantee
Subdivision

Monitoring
Subdivision

Bank Resolution
and Liquidation
Subdivision

Risk Management
and Financing
Policies Department

Administration and
Logistics Department

General Director



Petre Tulin

Legal Department

Treasury
Subdivision

Organisation and
Human Resources
Subdivision

Public Relations
and Communication
Department

Financial Director



Simona Nițu

Finance and Accounting
Department

Finance
Subdivision

Accounting
Subdivision

IT Department

Advisors to the
Executive Board

Assets and Liabilities
Management
Committee

Compliance and
Supervisory Board's
Secretariat

Internal Audit Subdivision

This Organisational Chart has been valid since December 2024

Until 16 December 2024, the office of Financial Director was held by Mr. Vasile Bleotu.



CHAPTER 1

THE BANK DEPOSIT GUARANTEE FUND AND ITS ADMINISTRATIVE FRAMEWORK

The FGDB's primary mission is to guarantee the deposits which individuals and enterprises hold at credit institutions authorised by the National Bank of Romania.

The FGDB is Romania's sole statutory deposit guarantee scheme¹ to which all the credit institutions authorised by the National Bank of Romania are affiliated².

Over the years, increased responsibilities related to the management of the bank resolution fund have added to the institution's deposit guarantee function following the transposition into national legislation of the European framework for the recovery and resolution of credit institutions, along with activities to apply the early intervention and bank resolution measures decided by the National

Bank of Romania in its capacity as competent authority and, respectively, resolution authority³.

In terms of activities related to the application of early intervention and credit institution resolution measures, the FGDB may act as:

- temporary administrator of a credit institution where early intervention measures are applied;
- special administrator of a credit institution undergoing resolution;
- shareholder of a bridge institution;
- shareholder of an asset management vehicle

As an outcome of the expansion of its role in safeguarding financial stability, the FGDB currently stands among deposit guarantee schemes whose mandates of functions and responsibilities go beyond the basic mandate which is limited to the mere reimbursement of guaranteed depositors⁴. The FGDB's range of activities also includes intervention when a credit institution goes through a process of liquidation. Consequently, the FGDB may act as sole liquidator of credit institutions where the National Bank of Romania orders dissolution followed by liquidation or where shareholders initiate liquidation proceedings.

Furthermore, the FGDB continues to perform its tasks as liquidator of two failed banks – *Banca Română de Scont (BRS)* and *Banca Turco-Română (BTR)* – appointed under a court decision issued as far back as 2002, in line with legislation in effect at that time. The FGDB will retain its role as court-appointed liquidator of the two banks only until bankruptcy procedures have come to an end⁵.

Due to the responsibilities assigned to it under the law and its contribution to the maintenance of financial stability, the FGDB was granted observer status to the National Committee for Macroprudential Oversight (CNSM), an interinstitutional cooperation structure consisting of representatives of the National Bank of Romania, the Financial Supervisory Authority, and the Government⁶.

The increasingly stronger cooperation among deposit guarantee schemes in the European Union's member states led to the conclusion, in the autumn of 2016, of a Multilateral Cooperation Agreement between deposit guarantee schemes within the European Union. The Agreement was prepared by the European Forum of Deposit Insurers (EFDI) and validated by the European Banking Authority (EBA). The FGDB was among its first signatories.

This agreement includes a common set of standards, instruments and models related to the operational aspects of the cooperation between deposit guarantee schemes. On this basis, the FGDB is empowered to act

as compensation paying agent on behalf of the deposit guarantee schemes in the home countries within the European Union of the credit institutions that operate branches in Romania.

Moreover, as part of the cooperative relationship between deposit guarantee schemes and in order to provide the infrastructure needed for both cross-border payouts and information exchanges, a central secure system – called the *EDDIES*⁷ – for the exchange of files between the deposit guarantee schemes of the member states was developed and implemented within the European Union.

THE FGDB'S MAIN LINES OF ACTION IN 2024

- safeguarding of deposits held at affiliated credit institutions;
- management of the bank resolution fund;
- court-supervised liquidation of the two failed banks where it acts as liquidator.

The year 2024 was yet another year when no recovery or resolution measures were needed in Romania as the financial and banking system remained solid despite geopolitical and macroeconomic uncertainty.

¹ Compliant with the provisions of *Law No. 311/2015 on deposit guarantee schemes and the Bank Deposit Guarantee Fund*, with subsequent amendments and completions, which took effect on 14 December 2015 transposing into national legislation Directive 2014/49/EU on deposit guarantee schemes.

² The List of FGDB-Member Credit Institutions is given in Annex 4.

³ *Law No. 312/2015 on the recovery and resolution of credit institutions and investment firms and amending and complementing legal acts in the financial sector, with subsequent amendments and completions*, which incorporated into national legislation Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU of the European Parliament and of the Council, as well as Regulation (EU) no. 1093/2010 and Regulation (EU) no. 648/2012 of the European Parliament and of the Council.

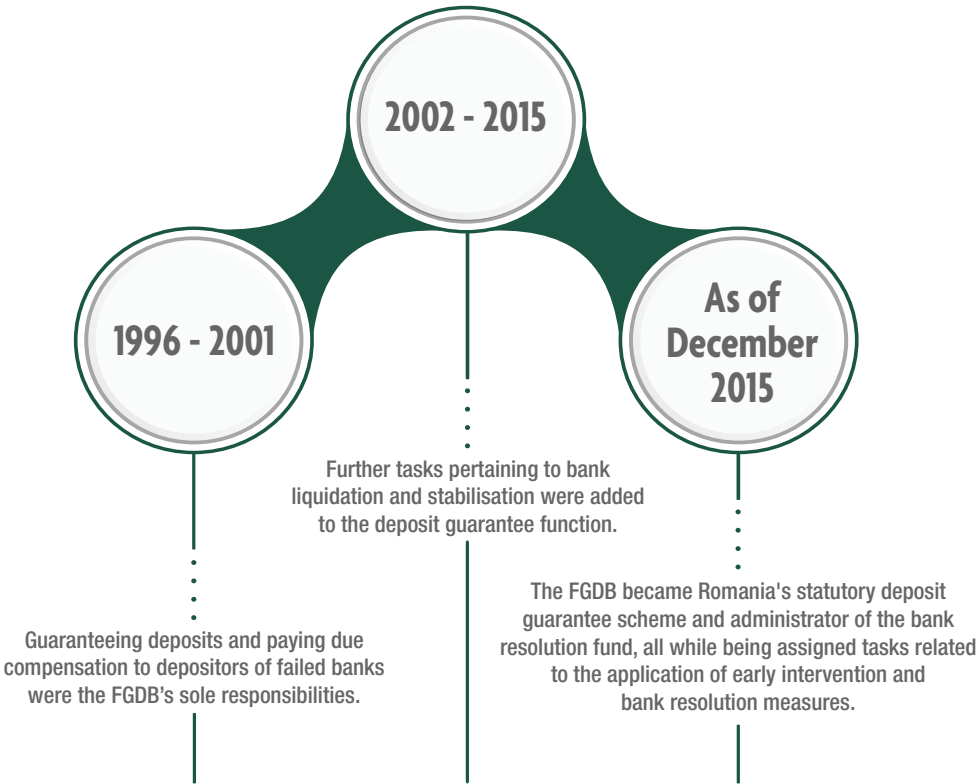
⁴ The mandates of deposit guarantee schemes have evolved as more and more schemes have assumed responsibilities that go beyond their basic function of disbursing payouts (the paybox type) and towards more comprehensive mandates that also include tasks related to bank resolution (the paybox plus type).

⁵ With *Law no. 311/2015* taking effect, the FGDB may no longer act as court-appointed liquidator of credit institutions.

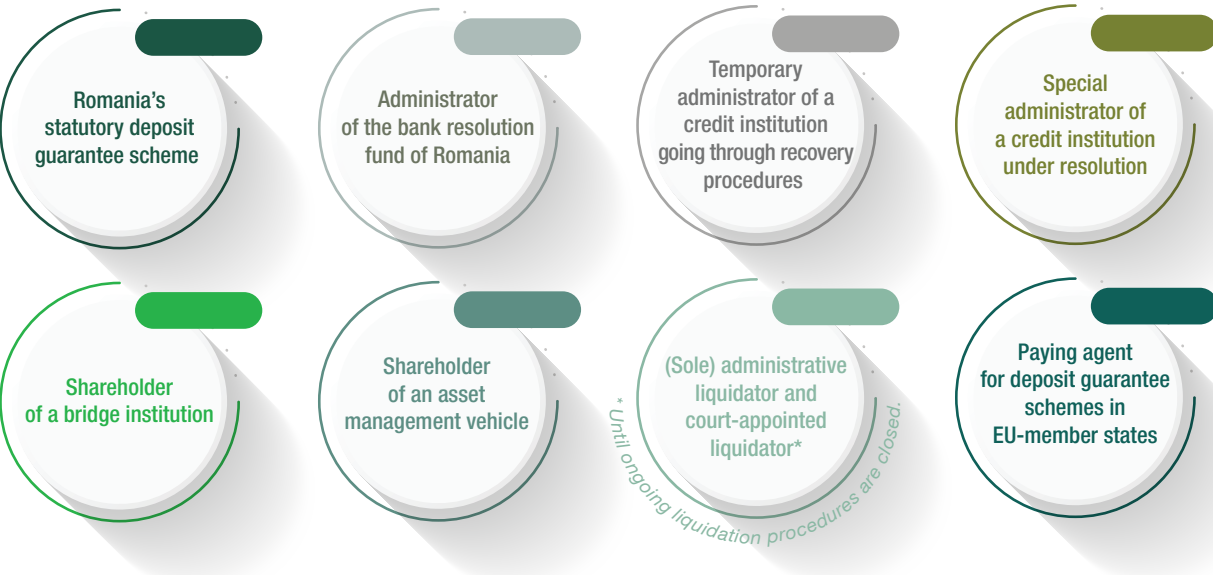
⁶ For further details, see Chapter 2, the section on *Cooperative Relations at the National Level*.

⁷ EDDIES - European DGS to DGS Information Exchange System. The FGDB joined EDDIES in 2018.

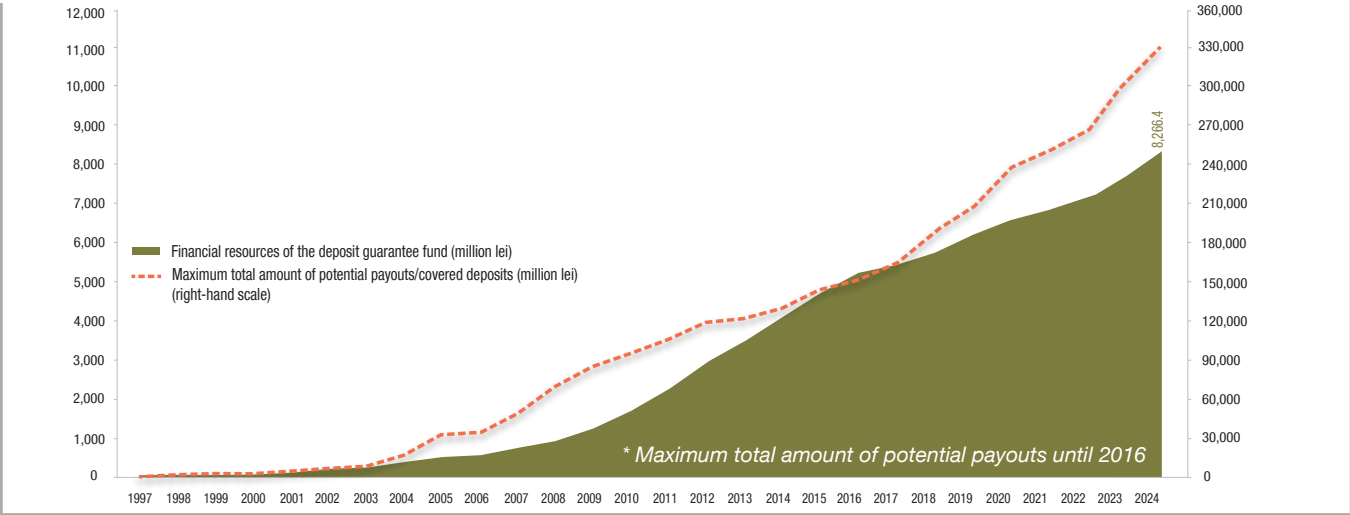
The Aim and Functions of the FGDB



Depositor Protection and Contribution to Maintaining Financial Stability



Evolution of the Deposit Guarantee Fund and of Covered Deposits* from the FGDB’s Creation to 31 December 2024



• **Recovery of the FGDB’s Claims Arising from its Payouts**

The FGDB’s total reimbursements to the guaranteed depositors of the seven banks that went out of business in Romania over 1999-2006 stand at 512.2 million lei. To recover the compensation paid, the FGDB asserted its right of subrogation to the depositors’ rights, thus becoming a creditor of the failed banks. Over the years, the FGDB saw shifts in its place on the creditor priority

list¹⁶, depending on the legislation in effect at the time bankruptcy procedures opened for each of the seven banks, a situation that impacted the claim recovery process¹⁷. In the aggregate, on 31 December 2024, the FGDB had recovered 36.22 percent of its payouts to guaranteed depositors of the collapsed banks¹⁸.

Management of the Bank Resolution Fund

Following the 2015 implementation into national legislation of the European framework for the recovery and resolution of credit institutions, the bank resolution

fund of Romania¹⁹ was set up by taking over the financial resources of the bank restructuring fund, previously administered also by the FGDB.

¹⁶ The FGDB’s claims resulting from compensation payments were initially classified as unsecured claims according to the order of payment of claims stipulated by the general insolvency framework (*Law No. 64/1995*). In October 2001, the bank failure framework was amended (*Law No. 83/1998*) to include a sequence of payments of claims specific to the banking sector, a move that allowed the FGDB’s claims to move up to the fourth position in the creditor hierarchy, thus ranking equal to budgetary claims. According to provisions of the Insolvency Code – *Law No. 85/2014 on insolvency prevention procedures and insolvency proceedings*, with subsequent amendments and completions – the FGDB’s claims arising from payouts (as well as from funds going to resolution measures) are currently assigned second priority in the order of payment of claims, ranking ahead of budgetary claims which occupy the fifth position.

¹⁷ That ratio ranged from 25.9 percent to 46 percent in the case of the banks that collapsed before the year 2001 and 100 percent in the case of the banks that failed in 2002.

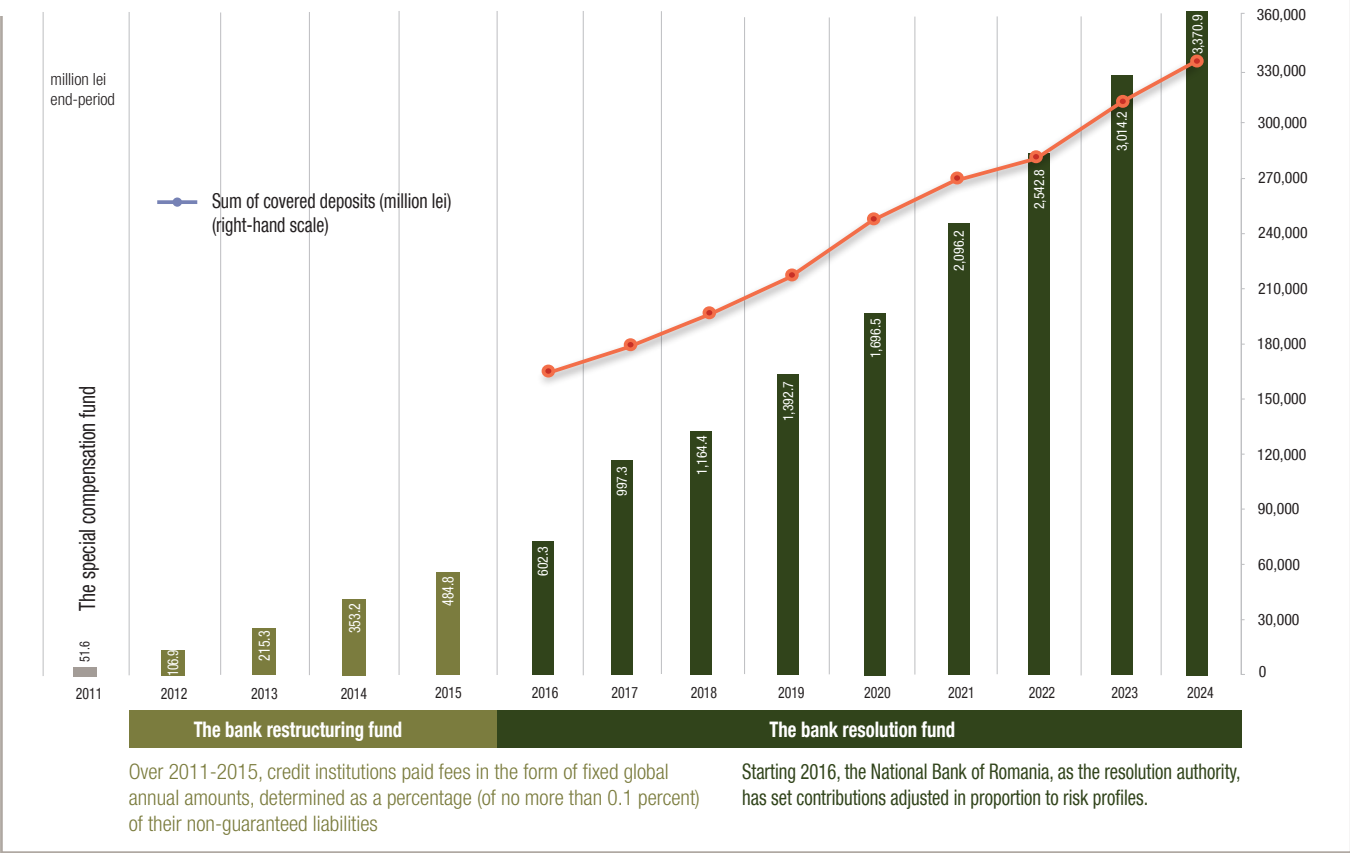
¹⁸ See Chapter 5 – *Liquidation of Failed Banks*.

¹⁹ The bank resolution fund was created based on Law No. 312/2015 by taking over the financial resources of the bank restructuring fund which was set up in 2012 by taking over the resources of the special compensation fund established in 2010 to compensate persons adversely affected by measures ordered implemented during the special administration of credit institutions.

The financial means of the bank resolution fund serve to finance the resolution measures which the National Bank of Romania, in its capacity as resolution authority, decides. At the end of 2024, those resources amounted to 3,370.95 million lei²⁰, posting a year-on-year rise of 11.8 percent. The FGDB has been managing this fund since its very creation and its financial means have been rising with every passing year thanks to the absence of events requiring their use.

The National Bank of Romania, as the national resolution authority, sets the amounts member credit institutions are to contribute to the bank resolution fund based on their individual risk profile and also decides on the use of the financial resources of this fund in the application of various resolution tools.

Evolution of bank resolution fund resources and of covered deposits up to 31 December 2024



²⁰ This amount also includes the distributed portion of the 2024 profit which is to be capitalised after the financial statements have been approved.

Court-Supervised Liquidation Proceedings at the Two Failed Banks Where the FGDB Acts as liquidator

In 2024, the FGDB continued to act as court-appointed liquidator of *BRS* and *BTR*, two banks which collapsed in 2002 when the FGDB got its appointment under a court order.

Although *Law No. 311/2015* no longer lists court-supervised liquidation among its duties, the FGDB will further implement the mandate it received before 2015 until bankruptcy procedures for the two failed banks close.

THE FGDB’S ADMINISTRATION AND MANAGEMENT

In line with legal provisions, the FGDB’s administration and management are based on a two-tier board structure consisting of the Supervisory Board and the Executive Board. The exercise of administration and management powers relies on standards of good governance and transparency. The activities and decisions of both the

As part of liquidation procedures for the two banks, further action was taken in 2024 to provide for legal case management, recovery of claims and capitalisation of *BRS*’s assets. Throughout the period of liquidation procedures for the two banks until 31 December 2024, funds were distributed to 47 percent of the body of creditors of *BRS* (the highest percentage of satisfaction of creditors of ruined banks), and, respectively, to 43 percent of the body of creditors of *BTR*²¹.

Supervisory Board and the Executive Board, according to the area of competence of each of these two structures, permanently aim at observing the principles of good corporate governance in order to fulfil the strategic targets set down in the mandate entrusted to the FGDB.

The Supervisory Board

The Supervisory Board consists of seven members, of which five are representatives of the National Bank of Romania (with the Board’s Chairperson designated from among them) and two members representing the Ministry of Finance.

The Supervisory Board’s duties and responsibilities relative to the permanent control of current activities are laid down in the legislation governing the organisation

The Audit Committee

The Audit Committee, which operates within the FGDB to consolidate the corporate governance system, is an independent consultative body comprised of three Supervisory Board members. The Audit Committee exercises its powers mainly by monitoring the effectiveness of the governance, internal control, internal audit, and risk management systems within the FGDB and assessing and monitoring the extent to which the

and operation of the FGDB, as well as in the institution’s Statute, providing for a solid and transparent framework for administration and management. In 2024, the Supervisory Board passed 55 decisions referring to specific actions, the FGDB’s funding policy, the strategy for investing financial resources, the revenue and expenditure budget, the annual financial statements and the annual activity report, as well as the FGDB’s activities in its capacity as creditor or liquidator of failed banks.

independence of the statutory auditor or auditing firm is safeguarded.

The Audit Committee assists the Supervisory Board in performing its responsibilities related to overseeing and supervising the process of preparing and updating the FGDB’s general development strategy. Furthermore, by monitoring internal audit activities, the Committee plays

an important role in safeguarding the independence of the internal audit function within the FGDB.

The Audit Committee meets on a quarterly basis or as often as necessary and its meetings are convened either by its Chairperson or by the Chairperson of the Supervisory Board. The meetings of the Audit Committee are regularly attended by internal auditors representing the Internal Audit Department. Depending on the issues on the agenda, Executive Board members, external

The Executive Board

The Executive Board, which is composed of three members designated by the Supervisory Board and approved by the Board of Directors of the National Bank of Romania, manages the FGDB’s daily business. The Supervisory Board oversees the activity of Executive Board members, whose targets, duties, and responsibilities are laid down in the mandates entrusted to them.

In the activities they carried out in 2024, both the Supervisory Board and the Executive Board focused on achieving the FGDB’s strategic goals as they had been set for the respective year, including:

- To maintain the financial resources of the guarantee scheme at adequate levels and to optimally manage those resources, as well as the financial means of the bank resolution fund;

THE FGDB’S ACTIVITIES IN 2024

Throughout 2024, the FGDB pursued lines of action set for a one-year period in consideration of the operational requirements laid down in applicable legal regulations and of the best practices in bank deposit protection. As against multiannual plans, that annual approach answered the economic and social realities in Romania impacted as they were by the war in Ukraine and the effects of the energy crisis and of high inflation, which reflected on the

auditors, or representatives of the FGDB’s organisational structures may also attend, as guest participants, in order to provide necessary information.

In 2024, the Audit Committee convened five times. The respective meetings looked into and endorsed documents regulating and planning internal audit activities and analysed the results of the internal audit missions and their performance, as well as regular activity reports.

- To consolidate the FGDB’s operational capability;
- To promote the image of the FGDB and raise public awareness of its role in maintaining financial stability;
- To develop national and international cooperation.

Moreover, the Executive Board submitted for the Supervisory Board’s approval or, where appropriate, endorsement, a set of regulations referring to various aspects of FGDB activities, as well as significant documents on the risk management framework, the financial statements, the revenue and expenditure budget, the list of credit institutions mandated to disburse payouts, the annual report, and proposals related to the FGDB’s strategic targets, which will be outlined further in this Report.

institution’s activities in particular. A return to multiannual activity plans will be possible when more elements for analysis and greater predictability are in place.

Here below are the top strategic goals the FGDB pursued in 2024:

²¹ For further details on the court-supervised liquidation of *BRS* and *BTR* read Chapter 5 – *Liquidation of Failed Banks*.

To maintain the financial resources of the guarantee scheme at adequate levels and to optimally manage those resources, as well as the financial means of the bank resolution fund

The FGDB must secure adequate levels of financial resources in order to be able to fulfil its mandate that includes compensation payments and/or funding of resolution measures, all while observing the deadlines set by current legislation. This goal has been a constant of the FGDB's activity, as reflected in the target level for funds which stood at 2.47 percent on 31 December 2024, which is more than three times higher than the funding level of minimum 0.8 percent of covered deposits set within the European Union.

Furthermore, in order to consolidate its financing capability, the FGDB took steps, as early as 2019, to implement alternative funding mechanisms allowing it to get the short-term funding needed to fulfil its legal duties. Specifically, under a pilot programme for deposit guarantee schemes, the FGDB took out a loan acting as contingent credit line from the International Bank for Reconstruction and Development (IBRD) as an integrant part of the process of properly managing its financial resources. According to the terms of the contract, the loan was concluded for a period of five years: 28 June

To consolidate the FGDB's operational capability

• Implementing Payment Commitments

Given that both *Law 311/2015* and *Law 312/2015* provide for the possibility that part of the contributions owed by credit institutions to the deposit guarantee scheme and the bank resolution fund may be in the form of payment commitments, in 2024 the FGDB further worked to develop and implement a system allowing of the operationalisation of payment commitments.

To this end, the FGDB focused on actions to amend *Government Ordinance No. 9/2004 on financial collateral*

2023 - 28 June 2028. The FGDB updated the framework for policies and procedures related to alternative funding mechanisms, which was approved by the Board of Directors of the National Bank of Romania in a meeting held on 16 December 2024. The novelty in the updated version is the possibility of expanding the scope of alternative funding arrangements to include bond loans.

At the same time, the FGDB developed a procedural framework to create an opening for getting loans from other deposit guarantee schemes within the European Union. So far, this alternative funding mechanism has not been used in practice at the European Union level because of the legal, procedural and financial constraints which deposit guarantee schemes have to surmount in order to be able to grant such loans.

Essentially, deposit guarantee schemes are not interested in reciprocal lending as that might diminish their individual funding level impacting their funding capability to intervene in the markets where they operate.

arrangements, with subsequent amendments and completions (GO 9/2004).

During the talks between the National Bank of Romania and the FGDB on the results of the analyses the FGDB conducted and on the solution proposed – namely, having the FGDB included in the scope of Article 3 of GO 9/2004 as an accepted category for taker and provider of the financial collateral – several aspects were discussed, including (i) the FGDB's dual capacity as financial collateral

taker and provider, (ii) the applicability of relevant EBA Guidelines provisions to the payment commitments to the resolution fund, (iii) the need to amend GO 9/2004.

At present, the draft legal act follows the approval circuit initiated by the Ministry of Finance, with the remark that the timing of updating the legislative framework has a direct impact on the timespan needed to operationalize payment commitments.

The legislative process of amending GO 9/2004 will go hand in hand with the FGDB's actions to:

• Running Stress Simulation Exercises

Abiding by a multiannual stress simulation programme, over 28 February–6 March 2024, the FGDB conducted an exercise to test its financial capability in managing crisis situations. On the one hand, the stress test was intended to assess the viability of the mechanisms likely to acquire, even in conditions of a liquid market, the resources needed to start compensation payments within seven working days of the date deposits at an affiliated credit institution became unavailable. On the other hand, the exercise checked the running time of operational processes during such an intervention.

The exercise primarily focused on the mobilisation and management of the financial resources needed in the payout process, all while assessing the potential gap between financing needs and available resources as well as the FGDB's capability to access the alternative funding mechanisms at its disposal.

The results of the stress test showed that the available resources of the deposit guarantee scheme were at adequate levels allowing it to meet its legal obligations, which enables the FGDB to intervene effectively in any payout situation. Furthermore, the exercise highlighted the importance of maintaining a balanced structure of the portfolio of financial investments so that, in situations of market stress, they can be liquidated quickly, thus mitigating associated risks.

At the same time, exercise results pointed to the need to consolidate interinstitutional cooperation mechanisms

- finalise the internal regulatory framework for payment commitments;
- decide on the procurement of IT services for a payment commitments module and set the contractual framework;
- prepare the functional requirements for the development and implementation of a collateral management application software and develop the technical infrastructure allowing of the operationalisation of payment commitments;
- establish an agent bank in relation with the SaFIR securities depository and settlement system and the framework for working with it.

by clearly setting the responsibilities incumbent on each of the members of the financial stability network that interact with the FGDB during market interventions.

On 15 November 2024, for the second time since 28 June 2023 – the date the contingent credit line became effective – a joint team grouping representatives of the FGDB, the National Bank of Romania and the World Bank ran one more exercise to test the access to that loan facility.

During the exercise, a drawdown of proceeds was simulated under a scenario where the deposit guarantee scheme was to finance from its own resources a set of bank resolution measures ordered by the National Bank of Romania.

With all the stages of the drawdown of loan proceeds covered, the general conclusion was that, technically, the FGDB had access to the IBRD platform (<https://clientconnection.worldbank.org>), could give notice of trigger events and could request drawdowns. From the IBRD's perspective, the test showed that the internal flow was adequate for receiving/processing the FGDB's notifications/drawdown requests, as well as for analysing and approving the release of the requested contingent credit proceeds. Furthermore, the stress test was relevant also in point of information exchange between the FGDB and the central bank in its capacity as bank resolution authority.

Over 2022-2024, in compliance with recommendations under European Banking Authority’s Revised Guidelines on the stress tests of deposit guarantee schemes (EBA Guidelines), the FGDB ran a full cycle of core tests. Upon completion of that cycle, the FGDB reported the results of each stress test to the EBA, also making an assessment of its overall resilience.

The report submitted to the EBA, in keeping with the reporting deadline of 16 June, 2024, shows that the FGDB has the operational and financial capability to fulfil its tasks within the deadline set by applicable legislation.

• **Implementing Alternative Compensation Disbursement Methods**

Given the general trend towards digitalization and in view of the good practices in cross-border compensation payments, the need became apparent to impart flexibility to this area in consideration of the latest tendencies in Europe and of developments in information and communication technologies.

In this respect, one of the amendments to Law No. 311/2015 as Law No. 42 came into effect in March 2022, sets a framework for securing flexibility in payout disbursements.

With these considerations in mind, the FGDB carries out an extensive project (the MAPC project) for the implementation of modern repayment modalities as alternatives to payouts through mandated banks. For this project to take shape, account was taken of current tendencies towards digitalising the payout process and increasing its efficiency, the practice of other guarantee schemes within and outside the European Union, as well as the need to adapt reimbursement methods to the level of financial education and digital knowledge of various categories of depositors.

Areas where improvements can be made include (i) communication with the National Bank of Romania, already tackled since a bilateral cooperation agreement was revised and is to be signed; (ii) cyber security, an issue already addressed following the external audit conducted in 2024 whose recommendations were/are being implemented; (iii) website capacity, which is to be tested after the launch of the FGDB’s new webpage scheduled for 2025.

The analyses and research work conducted as part of the MAPC project²² showed that the optimal solution for the FGDB would be disbursements via a web platform, ideally in the customer frontend variant. For this purpose, the FGDB designed a possible workflow, built in line with national legislation and relevant recommendations.

Meeting all requirements for the safe and secure login of depositors and ensuring platform availability for a large number of users are key challenges in building such a system.

Given the complexity and unique character of this project, the FGDB highlighted the need for external consultants specialising in preparing – including in establishing all the particulars needed when preparing the procurement documentation – and launching the process of public procurement of the services of suppliers specialising in the development and implementation of the payout web platform, as well as in assessing bids.

To promote the image of the FGDB and raise public awareness of its role in maintaining financial stability

The FGDB represents one of the pillars behind the system that provides for financial stability and makes a significant contribution to maintaining public confidence in the safety of money held at credit institutions.

Communication with the public, while providing them, in a constant and transparent manner, with information about depositor protection in the event a credit institution runs into difficulties, is an essential factor in maintaining the stability of the banking system, particularly in the persistently uncertain global economic and geopolitical context of the current times.

In this respect and as far as communication is concerned, the FGDB has continuously aimed at raising public awareness of deposit protection and of the mission of the deposit guarantee scheme, thus contributing to boosting public trust in the banking system and to stimulating savings.

The experience so far of the FGDB, but also of other deposit guarantee schemes, suggests that raising awareness in times of calm on financial and banking markets is a long-term process, which calls for sustained actions, tailored to different segments of the population, so as to make sure messages are well understood and retained by the target audience.

For the first time ever, over July-August 2024, the FGDB joined the National Bank of Romania, the Ministry of Education, the Romanian Association of Banks and the Romanian Banking Institute to take part in more than 15 economic and financial education workshops which were attended by around 600 pre-university teachers in 17 towns across the country. The respective project was intended for secondary and high school teachers in their capacity as instructors and transmitters of educational messages to their students.

Furthermore, besides holding its own contest – the “Costin Murgescu” Contest for Economic Research, at its 13th edition in 2024 – the FGDB, as partner of the National Bank of Romania, co-organised the second edition of the "Eugeniu Carada" National Financial Education Contest.

In July 2024, the FGDB and the “Costin C. Kirițescu” National Institute for Economic Research – a structure of the Romanian Academy – concluded a cooperation framework agreement. Their cooperation mainly targets project development in the area of financial education and the preparation of studies, reports, analyses, and so forth dealing with topics of interest that cover FGDB activities. Other goals include the joint preparation of scientific papers and publications and exchanges of scientific information, of statistical and technical data, of papers and specialised publications, of experience and knowhow, as well as of good practices.

In 2024, the FGDB undertook various public information actions in the media and the FGDB General Director attended several events with a broad audience where he gave presentations about Romania’s deposit guarantee scheme and the protection extended to depositors.

In the second half of 2024, the FGDB finalised the technical and functional requirements relating to another important project which is intended to upgrade the FGDB’s website in point of design, technical performance and functionalities, including security measures to prevent cyberattacks which were more frequent and more sophisticated over the past year.

²² The research work essentially meant analysing the workflows in other states, such as Germany, Norway, Spain, Austria, Mexico and Brazil, which already implemented and utilized such platforms in the payout process.

To promote national and international cooperation

On a national scale, the Tripartite Cooperation Agreement between the National Bank of Romania, the Ministry of Finance and the FGDB, which came into force on 4 May 2023, underpinned the creation of a formalised framework to facilitate communication and the run of activities towards fulfilling the powers incumbent on the three institutions as they result both from their direct participation in safeguarding financial stability and from the provisions of the applicable legal framework.

The FGDB approached the National Bank of Romania and the Ministry of Finance to establish a joint communication platform, while the bilateral accords issued in line with the provisions of the Tripartite Agreement entered the signature workflow.

As for the FGDB's cooperation with the National Bank of Romania, a joint project is underway which aims at developing and implementing a scheme to compensate investors, retail clients of credit institutions, by extending the FGDB's scope of business. That project was approved in a meeting the Board of Directors of the National Bank of Romania held on 28 April 2021.

Internationally – and in light of the extended tasks incumbent on deposit guarantee schemes – the FGDB is represented to the project-specific working groups within the EFDI, while the General Director is a member of the EBA's Task Force whose main duty is to monitor the implementation of provisions under *Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes*.

At the same time, the General Director represents the FGDB to the EFDI EU Committee grouping the executive managers of the deposit guarantee schemes operating

across the European Union. In 2024, the FGDB was an active presence within the EFDI, contributing to the documents prepared by various working groups on cross-border cooperation, stress tests, risk management, public relations and communication, and giving presentations during several events.

In October 2024, the FGDB's General Director attended the IADI's General Meeting of deposit insurers, taking part in the debates on revisions to the *Core Principles for Effective Deposit Insurance Systems*, worked out by the IADI in cooperation with the Bank for International Settlements, and in the approval of that pivotal document which contains globally recognised principles and standards serving the smooth operation of deposit guarantee schemes. The adoption of the revised *Core Principles* by deposit guarantee schemes will boost their effectiveness and will contribute to aligning the operational and procedural framework to recent developments in the financial and banking sector, such as digitization of banking services and cooperation with resolution authorities to resolve systemic banks.

The FGDB, acting as the deposit guarantee scheme of the host country, and the deposit guarantee scheme of France, in its capacity as deposit guarantee scheme of the country of origin²³, ran a joint exercise in December 2024 to test communication with depositors assuming that deposits at one of the French banks with branches in Romania had become unavailable.

The exercise tested file exchanges between the two guarantee schemes with the help of EDDIES²⁴, as well as their coordinated actions to communicate coherently and simultaneously with depositors in the two countries. Moreover, the materials intended for the public were

translated and adapted so as to secure an efficient, clear and accurate communication with the depositors in Romania of the branch of the French bank.

RISK MANAGEMENT

Risk management continued to be one of the FGDB's strategically important activities, making a pivotal contribution to consolidating the institution's reputation and to getting optimal financial results, including the increase in available financial resources at a sustainable rate. Risk management abides by the guidelines set under the risk management strategy and policies which help maintain the organisation's risk profile at an adequate level, in line with the goals approved by the Supervisory Board.

In 2024, the main target of the policies and strategy for the management of the FGDB's significant risks was the consolidation of a caution-oriented risk culture and the maintenance of a low-risk profile apt to both safeguard depositors' interests and the FGDB-managed financial resources, all while complying with applicable legislation and regulations.

The FGDB's risk management system, which is a three-lines-of-defence model, covers the whole range of significant risks to which the organisation is exposed, contains the specific processes, applications and procedures in use and includes the tasks and responsibilities related to risk management which are assigned to each organisational structure and to the audit and risk management function.

The FGDB, together with representatives of the National Bank of Romania and of the Ministry of Finance, also takes part in the virtual meetings of the resolution colleges organised by the Single Resolution Board.

In 2024, the FGDB effectively implemented its own significant risk management mechanisms, as set under applicable internal regulations, based on tools that help automate the processes of assessing and reporting significant risks and monitoring the overall risk profile through the agency of the risk module of the organisation's integrated IT system²⁵. Moreover, in line with the regulatory framework for internal control, the risk register was updated in 2024, offering genuine support to the executive management in their decision making and significantly contributing to consolidating the risk governance system within the FGDB.

The FGDB's evolution as an organisation, as well as the inherent shifts in internal and external factors which have influenced the institution's activity have required continuous monitoring of its risk profile and adequate adjustments of its risk management policies and strategy. Under such circumstances, the FGDB has focused on a set of risks that have evolved more rapidly in recent years under the impact of digitisation (cyber risk and personal data security risk) or of the larger number and greater complexity of the legislation applicable to its activities (compliance risk).

The main risk categories the FGDB addresses with the aid of specific instruments and measures are:

²³ The deposit guarantee scheme for the depositors of the branches in Romania of French banks Banque Paribas France S.A., BNP Paribas S.A. and BNP Paribas Personal Finance S.A.

²⁴ EDDIES – European DGS to DGS Information Exchange System is a central secure system for the exchange of files between the deposit guarantee schemes of member states providing for cross-border disbursements and information exchanges.

²⁵ The FGDB's integrated IT system has a significant contribution to improving the operational activity framework, mainly by: (i) integrating and automating workflows and processes, (ii) substantially mitigating the operational risk associated with processes, and (iii) streamlining activities and providing an adequate support for an effective risk governance.

- **credit risk**

In its capacity as statutory deposit guarantee scheme and administrator of the bank resolution fund, the FGDB assumes credit risk due to exposures to counterparties/ issuers meeting the eligibility criteria laid down in the annual strategy for the investment of financial resources. This type of risk is primarily managed via a comprehensive system of setting risk limits for: credit institutions, categories of credit institutions and other categories of

issuers (including international financial institutions). The observance of those boundaries is monitored and reported to the FGDB's management on a regular basis, while the limits may be revised during the course of a year if market/issuer/counterparty developments so require. Furthermore, the FGDB systematically monitors the risks ratings which international rating agencies assign to issuers.

- **market risk**

The FGDB is exposed to this type of risk when unfavourable shifts occur in the price of its financial instruments available for trading and in interest and currency exchange rates. This risk is monitored by marking to market such tradable instruments as trading securities, by monitoring potential losses (Value at Risk), by analysing the negative impact of the moves in interest rates (Scenario Analysis) and by setting alert and intervention thresholds.

Furthermore, with a view to assessing interest rate risk, the FGDB monitors the duration of the portfolio of tradable financial instruments. The portfolio duration indicator is also used when appraising the FGDB's overall risk profile. The FGDB will replenish its market risk management toolbox as its investment portfolio gains in complexity and diversity.

- **liquidity risk**

The chief target of the FGDB's liquidity risk management policy is to maintain a minimum monthly level of liquidity from available financial resources, which is recalibrated in step with market developments, as well as an adequate volume of trading securities and a balanced investment structure, and to implement/update alternative funding mechanisms to serve in case of contingencies.

Liquidity risk decreased significantly following the operationalisation of the contingent credit line from

the IBRD which represents a real liquidity buffer for the deposit guarantee scheme.

Moreover, owing to further repo conventions which the FGDB concluded with several credit institutions acting as primary dealers and to a similar accord signed with the National Bank of Romania, the Fund has consolidated its capability to monetise its government securities portfolio, should the need arise.

- **operational risk**

The risk of incurring losses or of failing to earn the estimated profits – which may be triggered by either the use of inadequate or inappropriate processes, systems, and human resources or by external events and actions – is inherent in any of the FGDB's activities. In identifying operational risks and implementing measures to eliminate/mitigate them, the FGDB mainly relies on self-assessments of risks and controls across its organizational structures.

As digitisation has expanded and cyber attacks have grown increasingly complex and wide-ranging, cyber risk and data security rank high among operational risks.

In particular, the FGDB has been monitoring these two operational risk subcategories – *cyber risk and personal data processing risk* – whose significance has grown of late following the higher level of automation of workflows and processes thanks to the implementation of the integrated IT system within the organisation and to the

possibility of remote work. Measurement/assessment scales and instruments based on specific indicators are in place for both these risk subcategories.

The improvement of risk monitoring and control mechanisms, as a result of the implementation of a procedural framework for risk management and of the specific risk management functions of the integrated IT system, provided the FGDB with a functional system for data collection and loss events reporting. The consolidation and optimisation of the internal regulatory

- **reputational risk**

The FGDB's reputational risk management policy is intended to avoid actions likely to trigger a negative perception on the part of depositors, the public at large and the other institutions within the financial stability network on the one hand and, on the other hand, to improve the operational framework, periodically update and test business continuity plans, and conduct stress simulation exercises.

- **strategic risk**

Strategic risk assessment is a component of the strategic planning process. The main potential sources of strategic risk are to be found in the FGDB's strategic plans referring to the target level for funds, organisational development, and the strategy for the management of available financial resources. In order to keep strategic risk levels within pledged limits, the FGDB periodically reassesses its strategic goals in relation to its accomplishments, and earmarks adequate resources to active prevention. The functional and effective governance system provided by the management structure, which consists of the Executive Board and the Supervisory Board, with the latter also including the Audit Committee, plays a major role in this respect.

framework allowing for an appropriate management of significant risks in general and of operational risk in particular, in keeping with the good practices developed by other deposit guarantee schemes, will remain in the FGDB's focus as strategically important goals.

The use of the previously mentioned instruments, as well as the degree of their sophistication will correlate with the volume and complexity of activities actually performed and with the level of exposure to operational risk by applying the proportionality principle.

Furthermore, the FGDB promotes systematic and open communication with the public, with member credit institutions (through the Romanian Association of Banks included) and the other members of the financial stability network.

The FGDB's management annually sets a target risk profile – the level of which is based on the FGDB's statutory duties and risk appetite – which synthetically expresses the sum total of the risks to which the institution is or will be exposed. The risk profile is appraised periodically, based on the evolution of the scores for identified significant risks, in order to maintain it within the assumed target. In turn, the respective target is assessed also periodically to guarantee that it stays in tune with both internal developments and shifts in external factors.

BUSINESS CONTINUITY

The Business Continuity Plan is an important component of the FGDB's security architecture and its testing at least annually has resulted in the organisation's higher operational resilience.

The key target of the test conducted in 2024 was to verify the ability to use the backup server to run operations from the FGDB's secondary location and to assess the possibility of carrying out activities from that facility in case of unavailability of the main headquarters.

The test showed that the data and application servers had been restored in a very short time and the users at the secondary location had been connected immediately, with no noticeable differences in the operation of the IT system.

The results of the testing revealed the existence of a functional connection between the secondary operation location and the Disaster Recovery Centre, which made it possible both to quickly restore a pair of servers of the integrated IT system and to remotely use the recovered servers without significant delays.

At the same time, the continuity plan test conducted in 2024 also verified the operation of the IT infrastructure in circumstances when the main headquarters became unavailable. During the exercise, alternative operating solutions, including backup resources, were activated in order to maintain the run of critical activities.

The test also showed that the process of restoring the critical infrastructure had been implemented within an optimal timeframe and user access to alternative operating systems had been free of noticeable disruptions.

An overall assessment of test results points to the functionality of the solutions the FGDB implemented in order to secure the continuity of its business which provide for the rapid restoration of critical systems under remote access conditions, without significantly affecting operational performance.

in order to make better use of material and human resources, thus contributing substantially to improving processes and consolidating corporate governance within the FGDB.

At the same time, the Internal Audit Department periodically monitored the progress made in implementing the recommendations formulated during the internal audit missions.

The residual risks appraised during the internal audit missions were generally low and the control measures that were adopted/implemented helped maintain those risks at acceptable levels.

Governance, risk management and internal control systems implemented within the FGDB were designed and operate so as to consistently fulfil the goals of all processes.

Residual risks remain largely acceptable owing to internal control measures. Specific management actions to

oversee processes and the adjustments to internal and external changes contribute to maintaining significant risks within the risk-appetite limits approved by the higher management.

Using specific tools, the internal audit function helped reinforce the internal control system and improve the efficiency and effectiveness of the assessed processes. Progress was made in optimising the risk management, internal control and governance systems which were created to allow the FGDB to fulfil its main targets related to depositor protection and financial stability.

The Internal Audit Department has always focused on the regulatory framework and the evolution of good practices in internal audit, as well as on related legislative and standardisation structures.

In this respect, permanent care was shown and the necessary steps were taken towards affiliation to the best practices in internal audit.

INTERNAL AUDIT WITHIN THE FGDB

The Internal Audit Department performs the internal audit function within the FGDB. This structure is functionally subordinated to the Supervisory Board, while its activities are overseen by the Audit Committee as a guarantee of its independence and objectivity, as laid down in the statute regulating the internal audit function within the organisation.

The essential aim of the internal audit structure is to help strengthen the organisation's capability to create, protect and sustain value by providing independent, objective, risk-based assurance, advice, perspective and foresight to the Supervisory Board and the management.

For the duration of their missions, the internal audit team assess identified risks, discern causes and potential consequences, and make appropriate recommendations

for their correction. Since their recommendations are economically feasible, they may be implemented and applied with financial/human/logistic costs proportionate with their contribution to streamlining FGDB activities.

The internal audit team's missions throughout 2024 focused on the procurement process within the FGDB, compensation payment channels, alternative financing mechanisms (preventive/contingent loans) and the FGDB's Business Continuity Plan. There was also a consultancy mission on the application of the revised regulatory framework for the implementation of the internal control system within the FGDB.

During their missions, the internal audit team constantly formulated opinions and recommendations intended to increase the efficiency and effectiveness of processes



CHAPTER 2

THE 2024 BACKGROUND AND REGULATORY FRAMEWORK

International Framework and the Framework Regulating the Activity of Deposit Guarantee Schemes

In 2024, despite mounting geopolitical tension triggered by the war between the Russian Federation and Ukraine and the conflict in the Middle East, the high level of economic and financial uncertainty and the multiple challenges and unforeseen changes, including political elections in a significant number of countries, global economy experienced only a minor impact and continued to advance.

Global Gross Domestic Product (GDP) in 2024 increased by 2.7 percent in real terms, a growth rate similar to that of the previous year²⁶. The European Union's economy experienced recovery in 2024, moving up one percent, more than twice the rate of the previous year²⁷. The growth rate in the euro area was 0.9 percent (adding 0.5 percentage points to the 2023 level). The driver of the upturn in the economy was higher consumption due to a rise in real household incomes, the solidity of the labour market and a more relaxed monetary policy on the back of easing inflation.

In 2024, GDP in the United States of America climbed by 2.8 percent, reflecting increases in consumer spending, investments, government spending and exports²⁸.

In Asia, in 2024, China's economy slowed down to 4.9 percent from 5.2 percent in 2023, while Japan's economy continued to stagnate. Developments in various parts of the globe point to the persistent economic growth disparities between them.

Economic growth in the European Union lagged behind the United States due to differences in

productivity and competitiveness caused mainly by higher energy costs, the green transition and stricter regulations.

At the same time, the slowdown in investments negatively affected economic growth in the European Union. Many European companies postponed their investment plans due to an uncertain economic and political outlook and relatively high financing costs as a result of previous restrictive monetary policies.

On the other hand, overall trade volumes in the European Union showed fluctuations throughout 2024, with exports negatively impacted by the energy shock and issues related to price uncompetitiveness.

Despite a 3.7 percent rise in global trade in 2024²⁹, geopolitical developments, trade tensions, and a growing tendency to impose protectionist measures led to a reshaping of international trade and a noticeable fragmentation of the global economy.

The 2024 rate of inflation followed a downward path in most countries on the back of lower energy prices, tempered increase in commodity and food prices, and the effect of tight monetary policies. Globally, the inflation rate for 2024 is estimated at 5.7 percent³⁰, one percentage point less than the previous year.

Throughout 2024, the European Central Bank (ECB) gradually eased restrictive monetary policy measures, successively lowering the rate on the deposit facility, the interest rate on the main refinancing operations and the rate on the marginal lending facility in June, September, October and December 2024³¹. Interest on the deposit facility saw a one percentage point drop from the 2023 level to stand at three percent in December 2024³².

The Federal Reserve of the United States cut the federal funds rate target range over the course of 2024³³, from a range between 5.25 percent and 5.50 percent in September to 4.25 percent to 4.50 percent at end-December³⁴.

Despite some episodes of volatility, financial markets remained relatively calm in 2024.

Although in 2024 credit institutions operated against an uncertain and volatile macroeconomic backdrop, the global banking sector remained stable. Unlike the previous year, there was no turbulence to affect systemically important credit institutions³⁵.

Data on economic and banking sector indicators in the European Union and in Romania are given further in the present Chapter, in the section on *Developments in the Banking Sector in the European Union and in Romania*.

Against the 2024 background of rapid moves in the economic and financial sector, and challenges linked to growing geopolitical, technological and cyber risks, as well as risks associated with climate change and the environment, credit institutions made further progress in adapting to structural environmental changes and digital transformation and in consolidating their resilience to potential shocks.

Developments in the financial and banking sector, digitisation and technological progress pose significant challenges also to institutions and authorities that back the so-called financial “safety nets”³⁶, as a fine cooperation between supervisory authorities, resolution authorities and deposit guarantee schemes is essential in avoiding crises and maintaining financial stability.

As was the case with the 2023 collapse of some banks, fuelled by depositors' concerns amplified via social media,

the bank run phenomenon with massive withdrawals could spread quickly due to the possibility of instant transfers using various banking applications (for instance, internet banking or mobile banking). Such an event could rapidly deteriorate a bank's financial situation, eventually leading to its distress.

Under such circumstances, the revision of the European crisis management and deposit insurance (CMDI)

framework remained the key concern for European Union authorities and institutions in 2024.

Furthermore, the professional associations of deposit insurers carried out a number of deposit protection projects, and position papers on the proposals for the new European crisis management and deposit insurance framework were adopted at the European level.

The European Crisis Management and Deposit Insurance Framework

In the second quarter of 2024, the European Parliament and the Council of the European Union took position³⁷ on the legislative proposals to consolidate the European crisis management and deposit insurance framework (CMDI)³⁸, which the European Commission issued on 18 April 2023. Tripartite negotiations on this topic started in December 2024.

The negotiation mandate of the Council of the European Union also contains a set of elements of significance to the FGDB, such as: (i) preserving a senior ranking for the claims of deposit guarantee schemes over other claims, over non-covered deposit claims included and (ii) maintaining a limit on the funding of resolution measures from the financial resources of deposit guarantee schemes (of 62.5 percent of the target level set by the European Directive).

During the political dialogues that have taken place up to the date of this Report, these two elements assumed by the Council of the European Union represented a red line in relation to the proposals advanced by the other European institutions involved in the negotiations (the European Parliament and the European Commission).

Given the divergent positions taken by the actors concerned with the CMDI package (member States, European institutions, etc.), the process of legislating this project will be long and laborious and will most likely continue into 2025. At present, it is difficult to predict when the European Parliament might adopt it.

Separate from the negotiations on the CMDI framework, in April 2024 the European Parliament's Committee on Economic and Monetary Affairs adopted a report on the European Commission's proposal for a Regulation amending Regulation (EU) No 806/2014 with a view to establishing a European Deposit Insurance Scheme (EDIS), designed to be the third pillar of the Banking Union, alongside the Single Supervisory Mechanism and the Single Resolution Mechanism.

However, given the priority of finalizing negotiations on the CMDI framework, no further progress on EDIS was made in 2024.

At the end of May 2024, the European Parliament and the Council of the European Union adopted a package of new rules on preventing and countering money laundering

²⁶ World Bank Group: Global Economic Prospects, January 2025

²⁷ Eurostat, News Release – GDP main aggregates and employment estimates for the fourth quarter of 2024, 7 March 2025.

²⁸ U.S. Bureau of Economic Analysis: Gross Domestic Product, 4th Quarter and Year 2024 (Third Estimate), 27 March 2025

²⁹ UNCTAD: Global Trade Update, March 2025

³⁰ International Monetary Fund: World Economic Outlook, January 2025

³¹ https://www.ecb.europa.eu/stats/policy_and_exchange_rates/key_ecb_interest_rates/html/index.en.html

³² The downward trend in interest rates continued in the first quarter of 2025. The rate on the deposit facility stood at 2.50 percent in March 2025.

³³ <https://www.federalreserve.gov/economy-at-a-glance-policy-rate.html>

³⁴ That rate target range was held steady in March 2025.

³⁵ In March 2023, turmoil hit financial markets following the collapse of U.S. banks Silicon Valley Bank and Signature Bank, and of Swiss bank Credit Suisse. Thanks to the solutions found by the authorities of the respective countries, depositors' money in those banks was fully protected.

³⁶ Deposit guarantee schemes, together with the lender of last resort and the supervisory/resolution authority are components of the “safety network” (a network that ensures financial stability)

³⁷ The European Parliament's position was adopted on 24 April 2024, while the Council of the European Union agreed on the negotiation mandate with the European Parliament on 19 June 2024 during a meeting of the Committee of Permanent Representatives of the governments of member states to the European Union (COREPER).

³⁸ The legislative package includes proposals for: 1) Directive amending Directive 2014/49/EU as regards the scope of deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency; 2) Directive amending Directive 2014/59/EU as regards early intervention measures, conditions for resolution and financing of resolution measures; 3) Regulation amending Regulation (EU) No. 806/2014 as regards early intervention measures, conditions for resolution and financing of resolution measures.

- and financing of terrorism³⁹. The package includes:
- Directive (EU) 2024/1640 to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Directive (EU) 2019/1937 and amending and repealing Directive (EU) 2015/849;
 - Regulation (EU) 2024/1624 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing;
 - Regulation (EU) 2024/1620 establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) no. 1093/2010, (EU) no. 1094/2010 and (EU) no. 1095/2010.

The new rules also refer to cooperation between financial supervisors and authorities responsible for managing crises within credit institutions, such as designated authorities⁴⁰ and resolution authorities. Such cooperative ties are needed to balance anti-money laundering efforts with the target of protecting financial stability and depositors, pursuant to *Directive 2014/49/EU on*

deposit guarantee schemes and *Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms*.

In turn, the Proposal for a *Directive amending Directive 2014/49/EU as regards the scope of deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency* includes provisions along the lines of the European Commission's 2021 proposed legislative package referring to the European Union's anti-money laundering and counter-terrorist financing framework. The respective provisions aim to counter the risk of deposit guarantee schemes paying out to depositors who are involved in money laundering and terrorist financing.

At the same time, the European Commission also took account of the opinions of the European Banking Authority on the interplay between the EU Anti-Money Laundering Directive and the EU Deposit Guarantee Scheme Directive⁴¹ and on the risks of money laundering and terrorist financing affecting the EU's financial sector⁴².

EFDI Documents

• Comments and Recommendations on the Proposal to review the Directive on deposit guarantee schemes⁴³

In March 2024, the EFDI EU Committee approved a new EFDI position paper which adds to the *Statements of principle from practitioners of deposit guarantee on the revision of the European crisis management and deposit insurance framework*⁴⁴.

Here are the main comments and recommendations contained in this position paper:

- applying the same coverage level to client funds deposits and beneficiary accounts, without making a distinction between the two, as the European Commission proposes;

³⁹ The European Commission tabled the package of legislative proposals in 2021.

⁴⁰ A designated authority is a body that administers a deposit guarantee scheme or, if a private entity manages the scheme, it is the public authority designated by the member state to supervise that scheme.

⁴¹ European Banking Authority: Opinion of the EBA on the interplay between the EU Anti-Money Laundering Directive and the EU Deposit Guarantee Scheme Directive, December 2020.

⁴² European Banking Authority: Opinion of the EBA on the risks of money laundering and terrorist financing affecting the EU's financial sector, March 2021.

⁴³ EFDI Position Paper: Comments and recommendations on DGSD review, March 2024.

⁴⁴ EFDI Position Paper: Crisis Management and Deposit Insurance (CMDI) Framework Review – Statements from Practitioners, October 2023. An abstract of this paper was presented in the FGDB's 2023 Annual Report.

- maintaining the status quo as concerns the measures competent authorities may take, upon notification by and in cooperation with a deposit guarantee scheme, when credit institutions fail to abide by their obligations as participants in the respective scheme;
- including deposits held by public authorities within the scope of guarantee, while the exclusion from coverage of central and/or local authorities' deposits should be a national option, in line with national specificities;
- clarifying the application of the temporary high balances regime in the new case described in the Directive, respectively the funds deposited to purchase in the short term a private real estate residential property;
- maintaining, as national option, the possibility of considering depositors' liabilities towards a credit institution when determining due compensation payments following a case of unavailability of deposits at the respective credit institution;
- clarifying the way in which the starting point of the payout period is determined in case of beneficiary accounts, client funds deposits and temporary high balances, where the European Commission proposes a longer period, of 20 working days;
- establishing a mechanism to underpin the suspension of payouts to depositors suspected of money laundering or terrorist financing, according

- to a notification by the financial intelligence unit/the designated authority;
- allowing the possibility for the deposit guarantee scheme to reimburse depositors using any payment instrument which is traceable;
- removing the European Commission's proposal whereby the claim of deposit guarantee schemes can only be on the residual credit institution in the case where its funds are used towards the application of resolution tools or of alternative measures, as it limits the scheme's potential claim recoveries (for instance, claims over a bridge institution);
- aligning the way to define the target level and the way to determine contributions;
- opening the possibility for the deposit guarantee scheme in the home member state to directly compensate depositors at branches in host member states;
- calling upon the European Banking Authority to issue a regulatory technical standard for the transfer of contributions between deposit guarantee schemes when a credit institution changes its guarantee scheme membership;
- creating a harmonised reporting framework for the information on various indicators related to deposit guarantee schemes which designated authorities transmit to the European Banking Authority.

• Summary of EFDI's Recommendations on the Proposal to Review the *Deposit Guarantee Scheme*⁴⁵

In consideration of the start of trialogue between the European Commission, the European Parliament and the Council of the European Union after the last two previously mentioned institutions had adopted, in the second quarter of 2024, a position on European Commission's proposal for a *Directive amending Directive 2014/49/EU as regards*

the scope of deposit protection and the use of deposit guarantee schemes funds, the EFDI adopted a third position paper which sums up the proposals and positions of the institutions involved, and gives a presentation of the European practitioners' recommendation for each of the relevant aspects.

⁴⁵ EFDI Position Paper: Summary of EFDI's main recommendations in view of the Trilogue on DGSD Review, December 2024

• **Payouts with Cross-Border Implications**⁴⁶

The position paper approaches two major themes with cross-border implications, namely:

- i. cooperation between deposit guarantee schemes in cases where credit institutions exercise the freedom to provide direct services in a host member state without having established branches;
- ii. possibility for the deposit guarantee schemes in home member states to reimburse depositors at branches in host member states directly, without requiring the services of the deposit guarantee schemes in the host member states.

The paper reiterates the willingness of the deposit guarantee schemes across the European Union to cooperate as far as the two aforesaid themes are concerned, and highlights the need for greater flexibility in cross-border compensation payments⁴⁷. In the opinion of EU practitioners, in the case of cross-border repayments, priority should be given to providing the best protection to guaranteed depositors by choosing an appropriate compensation payment method according to the specifics of each case: either directly by the scheme in the home member state or via the deposit guarantee scheme in the host member state.

• **Coverage of Client Fund Deposits and Beneficiary Accounts**⁴⁸

This policy paper outlines the results of a survey on the stance of European deposit guarantee schemes regarding the proposed introduction in *Directive amending Directive 2014/49/EU as regards the scope of deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency* of a special article on the coverage of client fund deposits at credit institutions held by financial institutions (for instance, investment firms, payment institutions, electronic money institutions) on behalf and for the account of their clients.

Placing financial institutions’ client funds in segregated accounts at credit institutions ensures their protection by

deposit guarantee schemes provided that the respective clients had been identified prior to the date on which deposits became unavailable.

Most EU practitioners of deposit guarantee declared in favour of the proposal, while arguing that in addition to clients of financial institutions, the scope should also include clients of other entities. Moreover, they also favour the proposal to allow separate compensations, one for the clients’ fund deposits and one for the other amounts they hold with the credit institution where a payout process is underway.

• **Investment Strategy and Diversification of the Available Financial Means of Deposit Guarantee Schemes**⁴⁹

This position paper expresses the opinions of deposit guarantee schemes within the European Union regarding the European Commission’s proposals to review the article

on deposit guarantee scheme funding as formulated in the draft *Directive amending Directive 2014/49/EU as regards the scope of deposit protection, use of deposit*

guarantee schemes funds, cross-border cooperation, and transparency.

The views cited in the paper are accompanied by a presentation of the current practices deposit guarantee schemes carry out in order to establish their investment strategies.

The overall conclusion is that deposit guarantee schemes across the European Union manage their available financial resources effectively, applying a risk-based approach in their investment practices.

Furthermore, the paper points out that deposit guarantee schemes currently implement diversified investment strategies tailored to specific market conditions and applicable legislation, so that their deeper harmonisation would be rather difficult⁵⁰.

Additionally, the need is highlighted to provide for flexible funding of deposit guarantee schemes in order to cover their immediate liquidity needs. In this respect, it is necessary to give deposit guarantee schemes the possibility to access funds through repo conventions⁵¹.

• **Ensuring Stability: A Roadmap to Robust Risk Management in Deposit Guarantee Schemes**⁵²

Based on international principles and standards in the field of risk management, the EFDI paper outlines the key elements of implementing a robust risk management framework for deposit guarantee schemes.

The document also proposes a taxonomy of the risks Deposit Guarantee Schemes may face, detailing the main risk categories: strategic and governance, operational, financial and reputational risks.

Particularly important aspects are highlighted which should be considered in order to secure an effective

payout process, with emphasis on risks that might bear negatively on:

- the quality of data in the files containing centralised depositor data;
- the provision of the financial resources needed for reimbursements;
- the infrastructure of IT systems;
- the reputation of deposit guarantee schemes;
- the collaborative relationships between deposit guarantee schemes and third parties (for instance, paying agents, the liquidator of the failed bank, service providers) during a payout process.

⁴⁶ EFDI Position Paper: Payouts with cross-border implications, May 2024

⁴⁷ According to the European Commission’s proposal for a *Directive amending Directive 2014/49/EU as regards the scope of deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency*, the deposit guarantee scheme in the home member states may decide to reimburse depositors of branches directly, provided that:

- i. the administrative burden and the cost of reimbursements are lower than if the repayments were made by a deposit guarantee scheme in the host member state;
- ii. the deposit guarantee scheme of the home member states ensures that depositors are not worse off than if the reimbursements were conducted by a deposit guarantee scheme in the host member state.

⁴⁸ EFDI Policy Paper: DGS Coverage of Client Fund Deposits and Beneficiary Accounts, 2024

⁴⁹ EFDI Position Paper: Investment Strategy and Diversification of Available Financial Means, May 2024

⁵⁰ The proposal for a *Directive amending Directive 2014/49/EU as regards the scope of deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency* suggests that the European Banking Authority should develop guidelines to assist deposit guarantee schemes with establishing their strategy for the investment of their available financial resources based on the application of the principle of diversification and of investment in low-risk assets.

⁵¹ In Romania, *Law No. 42/2022 amending and complementing Law No. 311/2015 on deposit guarantee schemes and the Bank Deposit Guarantee Fund* introduced the possibility for the FGDB to obtain short-term funding from the National Bank of Romania through repo transactions.

⁵² EFDI Paper: Ensuring Stability: A Roadmap to Robust Risk Management in Deposit Guarantee Schemes, 2024

IADI Documents

• Cybersecurity and Deposit Insurance⁵³

Given the rapidly increasing threats of cyberattacks in the financial and banking sector, regulatory and supervisory authorities, credit institutions and deposit guarantee schemes consider it a priority to assure security in this area.

On 17 January 2025, the *Digital Operation Resilience Act (DORA)*⁵⁴ in the financial sector entered into application in the European Union adding to cybersecurity-related regulations, principles and guidelines already established internationally. The new regulation sets uniform rules for the security of the networks and information systems of financial entities.

The IADI document also highlights the implications of the *Core Principles for Effective Deposit Insurance Systems* for the approaches to cybersecurity of the deposit guarantee schemes.

INTERNAL REGULATORY FRAMEWORK

Throughout 2024, the FGDB remained focused on improving the regulatory framework by issuing new specific regulations, strategies and policies or by revising the existing ones, considering that an adequate and well-coordinated regulatory framework is a prerequisite for its transparent and effective operation.

Strategic development guidelines, as well as the FGDB’s targets at the operational level were laid down in the *Activity Plan for 2024*. According to the Plan, the key operational targets that influence the internal regulatory framework had to do with the revision of the regulatory framework for internal control and the further updating of relevant regulations, both internal ones and the ones opposable to third parties, as a result of:

In order to be able to take the necessary steps to safeguard cybersecurity, deposit guarantee schemes should have sufficient resources in place, steadily focus on strengthening their operational resilience and response capabilities during crisis situations and correspondingly adapt their internal control systems.

Collaboration with the other financial safety net players in assessing risks and preparing and testing contingency plans is of paramount importance. At the same time, deposit guarantee schemes with expanded mandates as concerns the early detection of risks to member credit institutions should have strategies in place to monitor for cyber risks that might affect the viability of affiliated institutions.

- (i) amendments made by Law No. 42/2022 amending and complementing Law No. 311/2015 on deposit guarantee schemes and the Bank Deposit Guarantee Fund;
- (ii) changes in the FGDB’s organisational structure;
- (iii) implementation of the integrated IT system.

In order to give support to the fulfilment of the aforesaid targets, in September 2024 the FGDB completed the revision of the regulatory framework for the internal control system implemented in 2021 by approving *Rules on the internal control system within the FGDB*, that entered into application on 1 January 2025. Once implemented, the revised regulatory framework is expected to contribute to strengthening the governance system, heighten risk

control within the FGDB, enhance the quality of internal control, particularly in terms of the information it offers to the executive management providing them with a reliable tool in their decision making.

In July 2024, as part of moves to improve the risk management regulatory framework, the *Business Impact Analysis (BIA)*, an indispensable tool in operational continuity management, and the *Business Continuity Plan (BCP)* were revised in an attempt to establish an alternative strategy and organizational measures allowing the FGDB to continue its activity if faced with a crisis situation. Furthermore, in December 2024, the document *Risk Profile and the Risk Management Strategy and Policies for 2025-2026* was approved. It contains some novel elements arising from the organizational, operational and regulatory changes taking place over 2023-2024, the most relevant of which are:

- (i) up-to-date information on the sources of cyber risk and measures to manage that risk;
- (ii) an instrument to monitor outsourced services;
- (iii) the role and responsibilities of newly created risk management structures;
- (iv) relevant aspects referring to the new procedural framework for personal data processing and protection and their impact on the process of identifying, managing and assessing personal data security risk as part of operational risk;
- (v) updated aspects of the risk management system as a result of the operational changes occurred following the implementation of the new functionalities available in the Risk Management module of the FGDB’s integrated IT system, which refers to the calculation of risk indicators.

At the same time, there were further revisions of or regulations on the regulatory framework for the FGDB’s financial resources. In February 2024, the Procedure concerning the application of alternative funding mechanisms was updated, while in August 2024 the Procedure for determining, communicating and collecting the contributions of credit institutions to the deposit guarantee scheme, pursuant to the amendments

to Law no. 311/2015, was revised. In November 2024, a new regulation was added – *Procedure concerning borrowings from other deposit guarantee schemes* – in order to provide the procedural framework allowing of payment of compensations using funds obtained from loans taken from other deposit guarantee schemes in the European Union when a deposit guarantee scheme faces a funding shortage.

In July 2024, the *Procedure concerning the on-site inspections the Bank Deposit Guarantee Fond* conducts at participating credit institutions was revised and updated. It regulates the actions carried out at affiliated credit institutions to verify the accuracy of reported data, as well as the compliance with legal provisions on depositor information as per Article 105 of Law no. 311/2015, with subsequent amendments and completions.

Following the changes made at the operational level, as well as a number of FGDB management’s decisions on the need to align the organisational structure with the new requirements and standards in deposit insurance, the FGDB’s executive management, after conducting an analysis with the input of relevant structures, identified the need for an update of the FGDB’s organisational chart and for changes in the tasks performed by organisational structures. Accordingly, in November 2024 a set of organisational changes was approved resulting in a new FGDB organisational chart, which is available of the institution’s website, and in amendments to the Regulation on the organisation and operation of the Bank Deposit Guarantee Fund, which entered into application on 17 December 2024.

In a bid to respond to changes within the applicable regulatory framework, on 9 December 2024, with the entry into force of Regulation no. 1/2024 on the selection of credit institutions mandated by the Bank Deposit Guarantee Fund to make compensation payments (FGDB Regulation no. 1/2024)⁵⁵, the regulatory framework that sets conditions of participation and criteria for the annual selection of credit institutions to be mandated by the FGDB to reimburse guaranteed depositors was updated, repealing Regulation no. 3/2018 on the same matter.

⁵³ IADI Fintech Brief: Cybersecurity and Deposit Insurance: an Introduction, November 2024
⁵⁴ Given the possible application of the DORA regulation also to deposit guarantee schemes, the FGDB started to look into the requirements for compliance with the new regulatory framework.

⁵⁵ The FGDB Regulation no. 1/2024 was published in Monitorul Oficial al României (The Official Gazette of Romania), Part I no. 1234 of 9 December 2024.

Noteworthy among regulations issued by other institutions and impacting the FGDB’s core activity is a document released by the National Bank of Romania which came into effect on 1 July 2024 – Regulation no. 4/2024 on the authorization of bridge credit institutions (BNR Regulation

no. 4/2024)⁵⁶. The regulation outlines the requirements for authorization, as well as the documentation accompanying the authorization application on the basis of which the National Bank of Romania, as competent authority, authorizes a bridge credit institution.

DEVELOPMENTS IN THE BANKING SECTOR IN THE EUROPEAN UNION AND IN ROMANIA

Developments in the Banking Sector in the European Union

In 2024, credit institutions across the European Union maintained their solid capital and liquidity positions, while profitability followed a slightly upward course. No significant credit institution experienced difficulties or was likely to encounter problems.

The EU “Banking Package”, which implemented the final set of international banking regulatory standards (Basel III)⁵⁷, came into force in the second half of 2024. The application of these standards enhances European Union banks’ resilience to potential economic shocks and their ability to manage environmental, social and governance

risks and strengthens the framework for banking sector supervision and risk management.

Progress was made in terms of resolution banks' compliance with the Minimum Requirement for Own Funds and Eligible Liabilities (MREL), an essential indicator of their capacity to absorb losses and recapitalize. According to data released by the European Banking Authority⁵⁸, by the end of the first semester of 2024, 318 banks out of a sample of 339 had met their MREL target, while 21 banks were still in their transition period.

Economic Indicators

For the year 2024 as a whole, Gross Domestic Product in the European Union experienced moderate recovery, rising by one percent, that is 0.6 percentage points above the previous year’s level. The economy in the euro area saw a 0.9 percent increase in GDP, 0.5 percentage points up from 2023⁵⁹. Higher household consumption, fuelled by a rise in real incomes, a solid labour market and a more relaxed monetary policy amid a decline in inflation were the triggers behind that growth.

By areas of activity, the services sector recorded positive growth, while industrial production remained below the levels seen in 2021.

In the fourth quarter of 2024, EU GDP rose at a faster pace (+1.4 percent compared to the fourth quarter of 2023)⁶⁰. Just as in previous years, growth disparities between European Union countries persisted. Germany's economic growth was in negative territory (-0.2 percent in

the fourth quarter of 2024 in comparison with the same period of the previous year), while Austria's economy contracted by 1.2 percent in the fourth quarter of 2024 as against the fourth quarter of 2023. Lithuania's economic growth over the same period also shrank, shedding 0.4 percent.

At the other end of the scale, Ireland stood out as its economy grew by 9.2 percent over the last three months of 2024 compared to the same period a year earlier. It was followed by Denmark (+4.1 percent), Poland and Lithuania (+3.7 percent), Croatia (+3.6 percent) and Spain (+3.5 percent). Romania performed modestly, with a scant rise of just 0.8 percent, driven by an increase in final consumption expenditure by households⁶¹.

Against the backdrop of rising real disposable household incomes, private consumption in the euro zone advanced slowly and went hand in hand with a year-on-year increase in the saving rate. In the fourth quarter of 2024, the household saving rate stood at 15.3 percent, 0.5 percentage point higher than in the fourth quarter of 2023⁶². Such developments show that consumers remained cautious amid growing economic and financial uncertainty.

The annual inflation rate⁶³ for the European Union as a whole stayed in favourable territory throughout 2024,

falling to 2.7 percent in December (-0.7 percentage points from December 2023)⁶⁴. Annual inflation in the euro area was 2.4 percent, 0.5 percentage points below the level of the same month of the previous year. The downward trend in annual inflation was largely due to the monetary policy tightening of the previous period and to more favourable energy prices.

Low annual inflation rates were registered in Ireland (1.0 percent), Italy (1.4 percent), Luxembourg, Finland and Sweden (1.6 percent each). Romania recorded the highest annual inflation (5.5 percent), followed by Hungary (4.8 percent) and Croatia (4.5 percent).

The labour market in the European Union stayed robust in 2024, posting an unemployment rate of 5.9 percent in December 2024⁶⁵, moving lower by a marginal 0.1 percent points from the same month a year earlier. End-2024 unemployment rate in the euro zone stood at 6.3 percent (-0.2 percentage points as against December 2023).

Spain and Greece reported the highest unemployment, with rates of 10.6 percent and, respectively, 9.4 percent. The list of states reporting the lowest unemployment in 2024 did not change from the previous year, the only difference being in percentages: Czechia (2.6 percent), Poland and Malta (3.0 percent each).

Banking Sector Indicators

According to the *European Banking Authority’s Risk Dashboard Data as of Q4 2024*⁶⁶, which provides aggregate statistical information on the largest institutions in the European Union/the European Economic Area, the banking sector performed well throughout 2024.

European banks’ maintained stable capital levels, with the aggregate Common Equity Tier 1 ratio inching up 0.1

percentage points year on year to stand at 16 percent on 31 December 2024.

Loan portfolio quality remained relatively steady, with the non-performing loan ratio amounting to 1.9 percent on 31 December 2024, a scant rise of 0.1 percentage points from the end-2023 level. Vulnerabilities were identified in the commercial real estate and small and medium-sized

⁵⁶ The BNR Regulation no. 4/2024 was published in Monitorul Oficial al României (The Official Gazette of Romania), Part I no. 621 of 1 July 2024.
⁵⁷ Regulation (EU) 2024/1623 of 31 May 2024 amending Regulation (EU) no. 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor and Directive (EU) 2024/1619 of the European a Parliament and of the Council of the European Union of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks.
⁵⁸ European Banking Authority: MREL Dashboard Q1 and Q2 2024, November 2024
⁵⁹ Eurostat, News Release – GDP main aggregates and employment estimates for the fourth quarter of 2024, 7 March 2025.
⁶⁰ Seasonally adjusted data.

⁶¹ National Institute of Statistics: Press Release no. 88/ 10 April 2025
⁶² Eurostat: News Release – Household saving rate, 4 April 2025
⁶³ Determined on the basis of the Harmonised Index of Consumer Prices.
⁶⁴ Eurostat: News Release – Annual inflation rate, 17 January 2025.
⁶⁵ Eurostat, News Release – Unemployment rates, 30 January 2025.
⁶⁶ EBA Risk Dashboard Data as of Q4 2024, 20 March 2025.

enterprises sectors which were hit particularly hard by rising financing costs. Profitability picked up slightly on a year-on-year basis, with the Return on Equity (ROE) advancing to 10.5 percent at the end of 2024 from 10.4 percent on 31 December 2023. The Return on Assets (ROA) notched up by 0.04 percentage points to reach 0.73 percent at end-2024 from 0.69 percent on 31 December 2023.

Developments in the Banking Sector in Romania

All through 2024, despite unfavourable macroeconomic developments, no FGDB-affiliated credit institution experienced difficulties severe enough to necessitate interventions from the National Bank of Romania as either competent authority or resolution authority. Since there was no case of deposit unavailability, the FGDB did not have to disburse payouts.

Effective starting 5 July 2024, Porsche Bank România S.A., a credit institution in the membership of the FGDB, changed its name to Credex Bank S.A.

As a result of a cross-border merger by absorption that occurred on 31 December 2024 and went into effect on 1 January 2025, the activity in Romania of Credit Europe Bank (Romania) SA, as absorbed company, is continued by Credit Europe Bank NV of the Netherlands, as absorbing company, through a newly created branch – Credit Europe Bank NV Amsterdam Bucharest Branch, which was registered with the Trade Registry Office on 2 October 2024 and in the Registry of Credit Institutions on 11 November 2024.

Aggregate Indicators of Credit Institutions in Romania⁶⁷

The net assets of credit institutions operating across Romania amounted to 881.7 billion lei at the end of 2024, having gained a year-on-year 10 percent or so.

On 31 December 2024, assets held by privately-owned credit institutions accounted for 85.7 percent of total

Liquidity indicators remained comfortably above regulatory thresholds. The liquidity coverage ratio ended the year 2024 at 163.4 percent, having lost 4.8 percentage points year on year. The net stable funding ratio stayed relatively constant at 127.1 percent on 31 December 2024 (+0.1 percentage points as compared to 31 December 2023).

"The Romanian banking sector's soundness strengthened further, as shown by the persistence of adequate levels of solvency, liquidity and asset quality indicators, on the back of high profitability."

Financial Stability Report
of the National Bank of Romania
December 2024

Staying on the topic of branches in Romania of credit institutions headquartered in European Union member states, Revolut Bank UAB Vilnius – Bucharest Branch started operating on 25 November 2024, followed by PKO Bank Polski SA Warsaw – Bucharest Branch on January 2025, while on 6 December 2024, Alior Bank SA Warsaw - Bucharest Branch ceased its operations.

assets, that is, 0.6 percentage points less than on the same date in 2023. At the same time, foreign-owned or majority foreign-owned credit institutions (including branches of foreign credit institutions) held 62.5 percent of total assets at the end of 2024 that is 3.1 percentage points less than a year earlier.

In 2024, the profitability of the banking system in Romania fell off the upward path it had followed in previous years. On 31 December 2024, ROE⁶⁸ was 18.38 percent (an annual variation of -1.75 percentage points), and ROA⁶⁹ amounted to 1.68 percent (an annual variation of -0.12 percentage points). The non-performing loan ratio moved up only marginally, by 0.09 percentage points, ending the year 2024 at 2.46 percent.

In 2024, affiliated credit institutions remained well-capitalised, posting relevant indicators higher than prudential requirements. The total capital ratio stood at 23.66 percent, while the Tier 1 capital ratio was 20.91 percent, clinging to the upward trend of previous years. The leverage ratio⁷⁰ remained well above the regulatory minimum requirement, hitting an end-2024 level of 8.09 percent.

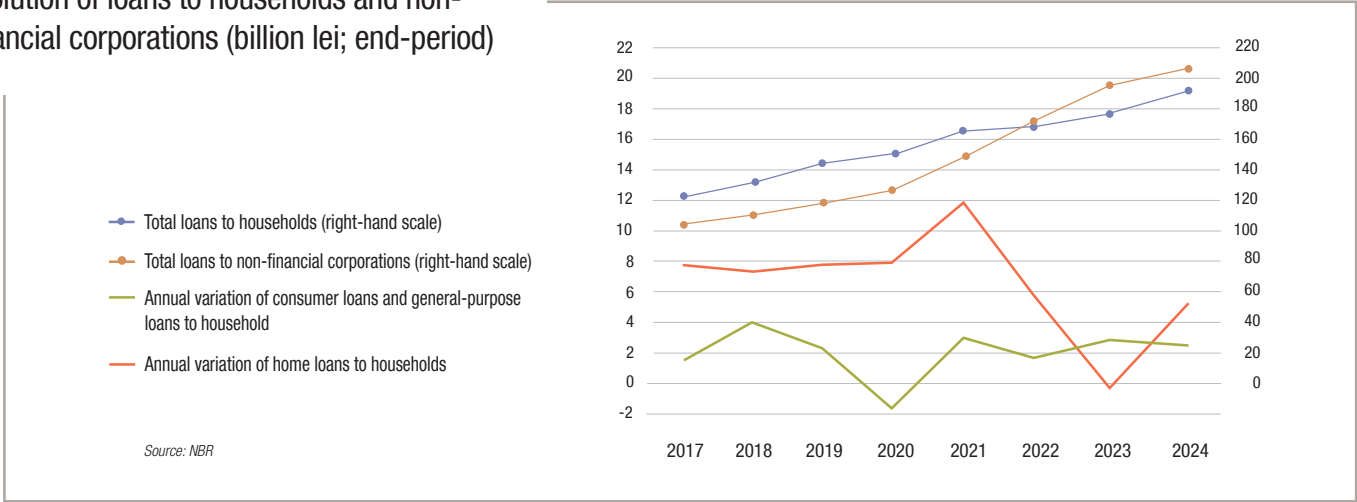
Liquidity was at an adequate level, with a liquidity coverage ratio⁷¹ of 254.85 percent on 31 December 2024.

On 31 December 2024, loans to households and non-financial corporations totalled 398.7 billion lei, having added 8.2% to the level of the same date the previous year. Loans to households throughout 2024 spiralled up by 9.3 percent to stand at 190.2 billion lei at the end of the year.

In 2024, *Noua Casă (the New Home⁷²)* programme was still running, but with an allocated loan ceiling lower than in previous years and with some significant changes implemented throughout the year essentially intended to lower financing costs and increase the number of banks involved in providing financing. Consequently, unlike in previous years, the upturn in lending came mainly from the real estate sector.

In 2024, loans to non-financial corporations lagged behind credits to households, amounting to 208.5 billion lei, up 7.1 percent from end-2023.

Evolution of loans to households and non-financial corporations (billion lei; end-period)



⁶⁸ ROE is determined as ratio of annualised net income to average own capital.

⁶⁹ ROA is calculated by dividing annualised net earnings by average total assets.

⁷⁰ The leverage ratio measures the extent to which banks finance their operations from their own sources and gauges Tier 1 capital to average total assets.

⁷¹ This indicator is calculated as ratio of a credit institution's liquidity reserve to its net cash outflows for a stress period of 30 calendar days and is expressed as a percentage.

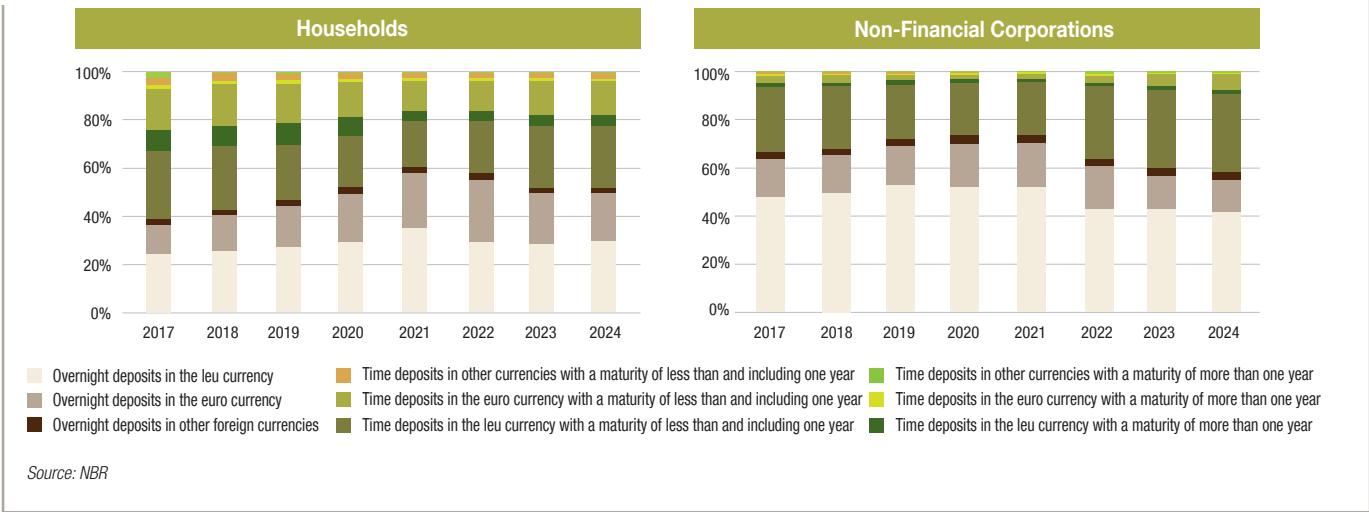
⁷² A continuation of the Prima Casă (First Home) programme launched in 2009 as a Government social programme offering natural persons government-backed loans to help them buy homes. The annual implementation of this programme is seen as significant for the middle-income segment of the population and for the level of private investment in the real estate sector.

Loans in the national currency represented the main trigger behind increased lending in 2024, accounting for 72.4 percent of total credits on 31 December. Leu-denominated loans totalled 288.5 billion lei at the end of the fourth quarter of 2024 (an annual variation of +11.7 percent), as credits in foreign currencies had dipped to the leu equivalent of 110.2 billion lei.

Over July-August 2024, after the upward trend of recent years, the monetary policy rate dropped twice in a row, resting at 6.50 percent, a level which remained unchanged throughout the year.

On 31 December 2024, average interest on new loans to households amounted to 7.35 percent for the leu denomination, having slumped by 1.23 percentage points from end-2023, and to 6.24 percent for the euro (an annual variation of -1.34 percentage points). In terms of lending to non-financial corporations, the average interest rates on new loans were on the slide, shedding 0.43 percentage points to 8.26 percent in the case of leu-denominated credits and, respectively, 1.32 percentage points to 5.27 percent for loans in the euro.

Structure of deposits by maturities
(percentages; end-period)



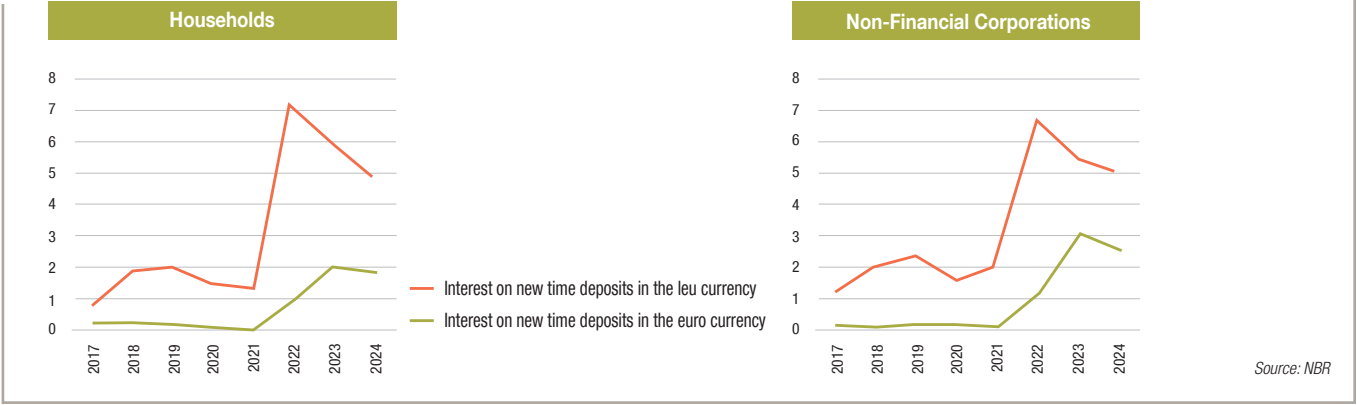
⁷³ Data also include deposits held at branches of foreign credit institutions which are affiliated to deposit guarantee schemes in their home countries.

Deposits taken from households and non-financial corporations⁷³ followed an upward trend also in 2024, increasing by around 10 percent in terms of value to reach 606.8 billion lei at the end of the year. It was the time deposit segment that pushed deposits higher, accounting for around two thirds of the annual increase in the money placed into bank accounts, despite the downturn in the average interest offered by credit institution.

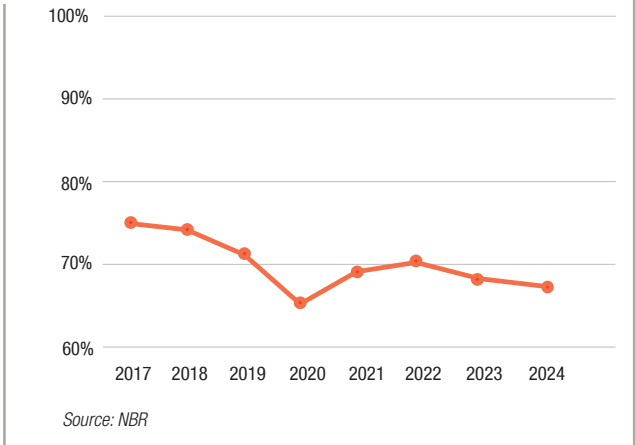
By currencies, on 31 December 2024, the average interest rate on new household time deposits in the leu currency was 1.08 percentage points lower at 4.82 percent, while the average interest on new time deposits in euros fell marginally by 0.2 percentage points to 1.85 percent.

By the end of the year 2024, the average interest rate on new deposits held by non-financial corporations had moved down by 0.43 percentage points to 5.09 percent in the case of the leu denomination and, respectively, by 0.69 percentage points to 2.4 percent in the case of deposits in euros.

Evolution of average interest rates offered by credit institutions
(percentages; December)



Evolution of the loan-to-deposit ratio
(percentages; end-period)



The Romanian banking sector's preference for established funding methods, such as deposits, kept the loan-to-deposit ratio on a downward course as far as both the household and non-financial corporation segments were concerned. That ratio lost 0.26 percentage points to end the year 2024 at 67.56 percent.

Throughout 2024, eligible deposits surged by 9.4 percent, standing at 556.8 billion lei⁷⁴ on 31 December.

COOPERATIVE RELATIONS AT THE NATIONAL LEVEL

On account of its primary mission of protecting depositors and due to its contribution to maintaining financial stability, the FGDB was granted observer status to the National Committee for Macroprudential Oversight (CNSM)⁷⁵.

The CNSM's utmost goal is to contribute to safeguarding financial stability by consolidating the resilience to shocks of the financial system and by diminishing the build-up of systemic risks, all this allowing the financial system to make a durable contribution to economic growth.

⁷⁴ FGDB data, determined based on reports from affiliated credit institutions.

⁷⁵ The CNSM is an interinstitutional cooperation structure set up under Law No. 12/2017 on macroprudential supervision of the national financial system, a law which implemented the European Systemic Risk Board's Recommendation on the macroprudential mandate of national authorities (ESRB/2011/3)

The CNSM consists of representatives of the authorities that play a significant role in ensuring financial stability – the National Bank of Romania, the Financial Supervisory Authority, and Romania’s Government – and its mission is to coordinate the macroprudential supervision of the national financial system by establishing a macroprudential policy and providing the adequate tools to implement it.

As a result of the observer status the FGDB enjoys within the CNSM, the institution’s General Director attends the meetings of the CNSM’s General Board without the right to vote. The topics on the agenda of the meetings held in 2024 included the macroprudential policy and the systemic risks identified within the national financial system, an analysis of the cross-border effects of macroprudential measures, the regular analysis regarding the identification of systemically important institutions, the implementation of the CNSM’s recommendations, the recommendations of the European Systemic Risk Board where national authorities need to adopt measures for their implementation, the results of the regular analysis on a macroprudential tool, namely the systemic risk buffer, the compliance with *Guidelines EBA/GL/2023/10 amending Guidelines EBA/GL/2020/14 on the specification and disclosure of systemic importance indicators*, the decision to maintain the Republic of Moldova's status as a significant third country for the Romanian banking sector in the context of recognizing and setting countercyclical capital buffer rates, the setting up of a CNSM working group for government loan guarantee programmes, macroprudential measures adopted by the European Economic Area member states in 2024.

Moreover, the CNSM looked into the results of the macroprudential stress test exercise assessing the solvency of the banking sector, risks generated by the commercial real estate market, the impact of credit

institutions’ funding plans on credit flow to the real economy, funding for households and companies, credit institutions’ compliance with the Minimum Requirement for own Funds and Eligible Liabilities (MREL) on reference date 1 January 2024 (the date when the transition period set under the European framework was to come to an end), features of and risks associated with the banking sector’s exposures to the government.

The CNSM recommended that the National Bank of Romania implement, on a consolidated basis, starting 1 April 2025, a capital buffer for other systemically important institutions (O-SII buffer), applicable to all banks identified as having a systemic nature according to the *Methodology for identifying systemic credit institutions and calibrating the O-SII buffer*, and based on data reported as at 30 September 2024⁷⁶ (CNSM Recommendation no. R/6/2024 on the capital buffer for other systemically important institutions in Romania).

Following the coming into force of the *Framework Agreement on interinstitutional cooperation* between the National Bank of Romania, as of 4th of May 2023 the Ministry of Finance and the Bank Deposit Guarantee Fund (Framework Agreement)⁷⁷, the signatory institutions engaged in specific actions to establish a joint communication platform and to prepare or revise, as the case may be, the bilateral accords between them. When this Report was prepared, the bilateral accords issued in compliance with the provisions of the Framework Agreement were in the process of being signed.

Furthermore, as part of the collaboration with the National Bank of Romania, a joint project is in progress which is intended to develop and implement a scheme to compensate investors, retail clients of credit institutions, by extending the FGDB’s scope of business. That project was approved in a meeting the Board of Directors of the National Bank of Romania held on 28 April 2021.

INTERNATIONAL ACTIVITIES

In 2024, the FGDB remained an active member of the two professional associations operating in the field of deposit insurance – the European Forum of Deposit Insurers (EFDI)⁷⁸ and the International Association of Deposit Insurers (IADI)⁷⁹.

Given the expanded tasks of deposit guarantee schemes, the FGDB is represented to EFDI working groups dealing with various projects and its General Director participates in the Task Force which operates within the European Banking Association and whose key target is to examine the implementation of provisions under *Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes*.

Furthermore, the General Director represents the FGDB on the EFDI’s EU Committee grouping the deposit guarantee schemes operating within the European Union and consisting of the executive managers of the deposit guarantee schemes.

In 2024, the FGDB contributed to the preparations of EFDI working groups’ documents on cross-border cooperation, stress tests, risk management, public relations and communication, and gave presentations on several occasions.

At the same time, during the IADI’s General Meeting of representatives of member deposit guarantee schemes, held in October 2024, the FGDB General Director attended the debates on the revised *Core Principles for Effective Deposit Insurance Systems* which the IADI developed in collaboration with the Bank for International Settlements and the approval of this essential document which includes internationally agreed principles and standards for the proper operation of bank deposit guarantee schemes. The adoption of the revised *Core Principles* by the deposit guarantee schemes will boost their effectiveness and will align the operational and

procedural frameworks with recent developments in the financial and banking sector, such as the digitization of banking services and cooperation with resolution authorities to resolve systemic banks.

In December 2024, the FGDB, as the deposit guarantee scheme of the host country, and France’s deposit guarantee scheme, as the deposit insurer of the home country⁸⁰, ran a simulation exercise to test communication with depositors in the event of deposit unavailability at one of the French banks operating branches in Romania. The exercise included tests of the file exchange with the aid of EDDIES and of coordinated actions of the two schemes to achieve coherent and simultaneous communication with depositors in the two countries. All materials intended for the public were translated and adapted so as to secure an effective, clear and accurate communication with the depositors of the French bank branch in Romania.

In compliance with a national mandate approved by the National Bank of Romania, the FGDB, alongside representatives of the National Bank of Romania and of the Ministry of Finance, participates in the *Working Party on the review of the Crisis Management of Deposit Insurance (CMDI) framework* set up within the Council of the European Union and composed of financial services experts and attaches of the member states, attending its meetings and taking part in technical bilateral talks with representatives of other member states on their position on European Commission proposals or with representatives of the Presidency of the Council of the European Union.

The FGDB, together with representatives of the National Bank of Romania and of the Ministry of Finance, participates in the virtual meetings of the resolution colleges.

⁷⁶ Based on this recommendation, the National Bank of Romania issued Order of the National Bank of Romania No. 1/2025 regarding the capital buffers for credit institutions authorized in Romania and identified as other systemically important institutions (O-SII), published in Monitorul Oficial al României (The Official Gazette of Romania), Part I no. 168 of 25 February 2025. Seven credit institutions affiliated to the FGDB were classified as “other systemically important institutions”. On 31 December 2024, the seven banks accounted for 87.9 percent of the total deposits at credit institutions enjoying FGDB coverage.

⁷⁷ The Framework Agreement underpins a formalized framework to facilitate communication and the run of activities in fulfilling the three institutions’ responsibilities resulting from their direct participation in ensuring financial stability and from the provisions of applicable regulations.

⁷⁸ The EFDI has in its membership 71 institutions from 50 countries, of which 56 are deposit guarantee schemes and 15 are investor compensation schemes.

⁷⁹ The IADI has 103 member organisations and nine associates.

⁸⁰ The deposit guarantee scheme for depositors of the branches in Romania of French banks Banque Banorient France S.A., BNP Paribas S.A. and BNP Paribas Personal Finance S.A.



CHAPTER 3

DEPOSIT GUARANTEE

Evolution of Deposits in 2024

Under the conditions and within the limits of the law, the FGDB's scope of guarantee includes the eligible deposits held by natural persons, small and medium-sized enterprises, companies and other similar entities.

The year 2024 saw a 9.4 percent year-on-year increase in eligible deposits (that is, FGDB-guaranteed deposits⁸¹) which, on 31 December, stood at 556.8 billion lei and accounted for 82.3 percent of total deposits held at credit institutions affiliated to the FGDB.

Around 62 percent of the annual hike in deposits under the FGDB remit occurred in the fourth quarter of 2024. At the same time, around 70 percent of the total annual upswing was accounted for by increases in household deposits, particularly deposits in the national currency. All components

– deposits of natural and legal persons, leu-denominated deposits and deposits in foreign currencies, deposits below the guarantee ceiling and deposits above the coverage threshold – experienced rises.

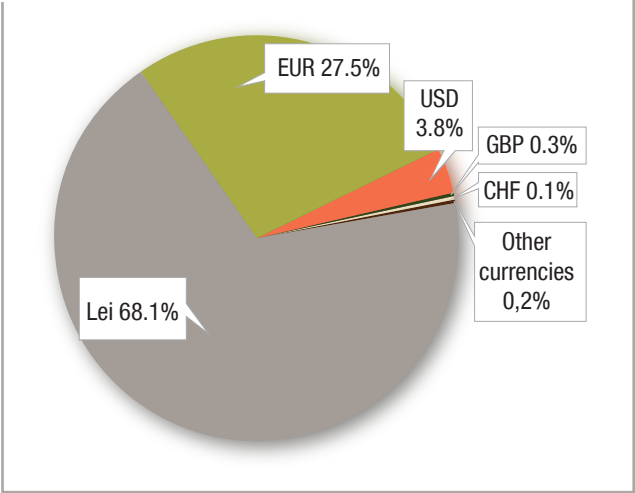
In 2024, against the background of uncertain economic circumstances and despite a continuing downward trend in the average interest credit institutions offered on deposits, no matter their denomination, both individuals and companies maintained their propensity to save and a cautious financial approach. About 70 percent of the year-

on-year upturn in eligible deposits was accounted for by deposits in the national currency.

On 31 December 2024, leu-denominated eligible deposits totalled 379.1 billion lei, 9.7 percent more than the end of the previous year (about 68 percent of their value at end-2024).

Eligible deposits in foreign currencies at the end of 2024 shifted upwards by 8.9 percent to the leu equivalent of 177.7 billion lei. Deposits in the euro currency posted the highest increase in nominal terms, with over 90 percent of the

Structure of eligible deposits by currency as at 31 December 2024



year-on-year rise in foreign currency-denominated deposits resulting from this deposit category alone.

Resident natural and legal entities accounted for 98.7 percent of the total number of guaranteed depositors and held deposits that amounted to 544.4 billion lei (or 97.8 percent of total eligible deposits on 31 December 2024).

At the end of 2024, the FGDB's scope of guarantee included deposits held by 16,540,671 depositors, natural and legal persons, accounting for 99.5 percent of the total depositors at participating credit institutions.

At the end of 2024, FGDB-covered deposits⁸² stood at 335 billion lei, having advanced by 10.1 percent throughout the year, with the last quarter of 2024 registering

45 percent of that increase. Around 72 percent of the year-on-year upsurge in covered deposits was accounted for by household deposits worth the leu equivalent of 100,000 euros or less.

On 31 December 2024, deposits below or equal to the leu equivalent⁸³ of 100,000 euros amounted to 268.3 billion lei, up 9.8 percent year on year. Deposits above the guarantee level went up by 9.1 percent to total 288.5 billion lei at end-2024.

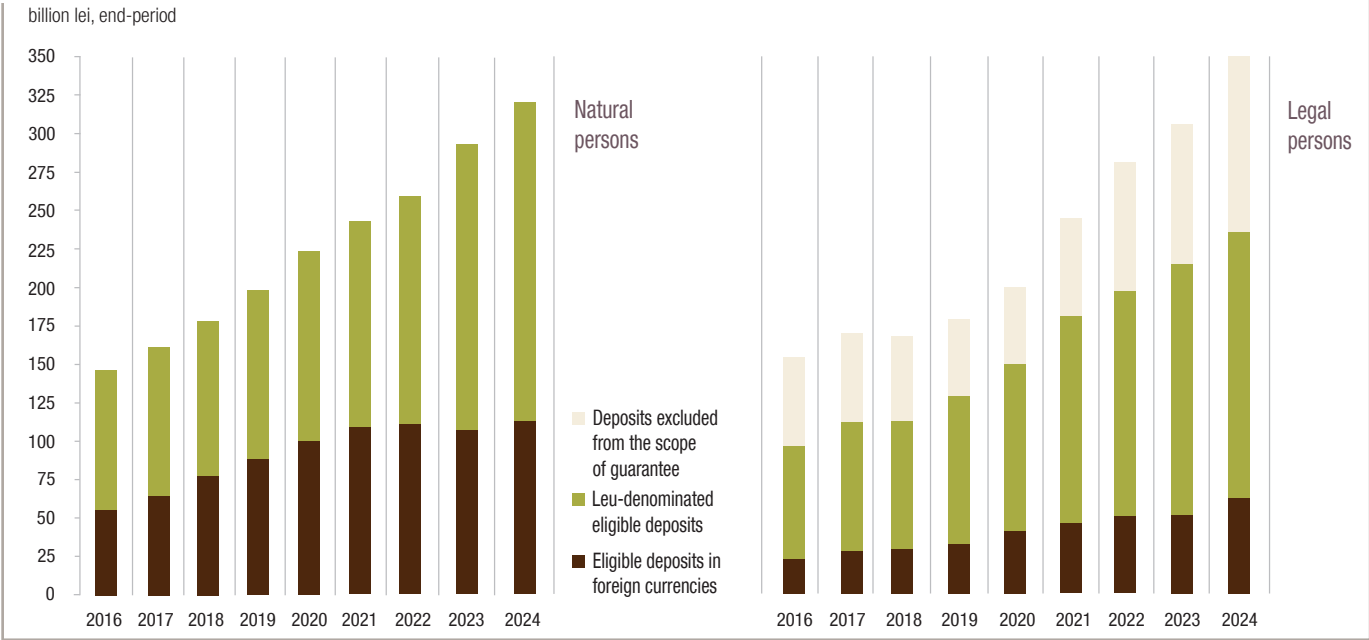
60.2% of total eligible deposits on 31 December 2024 came from the covered deposits category

99.2% is the percentage of natural and legal persons holding deposits within the guarantee threshold on 31 December 2024 (that is, 16,406,495 persons)

The FGDB fully covers these persons' deposits.

48.2% of total eligible deposits on 31 December 2024 were deposits within the guarantee ceiling

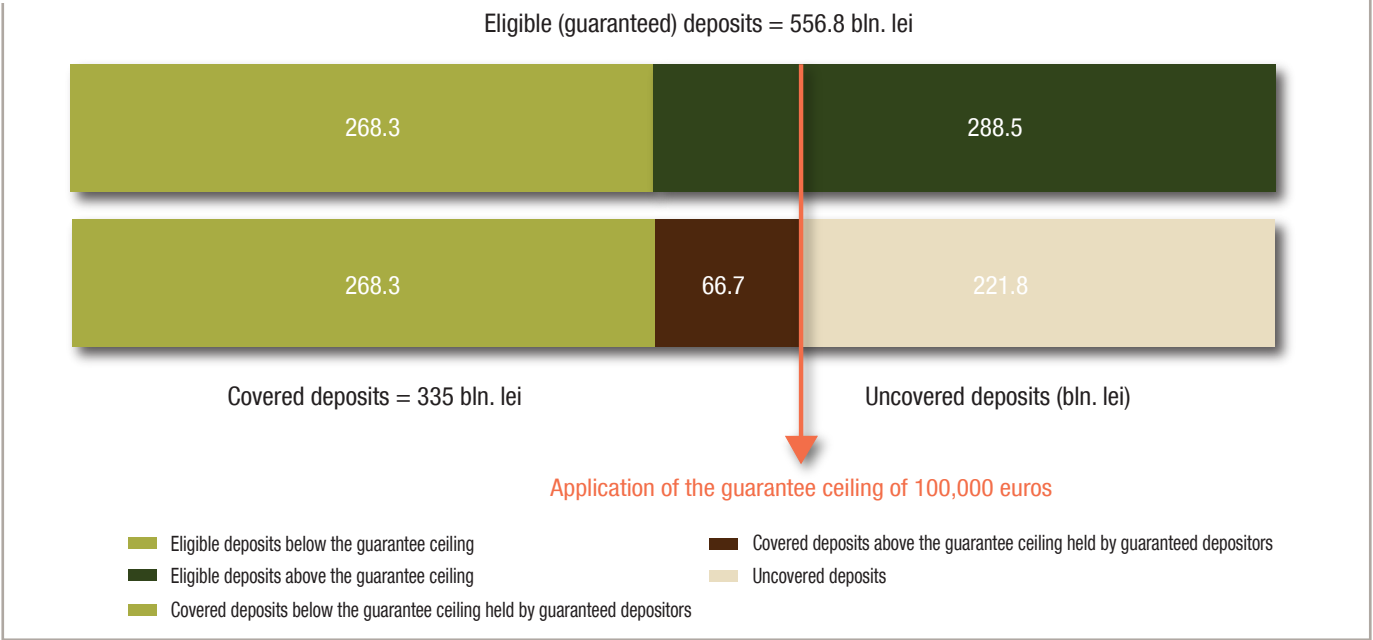
Deposits at affiliated credit la institutions



⁸¹ A statement of deposits with FGDB-member credit institutions as at 31 December 2024 is given in Annex 3.

⁸² A covered deposit is the part of an eligible deposit that does not exceed the guarantee ceiling of 100,000 euros in the leu equivalent.

Positioning of eligible deposits in relation to the 100,000-euro guarantee ceiling on 31 December 2024 (billion lei)



⁸³ On 31 December 2024, the 100,000-euro coverage level was the equivalent of 49,410 lei.

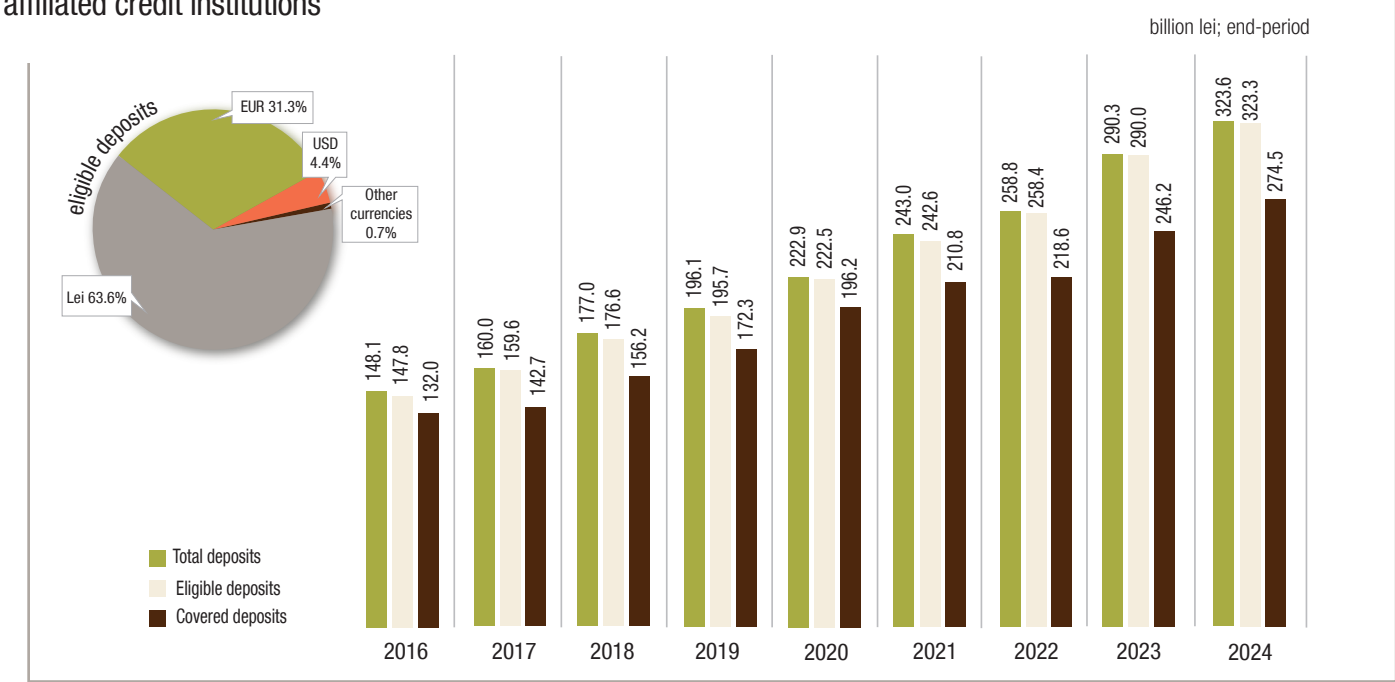
NATURAL PERSONS' ELIGIBLE DEPOSITS

In 2024, household eligible deposits held at credit institutions affiliated to the FGDB hit an all-time high for the past few years at 323.3 billion lei (an annual nominal variation of +11.4 percent). The upward move in household deposits was behind more than two thirds of the year-on-year increase in deposits within the FGDB's remit.

At the end of 2024, the number of guaranteed depositors among natural persons totalled 15,309,090, of which 98.6 percent were residents holding deposits that followed an ascending path throughout the year to reach a level of 315.1 billion lei.

Household leu-denominated deposits amounting to 205.7 billion lei (an annual variation of +14,9 percent), accounted for 63.6 percent of the total eligible deposits held by this depositor category on 31 December 2024, thus maintaining a majority stake.

Natural persons' deposits with affiliated credit institutions



100% is the FGDB's coverage for the deposits⁸⁴ of all depositors, natural persons, under the conditions and within the limits of the law.

Deposits in foreign currencies rose by 5.9 percent to the leu equivalent of 117.6 billion lei.

During 2024, the consumer confidence index in Romania, though remaining in negative territory, improved slightly, reaching levels higher than in the European Union where consumer sentiment on the overall economic situation was pessimistic. In Romania, consumers' inclination to save in the near future strengthened, which reflected in their savings behaviour despite interest rate levels of 2024.

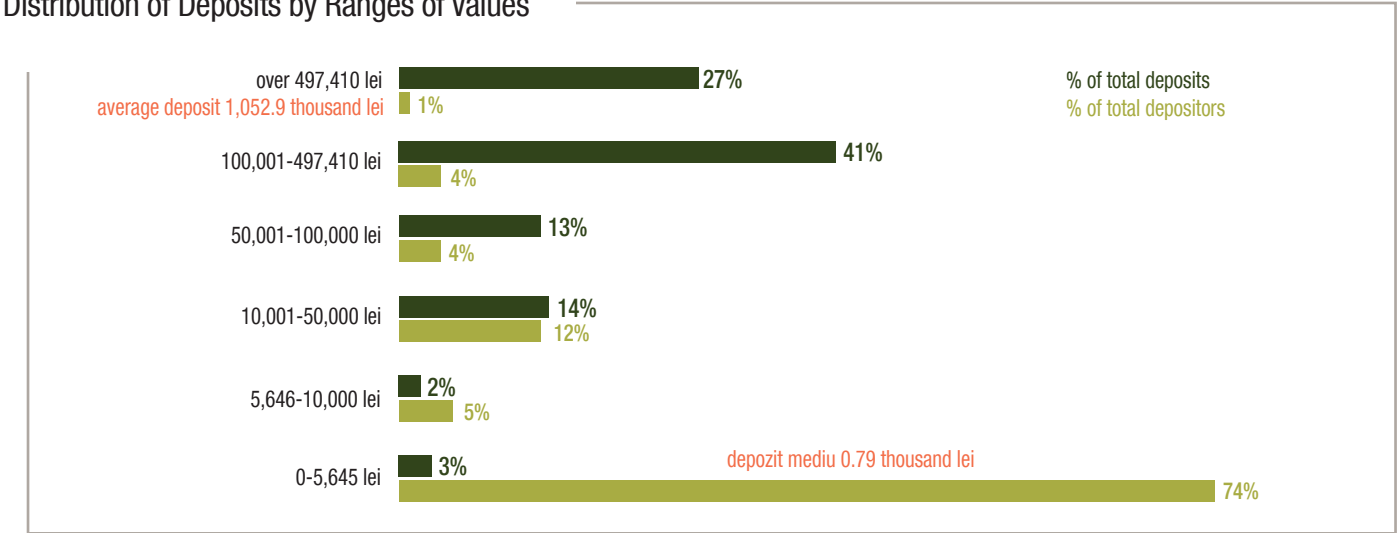
The rise in average net earnings and household disposable income are the main determinants of the advance of natural persons' deposits. In December 2024, the average net earnings in nominal terms stood at 5,645 lei, having moved up by 11.1 percent from the same month of the previous year. The wage index in real terms amounted to 105.7 percent⁸⁵. Exerting a positive impact on natural persons' deposits besides the upturn in average net earnings was the improvement of other labour market indicators, such as a lower unemployment rate⁸⁶, which stood at 5.2 percent in the fourth quarter of 2024 – the lowest level of recent years – and the largest number of employees⁸⁷ in the economy in the last ten years.

Following the application of a new pension law, at the end of 2024 average monthly pension⁸⁸ (for all categories of pensioners) amounted to 2,898 lei (a 36.4 percent increase in nominal terms from the previous year). The average pension index stood at 129.7 percent in real terms.

An analysis of the data credit institutions in the membership of the FGDB reported on 31 December 2024 highlighted several specific features of the distribution of depositors, natural persons, and the spread of their deposits, with the inversely proportional relationship between the two variables remaining unchanged.

Similar to previous periods, depositors holding amounts smaller or equal to 10 thousand lei made up the segment with the most numerous depositors included in the analysis, particularly individuals with deposits smaller than or equal to the average net wage at the end of 2024. On 31 December 2024, that segment accounted for 74 percent of total depositors, but held a scant three percent of total deposits. The average deposit in that case was 0.79 thousand lei. The segments where amounts ranged from over 10 thousand lei to 100,000 thousand lei grouped 16 percent of depositors and took 27 percent of total deposits.

Distribution of Deposits by Ranges of Values



⁸⁴ The bank deposit category includes current accounts, card accounts, time deposits, savings accounts and other similar products.

⁸⁵ Press Release no. 33/13 February 2025 of the National Institute of Statistics.

⁸⁶ Press Release no. 23/30 January 2025 of the National Institute of Statistics.

⁸⁷ Press Release of the Ministry of Labour and Social Solidarity of 13 February 2025.

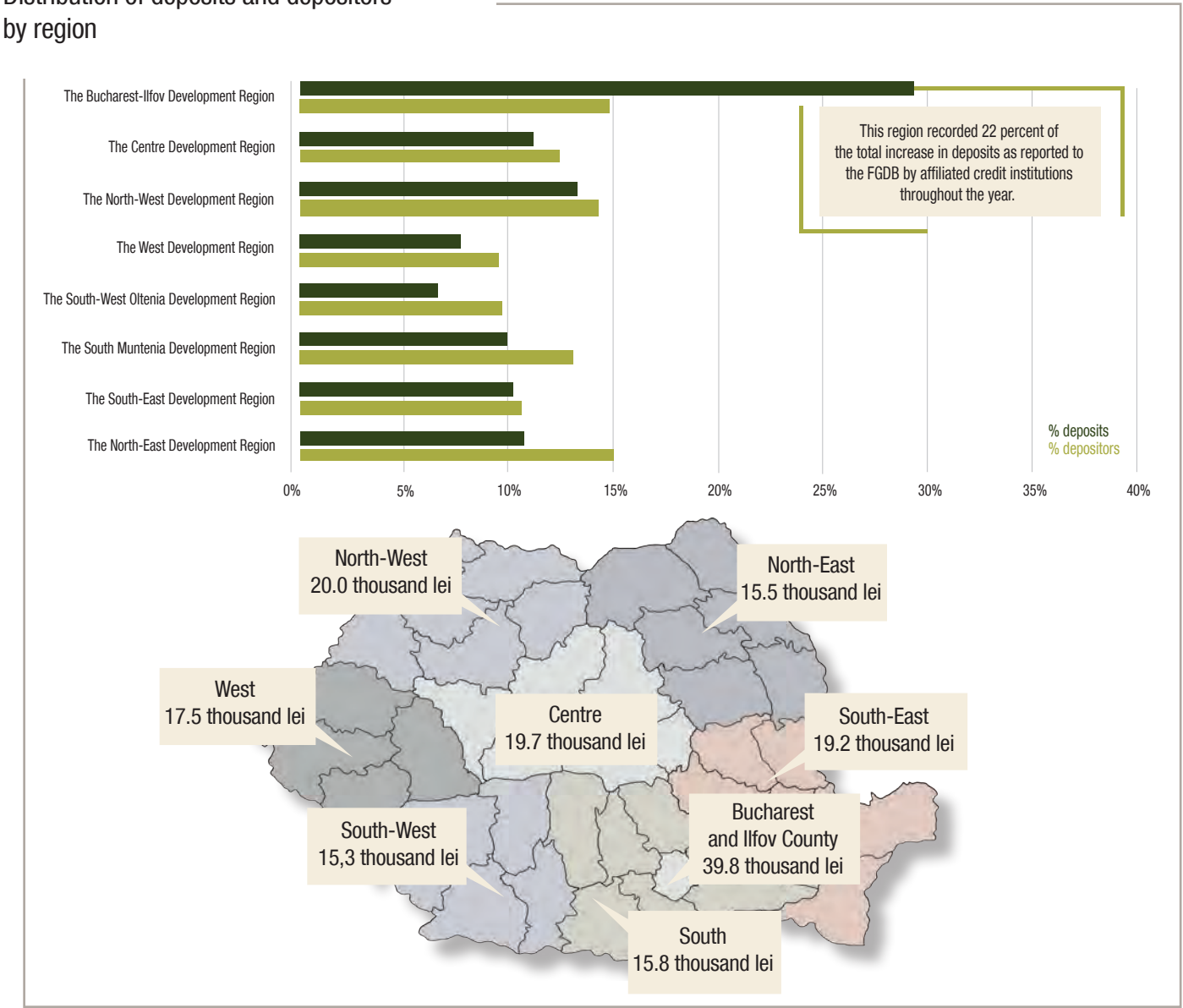
<https://www.mmuncii.ro/j33/index.php/ro/comunicare/comunicate-de-presa/7553-13022025-locuri-munca-2025>

⁸⁸ Press Release no. 60/14 March 2025 of the National Institute of Statistics.

Depositors having in their bank accounts amounts between 100 thousand lei and up to the leu equivalent of the coverage level represented a mere four percent of total depositors but took the largest share of total eligible deposits (41 percent). An average deposit in that segment was worth 202.9 thousand lei. A portion of one percent of the total number of natural persons included in the analysis was held by depositors whose bank deposits were above the guarantee ceiling and who

accounted for 27 percent of the volume of deposits. The average deposit in that case was 1,053 thousand lei. The Bucharest-Ilfov Development Region concentrated approximately 30 percent of the deposits held by natural persons (the average deposit in this segment amounts to around 40 thousand lei, which makes it the highest in the country). In 2024, the increase in deposits in this region in absolute terms amounted to 7.2 billion lei, corresponding to a four percent advance.

Distribution of deposits and depositors by region



At the opposite extreme, the lowest average deposit (15.3 thousand lei) was once again recorded in the South-West Oltenia Development Region although the rate at which that deposit moved up in 2024 was the fastest (an increase of 8.5 percent). By nationality, non-resident natural persons holding the largest deposits in Romania at the end of 2024 came from Germany, Greece, Italy, Malta and Ukraine, in descending order.

Covered household deposits took a year-on-year jump of 11.4 percent to stand at 274.5 billion lei on 31 December 2024, when they accounted for 81.9 percent of total FGDB-covered deposits. Covered household deposits posted an increase of 28 billion lei for the year as a whole, with around 80 percent of the annual rise being accounted for by the upward move of household deposits not exceeding the coverage threshold. In 2024, household deposits accounted for more than 90 percent of the advance of total FGDB-covered deposits as the greater part of depositors, natural persons, held deposits at most equal to the guarantee limit. In terms of guarantee ceiling, natural persons' deposits below or equal to that threshold

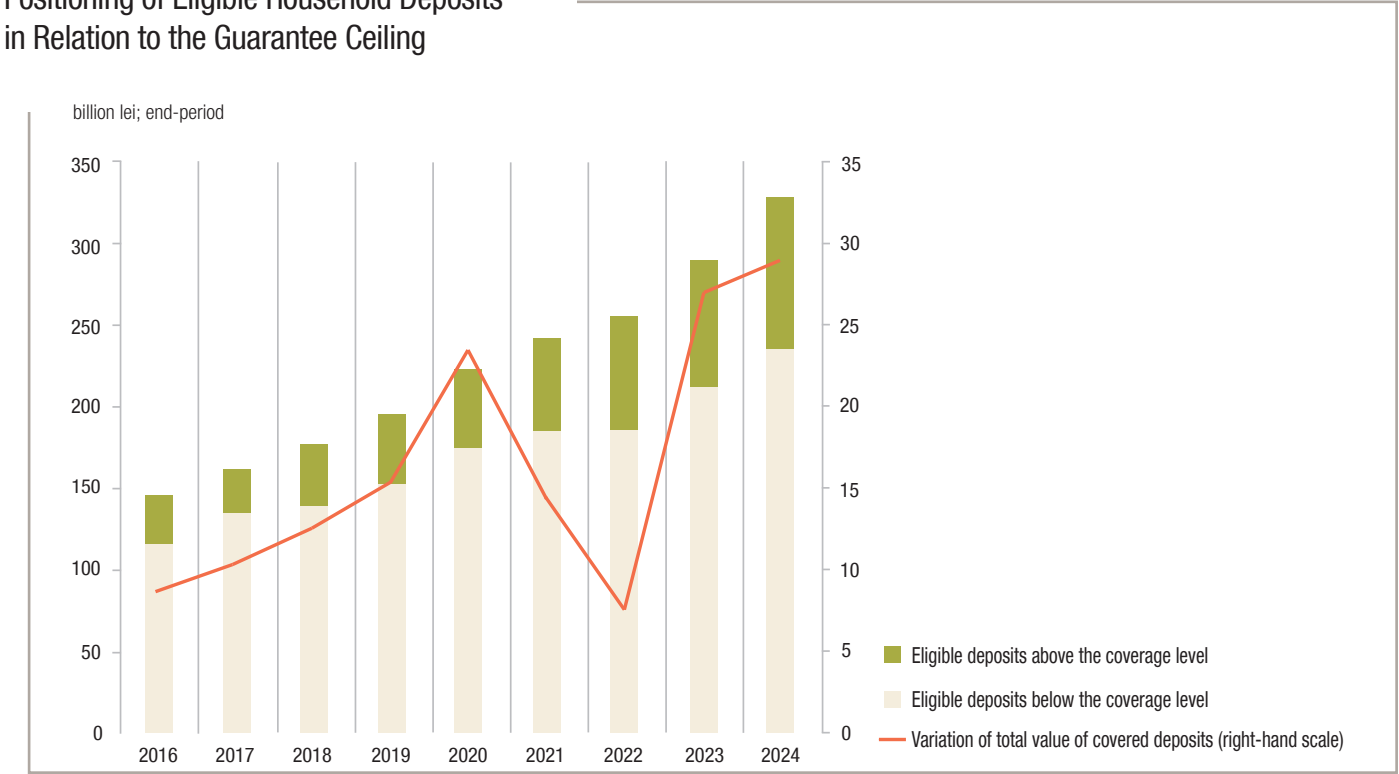
99.4% is the share of natural persons holding deposits within the coverage limit on 31 December 2024 (15,223,079 persons)

The FGDB fully covers these persons' deposits.

amounted to 231.7 billion lei (accounting for 71.7 percent of total eligible deposits) on 31 December 2024, having added 10.7 percent from the end of the previous year. Deposits above the ceiling traced an ascending path at a faster pace, gaining 13.4 percent to end the year 2024 at 91.6 billion lei.

On 31 December 2024, the average worth of a covered deposit held by a natural person amounted to 17.9 thousand lei, circa 6.5 percent up from end-December 2023.

Positioning of Eligible Household Deposits in Relation to the Guarantee Ceiling



LEGAL PERSONS' ELIGIBLE DEPOSITS

On 31 December 2024, guaranteed legal entities held deposits with FGDB-member credit institutions totalling 233.5 billion lei, having climbed by about seven percent from end-2023. Of that amount, 229.3 billion lei were in deposits held by residents. A sharper increase in deposits in foreign currencies above the guarantee ceiling was the trigger behind the rise in guaranteed legal persons' deposits.

Legal entities' deposits picked up in 2024 despite the small number of newly registered legal companies⁸⁹ (an annual drop of 14.6 percent), and the large number of companies which were dissolved (+18.4 percent), suspended (+14.6 percent) and deregistered (+16.5 percent) given the uncertain economic landscape and a declining investment climate. Businesses remained cautious in their investment/borrowing decisions and the propensity to save outstripped the level of borrowings.

97.2% is the percentage of legal entities within the FGDB's scope of guarantee on 31 December 2024.

The FGDB guarantees the deposits of all enterprises, irrespective of their size.

The number of guaranteed depositors, legal persons, at the end of 2024 amounted to 1,231,581, of which 99.8% were residents.

In 2024, deposits in the national currency continued to take the bulk of legal persons' total eligible deposits, of which approximately three quarters were denominated in the lei currency and amounted to 173.4 billion lei (a 4.1 percent year-on-year growth).

As compared to the end of the previous year, legal persons' deposits in foreign currency increased by 15.5 percent to the lei equivalent of 60.1 billion, mainly on the back of deposits in the euro which, on 31 December 2024, accounted for 86.5 percent of businesses' total eligible deposits denominated in foreign currencies.

More than half (54.1 percent) of the rise in enterprises' deposits resulted from foreign-currency deposits in the banks.

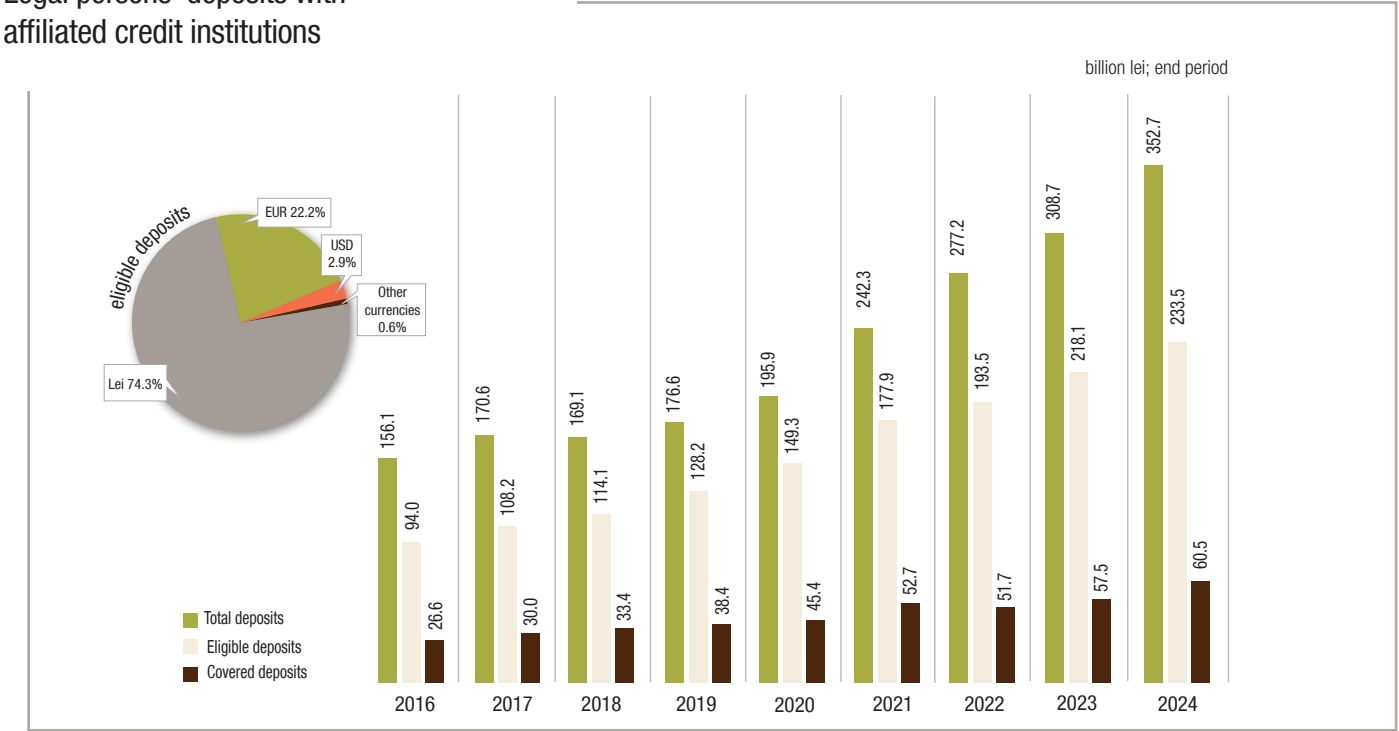
Legal persons' covered deposits posted a year-on-year jump of 4.8 percent to stand at 60.5 billion lei on 31 December 2024. Unlike deposits held by natural persons, of which the greater part was worth less than 100,000 euros, most of the total deposits of businesses stood

96.1% is the percentage of legal entities holding deposits not exceeding the coverage threshold on 31 December 2024 (1,183,416 persons).

The FGDB offers full coverage to these entities.

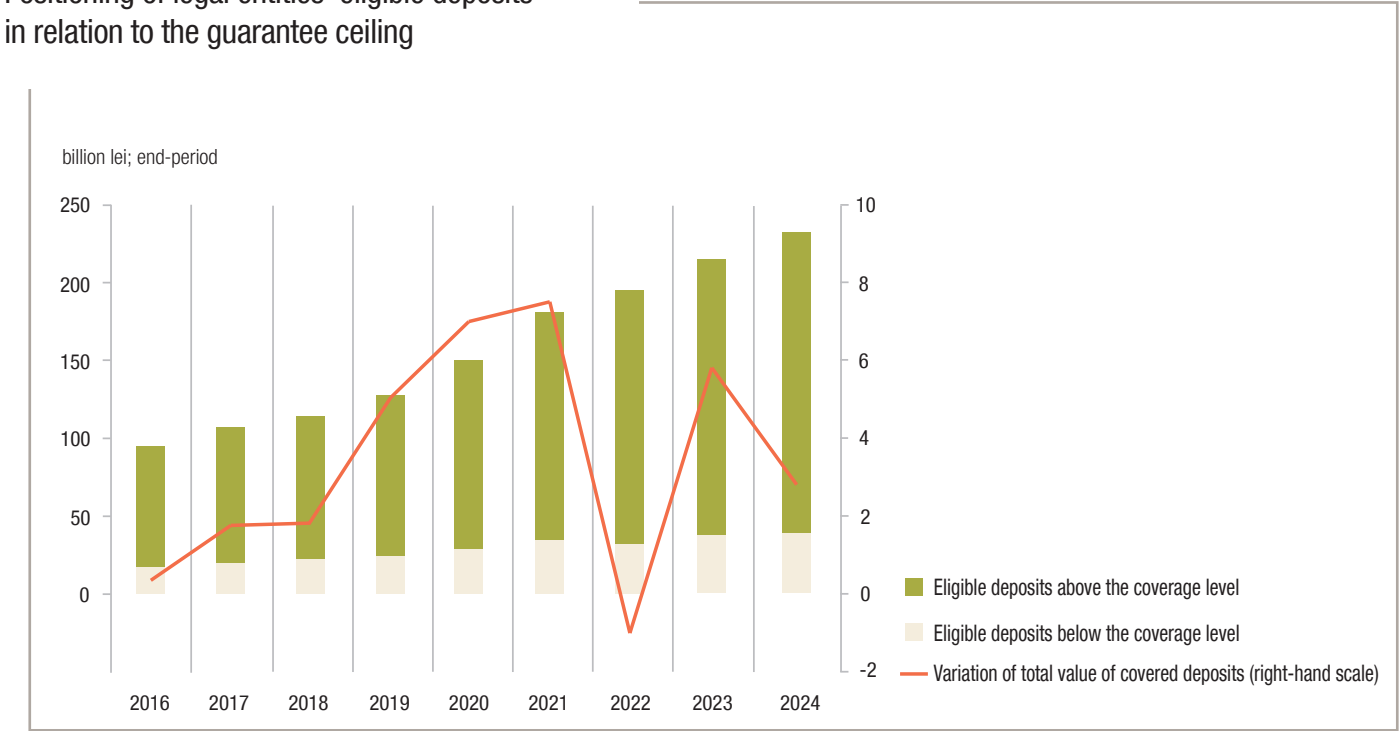
above the coverage limit. In 2024, covered deposits continued to account for less than 30 percent of total eligible deposits held by this group of depositors.

Legal persons' deposits with affiliated credit institutions



⁸⁹ Source: The National Trade Register Office, the Statistics section.

Positioning of legal entities' eligible deposits in relation to the guarantee ceiling



Throughout the year, balances higher than the leu equivalent of the 100,000-euro ceiling shifted upwards by 7.3 percent reaching 196.9 billion lei at end-2024.

At the end of 2024, an eligible deposit within the coverage threshold held by a legal entity was worth 30.9 thousand

PAYOUT PROCESS

Although no bank failure and no instance of deposit unavailability have occurred in Romania since 2006, the FGDB has continuously focused – in 2024 included – on providing all the necessary conditions for an effective process of compensating depositors.

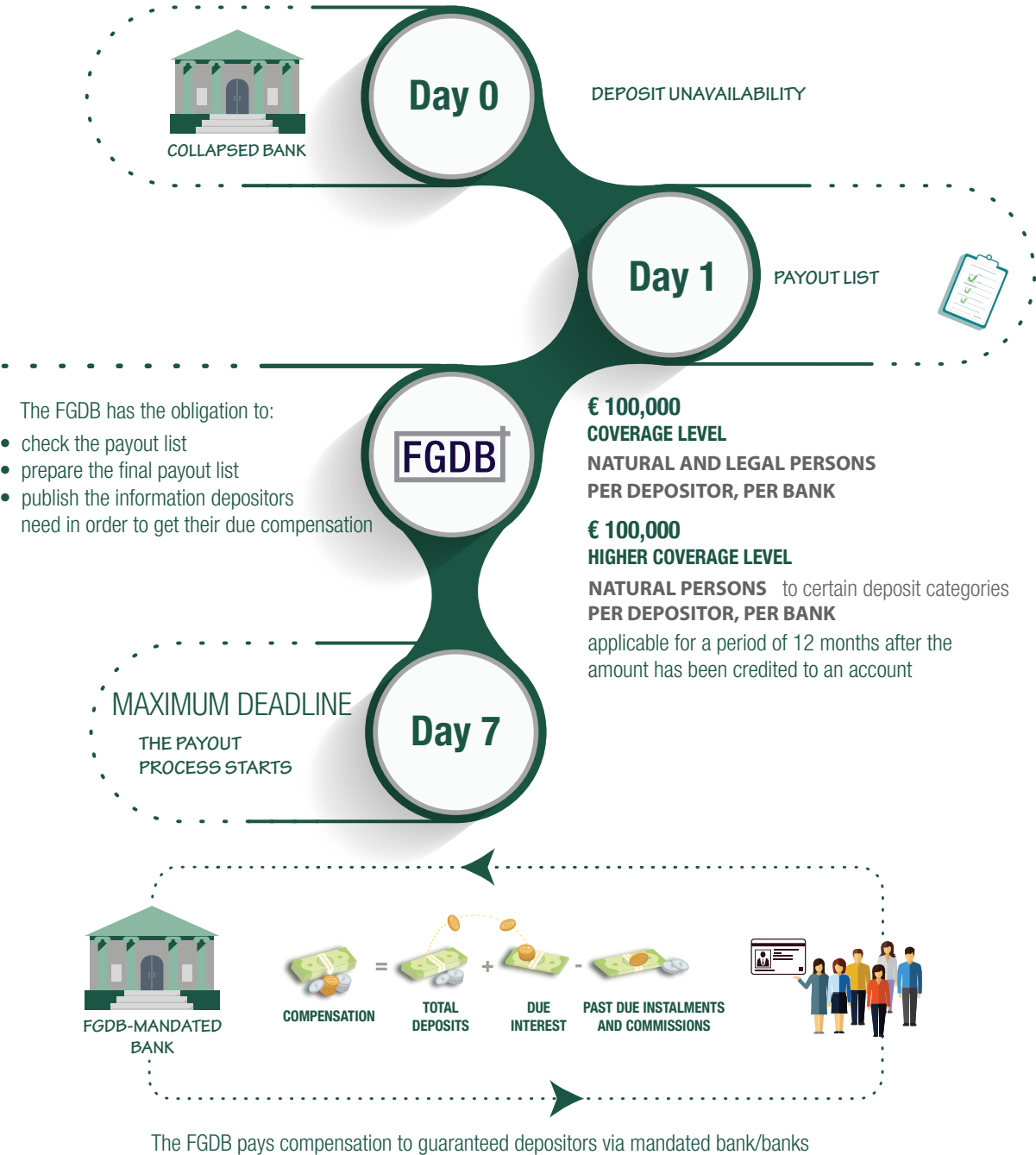
In compliance with legal provisions, the FGDB has the obligation to disburse due compensation to guaranteed depositors within no more than seven business days of the date deposits became unavailable, which is the repayment deadline set out in the European Union’s Directive which all deposit guarantee schemes had to meet by 31 December 2023. The FGDB adhered to the requirements outlined in the EU Directive and opted for the shortest payout deadline as early as 2015.

lei on average, while a deposit above that ceiling averaged 4,087.5 thousand lei. The average value of a covered deposit held by a legal person amounted to 49.2 thousand lei (an annual variation of +1.7 percent).

The disbursements the FGDB made so far are worth 512.2 million lei and they went to holders of guaranteed deposits at seven banks that failed over 1999-2006. The FGDB compensated the guaranteed depositors of the collapsed banks within the legal timeframe and all repayment processes ran without incident.

Given the overall tendency towards digitisation and considering the new trends in Europe as well as developments in information and communication technologies, the need to impart flexibility to repayment methods became apparent. In light of such considerations, the legal framework was revised and the FGDB initiated an extensive project to implement modern payout methods, as alternatives to repayments via a mandated bank.

PAYOUT PROCESS



INSPECTION VISITS AT FGDB-AFFILIATED CREDIT INSTITUTIONS

Credit institutions accepting deposits from the general public in the member states of the European Union have the obligation to join a deposit guarantee scheme which is officially recognised either in legislation or by the designated authority. Credit institutions which are Romanian legal entities authorised by the National Bank of Romania are affiliated to the FGDB, the statutory deposit guarantee scheme officially recognised in Romania pursuant to *Law no. 311/2015*, including for deposits taken by these institutions’ branches abroad. The branches in Romania of credit institutions headquartered in other member states participate in the guarantee schemes of their home countries.

On 31 December 2024, the FGDB had in its membership 24 institutions, of which 21 banks⁹⁰, two savings and loan banks and a credit cooperative (central body and affiliated cooperatives).

In compliance with legislation in force, the FGDB conducts annual on-site inspections at all member credit institutions to verify the accuracy of the data they report in order to determine the annual contributions to the deposit guarantee fund, the payout list and the methods they employ to inform depositors of the deposit guarantee process. The foremost goal of such visits is to confirm that both the credit institutions and the FGDB put in place every prerequisite for an effective run of the payout process, for the accurate classification of deposits in terms of coverage, and for the supply to depositors of reliable information about the protection the FGDB guarantees.

The control activities of 2024 were performed according to a hybrid work arrangement, both remotely for the verification of the reported data, based on the correspondence exchanged with verified credit institutions and on the information they provided in the form of secure/encrypted files via the Interbank Communications

Network (RCI) and electronic mail, as well as through the physical presence at the headquarters of the territorial units in Bucharest of credit institutions in order to check the way depositors were informed about the guarantee of deposits.

By 31 December 2024, 16 credit institutions had been verified and the remaining eight institutions were scheduled for inspection visits in the first three months of 2025. With the results of the controls as a basis, the contributions credit institutions paid to the deposit guarantee fund for the year 2024 are to be regularised.

The goal of the inspection visits was to verify whether affiliated credit institutions comply with the regulations referring to:

- 1. structure, content and modality of reporting the data these institutions must deliver to the Fund, pursuant to provisions laid down in *Regulation no. 2/2018 on the transmission to the Bank Deposit Guarantee Fund of the information needed to prepare the payout list and to calculate credit institutions’ annual contributions*;
- 2. content and presentation of the information on deposit guarantee offered to depositors, in compliance with the provisions set out in *Legal Regulations No. 1/2020 on the information of depositors by credit institutions (Legal Regulations No. 1/2020)*.

The annual inspection tested the capability of seven participating credit institutions to prepare and transmit the payout list the day immediately following the day of the request, an application which is part of the integrated IT system implemented within the FGDB being used to this end.

The regular checks (Our Note: *especially the tests assessing the capability to prepare and transmit the payout list*) which FGDB representatives carried out at the main offices of affiliated credit institutions showed that the

number of critical errors that could affect the repayment process was very low and pointed to an increase in the accuracy of information on guaranteed deposits and of the data in the payout list which are needed when determining the size of the compensation due to each guaranteed depositor.

The credit institutions that went through verifications submitted the payout list within the specified deadline, while the aspects identified during the controls were

included in error reports intended to provide for their correction.

The control activities were also intended to assess compliance with the provisions of *Legal Regulations No. 1/2020* in terms of both information supplied to depositors via the official websites of the credit institutions and the method of informing depositors with the help of Annex no. 2 to *Law 311/2015*.

⁹⁰ On 1 January 2025, as a result of a cross-border merger by absorption, Credit Europe Bank (Romania) SA, as absorbed company, stopped its operations due to being taken over by a newly created branch in Bucharest of Credit Europe Bank NV of the Netherlands (as absorbing company). A List of FGDB-Member Credit Institutions as at 31 December 2024 is available in Annex 4.



CHAPTER 4

THE FGDB-MANAGED FINANCIAL RESOURCES

At the end of 2024, the combined financial resources of the deposit guarantee fund and of the bank resolution fund amounted to 11,637.38 million lei, having increased by 902.81 million lei against the end-2023 level.

The two FGDB-managed funds – the deposit guarantee fund⁹¹ and the bank resolution fund⁹² – stayed on the upward path in 2024, as the FGDB's funding capability moved further up. The constant rise in the financial means of the two FGDB-managed funds resulted in an enhanced capability to fund the law-stipulated measures in the field of deposit guarantee and bank resolution.

The financial resources of the two funds also include the distributed portion of the FGDB's 2024 profit. According to legislation, the bulk of the FGDB's profit is channelled to the deposit

guarantee fund and the bank resolution fund to top up their available financial means.

Since their creation, the two funds have had an *ex-ante* funding mechanism allowing a gradual accumulation of financial resources which have not been used for their original purpose in recent events in Romania. Accordingly, the FGDB ranks among guarantee schemes defined by a high adequacy of resources relative to the requirements set for 2024 within the European Union, more precisely, a target level of 0.8 percent of total covered deposits in the case of the deposit guarantee fund and, respectively,

a target size set at one percent of total covered deposits in the case of the bank resolution fund.

In 2024, Romania's economy was under the combined impact of highly complex internal and external factors whose interaction generated additional tension and uncertainty. The cautious monetary policy of the National Bank of Romania, on the one hand, and the deceleration of the rate of increase in energy and food prices on the other hand slashed inflation to half its previous level – 5.1 percent at the end of 2024 from 10.4 percent on 31 December 2023.

Economic growth slowed down significantly, with the real Gross Domestic Product advancing a scant 0.8 percent in 2024, compared to 2.4 percent in 2023. Factors contributing to that deceleration included modest external demand from Romania’s trading partners and higher wages which influenced export competitiveness.

The banking system still faced challenges related to maintaining high non-performing loan ratios, as well as the prospect of having to book adequate risk provisions. Moreover, the public budget deficit widened sharply to eight percent of GDP in 2024 from 6.5 percent in 2023, reflecting substantially increased wage-related spending and transfers to social security.

In short, the year 2024 saw modest economic growth, a cutback in inflation and significant fiscal challenges that once again brought to the fore the need for structural reforms and for fiscal consolidation to provide for the long-term sustainability of the Romanian economy.

The FGDB pursued a cautious funding policy based on a target level for funds in the [2.35 percent – 2.70 percent] range and on striking a balance between the goal of maintaining an adequate amount of financial resources and the aim of keeping total collected contributions within sustainable limits for the affiliated credit institutions.

The aggregate profit of member credit institutions was high at the end of 2023⁹³, but the fiscal package the Government adopted at the end of September 2023 in order to cover the budget deficit included measures whereby, apart from the income tax, credit institutions had to pay a two percent tax on turnover in 2024. That tax remains unchanged in 2025 and will drop to one percent in 2026.

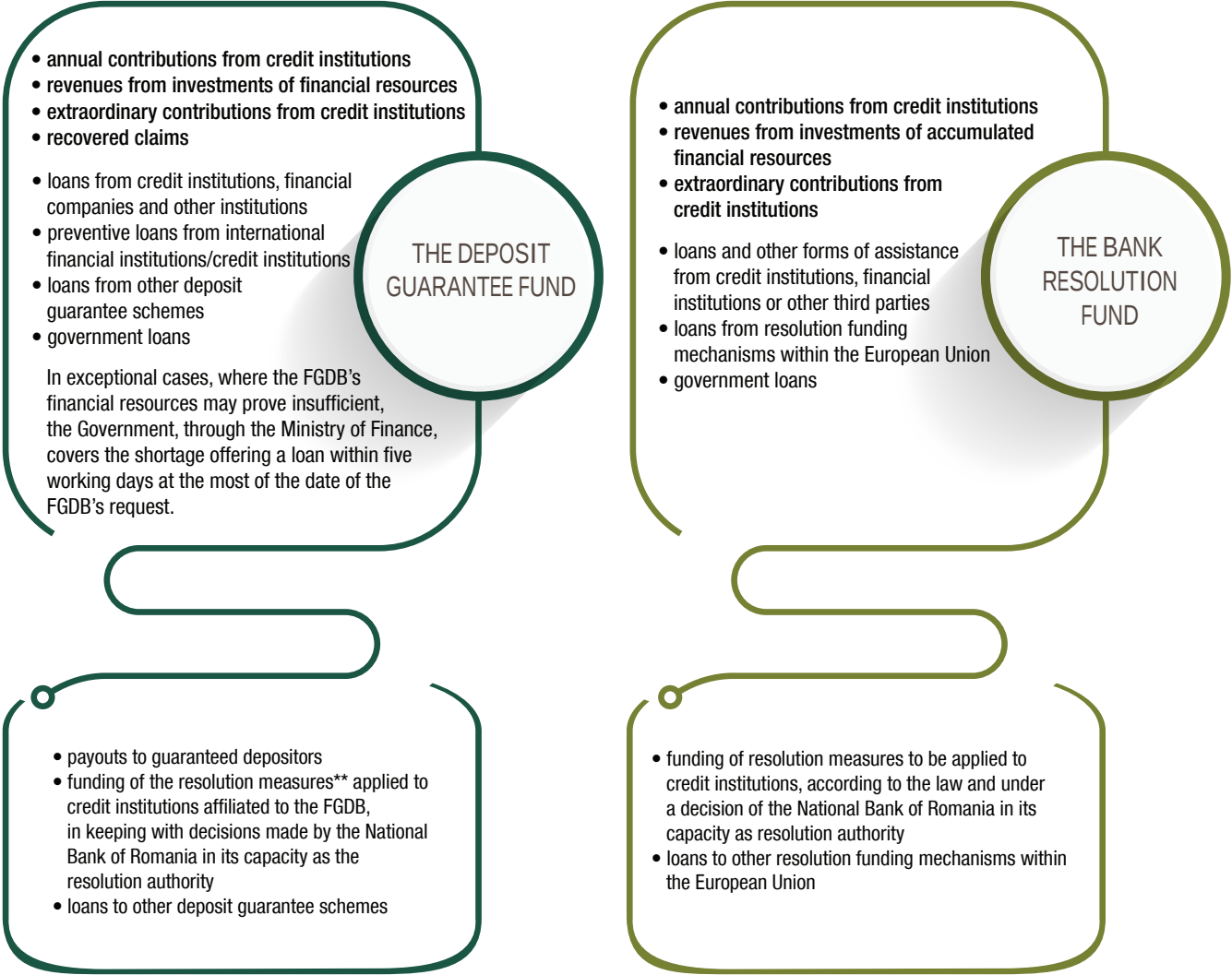
Further pursuing an enduring approach in its funding policy, based on the maintenance of an adequate level for funds as covered deposits increased at high rates, the FGDB collected annual contributions to the deposit guarantee scheme totalling 150 million lei in 2024.

Consolidation of depositor confidence and stimulation of savings on the back of lower inflation, relatively high passive interest rates (even if preponderantly negative in real terms) and a stable banking system as a whole, together with the measures taken by authorities to increase people’s nominal incomes also reflected in the level of covered deposits. In 2024, covered deposits maintained their double-digit increase, posting a rise of approximately 10.1 percent, which, however, stood below the 12.5 percent year-on-year climb of 2023.

Such developments came to validate the FGDB’s estimation when setting the guidelines of its funding policy so that, at the end of 2024, the actual level for funds amounted to 2.47 percent, which, despite a 0.07 percentage points retreat from 2023, remained well within the previously mentioned target range.

The FGDB maintained its leading standing among EFDI-member guarantee schemes in terms of the actual funding level which is more than three times higher than the 0.8 percent minimum target level set for European Union member countries. On 31 December 2024, the financial resources of the deposit guarantee scheme amounted to about 8.27 billion lei, a level that is sufficiently high to allow the FGDB to disburse payouts for any of the affiliated credit institutions which are not designated as systemically important institutions under the *National Bank of Romania’s Order No. 1/2025 on the buffer for credit institutions authorised in Romania and designated as other systemically important institutions (O-SII)*.

The Financial Resources* and the Use of FGDB-Managed Funds



⁹¹ The financial resources of the deposit guarantee fund are used to compensate guaranteed depositors and to finance resolution measures which, once applied, grant depositors’ continuous access to their deposit accounts at the banks under resolution.

⁹² The bank resolution fund was created on 14 December 2015 by taking over the financial resources of the bank restructuring fund (designed to compensate persons adversely affected by measures proposed and implemented during special administration procedures and to finance the stabilisation measures decided by the National Bank of Romania). The bank restructuring fund was managed by the FGDB from 2012 to 13 December 2015, its resources being taken over from the special compensation fund (2010-2011), which was set up to provide the financial means needed to compensate persons negatively affected by measures proposed and implemented during special administration procedures.

⁹³ The profit affiliated credit institutions made in 2023, which amounted to around 11.35 billion lei, was distributed in 2024.

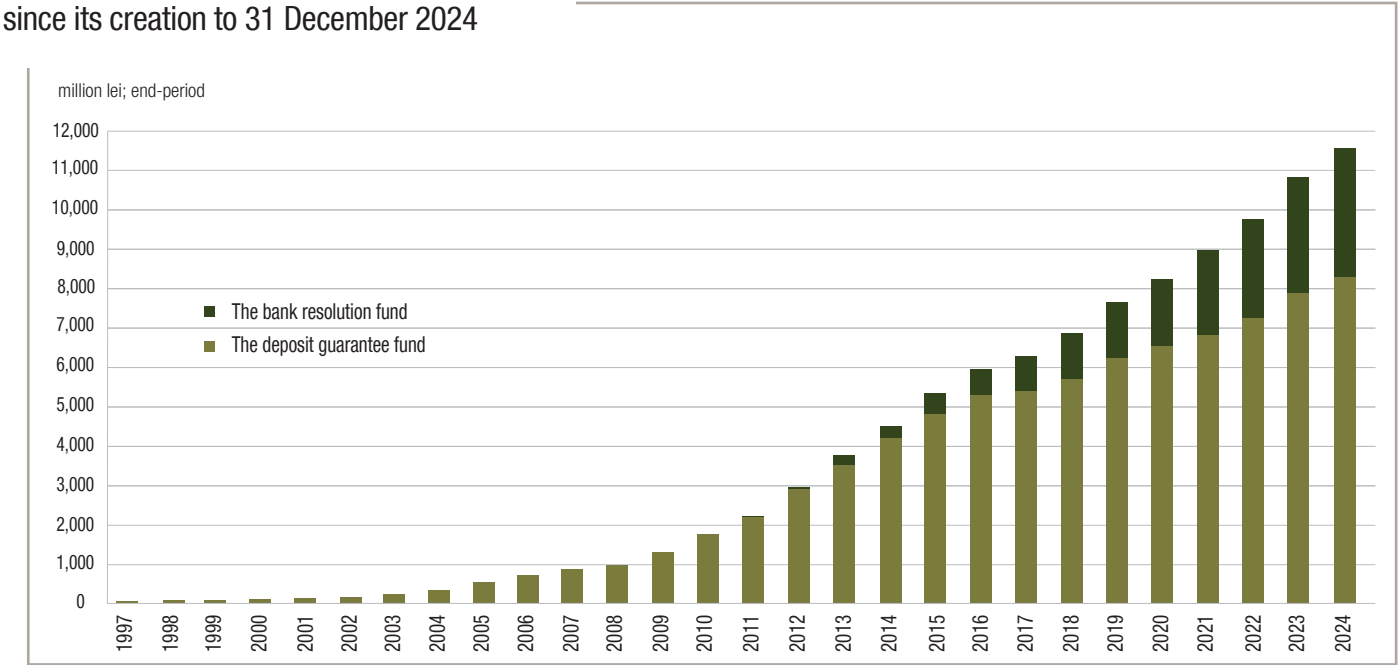
* in compliance with the legal framework as at 31 December 2024

** in compliance with provisions in Article 116 of Law No. 311/2015, with subsequent amendments and completions, and in Article 565 of Law No. 312/2015, with subsequent amendments and completions.

Operations related to building up, investing and using financial means in order to guarantee deposits and provide funding for bank resolution measures are registered as distinct entries in the FGDB’s accounting records. Both the financing of the two funds and the use of their financial means are firmly established by law. In its capacity as administrator of the two funds, the FGDB covers all its operating expenses exclusively from revenues arising from investments of the financial resources of the two funds, which makes it financially autonomous.

In order to secure the financial resources needed to fulfil its responsibilities, as laid down in legislation⁹⁴, the FGDB may use, besides its internal financial resources, external/ alternative funding sources, such as loans from credit institutions, financial institutions, other deposit guarantee schemes or from the Government or contingent financing from international financial institutions or credit institutions or, in the case of resolution measures, from other resolution funding mechanisms within the European Union.

Financial resources administered by the FGDB since its creation to 31 December 2024

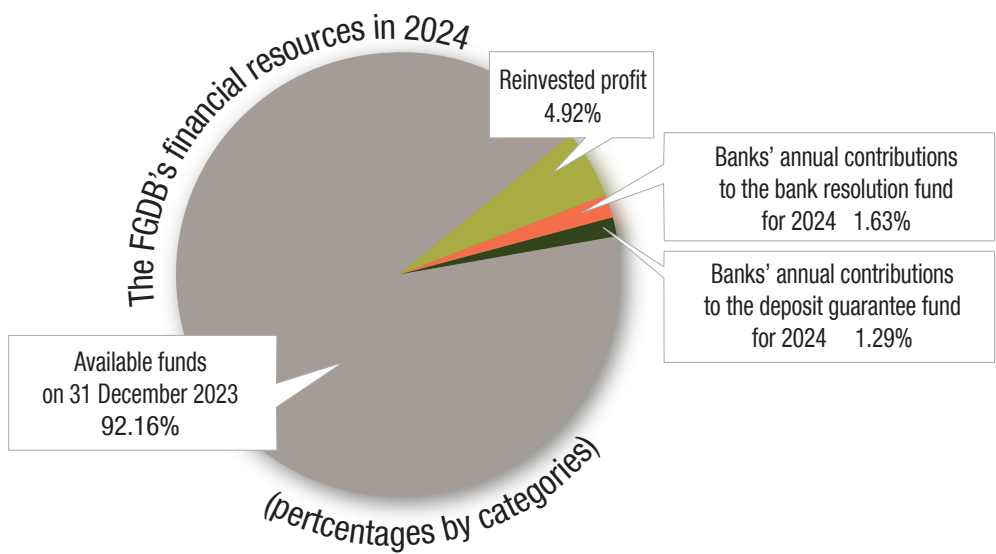


⁹⁴ In the early years of activity, the FGDB found itself in a situation where it had to repay guaranteed depositors. In order to address the shortage of internal resources needed to pay out deposit holders of Bankcoop and Banca Internațională a Religiiilor, two banks that collapsed in the first half of 2000, the FGDB had to resort to loans from the National Bank of Romania, in compliance with the legislation in force at that time. By 2005, the FGDB had paid back those loans.

⁹⁵ In exceptional circumstances when: (i) the available financial resources of the FGDB, as deposit guarantee scheme, are insufficient to pay compensation or to fund resolution measures, or (ii) the financial means of the FGDB-managed bank resolution fund are insufficient to finance measures for the resolution of credit institutions in compliance with applicable legislation, the Government, through the Ministry of Finance, lends the FGDB the amount it needs within no more than five business days of the date of its request.

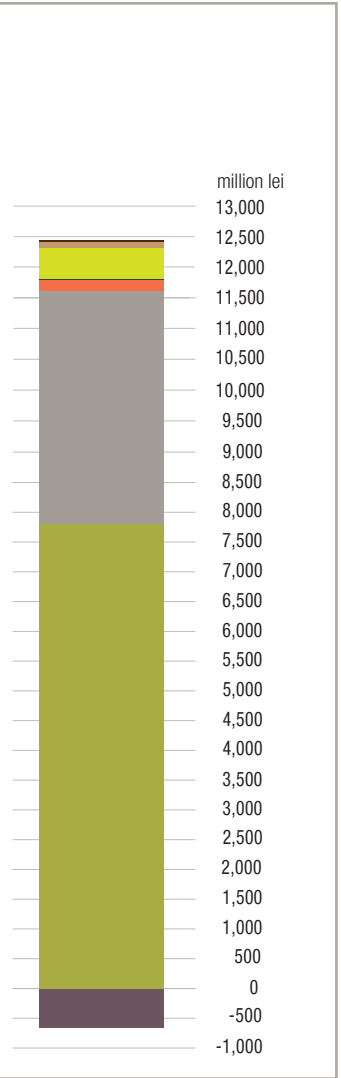
Throughout 2024, FGDB-managed financial resources climbed by 8.3 percent, while total covered deposits soared by 10.1 percent.

In 2024, participating credit institutions’ contributions to the two FGDB-administered funds summed up 340.18 million lei. Adding to this amount was another significant inflow of financial means worth 573.23 million lei resulting from the distribution of profit according to the law.

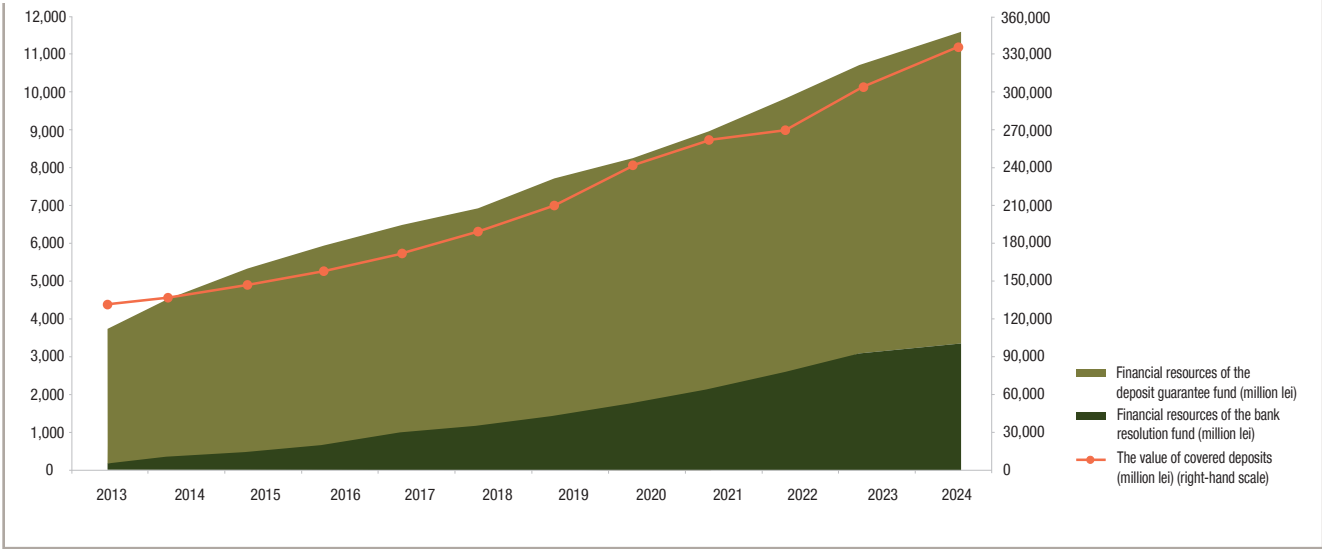


The FGDB's total funds and liabilities since its creation to 31 December 2024

- Exchange rate differences on loans
- Reserve fund
- Fund consisting of other resources for the bank resolution fund
- The FGDB's remuneration for its activity as liquidator
- Recovered claims from failed banks
- The FGDB's profit allocated to increase the financial resources of the deposit guarantee fund and of the bank resolution fund
- Contributions from banks
- Payouts and outflows of other financial resources (repayments were last made in 2007 and the last payments of interest on the loans the FGDB took to compensate Bankcoop and BIR depositors date back to 2005)



FGDB-managed financial resources and the value of covered deposits



STRATEGY FOR INVESTING AVAILABLE FINANCIAL RESOURCES

In compliance with provisions under *Law No. 311/2015 on deposit guarantee schemes and the Bank Deposit Guarantee Fund*, with subsequent amendments and completions, and *Law No. 312/2015 on the recovery and resolution of credit institutions and investment firms and amending and complementing legal acts in the financial sector*, with subsequent amendments and completions, the 2024 strategy for investing financial resources mainly targeted the mitigation of risks, the diversification and liquidity of investments, as well as yields, seen as a related goal.

The operationalisation, starting 28 June 2023, of the contingent financing worth 406 million euros from the International Bank for Reconstruction and Development consolidated the FGDB’s investment strategy.

The importance and effectiveness of that contingent credit line in terms of its contribution to optimising the management of the financial resources of the deposit guarantee scheme are highlighted by its very features:

- it may be equated with immediate liquidity⁹⁶, therefore diminishing the pressure of having to monetise the investment portfolio of the deposit guarantee scheme at short notice in order to compensate depositors and/or to fund, from the financial means of the deposit guarantee fund, possible resolution measures decided by the National Bank of Romania;
- it establishes the necessary requirements to avoid selling financial instruments in the FGDB’s portfolio at a loss;
- It affords total flexibility in terms of the timing of the drawdowns of loan proceeds so that, based on a

⁹⁶ The proceeds are available as soon as the FGDB notifies of an eligible event provided that requirements under the contract documents are fulfilled. According to a simulation exercise conducted on 15 November 2023 by a test team including FGDB and IBRD representatives, proceeds drawn down from the contingent credit line reached the FGDB’s account opened with the National Bank of Romania in a matter of days allowing the payout deadline of seven business days to be met.

cost-benefit analysis, the FGDB may use a funding mix that minimises the costs of its market intervention.

The share of the IBRD’s contingent credit facility in the deposit guarantee scheme’s total financial resources was of approximately 24.4 percent at the end of 2024, which offered the FGDB greater mobility in setting internal limits on monthly liquidity, and, respectively, investments with remaining maturity of up to one year made from the financial resources of the deposit guarantee scheme.

The slowdown in inflation in the first half of 2024 allowed the National Bank of Romania to relax its monetary policy slightly by slashing the monetary policy rate⁹⁷. Under such circumstances, passive interest rates at banks and on new government securities issues moved into sliding territory in the third quarter of the year only to eventually resume their climb amid investors’ concerns over the budget deficit and the start of the fiscal consolidation process on a domestic scale.

Domestic uncertainty and risks in connection with economic growth, inflation and budget deficit over the medium term, combined with an unpredictable global landscape marred by such factors as armed conflicts and trade tensions between the major economic powers and along with central banks’ cautious approach towards easing the monetary policy had a direct impact on internal and international financial markets.

Given such circumstances, the FGDB remained cautious in its strategy for managing its available financial resources, seeking mainly to disperse risk through adequate diversification, hold low-risk assets and set strictly monitored exposure limits on the investment portfolios of both the deposit guarantee scheme and the bank resolution fund.

Strategically, as well as tactically, the management of available financial resources complied with the European Banking Association’s guidelines⁹⁸ and with the good

practices in resource investment developed and applied by the deposit guarantee schemes in the membership of the EFDI. Liquidity management primarily relied on maintaining an optimal number of financial instruments classified as available-for-sale securities, all while considering aspects related to the impact of the marking to market of those instruments, as well as on an adequate spread of the maturities of investments and on a high rating of financial instruments.

In 2024, the FGDB maintained a rich portfolio of government securities and expanded the group of credit institutions with a substantial share of the market for government securities with which it concluded repurchase agreements. Moreover, the convention on repo-type operations with the National Bank of Romania⁹⁹ concluded on 26 April 2024 put conditions in place for obtaining liquidity in a timely manner and avoiding potential losses stemming from the process of turning financial instruments in the portfolio into cash in unfavourable market conditions.

Diversification remained a key target in decision-making on the management of available financial resources. The FGDB maintained highly granular investment portfolios by identifying new eligible counterparties, issuers and instruments.

Throughout 2024, in accord with the good practices applied by deposit guarantee schemes¹⁰⁰ the FGDB put relatively little money into the deposit accounts opened with participating credit institutions which are characterised by high liquidity and short maturities. By the end of 2024, those deposits accounted for circa 8.2 percent of the available financial means of the guarantee scheme, and, respectively, 13 percent or so of the financial resources of the bank resolution fund.

The FGDB further tailored the structure of its exposure – by counterparties, types of investments, foreign currencies and maturities – adopting tactical measures

⁹⁷ On 8 July 2024, the monetary policy rate set by the National Bank of Romania decreased from seven percent to 6.75 percent, only to fall again, on 8 August 2024, to 6.5 percent.

⁹⁸ Opinion of the European Banking Authority on deposit guarantee scheme funding and uses of deposit guarantee scheme funds (EBA/OP/2020/02)

⁹⁹ Pursuant to Article 122¹ of *Law No. 311/2015*.

¹⁰⁰ IADI Core Principles for Effective Deposit Insurance Systems

meant to ward off the potential negative impact of the unfavourable developments in financial markets, all while capitalising on market opportunities and complying with the guidelines set under its annual strategy for the investment of financial resources.

In monitoring counterparty risk in the case of credit institutions authorised by the National Bank of Romania, the FGDB uses an assessment methodology which is regularly revised to reflect the adjustments which the National Bank of Romania operates as part of the Supervisory Review and Evaluation Process (SREP). This methodology assumes many of the indicators that are being used when determining annual contributions to the deposit guarantee scheme. A risk assessment is prepared every three months based on the data that credit institutions report to the National Bank of Romania. The FGDB has access to those data under a cooperation agreement with the central bank.

The FGDB preserved the proactive nature of its actions providing for the early identification of potential risk sources by monitoring the financial performance of affiliated credit institutions. Moreover, the FGDB systematically monitored the credit ratings assigned by international credit rating agencies (S&P, Moody's, Fitch) to the foreign credit institutions, international financial institutions, and other financial institutions to which it was exposed to be able to act if the alert thresholds set in its investment strategy were reached.

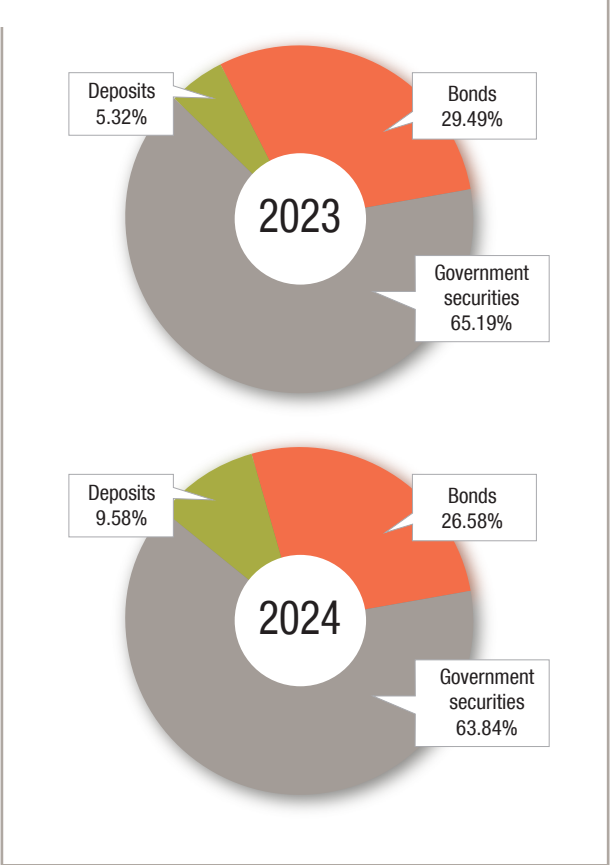
The exposure limits – by issuers/types of issuers/ counterparties, financial instruments, maturities, and foreign currencies – which were approved for each of

THE DEPOSIT GUARANTEE FUND

At the end of 2024, the financial resources of the deposit guarantee fund which, under the law, are intended to cover payouts and resolution measures, had reached an adequate level that allowed the FGDB to finance the deposit guarantee measures outlined by law.

On 31 December 2024, the financial resources of the deposit guarantee fund (including the 2023 reinvested profit) amounted to 8,266.43 million lei, up by 546.09 million lei from the end of the previous year. Consequently,

Structure of the FGDB's total investments

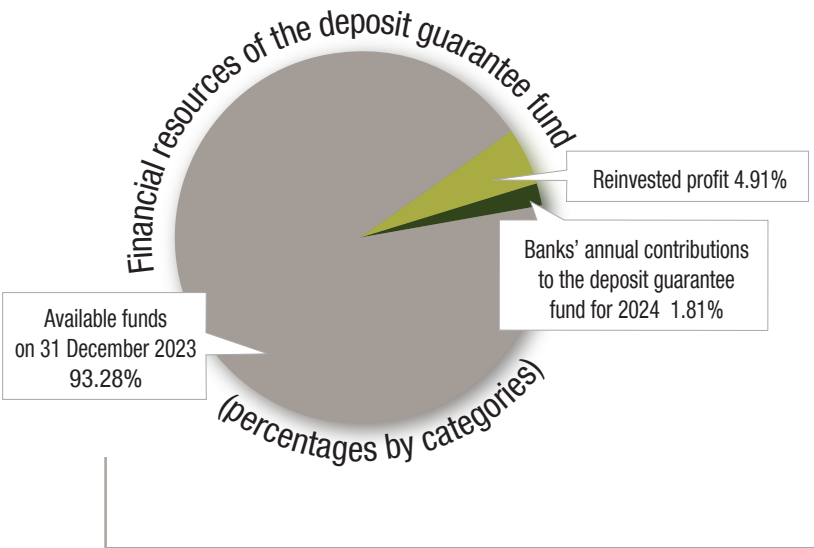


the two portfolios under the 2024 Strategy for investing financial resources were constantly monitored and observed. In 2024, the average invested capital shot up by 8.8 percent from end-2023 to 11,204.1 million lei.

the financial resources of the guarantee scheme are seen as sufficiently high to allow the FGDB to make repayments for any of the member credit institutions which are not designated as “other systemically important institutions (O-SII)” under the National Bank of Romania’s Order No. 1/2025 on the buffer for credit institutions authorised in Romania and designated as other systemically important institutions (O-SII).

In 2024, just as a year earlier, contributions to the deposit guarantee fund amounted to 150 million lei.

All through 2024, the percentage of deposit guarantee fund resources placed into deposit accounts at affiliated credit institutions increased in relative terms to 8.21 percent on 31 December from 4.49 percent at the end of 2023.

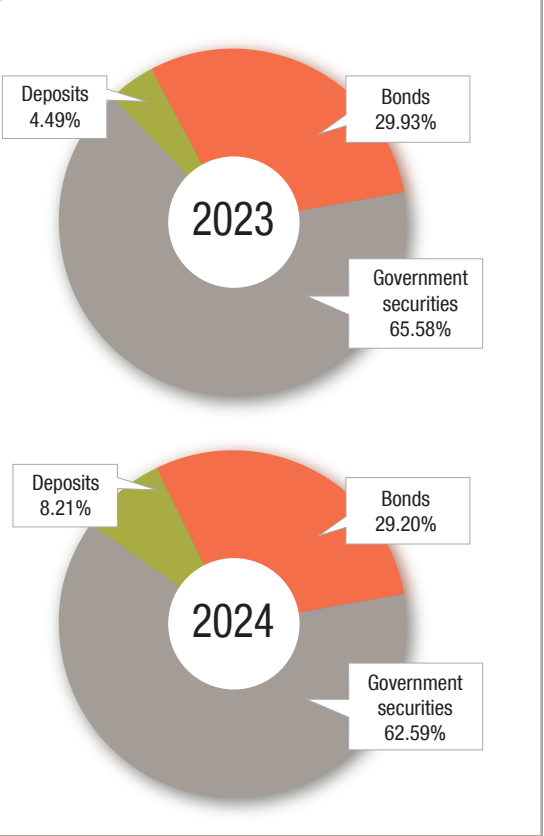


THE BANK RESOLUTION FUND

The bank resolution fund, created by taking over the financial resources of the bank restructuring fund, had a positive balance from the very beginning and has increased steadily in the years that followed.

The available financial resources of the bank resolution fund, including the reinvested 2024 profit, amounted to 3,370.95 million lei on 31 December 2024, having added 356.71 million lei to the end-2023 level. The ratio of these

Structure of the FGDB's investments of deposit guarantee fund resources

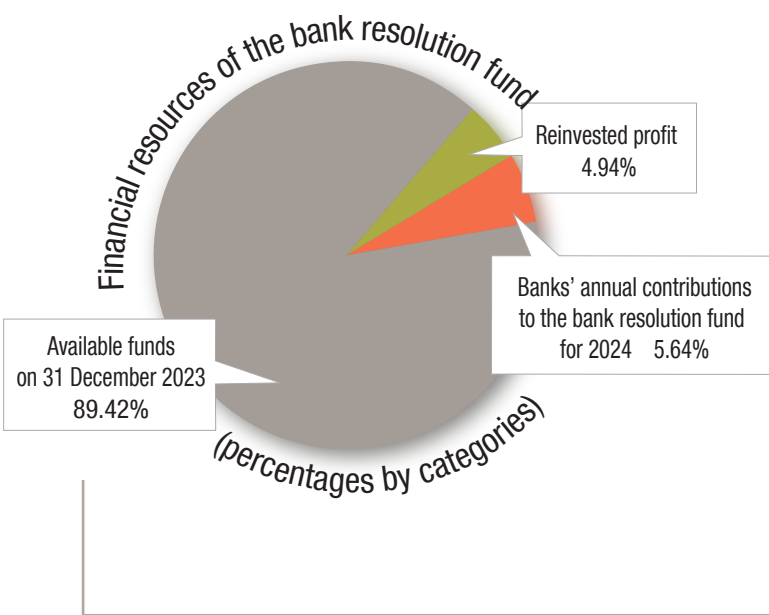


available financial means to FGDB-covered deposits stood at 1.01 percent¹⁰¹, a year-on-year rise of 0.1 percentage points.

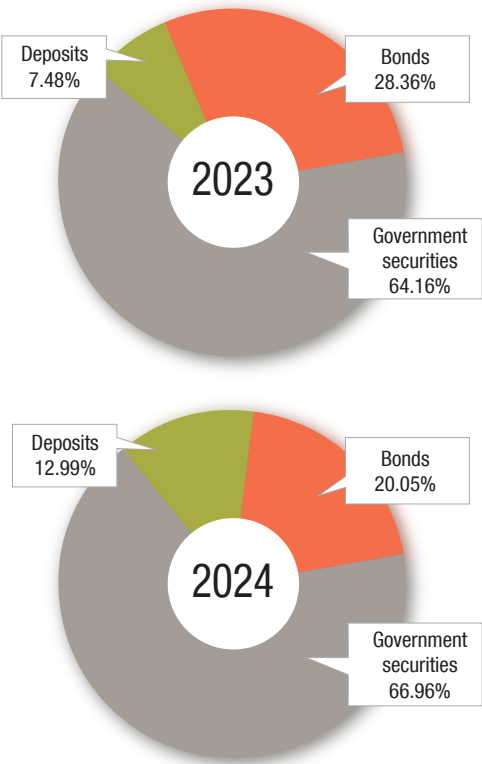
In its capacity as resolution authority, the National Bank of Romania sets the level of annual contributions to the bank resolution fund depending on the risk profiles of credit institutions. In 2024, contributions to the bank resolution fund totalled 190.18 million lei.

¹⁰¹ In compliance with EU regulations, in the case of the bank resolution fund, all member states must reach a minimum target level of one percent by 2024.

The percentage of bank resolution fund resources placed into deposit accounts at participating credit institutions soared from 7.48 percent on 31 December 2023 to 12.99 percent at end of 2024.



Structure of the FGDB's investments of bank resolution fund resources



Along these lines, the FGDB and the National Bank of Romania formalized an agreement on repo transactions collateralised with financial instruments recognized as eligible assets as part of the central bank's money market operations. These operations are regulated by the provisions of Articles 123 and 130 of the Treaty on the Functioning of the European Union, which lay down restrictions on the monetary financing of the state and general conditions that national authorities must observe in such situations.

In 2024, the FGDB started procedures to amend and complement *Government Ordinance no. 9/2004 on financial guarantee contracts* by incorporating a reference to the FGDB as a potential beneficiary and provider of financial guarantees. The amendment is necessary for the operationalization of the Fund's repo arrangements and payment commitments. The National Bank of Romania endorsed the FGDB's proposal and forwarded it to the Ministry of Finance for endorsement and approval.

During the preparation of the FGDB's bilateral cooperation agreements with the Ministry of Finance and with the National Bank of Romania it became clear that a number of provisions under Government Resolution no. 1084/2022 approving *Methodological Regulations for the application of provisions under Article 119, paragraphs (1) – (4), Article 119¹ and 119² of Law No. 311/2015 on deposit guarantee schemes and the Deposit Guarantee Fund* also required revisions in order to be fully applicable. More precisely, this has to do with the proof the Fund must provide to the Ministry of Finance to show that it has exhausted all possibilities of accessing alternative funding mechanisms before applying for a loan from public resources. The common position the Ministry of Finance, the National Bank of Romania and the FGDB shared on this issue made the basis of the explanatory statement on the aforesaid proposed amendment., which is awaiting formal endorsement and approval upon completion the present report.

ALTERNATIVE FUNDING MECHANISMS

In 2024, the FGDB, with the approval of the National Bank of Romania, revised and updated its strategy for alternative funding mechanisms to open up new avenues for diversification as part of a gradual process of orientation towards the resources in the market. The first stage of this process will focus on documenting the necessary legal requirements and models implemented by other deposit guarantee schemes within the European Union that resort to bond loans as a source of alternative funding. Depending on the results of this stage, the FGDB will set a strategic course of action based on the results of an opportunity analysis.

Repo conventions with central banks are effective tools whereby deposit guarantee schemes gain swift access to liquidity in crisis situations, thus avoiding forced sales and losses of principal. Given the specifics of the financial market in Romania – a shallow market with relatively limited liquidity – repo transactions with the National Bank of Romania emerge as essential for lessening liquidity risk and avoiding significant losses since they are a viable alternative to outright sales of eligible assets in the event of severe market disruptions.



CHAPTER 5

LIQUIDATION OF FAILED BANKS

Results of the Liquidation Process at Banks Where the FGDB Is Creditor or Liquidator

While in operation, the FGDB actively intervened to protect depositors of the banks that collapsed in Romania over 1999-2006, namely Banca Comercială "Albina" SA, Bankcoop SA, Banca Internațională a Religiiilor (BIR) SA, Banca Română de Scont (BRS) SA, Banca Turco Română (BTR) SA, Banca "Columna" SA and Nova Bank SA¹⁰². Once the payout process was completed, the FGDB was subrogated to the rights of guaranteed depositors and joined the body of creditors of the failed banks.

Moreover, in 2002, while fulfilling an extended mandate in line with legislation in effect at that time, the FGDB was appointed liquidator of BRS and BTR. However, following the amendment of applicable legislation on 14 December 2015, the FGDB may no longer act as court-appointed liquidator, though it will continue to work in that capacity in the case of BRS and BTR until bankruptcy proceedings for the two banks are completed.

By the end of 2024, the FGDB was still monitoring three failed banks, acting as creditor¹⁰³ for one of them and as liquidator for the other two.

Cumulative data on claims against the banks that went bankrupt over 1999 – 2006

Total claims (body of creditors) 996 million lei	Total recovered claims 345 million lei (a recovery ratio of 34.64% of the body of creditors)
The FGDB's claims = 513 million lei (repayments and contributions)	Claims recovered by the FGDB = 186 million lei (a claim recovery ratio of 36.26 percent of total claims)
Other creditors' claims = 483 million lei	Claims recovered by other creditors = 159 million lei (a claim recovery ratio of 32.92 percent of total claims)

THE FGDB ACTING AS CREDITOR

Banca Internațională a Religiiilor SA - undergoing bankruptcy proceedings since 10 July 2000
These proceedings are expected to close in two or three years' time.

THE FGDB ACTING AS LIQUIDATOR

Banca Română de Scont (BRS) SA – filed for bankruptcy on 16 April 2002

Further steps were taken to carry out the enforceable title obtained at the beginning of 2018 following the resolution of the criminal case concerning the embezzlement of *BRS*, including the processing of the civil cases pending before the courts for claims against the final recipients of the embezzled *BRS* funds and the actions to capitalise on assets.

Banca Turco Română (BTR) SA – went bankrupt on 3 July 2002

Just as in the case of *BRS*, after 10 years of litigations, a final judgement was rendered on 25 May 2012 ordering the five former administrators to pay civil damages for the bank failure. However, after a long train of actions carried out at home and abroad for another 11 years (starting September 2012), the possibilities of recovering claims had been exhausted by the end of 2023.

Total Receipts and Expenses
of Failed Banks in 2024

Failed bank	Total receipts (thousand lei)	Total expenses (thousand lei)
1. BIR	171	213
2. <i>BRS</i>	277	533
3. <i>BTR</i>	135	635
Total	583	1,381

In 2024, the greater part of the total receipts of the failed banks where the FGDB was either creditor or liquidator resulted from recovered claims (81 percent), while most of total expenses fell into the "third party services" category (51 percent).

¹⁰² On 22 August 2006, the National Bank of Romania decided the dissolution followed by liquidation in the case of Nova Bank SA and on 4 September 2006 the FGDB was appointed sole liquidator. The FGDB's mandate as sole liquidator was short-lived as the bank was forced into bankruptcy on 9 November 2006. Bankruptcy proceedings were closed under Decision No. 836 of 28 May 2020 of the Bucharest Court – Civil Section VII. The decision was final as no appeal had been lodged.

¹⁰³ The FGDB ceased to be a creditor of the banks that collapsed over 1996-2006 following: (i) the full recovery of claims as part of distribution to creditors (in 2004 from *BRS* and in 2011 from *BTR*); (ii) an assignment of claims agreement with another creditor (in the case of Nova Bank SA in 2007); (iii) completion of bankruptcy proceedings (against Banca Comercială "Albina" SA on 14 December 2012, against Bankcoop SA on 5 November 2019 and against Banca "Columna" SA on 30 May 2022).

Structure of failed banks' receipts and expenses



On 5 February 2024, under Distribution Plan No. XVI, the FGDB received from BIR 359 thousand lei, which pushed total recovered claims to 85,570 thousand lei (45.97 percent of total claims).

Throughout 2024, the collapsed banks where the FGDB acted as creditor or liquidator took further steps to recover claims, the number of debtors in their end-year records standing at 88, of which 76 were registered with BIR (more than 86 percent of the total number of debtors).

By 31 December 2024, distributions under bankruptcy proceedings in which the FGDB still participated as creditor/liquidator had reached 173 million lei.

Evolution of the number of failed banks' debtors

Failed bank	Total number of debtors on the date of bankruptcy	Total number of debtors removed from accounting records	Total number of debtors on 31 December 2024
1	2	3	4 = 2 - 3
1. BIR	22,416	22,340	76
2. <i>BRS</i>	232	223	9
3. <i>BTR</i>	1,286	1,283	3
Total	23,934	23,846	88

Total receipts, expenses and funds for distribution to creditors as at 31 December 2024:

Failed bank	Total claims to recover on the date of bankruptcy (thousand lei)	Total liquidation-related receipts (thousand lei) ¹⁾		of which:							Total liquidation-related expenses (thousand lei)		Total funds allocated for distribution (thousand lei)
				recovered claims			asset sales		other receipts				
		on 31.12. 2024	of which in 2024	value (thousand lei)	% of total claims to recover	% of total receipts	value (thousand lei)	% of total receipts	value (thousand lei)	% of total receipts	on 31.12. 2024	of which in 2024	
1. BIR	213,982	190,978	171	153,889	71.92	80.58	23,559	12.34	13,530	7.08	84,458	213	108,906
2. BRS	37,750	40,124	277	19,219	50.91	47.90	16,423	40.93	4,482	11.17	22,196	533	18,130
3. BTR	227,480	67,673	135	15,142	6.66	22.37	31,899	47.14	20,632	30.49	20,812	635	45,506
TOTAL ²⁾	479,212	298,775	583	188,250	39.28	63.01	71,881	24.06	38,644	12.93	127,466	1,381	172,542

1) Net value (free of VAT or other deductions, as the case may be)

2) Total liquidation-related receipts, which cover Banca "Albina", Bankcoop, Nova Bank and Banca "Columna", stand at 545,053 thousand lei (recovered claims worth 332,053 thousand lei, asset sales worth 158,270 thousand lei and other receipts adding up to 54,730 thousand lei), overall expenses amount to 217,840 thousand lei, while total funds allotted for distribution total 345,170 thousand lei

Banca Română de Scont (BRS)

From bankruptcy date (16 April 2002) to the end of 2024, claims worth 19,219 thousand lei were recovered, which puts the recovery ratio at 50.91 percent of the total claims registered in the accounting records on the date the bank collapsed.

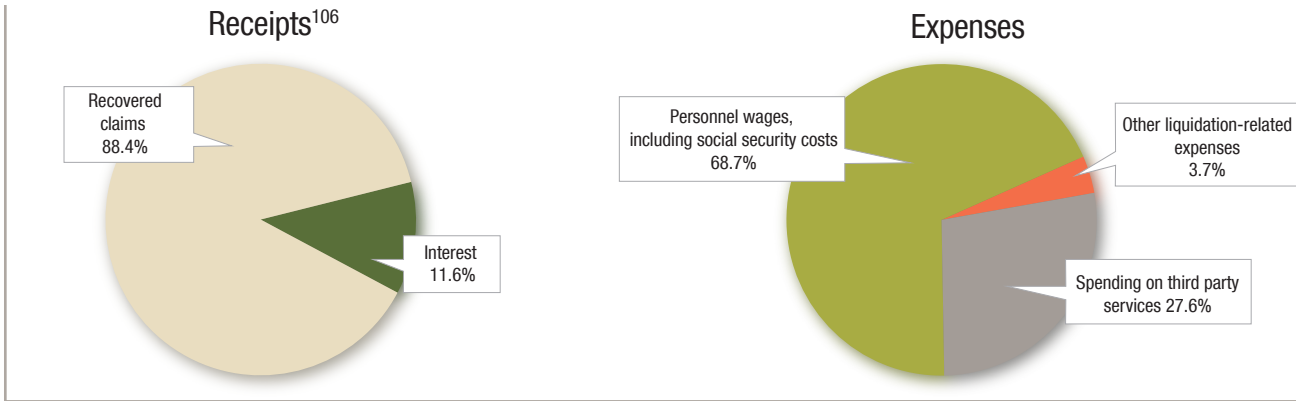
By 31 December 2024, as many as 11 distribution plans had been prepared outlining allocations to creditors amounting to 18,130 thousand lei to satisfy 47.16 percent of the body of creditors - the highest level of creditor satisfaction among failed banks.

Funds distribution to creditors was suspended because BRS's assets were under a precautionary seizure instituted for the benefit of Rafo SA¹⁰⁴ - going through bankruptcy proceedings with Casa de Insolvență Transilvania Filiala București/Transylvania Insolvency House, the Bucharest

Branch as liquidator (the last allocation, dated 30 January 2010, amounted to 643 thousand lei).

All through 2024, further measures were taken to carry out the enforceable title obtained in March 2018 following the resolution of the criminal case concerning the embezzlement of BRS¹⁰⁵. The implementation of those measures is expected to have a favourable impact on claim recovery actions, including the processing of the civil cases pending before the courts for claims against the final recipients of the embezzled BRS funds. Furthermore, actions were taken to capitalise on the BRS's share of the assets (land lots and an access road) located in the Șiglău-Uricani area, in Hunedoara county, as the co-owner, Astra Asigurări Reasigurări SA (which is going through bankruptcy proceedings), announced it no longer intended to sell the respective assets jointly with BRS.

Structure of BRS's receipts and expenses in 2024



¹⁰⁴ Rafo SA was the injured/civil plaintiff and BRS was the civilly liable party in the criminal case file no. 11126/3/2010 which the Bucharest Court resolved by dismissing the criminal case and by leaving the civil component unresolved. The unresolved civil matters are the subject of case file no. 10991/3/2014 pending before the Bucharest Court. For the time being, the matter is adjourned pursuant to Article 20¹ of Law no. 83/1998 pending the closure of bankruptcy proceedings against Banca Română de Scont SA.

¹⁰⁵ The Bucharest Court of Appeal resolved the case on 22 March 2018 when it rendered Judgement no. 424/A, after partially reversing the Bucharest Court's Judgement no. 764 of 11 May 2015 and remanding the case for reconsideration on the merits. Under the final judgement, BRS obtained the requested civil damages for the bank's failure, that is 93,526 thousand lei (three times more than the amount awarded under the decision of the court of first instance).

¹⁰⁶ In 2024, BRS's receipts amounted to 277 thousand lei, of which 245 thousand lei arising from recovered claims and 32 thousand lei resulting from interest on investments.

Banca Turco Română (BTR)

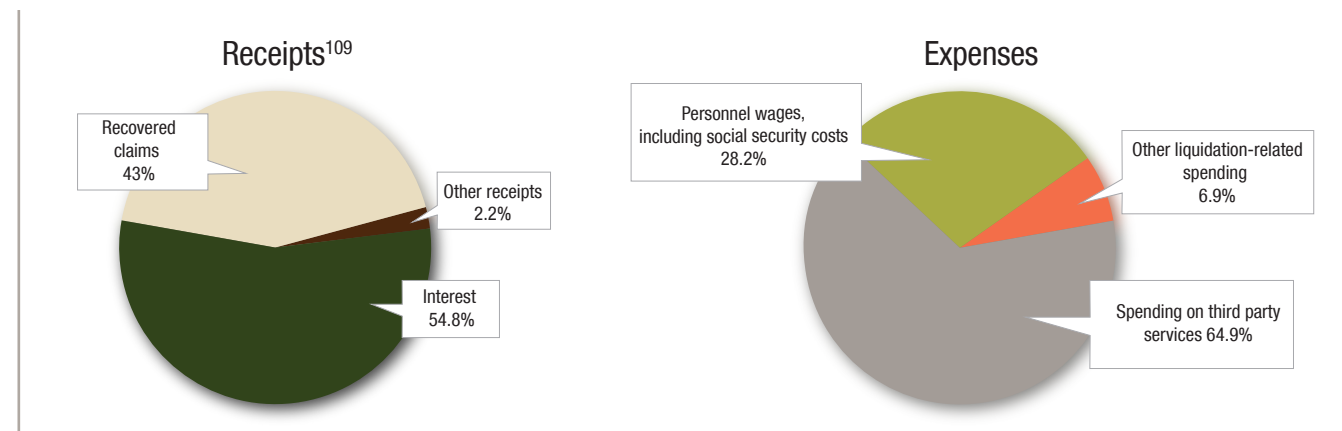
From the date of bankruptcy (3 July 2002) to 31 December 2024, claims were recovered amounting to 15,142 thousand lei, or 6.66 percent of total claims, including the claims over the main debtor¹⁰⁷, wherefrom a partial amount of 8,724 thousand lei was recovered in 2017. The recovery ratio was 35.64 percent of the claims registered in the bank's records on the bankruptcy date (leaving aside the claims over the main debtor).

In the aggregate, financial revenue – a specific element of the bankruptcy procedure of *Banca Turco Română* S.A. due to its size – covered liquidation costs until the end of 2021¹⁰⁸. On 31 December 2024, total liquidation expenses (amounting to 20,812 thousand lei) outran

financial revenue (standing at 19,436 thousand lei) by 7.08 percent due to a drop in bonus interest rates on time deposits held with credit institutions.

BTR's largest claim, namely the civil damages for its failure awarded under final Judgement No. 1083/R of 25 May 2012 of the Bucharest Court of Appeal, stands at 59.4 million USD and 11.3 million EUR, plus legal interest. In order to recover the main claim, enforcement proceedings were initiated in 2012 and over September 2012–December 2023 *BTR*'s liquidator initiated multijurisdictional actions abroad (given the Turkish citizenship of four of the five co-debtors), primarily in Switzerland, Great Britain and the United States, with related costs being covered from the

Structure of BTR's receipts and expenses in 2024



¹⁰⁷ According to *BTR*'s accounting records, taken over from the liquidator when bankruptcy proceedings opened, its main debtor was Bayindir Insaat Turizm Ticaret ve Sanayi AS of Turkey, a company whose accrued debt on 3 July 2002 stood at 52.9 million USD and 10.2 million EUR, accounting for 92.08 percent of total claims on bankruptcy date. As part of the criminal case against the five former administrators of the bank for the fraudulent transfer of *BTR*'s funds to banks abroad to serve as guarantee/collateral for the benefit of the aforesaid company, in 2012 the court served an enforceable title for the recovery of the damage to *BTR*. The title showed in the *BTR*'s accounting records where the five former administrators were registered as collective debtor and by substitution with Bayindir Insaat Turizm Ticaret ve Sanayi AS became the bank's main debtor.

¹⁰⁸ In the aggregate, from bankruptcy date (3 July 2002) to 31 December 2021, financial revenue amounted to 19,133 thousand lei, and expenses stood at 19,114 thousand lei.

¹⁰⁹ In 2024, *BTR*'s receipts added up to 135 thousand lei, of which 58 thousand lei from recovered claims and 77 thousand lei in interest on investments and other receipts.

debtor's wealth¹¹⁰ on the one hand, and, on the other hand, based on a litigation funding arrangement signed with a specialised firm from Great Britain¹¹¹. The agreement *de facto* terminated by end-2021 when funding ceased as the allocated budget had been depleted. The *BTR* had no payment obligation to the funder since there had been no recoveries during the lifetime of the agreement.

As a result of the actions *BTR*'s liquidator initiated in Switzerland in 2013, part of the main claim was recovered early in March 2017. That was actually the only recovered sum, which amounted to 2.06 million CHF (the equivalent of 2.03 million USD). Consequently, *BTR*'s liquidator could make a first partial distribution to 342 seventh-rank creditors under the rectified Distribution Plan no. 7/2017 reaching a level of creditor satisfaction of 11.49 percent.

By the end of the year 2023, all legal avenues of recovering the main claim had been exhausted: (i) the enforcement file had been closed on 7 December 2023 due to the insolvency of the five co-debtors; (ii) the personal bankruptcy proceedings initiated by debtor Kamuran Çörtük in the United States were closed by a specialised court on 5 January 2024 following the approval in September 2023 of the U.S. liquidator's final report. Although when the personal bankruptcy process concluded debtor Kamuran Çörtük had not been discharged of the debt liability, due to the fact that *BTR* had won a litigation concerning the non-discharge

of the debt liability, the bank no longer has the financial capability to fund further recovery actions abroad.

With all legal channels for main claim recovery closed, *BTR*'s creditors, gathered in a meeting on 30 August 2024, approved that the respective claim should be removed as asset from the balance sheet and recorded off the balance sheet with the updated value (including interest and recovered amounts) as at 31 December 2023 (Our Note – the leu equivalent of foreign currency amounts is determined based on the exchange rate published by the National Bank of Romania on the last working day of the month). They also gave their approval for stopping the calculation of legal interest from the day of the off-balance sheet recording, that is, 31 August 2024, as well as for removing from the records the legal interest calculated for the period from January to July 2024.

Accordingly, *BTR*'s off-balance-sheet claim representing civil damages awarded for its failure amounting to 118,732.06 thousand USD and 23,104.26 thousand EUR (Our Note – updated value on 31 December 2023), was the equivalent of 682,082.21 thousand lei on 31 December 2024 when it accounted for 99.91 percent of the portfolio of claims.

By 31 December 2024, the funds distributed to *BTR*'s creditors stood at 45,506 thousand lei, satisfying 42.95 percent of the body of creditors.

RECOVERY OF THE FGDB'S CLAIMS

At the end of 2024, the FGDB was still a major creditor of BIR, accounting for 78.90 percent of the body of creditors. The FGDB ceased to be a creditor of six failed banks following either the recovery of its claims in full through distributions or the assignment of its claim (from

BRS and *BTR* in 2004 and 2011, and from Nova Bank in 2007) or the closing of bankruptcy proceedings (in the case of Banca Comercială "Albina" in 2012, of Bankcoop in 2019 and of Banca "Columna" in 2022).

¹¹⁰ To cover the costs of the criminal and civil proceedings which *BTR*'s liquidator initiated against debtor Kamuran Çörtük in Switzerland over 2012–2016, *BTR* allocated funds worth 503,166.60 CHF – the leu equivalent of 2,086,269.49 – from the available amounts in the liquidation account. Furthermore, over 1 April 2022 – 31 August 2023, *BTR* spent 32,272.31 USD, or the leu equivalent of 153,645.50, to pay for U.S. law firm Sequor Law's fees to end pending litigations in the United States.

¹¹¹ Over 14 October 2016 – 31 December 2021, the specialised firm provided funding to cover claim recovery expenses within a total allocated budget worth 4.75 million USD intended to finance multijurisdictional actions (in the United States, Great Britain, Switzerland, Türkiye, the British Virgin Islands, Bermuda), primarily against debtor Kamuran Çörtük, but also against the other three Turkish debtors.

The FGDB’s accounting records as at 31 December 2024 showed an outstanding claim over BIR standing at 100,579 thousand lei, which means, considering the total stated claim worth 6,149 thousand lei, a claim recovery ratio of 45.97 percent (85,570 thousand lei).

As for the 327,151 thousand lei worth of the FGDB’s historic claims over the rest of the banks that collapsed in Romania over 1999-2006, the recovery ratio stands at 30.84 percent (100,897 thousand lei), as shown in the table below:

- thousand lei -

Failed bank	Bankruptcy date/Closure date	The FGDB’s claim	Amounts recovered during the proceedings	Recovery ratio (%)
1	2	3	4	5 = 4/3
Banca "Albina"	25.05.1999/14.12.2012	36,057	12,588	34.91
Bankcoop	08.02.2000/05.11.2019	273,638	70,781	25.87
BRS	16.04.2002	873	873	100.00
BTR	03.07.2002	16,448	16,448	100.00
Banca "Columna"	18.03.2003/30.05.2022	92	-	0.00
Nova Bank	09.11.2006/28.05.2020	43	207*	100.00
TOTAL		327,151	100,897	30.84

* The amount which the FGDB recovered following an assignment of claim agreement in April 2007, before adjustments based on the actual compensation payments which were completed in January 2010.

Essentially, the dissimilarity of claim recovery ratios between the bankrupt banks is a result of the FGDB’s different positions in the creditor hierarchy, in compliance with legislation applicable in each bankruptcy case. The most illustrative example in this respect is the case of Banca "Columna", which filed for bankruptcy on 18 March 2003 after previously undergoing judicial reorganisation – starting 29 June 1998 – pursuant to Law No. 64/1995 on judicial reorganization and bankruptcy, which became the law governing bankruptcy proceedings. By comparison, all the other bank failures of the 1999-2002 period¹¹² were ruled by bank-specific legislation, that is, Law No. 83/1998 on bankruptcy of credit institutions. So far,

the FGDB has recovered none of its claims over Banca "Columna", due both to its low-priority claim worth 92 thousand lei (resulting from payouts, as well as from the bank’s contributions owed and unpaid before filing for bankruptcy) according to the order of payment of claims set down in Law No. 64/1995, and to the fact that the body of creditors includes the Authority for State Assets Management holding a high-value, higher-priority budgetary claim which had not been paid in full before the closure of the proceedings (Our Note – according to legal provisions, claims are paid depending on their priority ranking and moving on to a higher step on the priority ladder is possible only after immediately higher-ranking

¹¹² Nova Bank bankruptcy proceeding opened in November 2006 based also on the general insolvency framework provided by Law No. 85/2006 on insolvency proceedings (which repealed Law No. 64/1995), following a court decision to grant a creditor’s request although since the beginning of September 2002 the bank had been going through administrative liquidation proceedings, as decided by the National Bank of Romania. The case of this bank, however, is irrelevant as the FGDB recovered in full its claims worth 277 thousand lei following an assignment of claim agreement with another creditor. In the absence of such an agreement, the case of Nova Bank may be presumed to have been similar to that of Banca "Columna".

claims have been paid in full). After the operationalisation of the deposit guarantee scheme in 1996, the same low-priority status was assigned to the FGDB’s claims over the first three banks that failed in Romania – Banca Comercială "Albina" (with proceedings opening in May 1999), Bankcoop (in February 2000) and BIR (in July 2000). In these three cases, the bankruptcy proceedings complied with Law No. 83/1998 which was in force on the respective bankruptcy dates and which did not specify any particular creditor hierarchy, but rather, referred to the order of payment of claims laid down in Law No. 64/1995.

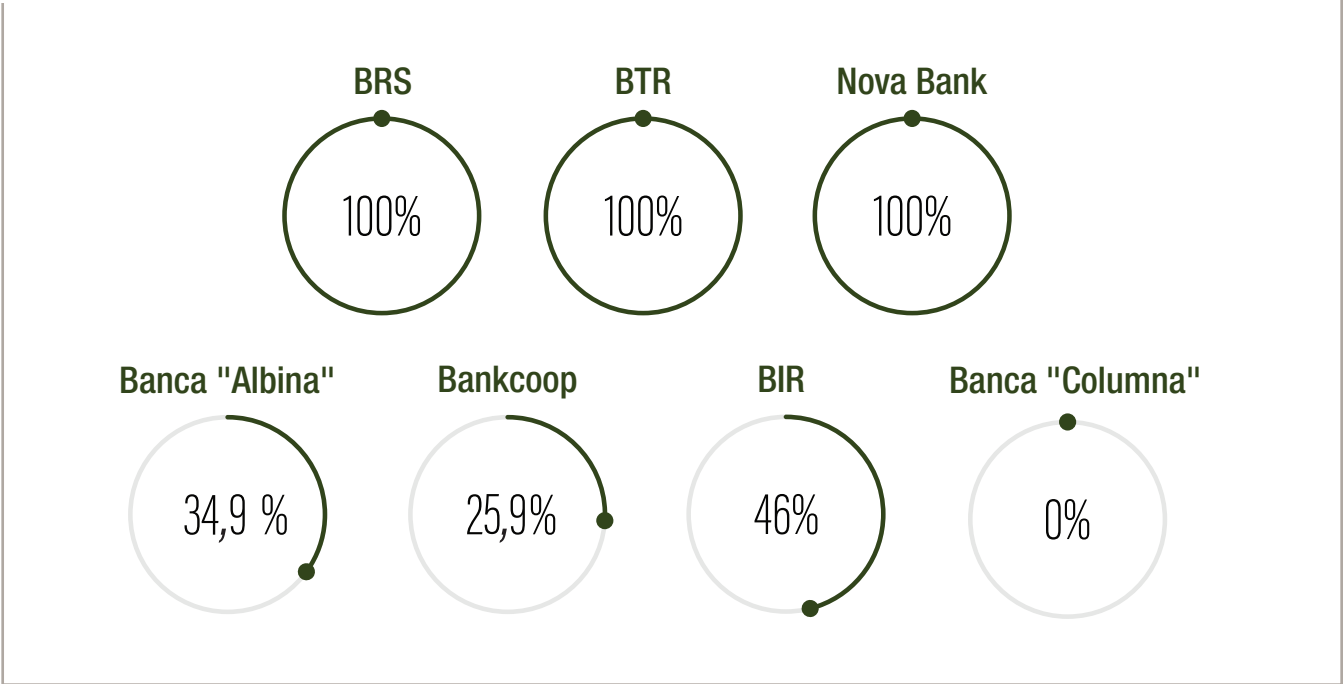
It was only in 2001 that an order of priority of creditors in bank failures was introduced into Law No. 83/1998 which gave priority to the FGDB’s claims (ranking it fourth as far as the order of payment of claims was concerned). The tangible result of such developments was that the FGDB could recover in full its claims against BRS and BTR from the amounts distributed as part of the liquidation

procedures (these procedures opened in 2002, after legislation had been amended, and were the first procedures where a specific hierarchy for the creditors of a collapsed bank applied). With the Insolvency Code taking effect in 2014 (Law No. 85/2014 on insolvency prevention procedures and insolvency proceedings, with subsequent amendments and completions), the FGDB’s claims arising from payouts and funding of resolution measures moved up to the second ranking on the order of payment list in case of failure of a credit institution.

So far, the FGDB recovered claims adding up to 186,467 thousand lei, of which 185,486 thousand lei representing repayments to guaranteed depositors and 981 thousand lei covering the contributions Bankcoop, BTR and Nova Bank owed to the FGDB but failed to pay before filing for bankruptcy. This means a recovery ratio of 36.33 percent of total stated claims worth 513,300 thousand lei over the failed banks.

The claim recovery ratio for each bank is given below:

Recovery ratio of the FGDB’s claims on 31 December 2024





CHAPTER 6

PUBLIC INFORMATION

Communicating with the public and informing it in a constant and transparent manner about the way in which all depositors are protected in the event a credit institution faces difficulties are the key to maintaining the stability of the banking system, all the more so in the persistently uncertain global economic and geopolitical landscape of our times.

To this end, in terms of communication, the FGDB's constant target has been to raise public awareness about deposit guarantee and the mission of the deposit guarantee scheme, contributing to boosting public confidence in the banking system and to stimulating savings.

In 2024, the FGDB's communication, in all its elements, focused on:

Consolidating public confidence: one of the main goals of the process of informing depositors is to boost their trust in the Romanian banking system. When people know that their savings are protected, their sense of financial security increases. This aspect has a direct impact on banks because a confident public is more willing to save with credit institutions' products, thus contributing to a stable economic climate.

Mitigating potential risks and preventing spillover: during periods of economic uncertainty or financial difficulty, panic is more likely to spread rapidly. When people know that the money in their bank accounts is secure, they are less likely to give in to panic. And this actually avoids spillover effects in the banking system.

Promoting financial education: offering the public information about the deposit guarantee scheme is a component of the process of providing financial education to the public at large. People who know how the system works will be able to make informed financial decisions, choose the financial products that best answer their needs and adopt a responsible economic behaviour.

In 2024, the FGDB initiated a wide range of actions intended to raise public awareness of deposit guarantee and of the Fund's mission in safeguarding financial stability.

The messages conveyed via a myriad of information dissemination channels were adapted to the existing circumstances and to the themes which depositors considered of interest.

Several information campaigns ran on social media in an attempt at making the public familiar with the concept of savings and at increasing the institution's visibility.

The aim of the campaigns, besides promoting information on deposit guarantee among social media users, was also to advise the public to seek additional information by consulting official sources, the FGDB's website respectively.

The FGDB has constantly updated its website and expanded the Frequently Asked Questions section to include themes that depositors showed interest in.

In 2024, the FGDB further supported training programmes for the call-centre operators of the banks mandated to disburse compensations. The agenda of the training sessions was expanded to include, besides the payout process, basic information about the FGDB – about its role, functions and duties and about guaranteed banking products. Whereas training in normal conditions covered compensation payments



exclusively, the focus in 2024 was also on potential disruptions, like the ones felt worldwide over the last four years.

Though indirectly, such training activities come to the aid of depositors who request information from banks since operators attend regular training sessions in order to be able to answer questions related to deposit guarantee based on updated information.

As part of its permanent activities, the FGDB continued to give out its depositor information poster to participating credit institutions to be put on display in their units. At the same time, the FGDB continued the distribution of self-adhesive labels to be placed at bank entrances. Such labels let depositors know that the respective bank is affiliated to the FGDB. When scanned, the QR code on these labels offers basic information about the FGDB. Last but not least, a video running on screens inside banks contributed to making people aware of the slogan

“WE EXIST AND THAT’S GOOD TO KNOW!”

The importance of deposit guarantee in the current economic climate defined by a high degree of uncertainty and increasing risks, the key aspects of this crucial mechanism that safeguards people's savings and maintains financial stability were the main topics the FGDB's General Director approached in the presentations he delivered during the various events he attended.

Noteworthy among these events are the two editions of the Bucharest Leaders' Summit¹¹³, as part of the conference series “Together We Protect Romania”, which was initiated and organised by MediaUno media group and developed together with the National Institute of Statistics, the Romanian Government's Department for Sustainable Development and the MediaUno Association. The attendance included a large number of notable representatives of various sectors from Romania and from abroad, key actors in politics and business from Romania and the European Union, representatives of major international organisations, analysts and experts, as well as representatives of the mass media and of the civil society.

The FGDB also attended the "Movers & Shakers – Today's Role Models for Tomorrow's Generation" event, part of the "Together We Protect Romania" project, which was held in September 2024. The event included the launch of a yearbook showcasing good practices and models of excellence in various areas of activity, bringing together people committed to building a better future for Romania. The yearbook's Finance & Banks section contains an extensive presentation of the activity of the FGDB as a pillar of the system that safeguards financial stability.



FGDB representatives also participated in the 27th edition of the Romanian Banking Forum on “Romanian Banking: Domestic and International Challenges”. The event's agenda included current themes related to the evolution of the banking sector, including bank deposit guarantee.

Throughout 2024, the FGDB was a presence in the media in an attempt to highlight the importance of a correct information of the public about the safety of deposits and the role the institution plays in maintaining financial stability.



Worthy of note is an article in Piața financiară publication dealing with the FGDB's commitment to raising depositors' awareness of the safeguards in place to protect their savings.

That article opened the opportunity to reiterate the importance of the deposit guarantee mechanism and to stimulate the growth of a responsible financial culture among the people.

Moreover, the FGDB supported the 32nd edition of "Cristian Popișteanu" Annual Symposium of Banking History and Civilisation, organised by the National Bank of Romania and the “Magazin Istoric” Cultural Foundation in May 2024.



¹¹³ Bucharest Leaders' Summit: Licence for a Better World”, 3 April–14 May 2024, and “Bucharest Leaders' Summit: Reporting for Duty”, 7-31 October 2024

In its capacity as active member of the EFDI Public Relations and Communications Committee, and of the EFDI working group involved in communication as part of cross-border cooperation between deposit guarantee schemes, the FGDB participated in international exchanges of experience in communication and public relations.

Promotion Through Education

To the FGDB, raising public awareness and promoting financial education are essential to public education and motivation, as well as to encouraging savings.

In 2024, financial education in Romania remained a major challenge despite the consistent efforts made towards improving it.

Although financial information is now more accessible than in the past, a large number of people fail to actually apply the knowledge they have in terms of personal budgeting, saving and investing resources, which all remain insufficiently developed practices at the individual level.

The FGDB’s commitment to financial education is strategically significant. It strengthens confidence in the



banking system, contributes to financial stability and help people more effectively to manage their financial resources and to avoid major risks.

The FGDB further expanded its financial education endeavours and cooperated with the National Bank of Romania in conducting projects intended for high-school students.

The FGDB considered it propitious to contribute to the financial education of high-school students aware of the fact that the future of the young generation takes shape through a solid education, with financial education as an important component which is not just about money, but more about forming convictions and values.

The year 2024 saw the second edition of the “Eugeniu Carada” National Contest of Financial and Banking Education addressing 11th-grade students as part of a project called Let’s Talk about Money and Banks run by the National Bank of Romania in partnership with the FGDB and with assistance from the Ministry of Education. The contest is included in the List of national competitions by school subjects, sports and educational projects in which students participate.

Additionally, the FGDB took further actions in support of young people’s research projects. The “Costin Murgescu” Contest for Economic Research, already a FGDB traditional event, held its 13th edition. The competition aims to give a chance to young Romanians researching contemporary socioeconomic and political developments to assert themselves. The essays that enter the contest are appraised in terms of the novelty and originality of the theme they approach or the perspective that is being addressed and also of the construction of the argument and the writing style.



The winner of the 2024 edition was Ionuț-Andrei Pricop for his essay on The Impact of Education on Citizens' Economic Security: Evidence from European Union Countries.

The jury also awarded a mention to Ms Mădălina-Andreea Vrabie for her essay on What Drives the Cost of Green Bonds in European markets? ESG Implications for the Green Deal.

Financial education helps in making well-informed decisions and in managing both risks and financial opportunities. It is essential that adequate resources are in place to support the process of raising a generation of young individuals capable to adapt and to make responsible decisions.

In 2024, Romania’s Government adopted the National Strategy for Financial Education for the 2024-2030 period. Its aim is to improve the financial literacy of both young people and adults by including financial education into school curricula and by running specific programmes for adults and entrepreneurs. The implementation of this

strategy is intended to educate the public so as to make better informed financial decisions, which should lead to maintaining financial stability.

The economic and financial education workshops are components of the 2024-2030 National Strategy for Financial Education which strives to train teachers so that they may pass on the knowledge they have acquired. In 2024, the FGDB initiated specific financial education



activities addressed to both students and the teaching staff wishing to offer the knowledge and skills needed in managing financial resources and in understanding the role of deposit guarantee.

Over July-August 2024, the FGDB, together with the National Bank of Romania, the Ministry of Education, the Romanian Association of Banks and the Romanian

Banking Institute, organised 24 economic and financial education workshops which were attended by more than 600 pre-university teachers from 17 towns across the country.

The project was meant for middle-school and high-school teachers in their capacity as trainers and communicators of educational messages for their students. The speakers provided relevant information about the role and the operation of the banking system and of the central bank, savings-related principles and strategies, creation of a personal budget and monitoring it, recommendations as to how to make correct and informed choices for an improved financial situation, the use of modern payment instruments and associated fraud risks, principles and characteristics of lending products, and so on.

In July 2024, the FGDB signed a framework cooperation agreement with the “Costin C. Kirițescu” National Institute for Economic Research, which is part of the Romanian Academy. Their cooperation is mainly intended to develop financial education projects and to prepare studies, reports, analyses and so forth on themes related to the FGDB’s activities.





CHAPTER 7

THE FGDB'S FINANCIAL STATEMENTS

At the end of 2024, the FGDB's total assets amounted to 11.81 billion lei, adding 8.3 percent to the level on 31 December 2023, with government securities still accounting for the greater part of the FGDB's assets.

THE FGDB'S RECEIPTS AND PAYMENTS¹⁴

a) In 2024, the FGDB's receipts (cash inflows) totalled 4,871,253 thousand lei, of which:

- 150,001 thousand lei - annual contributions to the deposit guarantee fund;
- 190,181 thousand lei - annual contributions to the bank resolution fund;
- 4,529,834 thousand lei - receipts from investments of the FGDB's financial resources plus interest;

239 thousand lei - interest on funds in the FGDB's current accounts at credit institutions;

359 thousand lei - claim recoveries (BIR);

332 thousand lei - funds from the FNUASS (recovery of the cost of sick leave pay temporarily covered by employers);

99 thousand lei - receipts from sales of fixed assets and other receipts;

206 thousand lei - other receipts.

b) The FGDB's 2024 payments (cash outflows) added up to 4,869,358 thousand lei, of which:

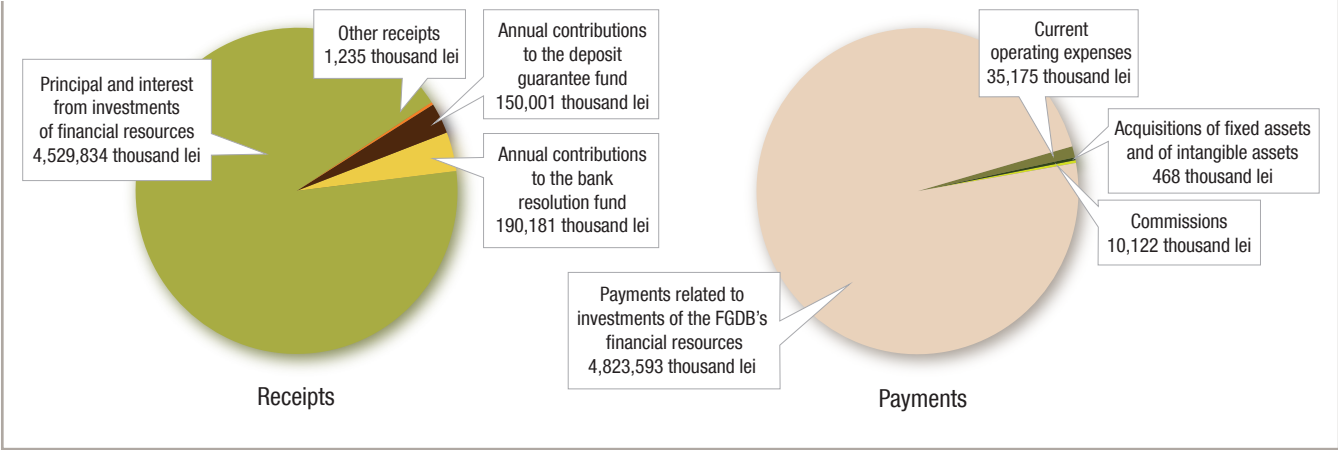
35,175 thousand lei - current operating expenses;

468 thousand lei - acquisitions of fixed assets and of intangible assets;

4,823,593 thousand lei - investments of the FGDB's financial resources;

10,122 thousand lei - commissions on transactions.

Structure of the FGDB’s receipts and payments in 2024



THE FGDB’S BALANCE SHEET

ASSETS			LIABILITIES		
	31.12.2023	31.12.2024		31.12.2023	31.12.2024
1. Total fixed assets, of which:	6,676,289	7,823,770	1. Total own funds, of which:	10,911,943	11,815,354
– intangible assets	1,080	517	– reserves	10,393,671	11,236,332
– tangible assets	992	750	– profit for the fiscal year	518,272	579,022
– financial assets	6,674,217	7,822,503			
2. Total current assets, of which:	4,214,942	3,957,299	2. Total debts, of which:	3,539	3,994
– short-term financial investments	4,211,781	3,952,525	– debts payable within one year	2,073	2,669
– cash at banks and in hand	2,436	4,339	– income received in advance and accrued liabilities	1,466	1,325
– other claims	725	435			
3. Pre-paid expenses	24,251	38,278			
TOTAL ASSETS	10,915,482	11,819,348	TOTAL LIABILITIES	10,915,482	11,819,348

¹¹⁴ In correlation with the cash flow statement for fiscal year ended 31 December 2024.

THE PROFIT AND LOSS ACCOUNT

The FGDB’s fiscal-year result is determined as revenues from investments of financial resources minus current expenses.

In 2024, the FGDB earned revenues totalling 618,655 thousand lei, arising mainly from:
616,841 thousand lei - due interest and coupons on investments of its financial resources throughout the year 2024 (accounting for 99.7 percent of total revenues)
99 thousand lei - other revenues
1,715 thousand lei - financial revenues

The FGDB’s total expenses in 2024 amounted to 39,633 thousand lei, of which:

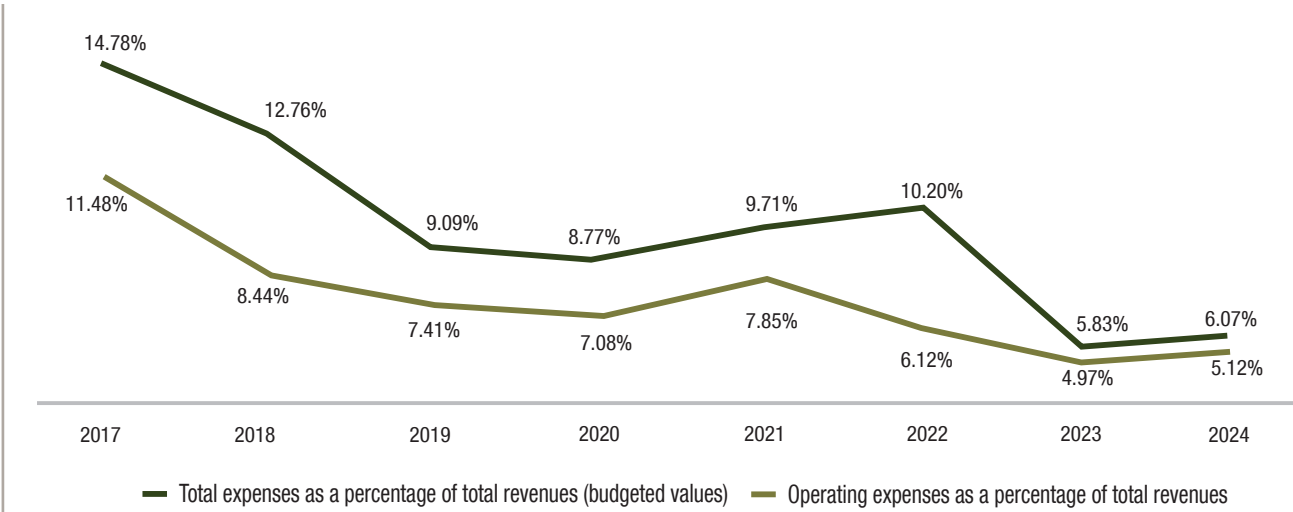
- 21,799 thousand lei - personnel-related expenses
- 9,862 thousand lei - operating expenses (services, rents, amortisations)
- 7,972 thousand lei - financial expenditure

The FGDB may use the financial means of the two funds it administers exclusively for the purposes laid down in legislation, namely compensation payments and funding of resolution measures. Consequently, the FGDB covers its operating expenses solely from revenues resulting from investments of available financial resources.

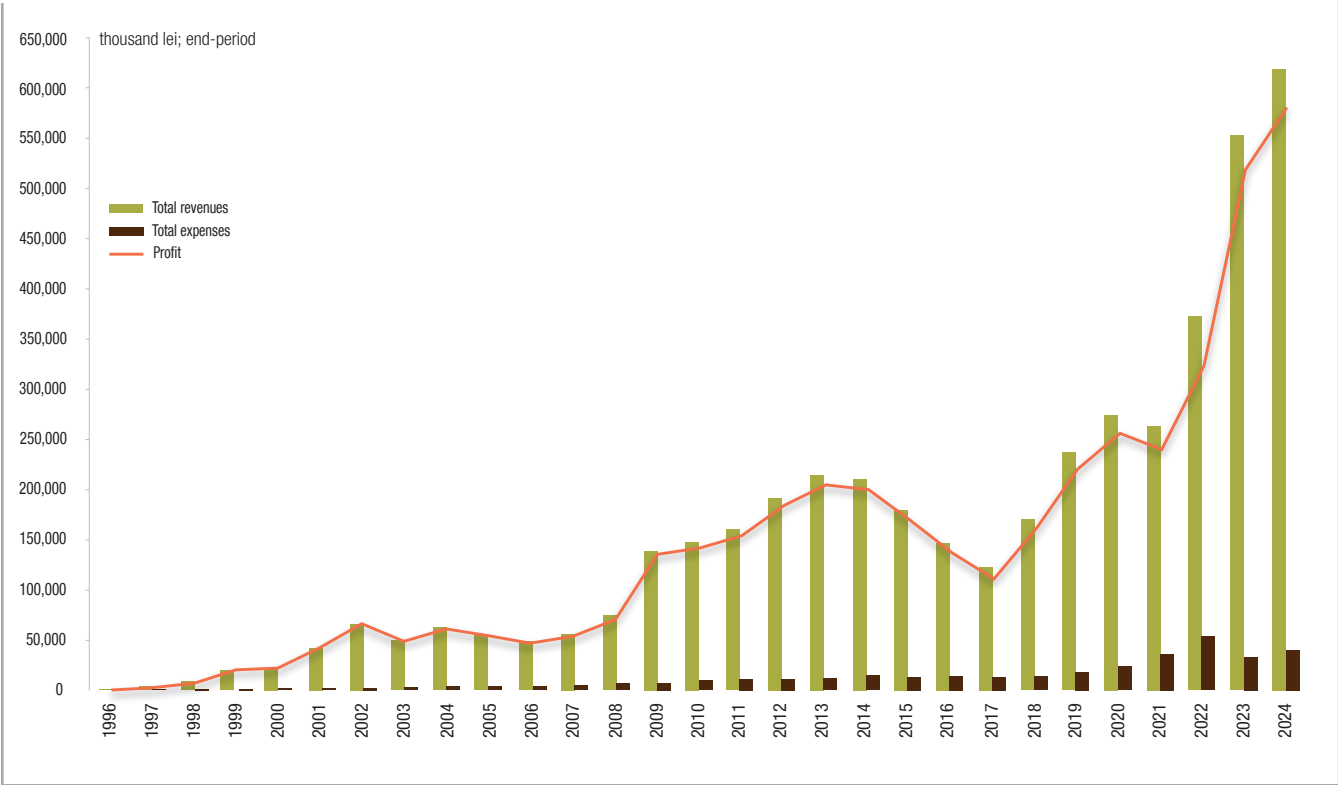
The Profit and Loss Account

		31.12.2023	31.12.2024	- thousand lei - Difference
1	Total revenues	551,284	618,655	67,371
2	Total expenses	33,012	39,633	6,621
3	Result for fiscal year	518,272	579,022	60,750

The FGDB’s Expenses as A Percentage of Total Revenues



Evolution of the FGDB’s Revenues, Expenses and Profit



In 2024, the ratio between the FGDB’s expenses and its revenues from investments of financial means remained very low, at 1:16.

Over the last few years, the FGDB has permanently improved its financial performance thanks to an adequate management of financial resources and to the measures its Executive Board and Supervisory Board have taken in order to maintain current operating costs below budgeted levels.

The FGDB’s net profit for the fiscal year ended 31 December 2024, the result of the application of a cautious investment policy, stood at 579,022 thousand lei.

In compliance with legal provisions, 99 percent of the 2024 profit of the FGDB was distributed towards the two funds it administers in order to replenish available financial resources.

The FGDB’s financial statements as at 31 December 2024 were audited by independent auditor Forvis Mazars România S.R.L. In the auditor’s opinion, as expressed in the Auditor’s Report, the financial statements “give, in all material respects, a faithful view of the Fund’s financial position as at 31.12.2024 and of its financial performance and cash flows for the fiscal year then ended, in compliance with the National Bank of Romania’s NRB Order No. 6/2015 (with subsequent amendments) and with the accounting policies described in the Note to the financial statements”.



Independent Auditor’s Report

To the Supervisory Board of the Bank Deposit Guarantee Fund

Report on the financial statements

Opinion

- 1. We audited the accompanying financial statements of the Bank Deposit Guarantee Fund ("the Fund"), headquartered in Str. Negru Voda nr. 3, corp A3, et. 2, sector 3, Bucharest, Romania, unique tax identification number 8942496, which include the balance sheet as at 31 December 2024, the profit and loss account, and the cash flows for the fiscal year then ended, as well as the explanatory notes to the financial statements, including a summary of significant accounting policies, prepared in compliance with National Bank of Romania Governor’s Order No. 6/2015, with subsequent amendments (“NRB Order 6/2015”). The aforesaid financial statements refer to:
 - Total deposit guarantee fund and bank resolution fund: 11,064,145,555 lei
 - Net profit for the fiscal year: 579,022,606 lei
- 2. In our opinion, the accompanying financial statements give, in all material respects, a faithful view of the Fund’s financial position as at 31.12.2024 and of its financial performance and cash flows for the fiscal year then ended, in compliance with the National Bank of Romania’s NRB Order No. 6/2015 (with subsequent amendments) and with the accounting policies described in the Note to the financial statements.

Basis for opinion

- 3. We conducted our audit in compliance with International Standards on Auditing (ISA), Regulation (EU) No. 537/2014 of the European Parliament and of the Council ("Regulation No. 537/2014"), and Law No. 162/2017 ("Law"). Our responsibilities according to these standards are detailed in the "Auditor’s Responsibilities for the Audit of the Financial Statements" section of our report. We are independent from the Fund according to the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the IESBA Code) and to the other ethical requirements that are relevant to the audit of financial statements in Romania, and we fulfilled the other ethical requirements laid down in the IESBA Code. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial statements of the audited period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We consider the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	Audit procedures performed to address the key audit matter
Existence, valuation and presentation of financial investments	
According to Note 2 j) and Note 5 to the accompanying financial statements, on 31.12.2024 the Fund's records show financial investments consisting of public instruments, bonds and other fixed income securities totalling 10,664,714 thousand RON (31.12.2023: 10,311,671 thousand RON), accounting for 90 percent of the Fund's total assets as at that date. Financial investments are intended to cover the deposit guarantee fund and the bank resolution fund and the main source of available cash to be invested derives from the annual contributions which the Fund collects from affiliated credit institutions. Moreover, financial investments generate significant interest income, representing the Fund's main source of profit. Valuation of these financial investments complies with the requirements of NRB Order 6/2015, based on their classification as trading securities or as investment securities. Due to the significant value of these financial investments, we consider that their existence, valuation and presentation represent a key audit matter.	In order to obtain reasonable assurance of the existence, valuation and presentation of financial investments, we performed the following procedures to: - thoroughly understand the process of collecting contributions from the affiliated credit institutions, as well as the process of investing the collected contributions and managing the Fund's investment portfolio; - test the effectiveness of the design and operation of relevant manual controls and application controls (where required); - perform random review of relevant documentation supporting a selection of purchases and sales and, respectively, maturities of financial investments during the year; - perform analytical and detail procedures (reconciliation, recalculation, reasonableness testing) regarding revenues and expenses related to financial investments; - obtain confirmation replies as at 31.12.2024 from depositary banks regarding the Fund's financial investments; - analysing the valuation methods which the Fund used as at 31.12.2024 and their compliance with provisions under NRB Order 6/2015 and, respectively, the recalculation of the value of financial instruments as at 31.12.2024 using information from independent sources; - analysing the transactions and estimations the Fund recorded at the end of the audited fiscal year to reflect revenues for the reporting period.

Responsibilities of the management and of those charged with governance for the financial statements

5. The management is responsible for the preparation and fair presentation of these financial statements in compliance with NBR Order 6/2015 and for such internal control it deems necessary in the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the management is also responsible for assessing the Fund's ability to continue as a going concern, disclosing, if applicable, in the explanatory notes to the financial statements, matters related to going concern, as well as for using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.
7. Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence users' economic decisions made based on these financial statements.
9. As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to the respective risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of the internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of the management's use of the going concern basis of accounting and also determine, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
 - Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent significant transactions and events in a manner that achieves fair presentation.
10. As part of the audit process, we communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence and have communicated to them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in the auditor's report, except for the case in which laws or regulations prohibit public disclosure about the matter, or for the case when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of such communication would be reasonably expected to outweigh its public interest benefits.

Report on conformity of the Management's Report with the financial statements

The Fund's administrators are responsible for the preparation and presentation, in compliance with the requirements of Articles 225-228 in the Accounting Rules approved under NBR Order 6/2015, of a Management's Report which is free from material misstatements, and for such internal control as deemed necessary in the preparation of the Management's Report which shall be free from material misstatements, whether due to fraud or error.

The Management's Report is presented on pages 1 to 28 and is not a part of the Fund's financial statements.

Our opinion on the accompanying financial statements does not cover the Management's Report.

In connection with our audit of the Fund's financial statements as at 31.12.2024, we read the Management's Report accompanying the financial statements and we report the following:

- a) in the Management's Report, we did not identify, in all significant matters, any information that is inconsistent with the information presented in the accompanying financial statements;
- b) the Management's Report, identified above, includes, in all significant matters, the information required in Articles 225-228 of the Accounting Rules approved under NBR Order 6/2015;
- c) based on our knowledge and understanding obtained during the audit of the financial statements for the fiscal year ended 31.12.2024 regarding the Fund and its environment, we did not identify materially misstated information in the Management's Report.

Report on income tax information

The Fund's management have the responsibility to ensure, to the best of the knowledge and means at their disposal, that the report on income tax information is drawn up in manner that is coherent or, as the case may be, in compliance with Articles 2534-25312 of the Accounting Rules approved under NBR Order 6/2015 and that is published and made accessible in accordance with Article 25313 of the Accounting Rules approved under NBR Order 6/2015.

In connection with our audit of the Fund's financial statements as at 31.12.2024, we analysed whether for the financial year preceding the financial year for which the audited financial statements were prepared, the Fund had the obligation, pursuant to Articles 2534-25312 in the Accounting Rules approved under NBR Order 6/2015, to publish a report on income tax information and if that was the case, whether such report was published in accordance with Article 25313 of the Accounting Rules approved under NBR Order 6/2015 and we state that the Fund was not required to publish a report on income tax information.

Report on other legal and regulatory requirements

In compliance with Article 10 paragraph (2) of Regulation (EU) No. 537/2014, we provide the following information in our independent auditor's report, which is required in addition to the requirements of the International Standards on Auditing.

Appointment of the Auditor and the Duration of the Engagement

We were appointed in compliance with Article 37, paragraphs (2) and (3) of Law No. 311/2015 on deposit guarantee schemes and the Bank Deposit Guarantee Fund by the Board of Directors of the National Bank of Romania on 10.11.2021 to audit the financial statements of the Bank Deposit Guarantee Fund for fiscal years 2021-2023 and by the Board of Directors of the National Bank of Romania on 27.12.2024 to audit the Fund's financial statements for fiscal years 2024-2026. The total duration of our engagement is of 4 years, covering the fiscal years ended 31.12.2021 to 31.12.2024.

Consistency with the additional report to the Audit Committee

We confirm that our audit opinion on the Fund's financial statements expressed herein is consistent with the additional report submitted to the Fund's Audit Committee, which we issued on 10.03.2025, pursuant to Article 11 of Regulation (EU) No. 537/2014.

Provision of non-audit services

We declare that we have not provided the prohibited non-audit services referred to in Article 5 paragraph (1) of Regulation (EU) No. 537/2014. In addition, there are no other non-audit services that were provided by us to the Fund.

Bucharest, 31.03.2025



Răzvan Butucaru

Auditor registered in the Electronic Public Registry under No. 2680/2008

On behalf of Forvis Mazars Romania S.R.L.

Audit firm registered in the Electronic Public Registry under No. 699/ 2007

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Telephone: +031 229 2600
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BALANCE SHEET AS AT 31 DECEMBER 2024

- RON -

INDICATOR	Item code	31 December 2023	31 December 2024
A	B	1	2
Cash	010	16,708	24,563
Claims against credit institutions	020	576,744,902	1,114,629,021
• on demand	023	2,419,902	4,315,321
• other claims	026	574,325,000	1,110,313,700
Public instruments, bonds and other fixed income securities	040	10,311,671,560	10,664,714,325
• issued by public bodies	043	7,043,552,263	7,492,916,962
• issued by other issuers, of which:	046	3,268,119,297	3,171,797,363
> Own bonds	048	-	-
Intangible assets	080	1,080,336	516,772
Tangible assets	090	992,410	749,844
Other assets	100	725,113	435,042
Prepaid expenses and accrued income	110	24,251,226	38,278,151
Total assets	120	10,915,482,255	11,819,347,718
Other liabilities	330	2,072,833	2,669,229
Income recorded in advance and accrued liabilities	340	1,466,348	1,324,328
The deposit guarantee fund and the bank resolution fund	360	10,268,670,747	11,064,145,555
• The deposit guarantee fund	361	7,393,658,979	7,859,724,835
> Fund consisting of credit institutions' contributions	362	4,691,456,307	4,830,487,650
> Fund consisting of receipts from recovered claims	363	76,351,876	76,711,190
> Fund consisting of earnings from investments of available financial resources	364	2,622,857,034	2,949,532,233
> Fund consisting of other revenues as set by law	365	2,993,762	2,993,762
• Bank resolution fund	366	2,875,011,768	3,204,420,720
> Fund consisting of credit institutions' contributions	367	2,135,376,481	2,325,557,025
> Fund consisting of earnings from investments of available financial resources	367a	283,875,895	423,104,305
> Fund consisting of other revenues as set by law	368	455,759,392	455,759,392
Reserve fund	369	125,000,000	172,186,000
Result for fiscal year – Profit	403	518,272,327	579,022,606
Total liabilities and own funds	420	10,915,482,255	11,819,347,718
Contingent liabilities	600	2,019,687,600	2,019,484,600
Commitments	610	-	-

PROFIT AND LOSS ACCOUNT
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2024

- RON -

INDICATOR	Item code	31 December 2023	31 December 2024
A	B	1	2
Interest receivable and similar income, of which:	010	539,820,514	616,841,123
• on public instruments, bonds and other fixed income securities	015	490,915,880	562,141,665
Interest payable and similar expenses	020	3,872	-
Commissions	040	26,119	23,017
Net profit or loss from financial operations	050	5,819,504	-6,256,220
Other operating income	060	49,454	99,492
General administrative expenses	070	24,821,515	28,533,275
• Personnel-related expenses, of which:	073	18,638,665	21,799,252
> Wages	074	18,012,859	20,995,272
> Social security costs, of which:	075	625,806	803,980
- pension-related expenses	076	-	-
• Other administrative expenses	077	6,092,185	6,626,624
• Utilities expenses, of which:	078	90,665	107,399
> electricity expenses	078a	54,808	77,360
> natural gas bill	078b	29,509	24,331
Adjustments to the book value of tangible and intangible assets	080	906,680	1,390,292
Other operating expenses	090	1,658,959	1,715,205
Result of current activity – Profit	143	518,272,327	579,022,606
Total revenues	180	551,283,829	618,655,720
Total expenses	190	33,011,502	39,633,114
Pre-tax result – Profit	203	518,272,327	579,022,606
Net result for the fiscal year – Profit	223	518,272,327	579,022,606

EXPLANATORY NOTES TO THE FGDB’S FINANCIAL STATEMENTS – EXCERPTS¹¹⁵

2. Significant Accounting Methods and Policies

Here below are some of the key accounting policies used when preparing the present financial statements:

a) Preparation and Presentation of the Financial Statements

These financial statements were prepared in compliance with:

- i. Order No. 6/2015 of the Governor of the National Bank of Romania on the approval of Accounting Rules pursuant to European Union Directives, applicable to nonbank financial institutions, payment institutions granting credits related to payment services, electronic money institutions and the Bank Deposit Guarantee Fund, with subsequent amendments and completions ("NRB Order No. 6/2015");
- ii. The Accounting Law No. 82/1991, republished, with subsequent amendments and completions.

The financial statements herein comprise the Fund’s own individual financial statements. These financial statements were prepared on the historical cost convention basis, with

the exceptions detailed in the accounting policies below. The present financial statements were not prepared to reflect the Fund’s financial position and the results of its operations in keeping with accounting rules and policies accepted in countries and jurisdictions other than Romania. Therefore, the accompanying financial statements are not prepared to be used by entities who are unfamiliar with accounting and legal regulations in Romania, including NRB Order No. 6/2015.

The Fund prepared these financial statements on a going concern basis.

The present financial statements were endorsed by the Fund’s Supervisory Board on 27 February 2025.

j) Public instruments, bonds and other fixed income securities

Investment securities are financial assets with fixed or determinable payments and fixed maturities which the Fund has the firm intent and the ability to hold to maturity.

Securities may qualify as investment securities depending on:

- terms and characteristics of the financial asset, and
- the Fund’s ability and actual intent to hold these instruments to maturity.

The decision to categorise securities as investment securities shall disregard both future opportunities to make profit from the respective portfolio and the bid prices offered by other investors before maturity date because the intent is to hold – rather than sell – this investment to maturity, no matter the shifts in its market value.

A prerequisite for the designation as investment securities is the assessment of the Fund’s intent and ability to hold

these instruments until they mature; such assessment must be conducted not only at the time of the initial purchase but also at the end of each fiscal year. If, following a change in the Fund’s intent or ability to hold investment securities until they reach maturity, the labelling of these instruments as investment securities is no longer appropriate, they shall be reclassified as trading securities and evaluated in terms of the respective category.

If the Fund sold or reclassified a significant amount of investment securities during a current fiscal year or during the two preceding financial years, it shall not be able to designate any further financial assets as investment securities ("the tainting rule").

This interdiction does not apply if the respective sale or reclassification:

- is so close to the maturity date of the financial asset (for instance, less than three months to maturity) that

¹¹⁵ The explanatory notes bear the same numbers as in the original material wherefrom they are quoted. Similarly, the name of the institution differs – “The Fund” instead of “the FGDB” as has been used in the present Report.

- interest fluctuations in the market could not have had any significant impact on the fair value of the financial asset;
- occurs after a substantial portion of the principal

q) The Bank Deposit Guarantee Fund's specific financial resources

The Fund's financial resources consist of: initial contributions from credit institutions, annual contributions from credit institutions, extraordinary contributions, recovered claims, the Fund's remuneration as court-appointed liquidator, as well as other financial resources stemming from the previous years' profits. If financial resources run dry, the Fund may borrow from the Ministry of Finance, under lending contracts, in order to cover the shortage.

The functionality of these accounts and the way they are reflected in accounting records are laid down in Government Ordinance No. 39/1996 on the setting up and operation of the Bank Deposit Guarantee Fund, Law No. 311/2015 on deposit guarantee schemes and the Bank Deposit Guarantee Fund, and NBR Order No. 6/2015 with subsequent amendments and completion, as follows:

(i) Annual contribution

Each affiliated credit institution pays into the Fund an annual contribution determined as a percentage of the leu equivalent of the amount of covered deposits in the respective credit institution's records as at 31 December of the year immediately preceding the year in which payment is due. The Fund sets the respective percentage, which is subsequently approved by the National Bank of Romania. This contribution is calculated on a yearly basis, it is paid by credit institutions annually, and is recorded under the accrual basis of accounting.

(ii) Extraordinary contributions

These are other contributions collected from credit institutions, in compliance with legislation, when the Fund's financial resources are insufficient to cover payouts.

(iii) Recovered claims

They represent inflows of funds as the Fund recovers its claims over collapsed banks for payments of compensation. The contributions already paid by credit

- of the financial asset was redeemed through either periodic payments or early repayments, or
- is attributable to an isolated, non-recurring and reasonably hard-to-predict event.

institutions are non-refundable, including in cases where a credit institution is either liquidated under court supervision or is dissolved.

(iv) Funds consisting of other revenues

Pursuant to NBR Order No. 6/2015 and Law No. 311/2015, these other funds include donations, sponsorships, revenues from the Fund's financial assistance and activities as liquidator of banks going through bankruptcy proceedings, as well as other revenues set according to the law.

(v) Fund consisting of revenues from investments of available financial resources

These are financial resources arising from the Fund's net profit. According to Law No. 311/2015, Article 98 paragraph (2) letter s) and Article 112, the Fund's profit, which is calculated as revenues minus expenses, is tax free. With the approval of the Board of Directors of the National Bank of Romania, up to one percent of the profit goes to an annual profit-sharing fund and, respectively, a reserve fund, in line with Article 111 of Law No. 311/2015, while the remainder replenishes the financial means for each of the activities stipulated in Article 92, paragraphs (1) and (2).

The account for financial resources diminishes as a result of:

- the Fund's disbursements to the legally guaranteed depositors of the banks where deposits have become unavailable;
- instalments and interest payments on loans taken to finance payouts;
- funds transferred to the resolution authority;
- loans to other guarantee schemes, granted in line with legislation.

Accordingly, the Fund does not record provisions either for guaranteed depositors' outstanding compensation claims or for potential compensation claims that the Fund has not been notified of.

r) Profit tax

Pursuant to provisions in Article 13, paragraph (2), point e) of Law No. 227/2015 on the Fiscal Code, with subsequent amendments and completions, the Fund's profit is tax exempt.

u) Interest income

Under the accrual basis of accounting, interest inflows from all interest-bearing financial instruments are recognised in the profit and loss account when they are earned. Interest income also includes revenues generated by the amortization of the discount according to the effective interest method for assets purchased at prices lower than their maturity value, as well as for the premiums triggered by debts made at costs higher than the value repayable at maturity date.

v) Revenue recognition

Revenues are earned from interest on financial assets. The present financial statements show revenues and expenses as gross totals.

2. Cash

On 31 December 2024, the Fund's cash in hand amounted to the RON equivalent of 24,563 (on 31 December 2023: 16,708 in the RON equivalent).

3. Claims over credit institutions

(RON)	31 December 2023	31 December 2024
Current accounts	2,419,902	4,315,321
Term investments at banks	574,325,000	1,110,313,700
Total	576,744,902	1,114,629,021

4. Efecte publice, obligațiuni și alte titluri cu venit fix

(RON)	31 December 2023	31 December 2024
Long-term securities, of which:	1,013,128,186	1,484,855,762
• Bonds and other fixed-income securities	-	-
• Public instruments and similar paper	1,013,128,186	1,484,855,762
Medium-term securities, of which:	5,661,087,822	6,337,647,863
• Bonds and other fixed-income securities	1,539,600,570	2,304,371,129
• Public instruments and similar paper	4,121,487,252	4,033,276,734
Short-term securities, of which:	3,637,455,552	2,842,210,700
• Bonds and other fixed-income securities	1,728,518,727	867,426,234
• Public instruments and similar paper	1,908,936,825	1,974,784,466
Total	10,311,671,560	10,664,714,325

10. Fund consisting of credit institutions' contributions (cumulative amounts)

The annual contribution of each credit institution is determined based on the statements it sends to the Fund. In 2024, the Fund raised 150,001,170 RON in annual contributions the level of which was calculated depending on the degree of risk incurred by each participating credit institution related to the amount of covered deposits it held on 31.12.2023 (2023: 150,004,195 RON). In 2024, total contributions were set in keeping with the guidelines of the Fund's financing policy and according to the method

of calculating risk-adjusted contributions, which were both approved by the Board of Directors of the National Bank of Romania. If, upon the Fund's request, the Board of Directors of the National Bank of Romania considers that the Fund's financial means are insufficient to allow it to meet its payment obligations, it may decide that each credit institution should pay an extraordinary contribution equal to up to the level of the annual contribution for the respective fiscal year.

No extraordinary contributions were paid either in 2024 or in 2023. Compensation is the sum of money, within the guarantee ceiling, which the Fund pays out to each guaranteed depositor when deposits, no matter the number of depositor accounts, have become unavailable. Neither 2024, nor 2023 saw any compensation payments. The 2023 profit worth 326,675,197 RON, which resulted from investments of the financial resources of the guarantee fund, was capitalised under a decision by the Fund's Supervisory Board after the financial statements as at 31 December 2023 had been approved.

11. The bank resolution fund

The bank resolution fund is set up to provide the financial resources needed to fund bank resolution measures.

The bank resolution fund is administered by the Bank Deposit Guarantee Fund. Compliant with Article 539 of Law No. 312/2015 on the recovery and resolution of credit institutions and investment firms and amending and complementing legal acts in the financial sector, the National Bank of Romania, as the resolution authority, sets the level of credit institution's annual contributions to the bank resolution fund spreading payments out as uniformly as possible over time, all while duly taking into account the phase of the business cycle and the impact procyclical contributions may have on the financial position of contributing credit institutions.

In 2024, the Fund collected 190,180,544 RON worth of contributions, the level of which was set under a decision of the National Bank of Romania. In 2023, the Fund raised 332,247,710 RON in annual contributions, which were determined according to a decision by the National Bank of Romania.

(RON)	31 December 2023	31 December 2024
Initial contribution – 1%	6,472,230	6,472,230
Annual contribution, including increased contribution	5,156,175,136	5,306,176,238
Extraordinary contribution	61,777,997	61,777,997
Credit line fee	-14,825,699	-14,825,699
Deposit compensation	-512,243,727	-512,243,727
Loan commission	-5,911,608	-16,882,727
Exchange differences on loans	11,978	13,338
Total	4,691,456,307	4,830,487,650

The 2023 profit, amounting to 139,228,408 RON and arising from investments of the financial resources of the bank resolution fund, was capitalised under a Fund's Supervisory Board decision after the financial statements as at 31 December 2023 had been approved.

(RON)	31 December 2023	31 December 2024
Fund consisting of contributions from credit institutions	2,135,376,481	2,325,557,025
Fund consisting of revenue from investments of available financial resources	283,875,895	423,104,304
Fund consisting of other resources	455,759,392	455,759,392
Total	2,875,011,768	3,204,420,721

12. Fund consisting of revenues from recovered claims (cumulative amounts)

Recovered claims are the amounts of money the Fund collected from failed banks as outstanding annual contributions on bankruptcy date and payouts to their depositors.

In 2024, the recovered claims from the failed credit institutions stood at 359,313 RON. No claims from collapsed credit institutions were collected in 2023.

(RON)	31 December 2023	31 December 2024
Recovered claims	185,126,831	185,486,145
Interest on bank loans – NBR	-108,774,955	-108,774,955
Total	76,351,876	76,711,190

13. Fund consisting of revenues from investments of available financial resources

(RON)	31 December 2023	31 December 2024
Fund consisting of revenues from investments of available financial resources – share of profit	2,622,857,034	2,949,532,233

These amounts represent the Fund's cumulative profit stemming from the distribution of previous years' profits.

14. Fund consisting of other revenues, within the law

(RON)	31 December 2023	31 December 2024
The Fund's remuneration from its activities as liquidator	2,993,762	2,993,762

15. Distribution of profit

(RON)	31 December 2023	31 December 2024
Result of current activity – profit, of which:	518,272,327	579,022,606
Profit from the financial resources of the deposit guarantee fund	377,637,572	410,816,061
Profit from the financial resources of the bank resolution fund	140,634,755	168,206,545
Total	518,272,327	579,022,606

The Board of Directors of the National Bank of Romania approved the distribution of profit for the fiscal year ended 31 December 2024 at the same time the financial statements were approved.

(RON)	31 December 2023	31 December 2024
Result of current activity – profit, of which:	518,272,327	579,022,606
Profit distribution to the deposit guarantee fund	326,675,196	406,708,061
Profit distribution to the bank resolution fund	139,228,407	166,524,545
Profit distribution to the employees' profit-sharing fund	5,182,724	5,790,000
Profit distribution to the reserve fund	47,186,000	-

17. Risk management

Financial and operational risks are the main risks associated with the Fund's activities. The Fund is exposed to the following risks:

- Interest rate risk
- Market risk
- Liquidity risk

- Foreign exchange rate risk
- Credit risk

a) Interest rate risk

The Fund is exposed to interest rate shifts in the market, which impacts its financial position and cash flows.

Here are the interest rates the Fund obtained on RON-denominated assets:

(RON)	2023		2024	
	min	max	min	max
Claims over credit institutions	6.5%	9.75%	5.5%	7.6%
Public instruments, bonds and other fixed income securities	2.00%	10.10%	2.00%	9.20%

b) Market risk

Romania is still a developing economy and there is considerable uncertainty about the route domestic economic policies are likely to follow. The Fund's management cannot foresee either the changes that may take place in Romania or the effect they may have on the Fund's financial position and on the results of its transactions.

As an outcome of such fluctuations, interest rates may either increase or fall, and may even trigger losses if unexpected changes occur.

The Fund's management regularly monitors exposure to moves in interest rates.

Hereunder are the interest rates the Fund obtained on EUR-denominated assets:

(RON)	2023		2024	
	min	max	min	max
Claims over credit institutions	-	-	-	-
Public instruments, bonds and other fixed income securities	0.46%	5.62%	0.46%	5.62%

c) Foreign exchange risk

The Fund operates against an economic backdrop of fluctuating exchange rates of widely traded currencies (EUR, USD, CHF, GBP). Therefore, the risk of a decline in the value of its RON-denominated net monetary assets is low.

As at 31 December 2024 (RON)	RON	USD	EUR	GBP	Other currencies	Total
Cash	7,658	8,823	8,082	-	-	24,563
Current accounts at banks	4,304,044	271	10,640	157	209	4,315,321
Claims over credit institutions	1,110,313,700	-	-	-	-	1,110,313,700
Public instruments, bonds and other fixed income securities	10,288,596,790	-	376,117,535	-	-	10,644,714,325
Other assets	435,042	-	-	-	-	435,042
Prepaid expenses and accrued income	34,828,199	-	-	-	-	34,828,199
Foreign exchange risk-free assets	1,266,616	-	3,449,952	-	-	4,716,568
Total assets	11,439,752,049	9,094	379,586,209	157	209	11,819,347,718
Other liabilities	2,651,988	14,282	1,327,287	-	-	3,993,557
The deposit guarantee fund	7,859,079,669	-	645,166	-	-	7,859,724,835
The bank resolution fund	3,204,420,720	-	-	-	-	3,204,420,720
Total liabilities	11,066,152,377	14,282	1,972,453	-	-	11,068,139,112
Liquidity surplus / (needs)	373,599,672	-5,188	377,613,756	157	209	751,208,606

As at 31 December 2023 (RON)	RON	USD	EUR	GBP	Other currencies	Total
Cash	3,745	2,144	10,819	-	-	16,708
Current accounts at banks	2,363,287	355	55,778	150	332	2,419,902
Claims over credit institutions	574,325,000	-	-	-	-	574,325,000
Public instruments, bonds and other fixed income securities	9,948,108,199	-	363,563,361	-	-	10,311,671,560
Other assets	725,113	-	-	-	-	725,113
Prepaid expenses and accrued income	19,791,083	-	4,460,143	-	-	24,251,226
Foreign exchange risk-free assets	2,072,746	-	-	-	-	2,072,746
Total assets	10,547,389,173	2,499	368,090,101	150	332	10,915,482,255
Other liabilities	1,924,057	145,816	1,469,308	-	-	3,539,181
The deposit guarantee fund	7,393,013,747	-	645,232	-	-	7,393,658,979
The bank resolution fund	2,875,011,768	-	-	-	-	2,875,011,768
Total liabilities	10,269,949,572	145,816	2,114,540	-	-	10,272,209,928
Liquidity surplus / (needs)	277,439,601	-143,317	365,975,561	150	332	643,272,327

d) Liquidity risk

The primary source of liquidity risk is the mismatch between the maturity of the Fund's assets and, respectively, of its liabilities. To the extent possible, the

Fund's strategy aims at maintaining liquidity sufficiently high so as to be able to meet liabilities as they come due, without incurring losses.

As at 31 December 2024 (RON)	Up to 3 months	Between 3 months and 1 year	Over 1 year and up to 5 years	Over 5 years	Maturity undefined	Total
Cash	24,563	-	-	-	-	24,563
Current accounts at banks	4,315,321	-	-	-	-	4,315,321
Claims over credit institutions	115,000,000	995,313,700	-	-	-	1,110,313,700
Public instruments, bonds and other fixed income securities	1,070,295,976	1,992,152,382	6,167,615,965	1,434,650,002	-	10,664,714,325
Other assets	435,042	-	-	-	-	435,042
Prepaid expenses and accrued income	5,567,331	29,247,881	12,987	-	-	34,828,199
Foreign exchange risk-free assets	-	-	-	-	4,716,568	4,716,568
Total assets	1,195,638,233	3,016,713,963	6,167,628,952	1,434,650,002	4,716,568	11,819,347,718
Other liabilities	3,993,557	-	-	-	-	3,993,557
The deposit guarantee fund	7,859,724,835	-	-	-	-	7,859,724,835
The bank resolution fund	3,204,420,720	-	-	-	-	3,204,420,720
Total liabilities	11,068,139,112	-	-	-	-	11,068,139,112
Liquidity surplus / (needs)	-9,872,500,879	3,016,713,963	6,167,628,952	1,434,650,002	4,716,568	751,208,606

As at 31 December 2023 (RON)	Up to 3 months	Between 3 months and 1 year	Over 1 year and up to 5 years	Over 5 years	Maturity undefined	Total
Cash	16,708	-	-	-	-	16,708
Current accounts at banks	2,419,902	-	-	-	-	2,419,902
Claims over credit institutions	150,000,000	424,325,000	-	-	-	574,325,000
Public instruments, bonds and other fixed income securities	233,617,116	3,403,838,436	5,661,087,822	1,013,128,186	-	10,311,671,560
Other assets	725,113	-	-	-	-	725,113
Prepaid expenses and accrued income	8,833,530	10,597,034	-	-	-	19,430,565
Foreign exchange risk-free assets	-	-	-	-	6,893,407	6,893,407
Total assets	395,612,369	3,838,760,470	5,661,087,822	1,013,128,186	6,893,407	10,915,482,255
Other liabilities	3,539,181	-	-	-	-	3,539,181
The deposit guarantee fund	7,393,658,979	-	-	-	-	7,393,658,979
The bank resolution fund	2,875,011,768	-	-	-	-	2,875,011,768
Total liabilities	10,272,209,928	-	-	-	-	10,272,209,928
Liquidity surplus / (needs)	-9,876,597,559	3,838,760,470	5,661,087,822	1,013,128,186	6,893,407	643,272,327

e) Credit risk

Throughout 2024, particular attention was given to the effective investment of the Fund’s available financial resources in conditions of higher liquidity and lower

risk and in compliance with the 2024 exposure strategy approved by the Board of Directors of the National Bank of Romania.

Bank deposits

As at 31 December 2023 (RON)	Total
Total bank deposits	574,325,000
Current accounts	2,419,902
Total bank deposits and current accounts	576,744,902

As at 31 December 2024 (RON)	Total
Total bank deposits	1,110,313,700
Current accounts	4,315,321
Total bank deposits and current accounts	1,114,629,021

Long- and short-term securities

As at 31 December 2023 (RON)	Total
Long-term securities, of which:	1,013,128,186
Bonds and other fixed income securities	-
Public instruments and similar assets	1,013,128,186
Medium-term securities, of which:	5,661,087,822
Bonds and other fixed income securities	1,539,600,570
Public instruments and similar assets	4,121,487,252
Short-term securities, of which:	3,637,455,552
Bonds and other fixed income securities	1,728,518,727
Public instruments and similar assets	1,908,936,825
Total	10,311,671,560
Adjustments for the depreciation of public instruments	-
Total	10,311,671,560

As at 31 December 2024 (RON)	Total
Long-term securities, of which:	1,484,855,762
Bonds and other fixed income securities	-
Public instruments and similar assets	1,484,855,762
Medium-term securities, of which:	6,343,433,058
Bonds and other fixed income securities	2,304,371,129
Public instruments and similar assets	4,039,061,929
Short-term securities, of which:	2,842,587,734
Bonds and other fixed income securities	867,426,234
Public instruments and similar assets	1,975,161,500
Total	10,670,876,554
Adjustments for the depreciation of public instruments and similar assets	6,162,229
Total	10,664,714,325



ANNEXES

ABBREVIATIONS

BCP	Business Continuity Plan
BIA	Business Impact Analysis
CMDI	(European) Crisis Management and Deposit Insurance
CNSM	The National Committee for Macroprudential Supervision
DORA	Digital Operational Resilience Act
EBA	European Banking Authority
EDDIES	The Central Exchange Mechanism between Deposit Guarantee Schemes in the European Union
EDIS	European Deposit Insurance System
EFDI	European Forum of Deposit Insurers
EU	European Union
FGDB	Bank Deposit Guarantee Fund
IADI	International Association of Deposit Insurers
IBRD	International Bank for Reconstruction and Development
MF	Ministry of Finance
MREL	Minimum Requirement for own funds and Eligible Liabilities
NBR	National Bank of Romania
RCI	Interbank Communication Network
ROA	Return on Assets
ROE	Return of Equity
SaFIR	System for registering and settling government securities in Romania
SREP	Supervisory Review and Evaluation Process

Annex 1

DEFINITIONS

Annex 2

deposit

any amount of money a person holds in an account at a credit institution – be it a current account, a card account, a time deposit, a savings account or another similar product. As defined by *Law no. 311/2015*, a deposit refers to “*any credit balance, including the due interest, which results from funds left in an account or from temporary situations deriving from normal banking transactions and which a credit institution must repay in the legal and contractual conditions applicable, including time deposits and savings accounts*” which is in none of the situations below:

- its existence can only be proved by a financial instrument, as defined in Article 2 paragraph (1) point 11 of Law no. 297/2004 on the capital market, with subsequent amendments and completions, other than where it is a savings product which is evidenced by a certificate of deposit made out to a named person and which existed on 2 July 2014;
- its principal is not repayable at par;
- its principal is only repayable at par under a particular guarantee or agreement provided by the credit institution

eligible deposit

deposit that is not excluded from the scope of guarantee, namely a deposit that complies with legal provisions on payouts within the coverage limits.

deposit excluded from coverage

deposit listed in Annex No. 1 to *Law No. 311/2015 on deposit guarantee schemes and the Bank Deposit Guarantee Fund*, with subsequent amendments and completions

covered deposit

the part of an eligible deposit that does not exceed the guarantee ceiling. A guaranteed depositor may hold deposits within the legally stipulated guarantee level, in which case the depositor is fully covered, or deposits that go beyond the guarantee ceiling, in which case the compensation is limited to the coverage level.

unavailable deposit

deposit that is due and payable but has not been paid by a credit institution, under the legal and contractual conditions applicable thereto, where either:

- the National Bank of Romania, as the administrative authority competent to classify deposits as unavailable, has determined that the respective credit institution, for reasons directly linked to its financial situation, is unable to repay the deposit and has no immediate prospects of being able to do so,
- a court order had rendered a decision on the opening of bankruptcy proceedings at the credit institution before the National Bank of Romania could assess the situation described above.

guarantee ceiling

the maximum repayment per guaranteed depositor per credit institution.

guaranteed depositor

the holder of an eligible deposit or, in the case of a joint account, the holders of an eligible deposit or, where appropriate, the person entitled to the funds in an eligible deposit. A natural or legal person may keep money in several credit institutions. Each credit institution reports the number of depositors in its records to the FGDB, which adds up the data reported by all member institutions, without the possibility of making adjustments for depositors who spread their deposits across several credit institutions.

compensation

amount of money determined according to legal provisions, within the coverage level, which a deposit guarantee scheme pays out to each guaranteed depositor when deposits, no matter their number, become unavailable.

DEPOSITS WITH FGDB-MEMBER CREDIT INSTITUTIONS
AS AT 31 DECEMBER 2024

Indicator	31.dec.2023*	31.dec.2024	Differences	
1	2	3	4 = 3-2	5 = 4/2 (%)
1. Total number of deposit holders, of which:	15,896,527	16,623,844	727,317	4.6
• natural persons	14,672,548	15,356,705	684,157	4.7
• legal entities	1,223,979	1,267,139	43,160	3.5
2. Total number of eligible deposit holders, of which:	15,878,189	16,540,671	662,482	4.2
• natural persons	14,670,547	15,309,090	638,543	4.4
• legal entities	1,207,642	1,231,581	23,939	2.0
3. Total number holders of eligible deposits within the guarantee ceiling, of which:	15,757,991	16,406,495	648,504	4.1
• natural persons	14,596,146	15,223,079	626,933	4.3
• legal entities	1,161,845	1,183,416	21,571	1.9
4. Total deposits (million lei), of which:	605,643.7	676,301.0	70,657.3	11.7
• in lei	390,855.1	435,662.5	44,807.4	11.5
• in foreign currencies (in the leu equivalent)	214,788.6	240,638.5	25,849.9	12.0
• natural persons' deposits	290,251.2	323,562.8	33,311.6	11.5
• legal entities' deposits	315,392.5	352,738.2	37,345.7	11.8
5. Total eligible deposits (million lei), of which:	508,710.5	556,764.0	48,053.5	9.4
• % of total deposits	84.0	82.3	-1.7 p.p.	
• in lei	345,628.1	379,113.9	33,485.8	9.7
• in foreign currencies (in the leu equivalent)	163,082.4	177,650.1	14,567.7	8.9

* Final data which were updated after the basis for calculation of the 2024 contributions owed by credit institutions had been verified by the FGDB.

Indicator	31.dec.2023*	31.dec.2024	Differences	
1	2	3	4 = 3-2	5 = 4/2 (%)
6. Natural persons' eligible deposits (million lei), of which:	290,181.4	323,310.3	33,128.9	11.4
• % of total eligible deposits	57.0	58.1	+1.1 p.p.	
• in lei	179,078.6	205,705.9	26,627.3	14.9
• in foreign currencies (in the leu equivalent)	111,102.8	117,604.4	6,501.6	5.9
7. Legal entities' eligible deposits (million lei), of which:	218,529.1	233,453.7	14,924.6	6.8
• % of total eligible deposits	43.0	41.9	-1.1 p.p.	
• in lei	166,549.5	173,408.0	6,858.5	4.1
• in foreign currencies (in the leu equivalent)	51,979.6	60,045.7	8,066.1	15.5
8. Total covered deposits (million lei), of which:	304,166.9	335,013.3	30,846.4	10.1
• % of total eligible deposits	59.8	60.2	+0.4 p.p.	
9. Natural persons' covered deposits (million lei), of which:	246,384.9	274,478.5	28,093.6	11.4
• % of total covered deposits	81.0	81.9	+0.9 p.p.	
10. Legal entities' covered deposits (million lei), of which:	57,782.0	60,534.8	2,752.8	4.8
• % of total covered deposits	19.0	18.1	-0.9 p.p.	

Note: Due to rounding, totals/subtotals may differ slightly from the sum of the separate figures.

**LIST OF CREDIT INSTITUTIONS AFFILIATED TO THE FGDB
AS AT 31 DECEMBER 2024**

- 1. Aedificium Banca pentru Locuințe S.A.
- 2. Alpha Bank România S.A.
- 3. Banca Centrală Cooperatistă CREDITCOOP
- 4. Banca Comercială Intesa Sanpaolo România S.A.
- 5. Banca Comercială Română S.A.
- 6. Banca Română de Credite și Investiții S.A.
- 7. Banca Transilvania S.A.
- 8. BCR Banca pentru Locuințe S.A.
- 9. BRD - Groupe Société Générale S.A
- 10. CEC Bank S.A.
- 11. CREDEX BANK S.A.¹¹⁶
- 12. Credit Europe Bank (România) S.A.¹¹⁷
- 13. EXIM Banca Românească S.A.
- 14. First Bank S.A.
- 15. Garanti Bank S.A.
- 16. Libra Internet Bank S.A.
- 17. OTP Bank România S.A.
- 18. Patria Bank S.A.
- 19. ProCredit Bank S.A.
- 20. Raiffeisen Bank S.A.
- 21. Salt Bank S.A.
- 22. Techventures Bank S.A.
- 23. UniCredit Bank S.A.
- 24. Vista Bank (România) S.A.

¹¹⁶ Before 4 July 2024 this credit institution had been registered as PORSCHE BANK ROMÂNIA S.A.

¹¹⁷ On 1 January 2025, as a result of a cross-border merger by absorption, Credit Europe Bank (Romania) SA, as absorbed company, stopped its operations due to being taken over by a newly created branch in Bucharest of Credit Europe Bank NV of the Netherlands (as absorbing company).