



Romania

Investor Presentation

October 2025

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Chapter	Page
Overview	3
GDP Growth	6
Fiscal Policy	10
Public Debt Management	19
EU Funding	27
External Position, Inflation, Monetary Policy and Banking System	33



Overview



Snapshot of Romania's Economy



Overview

GDP Growth

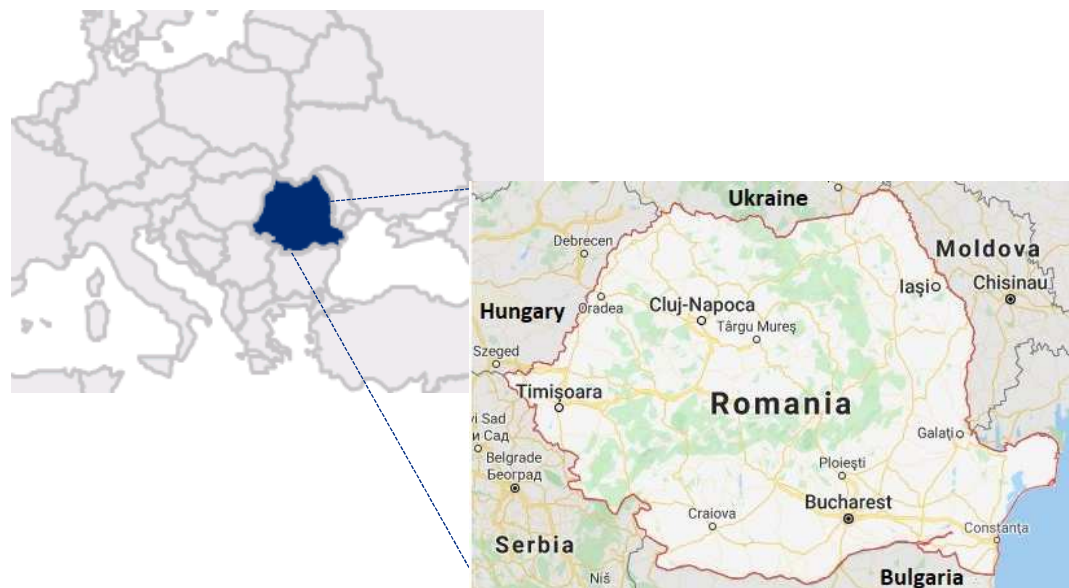
Fiscal Policy

Public Debt Management

EU Funding

External Position, Inflation, Monetary Policy and Banking System

Area	238,397 sq. km
Population (2024)	19.06 ⁽¹⁾ mn
Average RON/EUR rate (2024)	4.9746
GDP (2024 current prices)	RON 1,760.1 ⁽²⁾ bn
GDP (2024 current prices)	EUR 353.8 ⁽²⁾ bn
GDP per Capita (2024)	EUR 18,560 ⁽²⁾
GDP Growth (2024, y-o-y)	0.8% ⁽²⁾
Average Inflation (2024)	5.59%
Annual Inflation Rate (August 2025)	9.85%
Unemployment ³ (July 2025)	3.2%
Public Debt / GDP ⁴ (June 2025)	57.2%



Current Credit Ratings

S&P Global

BBB- / Negative

*since May 16, 2014;
rating affirmed on
July 23, 2025*

FitchRatings

BBB- / Negative

*since July 4, 2011;
rating affirmed on
August 15, 2025*

MOODY'S

Baa3 / Negative

*since October 6, 2006;
rating affirmed on
September 12, 2025*



BBB/ Negative

*since March 18, 2016
outlook revised on
March 28, 2025*

Source: National Institute of Statistics ("NIS"), Eurostat, National Bank of Romania, Map data ©2020 Google, GeoBasis-DE/BKG (©2009).

(1) Provisional data according to NIS Press Release No. 223 from 30 August 2024; (2) NCSP Summer Forecast, September 2025 and provisional data according to NIS Press Release No. 138 from 6 June 2025; (3) Registered unemployment rate; (4) According to EU methodology

Key Features of Romania's Credit Profile



Overview

GDP Growth

Fiscal Policy

Public Debt Management

EU Funding

External Position, Inflation, Monetary Policy and Banking System

Macroeconomic Framework

- After joining the EU, real convergence expressed in GDP per capita in PPS significantly improved from 39.4% in 2006 to 78%⁽¹⁾ in 2023 of EU average.
- In 2023 the GDP registered an increase of 2.4% compared to the previous year. The gross fixed capital formation, with an outstanding performance of 14.5% has represented the main pillar of the economic growth.
- In 2024⁽²⁾ the GDP registered an increase, in real terms, of 0.8% compared to the previous year.
- GDP increased by 0.3% in the first half of 2025⁽³⁾.

Well Capitalized and Liquid Banking Sector

- NPL ratio ⁽⁴⁾ ⁽⁵⁾ showed a sustained downward trend (3.8% at the end of 2020, 3.4% at the end of 2021, 2.7% at the end of 2022, 2.4% at the end of 2023 and 2.5% at the end of 2024 and 2.8% at the end of July 2025).
- No public money used to support local banks and their recapitalisation.
- Very well capitalized banking sector (total capital adequacy ratio of 23.4% at the end of 2022, 23.6% at the end of 2023, 24.9% at the end of 2024 and 24.2% at the end of June 2025).
- Relatively stable exchange rate.

Public Debt

- 57.2% government debt/GDP according to EU methodology at end June 2025, compared to 54.8% at end 2024.
- 48.9% debt/GDP at end of 2023⁽⁶⁾.

(1) Source: Eurostat; (2) Provisional data according to NIS Press Release No. 138 from 6 June 2025; (3) Provisional data according to NIS Press Release No. 222 from 5 September 2025; (4) Under the EBA Methodology; (5) National Bank of Romania, "Aggregate Indicators for Credit Institutions"; (6) Data updated according to the Fiscal Notification from April 2025.



GDP Growth



Romania's Economy: Macroeconomic Indicators



Overview

GDP Growth

Fiscal Policy

Public Debt Management

EU Funding

External Position, Inflation, Monetary Policy and Banking System

	2020	2021	2022	2023	2024	2025
<i>Macroeconomic Indicators</i>					<i>Estimate</i>	<i>Forecast</i>
Real GDP (% y-o-y)	(3.7)	5.5	4.0	2.4	0.8 ^b	0.3 ^b
Inflation rate (% , e.o.p.)	2.1	8.2	16.4	6.6	5.1 ^e	8.9 ^b
Inflation rate (% , annual average)	2.6	5.1	13.8	10.4	5.6 ^e	6.08 ^b
Budget balance (% GDP, cash)	(9.6)	(6.7)	(5.8)	(5.7)	(8.6) ^g	(7.0) ^h
Budget balance (% GDP, ESA 2010)	(9.2)	(7.1)	(6.4)	(6.6)	(9.3) ^g	(7.0) ^h
Government debt (% GDP, EU methodology)	46.6 ^a	48.3 ^a	47.9	48.9	54.8 ^a	57.2 ^c
Exports of goods (% , y-o-y)	(8.7)	22.0	22.5	0.6 ^f	(0.3) ^b	4.7 ^b
Current account balance (% GDP)	(5.1) ^d	(7.2) ^d	(9.5) ^d	(6.6) ^d	(8.4) ^b	(8.0) ^b
<i>Interest And Exchange Rates</i>						
NBR policy rate (% , e.o.p)	1.50	1.75	6.75	7.00	6.50	6.50
Credit facility rate	2.00	2.50	7.75	8.00	7.50	7.50
Deposit facility rate	1.00	1.00	5.75	6.00	5.50	5.50
Average exchange rate (RON/EUR)	4.84	4.92	4.93	4.95	4.97	5.02 ^b
<i>Labor Market Indicators</i>						
ILO unemployment rate (%)	6.1 ^d	5.6	5.6	5.6	5.4 ^b	6.1 ^b

Source: NIS (GDP data for 2020-2022 are final data; semi-final data for 2023 according to Press Release No. 268/10 October 2024 and Autumn Forecast, December 2024)

Notes: (a) Data updated according to Fiscal Notification from April 2025; (b) NCSP Summer Forecast, September 2025; (c) MoF estimates; (d) NBR Revised 2020-2023 data in the benchmark methodology 2024, 13 January 2025; (e) NIS Press Release No. 10 from 14 January 2025; (f) NIS Revised data, Press Release no. 263 from 10 October 2024; (g) 2024 budget execution according to the Ministry of Finance; (h) State budget law for 2025

Growth Supported by Domestic Demand and Capital Formation



Overview

GDP Growth

Fiscal Policy

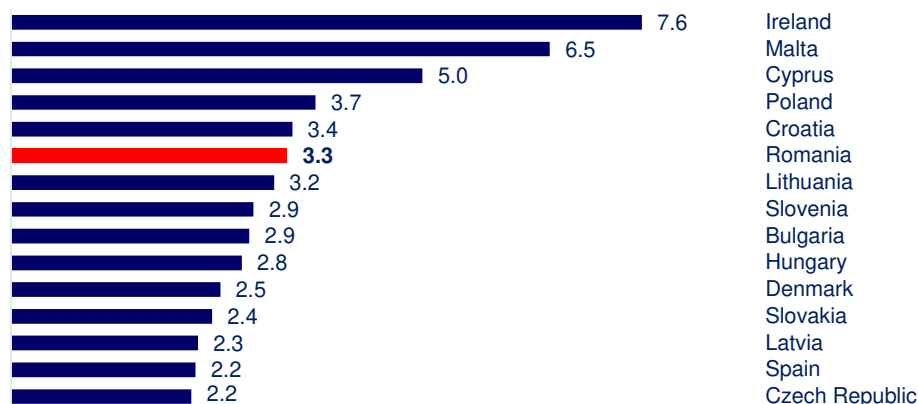
Public Debt Management

EU Funding

External Position, Inflation, Monetary Policy and Banking System

Romania is One of the Fastest Growing Economies in the EU

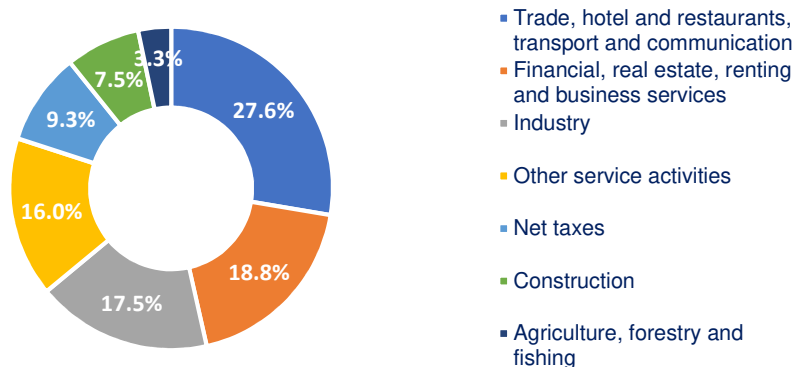
% GDP Growth, Average 2015–2024



Source: Eurostat

The Romanian Economy is Diversified

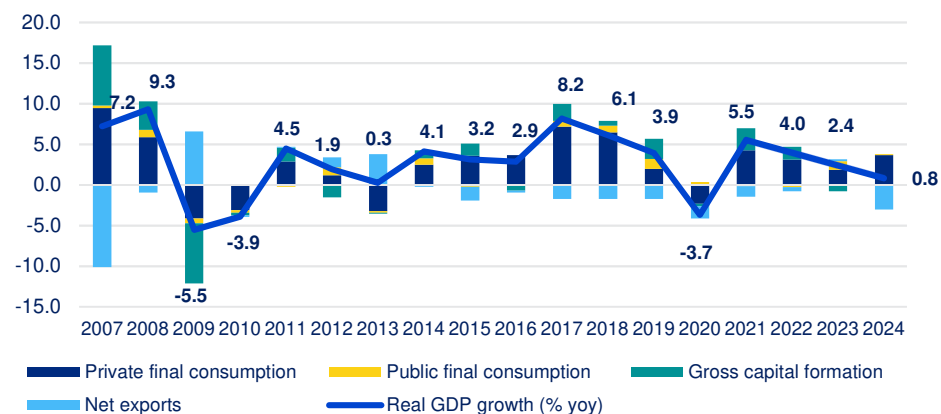
Structure of Gross Domestic Product by Sectors in 2024, %



Source: NIS

GDP Growth is Underpinned by Domestic Demand

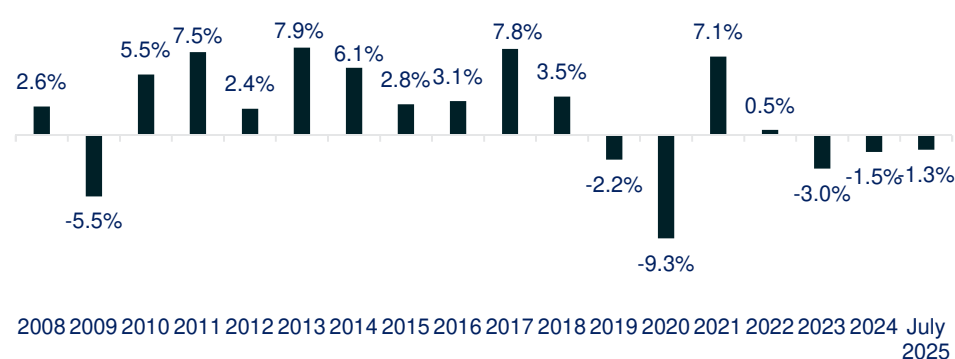
GDP Components, %



Source: NIS

Industry, in the Negative Territory

Real Change in Industrial Production, y-o-y, (base year 2021)



Source: NIS

Labour Market Conditions Supportive of Long-Term Growth



Overview

GDP Growth

Fiscal Policy

Public Debt Management

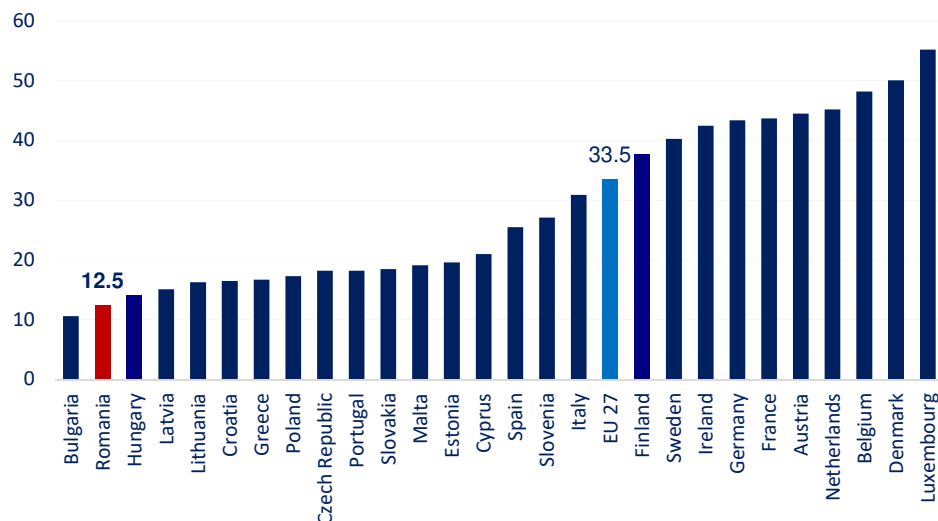
EU Funding

External Position, Inflation, Monetary Policy and Banking System

- Highly educated workforce as evidenced by the United Nations' Human Development Indicators 2020: skilled employees constitute 81.7% of the Romanian labour force and 70.7% of the population are internet users. The country ranked **#55 / #193**, according to the current Human Development Index.
- Romanian labour costs per hour remain among the most competitive in the EU.
- Romania's unemployment rate (ILO methodology) is nevertheless below the EU27 average and remains one of the lowest among the member states to date, respectively 6.1% in June 2025.

Labour Costs in Romania are Sustained at One of the Lowest Levels in the EU

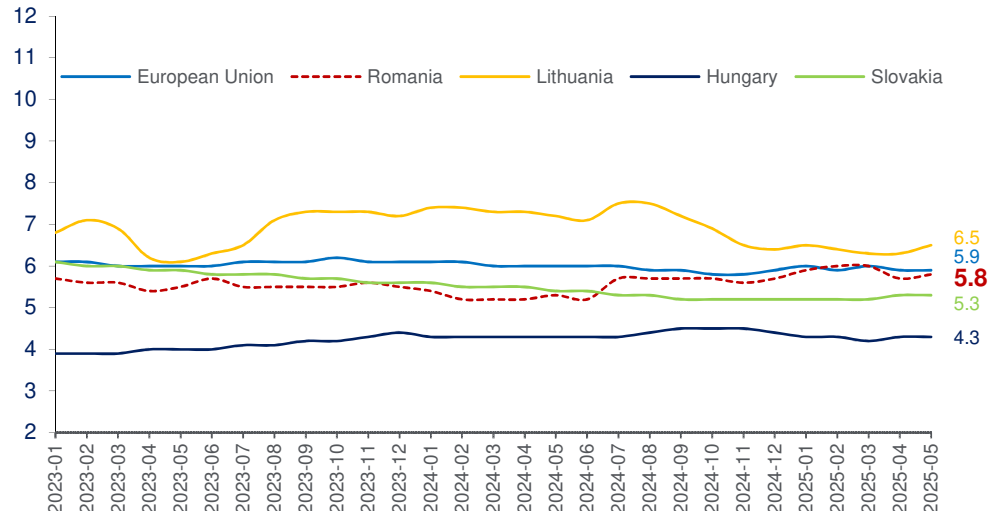
Annual data as of 2024, EUR



Source: Eurostat. Data according to ESA 2010 methodology

Unemployment Rate Below the EU Average

Unemployment rate (monthly, seasonally adjusted), %



Source: Eurostat, ILO Methodology



Fiscal Policy



2025 Initial Budget



Overview

GDP Growth

Fiscal Policy

Public Debt Management

EU Funding

External Position, Inflation, Monetary Policy and Banking System

Projection: a cash budget deficit of **7.0% of GDP**

Revenues:

- expected to increase by 0.35 percentage points of GDP against the 2024 comparable base (excluding one-offs), reflecting the impact of recently adopted fiscal measures: reduction of the micro-enterprise revenue ceiling, increase in dividend tax, removal of PIT exemptions, and special construction tax.

Expenditures:

- adjustments (as % GDP) in personnel spending (-0.5 percentage points), goods and services (-0.4 percentage points), and nationally funded investment projects/non-EU investment (-0.5 percentage points);
- social assistance is envisaged to remain nearly unchanged due to the carryover effect of pension recalculation;
- spending measures, mainly: employment freeze in government sector, freeze in base wages, bonuses, and food allowances etc, freeze in all pensions and social assistance rights, rescheduling of investments under the nationally funded programs and the suspension of new investment commitments/procurement on non-critical local infrastructure.

Macroeconomic Assumptions for 2025 Budget

Indicators	2023	2024	2025
Nominal GDP (billion Lei)	1604.6	1760.1	1912.6
Real GDP growth (%)	2.4	0.8	2.5
GDP deflator (%)	12.8	8.8	5.8
Private consumption (%)	3	6	2.5
Government consumption (%)	6.3	0.7	0.4
Gross fixed capital formation (%)	14.5	-3.3	5.9
Export of goods and services (%)	-0.8	-3.1	0.8
Import of goods and services (%)	-1.1	3.8	1.6
Consumer Price Index (annual average)	10.4	5.6	4.9
Average gross wage (%yoy)	15	15.3	-

Source: Ministry of Finance

Note: Deficit estimate likely to change to 8.4% for 2025 in light of the budget revision



Fiscal consolidation is expected to be achieved over a seven-year timeframe

National Medium-Term Fiscal-Structural Plan (2025–2031)

- **The plan sets out a seven-year fiscal adjustment period** aimed at restoring fiscal sustainability.
- It is underpinned by a set of **structural reforms and investment commitments**, which allowed for an extension of the adjustment period from four to seven years.
- Targets an **average net expenditure growth** of 4.4% over the period.
- The **budget deficit adjustment trajectory aims to reach 2.5% of GDP by 2031**.
- **Fiscal consolidation remains anchored primarily in spending reductions** of nearly 5 percentage points of GDP, **alongside a projected revenue increase** of 2 percentage points of GDP, driven by tax measures and improved collection efforts.

National Medium-Term Fiscal-Structural Plan (2/3)



Overview

GDP Growth

Fiscal Policy

Public Debt Management

EU Funding

External Position, Inflation, Monetary
Policy and Banking System

Main Investments and Reforms Supporting Seven-Year Extended Period for Fiscal Adjustment

- The set of reforms and investments underpinning an extension of the adjustment period consists of several commitments from the Recovery and Resilience Plan (RRP), along with some new reforms and investments.

Tax reform	Reform of the public sector remuneration system
Reform of the taxation of micro-enterprises	Reform of the expenditure system of state/local economic operators (state-owned enterprises, SOEs)
Reform of the tax administration	Financing system for businesses
Reform of the public expenditure system	Investments in Romania's irrigation infrastructure to mitigate the impact of climate change
General pension reform and reform of special pensions	Investments in green transition, digitalization, and technological modernization in the manufacturing industry
Minimum wage reform	

National Medium-Term Fiscal-Structural Plan (3/3)



Overview

GDP Growth

Fiscal Policy

Public Debt Management

EU Funding

External Position, Inflation, Monetary Policy and Banking System

Key Fiscal Measures Implemented in 2025

- The most significant impact on the budget deficit comes from measures aimed at controlling spending

(estimated impact is not comparable with the 2024 expenditure base).

Revenue Measures

Reduction of the micro-enterprise revenue ceiling: from 500 thousand euros to 250 thousand euros in 2025 (and to 100 thousand euros in 2026). Estimated impact: RON 0.75 billion.

Increase in dividend tax: the dividend tax rate has been raised from 8% to 10%. Estimated impact: RON 1.4 billion.

Removal of PIT exemptions (granted for a gross monthly income of up to RON 10 000) in the construction, agriculture, food industry and computer software sectors. Estimated impact: RON 4 billion.

Special construction tax: a 1% tax rate will be applied to the value of taxpayer's assets (excluded from property taxation). Estimated impact: RON 1 billion.

Main Expenditure Measures

Employment freeze in government sector- aiming to limit the increase in personnel spending (23.8% YoY in 2024).

Freeze in all pensions and social assistance rights, including child allowances and student scholarships, limiting student travel subsidies. Estimated impact: RON 23 billion.

Freeze in base wages, bonuses, food allowances, paid overtime and compensations in public sector, 50% cut in holiday vouchers. Estimated impact: RON 35 billion.

Rescheduling investments under the national financed programs and suspending new investment commitments/procurement on non critical local infrastructure.

Other measures- limiting wage increases in non-performing SOEs, limiting payment of medical leaves and healthcare services reimbursement. Estimated impact: RON 5 billion.

July 2025 Budget Execution – Deficit of 4.04% of GDP

- Revenues to the general consolidated budget, in the amount of RON 370.77 billion, increased by 11.8% in nominal terms compared to the same period of last year.
 - Increases in the collection of: wage and personal income tax (+21.3%), social security contributions (+10.8%), corporate income tax (+11.1%), excises (+13.2%) and non-tax revenues (+8.9%), compared to the same period of the previous year;
 - Revenues from VAT amounted to RON 69.99 billion at the end of July 2025 (5.7% more than the level recorded in the same period of 2024);
 - Reimbursements from the EU: RON 28.62 billion, up by 33.6% compared to the level registered in the same period of the previous year.
- The expenditures of the general consolidated budget, in the amount of RON 447.21 billion, increased in nominal terms by 11.1% YoY compared to the same period of last year.
 - Personnel expenditure increased by 7.9%, compared to the same period of the previous year;
 - Goods and services expenditure increased by 0.5%, while the expenditure for social assistance increased by 14.7%;
 - Interest expenditure amounted to RON 31.71 billion, up by RON 9.83 billion than the same period of 2024;
 - Subsidy expenditure amounted to RON 7.66 billion;
 - Expenditure on projects financed from non-reimbursable external funds (including subsidies from the European Union related to agriculture) amounted to RON 34.76 billion, 23.43% more than the same period of 2024;
 - Investment expenditure amounted to RON 61.68 billion at the end of July 2025, up by 8.23% compared to the same period of 2024.

- ✓ The budget revision was approved in response to revised macroeconomic forecasts and budgetary performance, including a 0.6 per cent. decrease in real GDP, a 7.4 per cent. increase in the projected GDP deflator and a budget deficit of 4.5 per cent. recorded for the first eight months of 2025.
- ✓ The budget revision projects a general consolidated budget deficit of RON 159.7 billion, or 8.4 per cent. of GDP for 2025, representing an increase of 1.4 per cent. compared to the initial 2025 budget estimate, driven primarily by increased government spending during the first eight months of 2025.

Additional fiscal measures approved by the Government in July 2025



Overview

GDP Growth

Fiscal Policy

Public Debt Management

EU Funding

External Position, Inflation, Monetary Policy and Banking System

Effective as of August 1, 2025

Revenue-side measures

VAT adjustments: VAT standard rate ↑ from 19% → 21%; reduced VAT rates ↑ from 5% / 9% → 11% (books, HoReCa, energy, food, medicines, social housing etc.); all remaining reduced VAT rates ↑ to 21%. .

increases in excise duties: ↑ 10% on fuels and alcohol%; ↑ 2.25% on tobacco.

Health care tax extended to: pensions over RON 3,000; certain social benefits (parental/adoption leave, unemployment benefits, social inclusion aid, benefits for politically persecuted persons, veterans, deportees, revolutionaries).

Banking tax ↑ from 2% to 4% (for 2025–2026).

Gambling taxes increase

Expenditure-side measures

Cuts in public administration bonuses: hazardous work allowances, EU funds-related premiums, other allowances and premiums.

Education sector adjustments: adjusted teaching loads and scholarship restructuring

Health Fund measures: expansion of contribution base via mandatory health insurance for co-insured persons; Adjusted compensation rates for medical leave and temporary incapacity

Reprioritization of investment spending

Effective as of January 1, 2026

Revenue-side measures

Dividend tax increase from 10% to 16%

RO-vignette from EUR 28 → EUR 50/year

Expenditure-side measures

Public sector wages and social benefits remain frozen

Reduction of holiday voucher limits

Estimated impact of the above measures: 1.1% of GDP in 2025 and 3.5% in 2026.

Additional fiscal measures approved by the Government in September 2025

[Overview](#)[GDP Growth](#)[Fiscal Policy](#)[Public Debt Management](#)[EU Funding](#)[External Position, Inflation, Monetary Policy and Banking System](#)

Key fiscal measures

The second package, adopted by assuming Government responsibility in Parliament on September 1, 2025, is predominantly focused on boosting revenues and improving tax collection, while also introducing structural reforms aimed at expenditure efficiency.

Revenue measures (estimated impact RON 5 billion in 2026) include property tax reform (NRRP milestone) - until the full market-value-based system is implemented, interim 2026 rules provide a 70% increase for residential buildings and land and the removal of certain exemptions (RON 2.6 billion); revision and increase of the motor vehicle tax based on cylinder capacity and pollution norm (RON 1 billion); introduction of a logistics fee of RON 25 per extra-community parcel under EUR 150 (RON 1 billion); very limited deductibility of management, consultancy and IP-related expenses with non-resident affiliates; increase in capital gains taxation, including for cryptocurrencies; increase of the ceiling on social security contributions for the self-employed to 72 minimum wages; hike in road vignette for trucks.

Other measures with potential impact on revenue collection: strengthening risk-based assessments on tax evasion areas; mandatory integrity tests and bodycams for tax inspectors, stricter rules on tax arrears rescheduling (only with real guarantees); further strengthening insolvencies framework; online auctioning for seized assets and faster recovery of arrears.

Expenditure and structural measures: reform of special pensions for magistrates (NRRP milestone), corporate governance reforms of public enterprises, measures to restructure independent market regulators; measures to improve efficiency in health care.



Public Debt Management

Public Debt Indicators



Overview

GDP Growth

Fiscal Policy

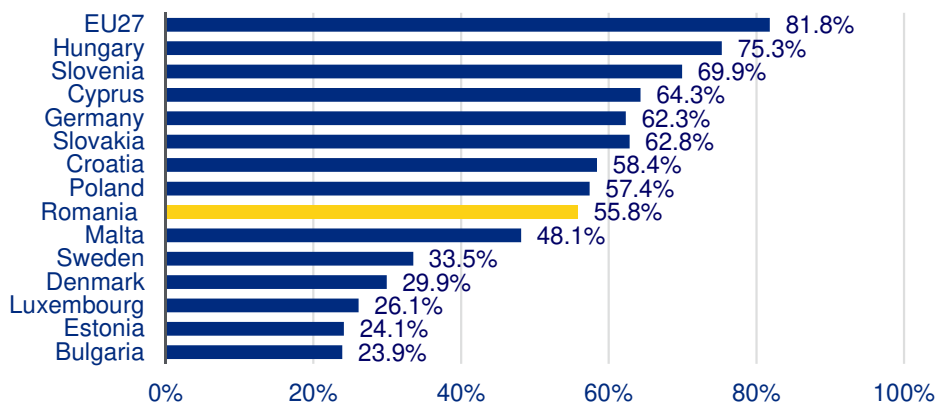
Public Debt Management

EU Funding

External Position, Inflation, Monetary Policy and Banking System

Romania has one of the lowest Debt / GDP Ratios in the EU

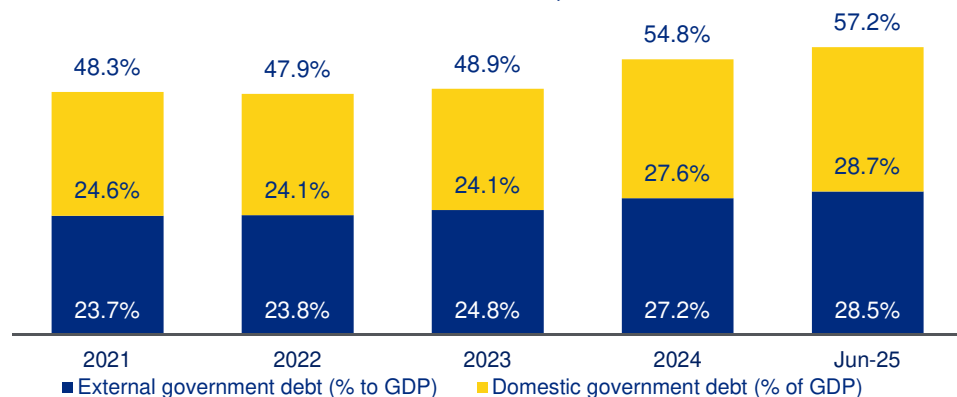
General Government Debt / GDP, Q1 2025



Source: Eurostat – Euro Indicators 21 July 2025

Debt / GDP Ratio is relatively low...

General Government Debt / GDP ESA 2010⁽²⁾, June 2025



Source: Ministry of Finance – (EU Methodology).

(1) Ministry of Finance (own calculation); (2) Ministry of Finance - according to EU methodology, the debt to GDP ratio was calculated taking into consideration the sum of GDP for the last four quarters. Preliminary data as of end June 2025; (3) According to the 2025 budget revision approved by the Government on October 1, 2025

(% of GDP)

Gross Financing Needs,
Out of which⁽¹⁾:

– Budgetary Deficit

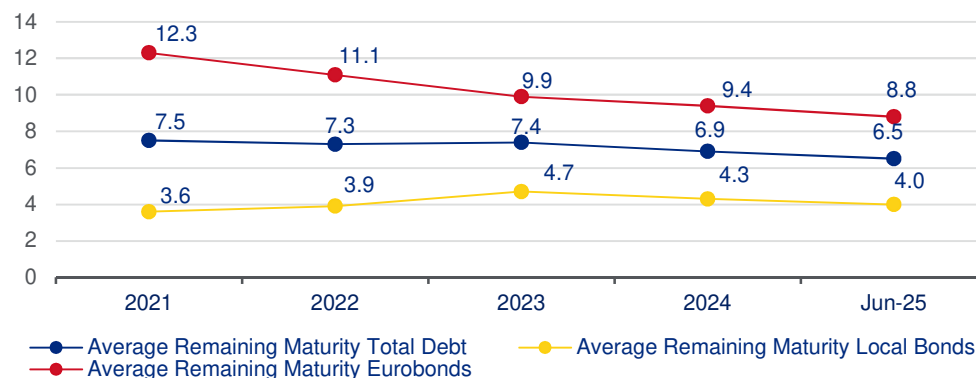
– Refinancing of Public Debt¹

	2021	2022	2023	2024	2025 F
Gross Financing Needs, Out of which ⁽¹⁾ :	11.1%	10.7%	12.7%	14.1%	13.6% ⁽³⁾
– Budgetary Deficit	6.7%	5.8%	5.7%	8.7%	8.4% ⁽³⁾
– Refinancing of Public Debt ¹	4.4%	4.9%	7.0%	5.4%	5.2%

(P) Provisional. (F) Forecasted.

...with a Prudent Maturity Profile

Average Remaining Maturity in years



Source: Ministry of Finance.

Government Borrowing Profile



Overview

GDP Growth

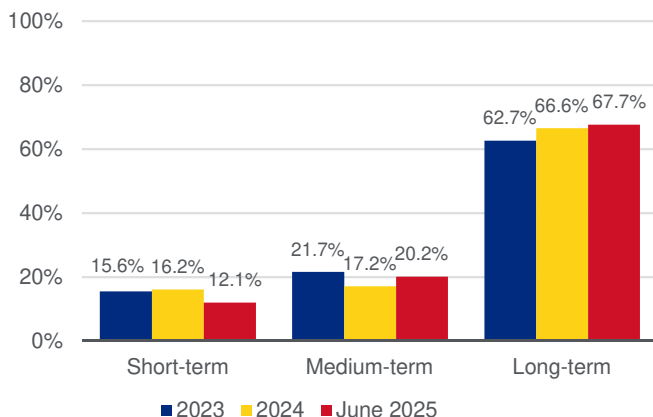
Fiscal Policy

Public Debt Management

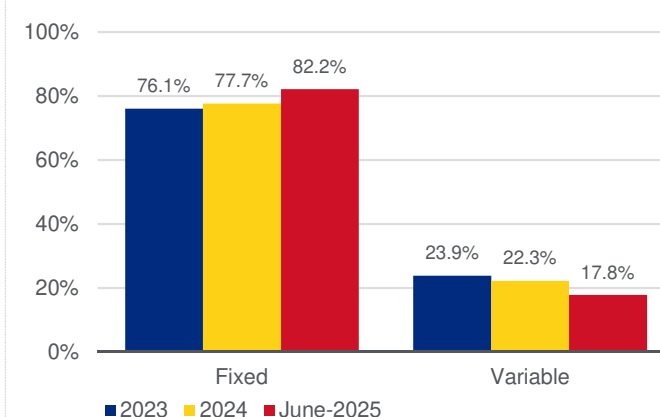
EU Funding

External Position, Inflation, Monetary Policy and Banking System

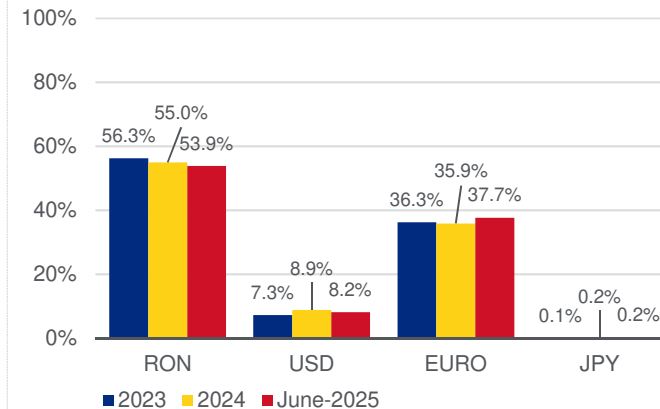
Increasingly Long Tenor Borrowings...



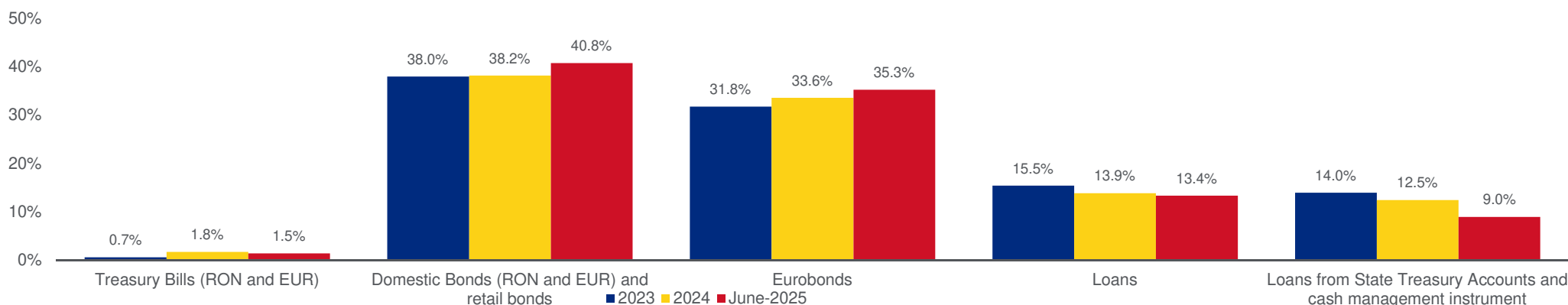
...Mostly Paying Fixed Interest...



...Primarily in RON and EUR...



Mix of Funding Instruments



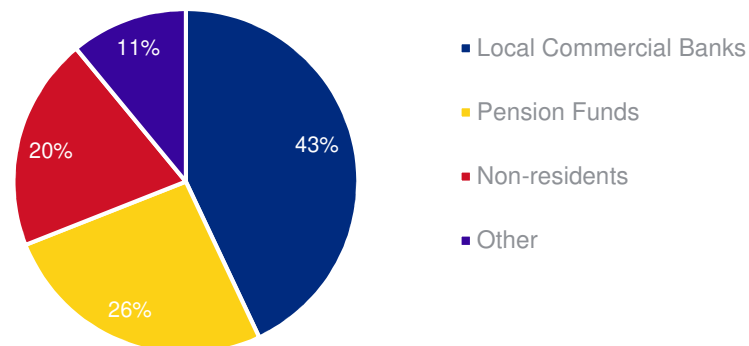
Source: Ministry of Finance. Historical compilation of the Public Debt Bulletin, at end of June 2025.

Note: Based on national legislation.

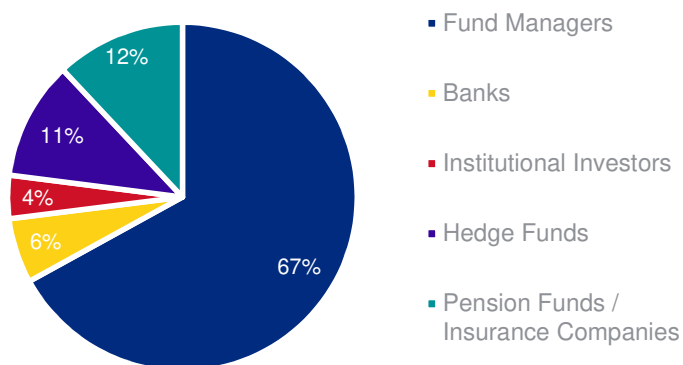
Domestic Capital Markets Instruments

- Interbank market:
 - ✓ government securities with maturities between 6 months and 15 years,
 - ✓ liquid benchmarks to an equivalent of about EUR 2.5-3 bn.
- Retail market:
 - ✓ two programs for bond issuance with 1 to 5 years maturity via treasury offices, postal units and banks (via the Bucharest Stock Exchange in EUR and local currency).

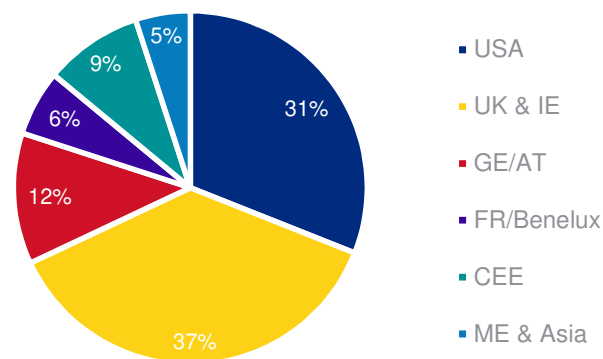
Holders of domestic market government securities



Average Eurobonds Distribution by Investor Type



Average Eurobonds Distribution by Geography



Note: statistics for longer tenors, 10Y+



Legal Framework and Governance

- The Framework *for the Issuance of Bonds Intended to Finance the Protection of the Environment and Combat Climate Change* launched in December 2023.
- The Interministerial Committee approving the list of eligible projects/expenditures, approving the Green Bond Framework and the annual allocation and post-issuance impact reports prepared by the Ministry of Finance.
- TA provided by World Bank
- The Framework follows international best practices, evaluated by S&P Global Ratings (S&P).
- S&P's Second Party Opinion (SPO) confirms the alignment of the Framework with (ICMA)'s Green Bond Principles.
- **"Medium green"** Framework.
- Publicly available Allocation report (<https://mfinante.gov.ro/en/web/trezor/obligatiuni-verzi>)

Green Bonds

- February 15, 2024 inaugural successful **Green Bond** on the international markets, a 12-year tranche of EUR 2 billion. Total demand of EUR 9 billion from more than 250 investors. Negative new issue concession (-15 bps), implying a greenium of 10 bps. Around 45% of the investors were socially responsible investors (SRI) / with green-ESG mandates or known to use socially responsible investment principles/green investment principles.
- October 4, 2024, inaugural **Green Samurai** transaction with JPY 33bn multi-tranche across 3 years, 5 years and 7 years.
- On July 25, 2025, S&P's post-issuance review of the Government of Romania allocation report found that allocations were consistent with pre-issuance commitments and that the report is aligned with the requirements for allocation reporting contained in the Green Bond Principles.

Financing Plan (1/2)



Overview

GDP Growth

Fiscal Policy

Public Debt Management

EU Funding

External Position, Inflation, Monetary Policy and Banking System

Financing plan	Initial Plan (bn.)	Achieved (bn.) 30 Sept 2025	(%)
Financing needs (bn. RON)	258.32		
- % of GDP	13.58%		
Budget deficit (bn. RON)	159.77		
- % of GDP	8.40%		
Refinancing (bn. RON)	98.55		
- % of GDP	5.19%		
Financing	259.00	213.00	82.5%
Domestic market (bn RON)	154.00	124.76	81.0%
External market (bn. RON)	105.00	88.24	84.0%
bn. EUR	17.00	17.62	
- Eurobonds (bn. EUR)	13.00	11.74	
- Private placements (bn. EUR)		4.30	
- RRF (bn. EUR)	3.00	0.76	
- IFIs (bn. EUR)	1.00	0.82	

- The gross financing requirements of RON 232 billion was revised to approximately RON 259 billion lei, following the revision to 8.4% of GDP (approximately 160 billion lei) of the general consolidated budget deficit. The volume of the refinancing debt in 2025 is RON 99 billion. The remaining financing will be secured both by using domestic and external funding
- Maintaining a constant presence in EUR and USD markets via Eurobond transactions and private placements while diversifying the investor base through loan format private placements and issuing the second Green Samurai bond transaction
- Using external and domestic liability management operations to limit the refinancing risk while extending the weighted average residual maturity for the debt portfolio.

Source: Ministry of Finance own calculations.

Financing Plan (2/2)



Overview

GDP Growth

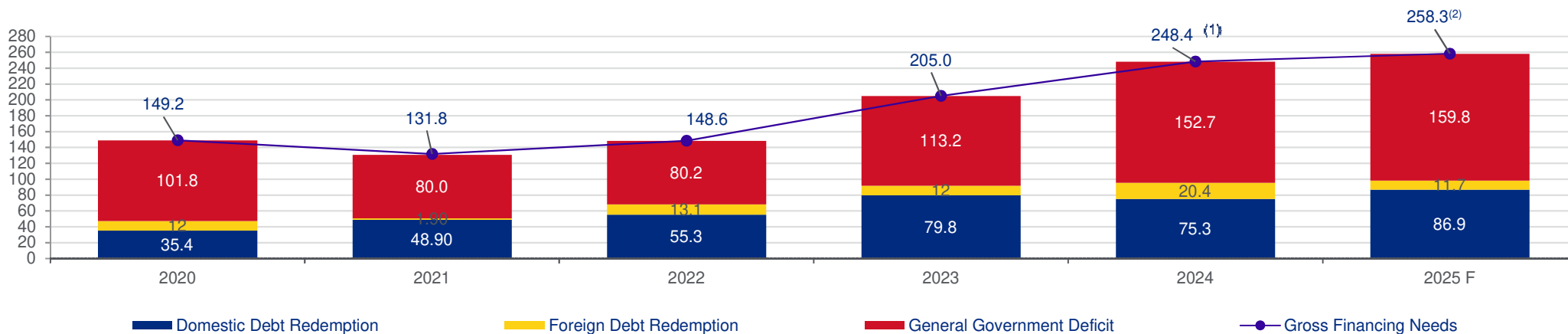
Fiscal Policy

Public Debt Management

EU Funding

External Position, Inflation, Monetary Policy and Banking System

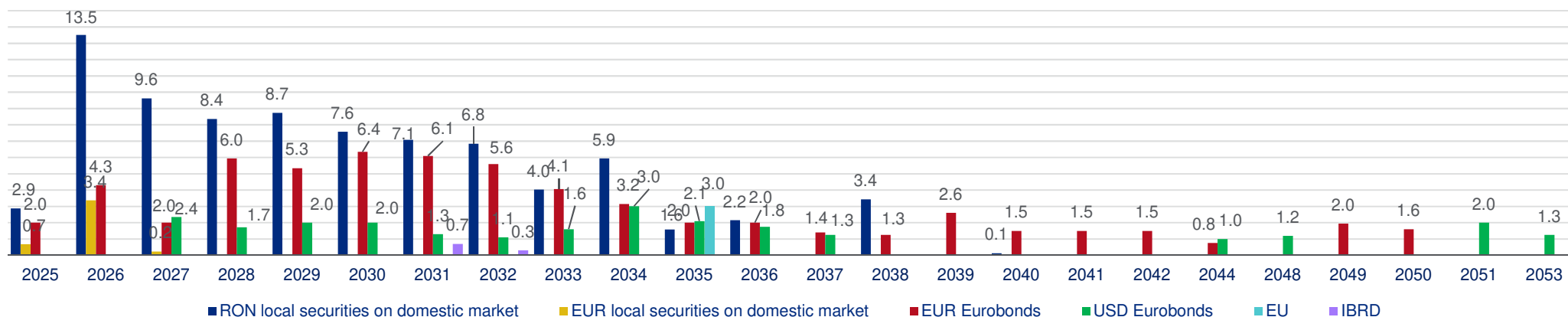
Government Financing Needs, RON bn



Source: Ministry of Finance (own calculation)

Government Debt Maturity Structure is Well Distributed across a Long Horizon

Redemption Profile of Government Securities and External Loan Facilities, EUR bn



(1) Including the partial prefinancing of 2025; (2) According to the 2025 budget revision approved by the Government on October 1, 2025

Source: Ministry of Finance. Data as of September 18, 2025.

Debt Management Policy



Overview	GDP Growth	Fiscal Policy	Public Debt Management	EU Funding	External Position, Inflation, Monetary Policy and Banking System
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Sovereign Debt Risk Management Targets

	Parameters ¹	Levels as of June 30, 2025	Levels as of December 31, 2024	Indicative Targeted Min / Max Ranges (2024–2026) ²
Currency Risk	■ Share of domestic currency debt, % of total	49.2	48.5	45 (Min) – 55
	■ Share of EUR debt out of total foreign-currency denominated debt, %	81.7	79.7	80 (Min) – 90
Refinancing Risk	■ Debt maturing in one year, % of total	13.0	10.0	10 – 20 (Max)
	■ Local currency debt maturing in one year, % of total	22.0	17.0	15 – 25 (Max)
	■ ATM ³ for total debt, years	6.5	6.9	7.0 (Min) – 8.0
	■ ATM ³ for local currency debt, years	4.3	4.6	4.5 (Min) – 5.5
Interest Rate Risk	■ Debt re-fixing in one year, % of total	15.0	12.0	10 – 20 (Max)
	■ Local currency debt re-fixing in one year, % of total	20.0	15.0	15 – 25 (Max)
	■ ATR ⁴ for total debt, years	6.3	6.7	7.0 (Min) – 8.0
	■ ATR ⁴ for local currency debt, years	4.3	4.6	4.5 (Min) – 5.5

Objectives of the Debt Management Strategy

- Covering the funding needs of the central government, while minimizing medium- and long-term debt costs.
- Limiting risks for the government public debt portfolio.
- Developing the domestic market for government securities.

Strategic Guidelines During 2024–2026

- Financing mainly in local currency, with the objective of ensuring net financing (covering the budget deficit) mainly from domestic sources from 2024 onwards
- Pursuing a smooth redemption profile
- Maintaining a foreign currency buffer
- FX funding mostly in EUR and USD
- Maintaining the exposure to interest rate risk under control
- Using IFIs and EU funding in order to benefit from the favorable terms and conditions attached to those instruments

(1) According to national legislation excluding temporary financing; (2) Risk indicators calculated according to national legislation, excluding loans from availabilities of the State treasury account (temporary financing); (3) ATM – average time to maturity; (4) ATR – average time to re-fixing.

Source: Ministry of Finance: Historic compilation of the Public Debt Bulletin and Government Public Debt Management Strategy.



EU Funding



EU Funds Absorption Under the 2014–2020 Programming Period



Overview

GDP Growth

Fiscal Policy

Public Debt Management

EU Funding

External Position, Inflation, Monetary Policy and Banking System

Operational Program	Funds Allocated, EUR bn	Absorption Rate (Amount Requested to EC) (%)										
		Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	Dec 2022	Dec 2023	Dec 2024	Sept 2025**
OP Technical Assistance	0.33	0	0	23.28	37.29	56.90	59.92	67.37	75.40	84.66	111.48	111.48
OP Competitiveness	2.38	0	0	6.48	17.01	25.38	23.31	25.82	54.02	77.94	101.12	109,1
OP Human Capital (including Youth Employment Initiative: EUR 0.15bn)	4.60	0	0	0.09	14.87	25.28	43.00	52.75	60.41	84.50	97.72	103.89
OP Administrative Capacity	0.56	0	0	4.15	12.95	23.23	33.56	47.07	63.04	88.70	101.58	114.16
OP Large Infrastructure	9.34	0	0	10.13	17.77	25.24	38.85	52.85	70.57	96.40	103.05	116.54
OP Regional	6.86	0	0	0.41	12.78	22.86	34.86	49.83	65.14	85.28	102.27	116.05
OP for SME's Initiative*	0.10	0	0	93.09	-	-	-	-	-	-	-	-
OP's for European Territorial Cooperation	0.48	0	0.54	1.76	9.56	21.19	33.27	54.84	67.42	81.85	99.30	99.3
OP Aid for the Most Deprived	0.49	0	0.97	17.37	17.35	30.27	48.24	54.21	54.21	82.48	93.18	94.13
Total	25.04	0	0.02	5.62	15.65	24.87	37.48	49.51	65.16	88.53	101.49	112.48

- As of September 2025, the total amounts received from the European Commission, pre-financing and reimbursements related to the operational programs financed by the Cohesion Policy, are at approx. EUR 23.99 bn, which means 99.7% of the EU allocation for these programs (about EUR 24.07 bn).

**As of September 2025, Romania ranked 4th among the 27 Member States, in absolute values of EU funds received.
The contracting rate of 136% creates a prerequisite for an increase in the absorption rate in the upcoming period.**

Note: The allocations for 2014-2020 OP's were modified according to the last versions of the approved operational programmes. Consequently, some percentages have been diminished.

• *The OP for SME's Initiative was included in the OP Regional by EC approval from 16.10.2018.

• **Includes the amounts declared as overbooking in accordance with EC regulations.

Source: Ministry of Investments and European Projects

Security Action for Europe (SAFE) allocation for Romania



Overview

GDP Growth

Fiscal Policy

Public Debt Management

EU Funding

External Position, Inflation, Monetary
Policy and Banking System

- On September 9, 2025 the European Commission has officially communicated the amounts allocated to Member States under SAFE based on their requests.
- Out of the total amount of financial assistance in the form of loans of EUR 150 billion, Romania receives EUR 16.68 billion, the second largest allocation after Poland.
- The SAFE national investment plans are to be presented by end November 2025. The Member States plans shall be dully reasoned and substanciaded for defence products procurement, planned activities, estimated expenditures and planned measures.
- Pre-financing is available as an optional advance payment of up to 15% of the total loan amount provided to Member States.
- Disbursement across the entire time period for the program (2026-2030), based on projects acquisitions and implementation.

MFF 2021 – 2027 & Next Generation EU



Overview

GDP Growth

Fiscal Policy

Public Debt Management

EU Funding

External Position, Inflation, Monetary Policy and Banking System

- The **EU Multiannual Financial Framework 2021-2027 (“MFF”)**, along with the recovery instrument **Next Generation EU (“NGEU”)** are expected to play a central role in Romania’s economic recovery.

MFF 2021-2027 ⁽¹⁾		Next Generation EU (NGEU) ⁽¹⁾	
Cohesion Policy*	EUR 29.2 bn	Recovery and Resilience Facility (RRF)	EUR 21.6 bn: (EUR 13.6 bn in form of grants, EUR 8 bn in form of loans)
Common Agricultural Policy	EUR 20.7 bn	REACT-EU 2021/2022	EUR 1.5 bn (EUR 1.3 bn / 0.2 bn)
		REPowerEU	EUR 1.4 bn
Just Transition Fund (EU Green Deal)	EUR 0.9 bn*	Just Transition Fund	EUR 1.2 bn (p)
		European Agricultural Fund for Rural Development	EUR 0.7 bn
Total MFF	EUR 49.9 bn	Total NGEU	EUR 25.7 bn
Total allocated EU Funds		~ EUR 76.3 bn (p)**	

- **NGEU amount** represents 4%⁽²⁾ of the total value of the fund
- Romania - **4th highest allocation of all EU member states**
- In 2021 pre-financing amount of 13% from the RRF grant of EUR 1.851.159.668,
- January 13th, 2022 Romania pre-financing of EUR 1.942.159.890, from the loan RRP’s allocation.
- 2023, revise the RRF and introduce the new RePower EU chapter.
- Payment requests - approved based on a satisfactory assessment on the fulfilment of milestones and targets for each reform and investment
- **NGEU - to address investment needs in the private sector** by providing grants and support programs. The decision aims to ensure working capital measures, by financing investment needs; economic growth measures; companies digitalization schemes and measures to support employment growth.
- **Cohesion Policy** funds through the Partnership Agreement (PA) in 8 regional programmes and 8 sectorial/national programmes: Sustainable Development, Transport, Health, Education and Employment, Inclusion and Social Dignity, Just Transition, Smart Growth, Digitalization and Financial Instruments and Technical Assistance.
- PA and all the 16 programmes approved in 2022.
- As of September 2025, the total amounts received from EC, representing prefinancing and reimbursements for the programmes financed by the Cohesion Policy, are of approx. EUR 5,3 billion.
- Currently, Romania is in the process of renegotiating for the second time the NRRP and has officially submitted the request for amending on September 12, 2025. The revised allocation proposed is EUR 21.6 billion, out of which EUR 13.6 billion in grants and approximately 8 billion in loans.

(1) Current prices; (2) According to current prices the total NGEU envelope amounts to EUR 808 billion; *included in the Cohesion Policy amount; **(p) Provisional data Source: Ministry of Investments and European Projects, Ministry of Finance

Key Measures of Romania's National Recovery and Resilience Plan



Overview

GDP Growth

Fiscal Policy

Public Debt Management

EU Funding

External Position, Inflation, Monetary Policy and Banking System

44.1% of the NRRP total allocation for reforms and investments supports climate objectives

- Urban mobility: infrastructure for a green and more secure urban transport.
- Clean energy production: phasing-out of coal and lignite power production, deployment of renewables as well as related production processes, and hydrogen (**EUR 1.2 billion**).
- Energy efficiency of buildings: energy-efficient renovation and seismic renovation of buildings to reduce CO2 emissions by at least 0.15 million tons in private buildings and 0.075 million tons in public buildings (**EUR 2.9 billion**).

21.8% of the NRRP total allocation for reforms and investments supports digital objectives

- Digitalisation of public administration: digitalising public administration in key areas such as justice, employment and social protection, environment, civil service management and skills development, public procurement, cybersecurity, tax and customs, while building a secure government cloud infrastructure and supporting eID deployment (**EUR 1.4 billion**).
- Digitalisation of health: developing an integrated e-Health system, connecting over 25,000 healthcare providers and telemedicine systems (**EUR 442 million**).
- Digitalisation of education: improving digital pedagogical skills, educational content and equipment and resources, including in universities (**EUR 1.16 billion**).

Measures to reinforce Romania's economic and social resilience

- Social and territorial cohesion: modernising the Romanian social benefits system by implementing the minimum inclusion income reform, a reform of the pension system, measures to improve the employment and digitising social protection digital systems.
- Fiscal sustainability: Reinforced budgetary framework, better expenditure control and review of taxation, pension system reform, state guarantees for SMEs.



- The **first payment request** disbursed EUR 2.56 billion by the EC on 27 October 2022 (grant EUR 1.772.317.380 and loan EUR 789.672.460).
- The **second payment request** disbursed EUR 2.79 billion on September 29, 2023 (grant EUR 1.87 billion and loan EUR 0.89 billion and EUR 0.037 billion disbursed on 23rd of December 2024). 51 milestones and targets included in this payment request.
- In the context of the current geopolitical crisis caused by the war in Ukraine, as well as following the negative revision of EUR 2.11 billion of the non-reimbursable financial support for Romania, the possibility of adjusting the National Recovery and Resilience Plan (NRRP) has emerged. On 27 February 2023, **Regulation (EU) 2023/435** was published amending Regulation (EU) 2021/241 as regards the chapters on EU-PRSPs in the RRF and amending Regulations (EU) Nos. At the same time, the European Commission presented the Communication entitled Guidance on Recovery and Resilience Plan in the context of REPowerEU (C2023/876 - Guidance on Recovery and Resilience Plan in the context of REPowerEU).
- The adjustment of the RRF completed with the formal inclusion of the new chapter REPowerEU in December 2023, and the issuance of the Council Implementing Decision amending the Implementing Decision of 3 November 2021 approving the assessment of Romania's RRF.
- **Payment request no. 3**, in amount of EUR 2.66 billion (EUR 1.85 billion in grants and 0.81 billion in loans) conditional on the completion of the adjustment of the plan, contains 74 milestones and targets.
- COM positively assessed 68 out of 74 milestones and targets, and the EPC and EFC procedure was completed. EC adopted the Council implementing Decisions and in June 2025 a partial disbursement of aprox. EUR 1.3 billion was made.
- Romanian authorities are in negotiations with the EC to expand the number of milestones and targets that can be included in a single payment request, given that the available time is limited.
- **Payment request no 4**, amounting to €2,680,277,594, includes both non-repayable support of €1,003,031,904 and loan support of €1,677,245,690, and is conditioned upon the full achievement of all 46 milestones and targets. At this moment, Payment Request 4 includes 46 milestones and targets, of which 29 have been completed and 17 are in progress and it is estimated that could be submitted during 2025.
- On September 12, 2025 Romania officially submitted to the EC its renegotiated plan which amounts to EUR 21.62 billion allocated through NRRP, out of which EUR 13.6 billion grants and EUR 8.02 billion loans, down from EUR 28.5 billion initially (EUR 13.6 billion grants and EUR 14.9 billion loans).



External Position, Inflation, Monetary Policy and Banking System

Romania's External Indicators Continue to Be Positive



Overview

GDP Growth

Fiscal Policy

Public Debt Management

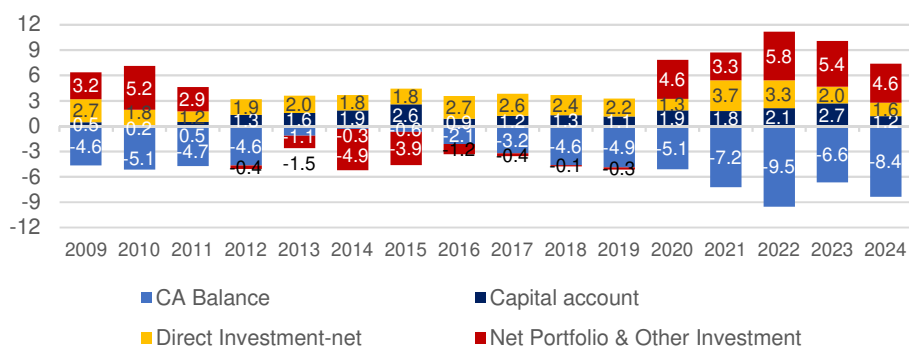
EU Funding

External Position, Inflation, Monetary Policy and Banking System

- In 2024 the current account deficit reached EUR 29.6 billion (8.4% of GDP), 37.7% up year on year, mainly from the increases in the trade goods deficit, primary income deficit and decrease in the services surplus. In the first seven months of 2025, the current account deficit reached EUR 17.2 billion, up 17.3 per cent year-on-year mainly following the trend of the goods deficit.
- In 2024 capital account surplus decreased by 52.4 per cent to EUR 4.2 billion as compared with 2023 as a result of a lower inflows of EU grants (European Fund for Regional Development and Resilience and Recovery Mechanism). In the first seven months of 2025 it attained EUR 3.7 billion, up 95.8 per cent as compared with January – July 2024, as a result of higher inflows of EU funds (Cohesion Fund and Recovery and Resilience Mechanism).
- In 2024 net financial inflows accounted for EUR 21.2 billion, the bulk consisting in portfolio investment. In Jan-July 2025 they totaled EUR 13.6 billion, up 2.2 per cent year on year due to the reduced rate of increase in reserve assets and an increase in direct and portfolio investment.

...Supported by Manageable Current Account Deficits in Recent Years Financed Mainly by Capital Transfers and FDI Inflows

Balance of Payments, % of GDP



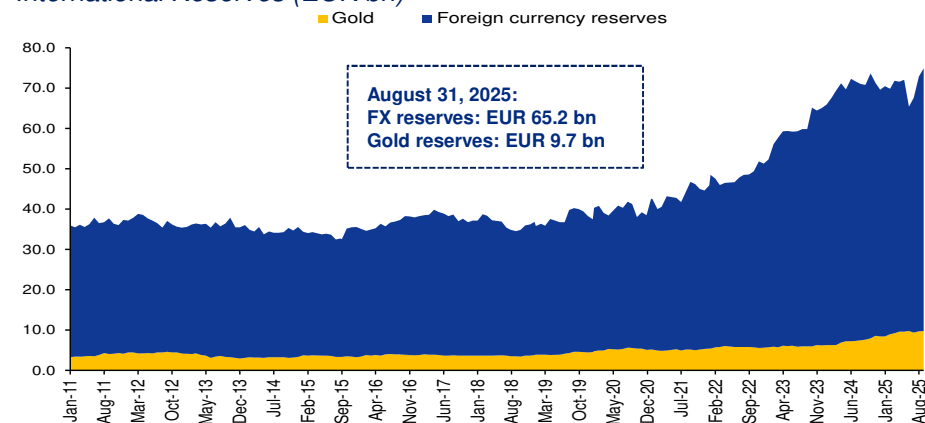
Source: NBR

Note: Balance of payments data are based on the IMF's BPM6 and GDP data are according to ESA 2010; Benchmark revised data for 2010 – 2024, as of April 2025.

Source: National Bank of Romania

Reserves at Comfortably High Level, Despite External Shocks...

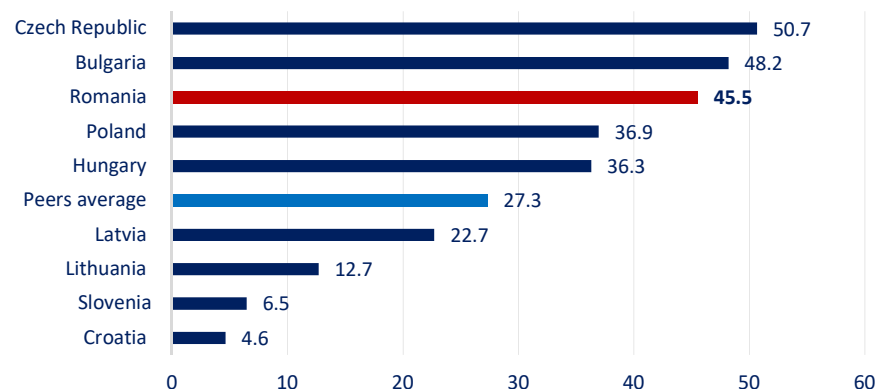
International Reserves (EUR bn)



Source: National Bank of Romania

International Reserves

% of Broad Money, 2024



Source: Fitch Sovereign Data Comparator March 2025

Export Growth Rate



Overview

GDP Growth

Fiscal Policy

Public Debt Management

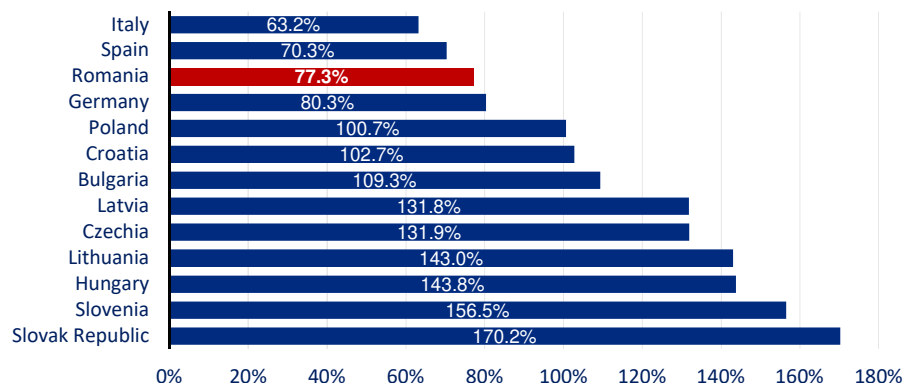
EU Funding

External Position, Inflation, Monetary Policy and Banking System

- The current account deficit was covered until 2017 by stable FDIs and EU inflows. Starting with 2018, the current account deficit surged and its financing was increasingly dependent on issuance of government bonds. In 2023, 70.8% of the current account were covered by net FDIs and capital inflows, while in 2024 the coverage rate dropped to 33.5%, and grew to 46.3% in the first seven months of 2025.
- Direct investment of non-residents in Romania decreased in 2023, down to EUR 6.7 bn. (EUR 10.6 bn. in 2022), and continued to decrease in 2024 to 5.7 bn. In Jan-July 2025, direct investment of non-residents in Romania is estimated at EUR 4.3 bn.
- During the period 1990 – 2023, FDIs had been concentrated in industry (38.6%), followed by construction and real estate (17.5%) and trade (17.1%).

Romania's Economy is More Resilient to External Shocks than Other CEE Countries due to its Big Domestic Market

Trade Openness⁽¹⁾, % of GDP – 2024



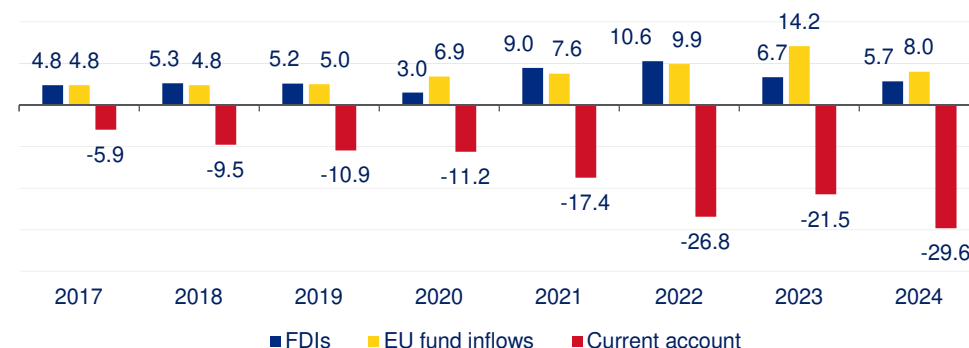
Sources: World Bank

(1) Calculated under the World Bank definition of (Exports + Imports)/GDP.

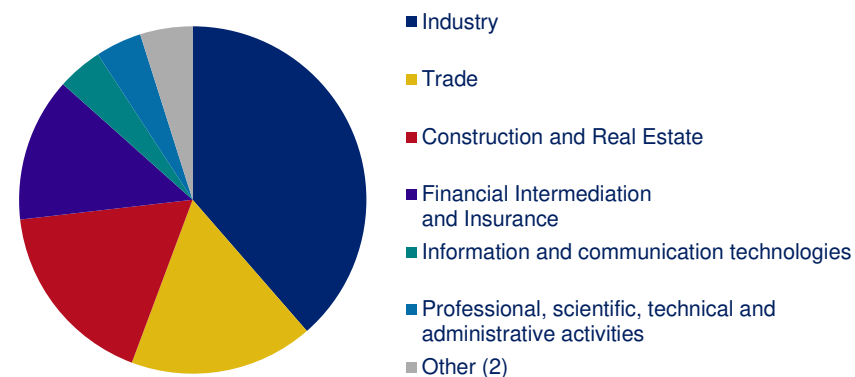
Source: National Bank of Romania

Stable FDIs and EU Inflows Fully Compensate the Current Account Deficit up to 2019

EUR bn



FDI Received During 1990–2023⁽¹⁾



Source: National Bank of Romania; (1) As revised at the end of September 2024; (2) Includes agriculture, forestry and fishing, transportation, hotels and restaurants and other.

External Sector Performance



Overview

GDP Growth

Fiscal Policy

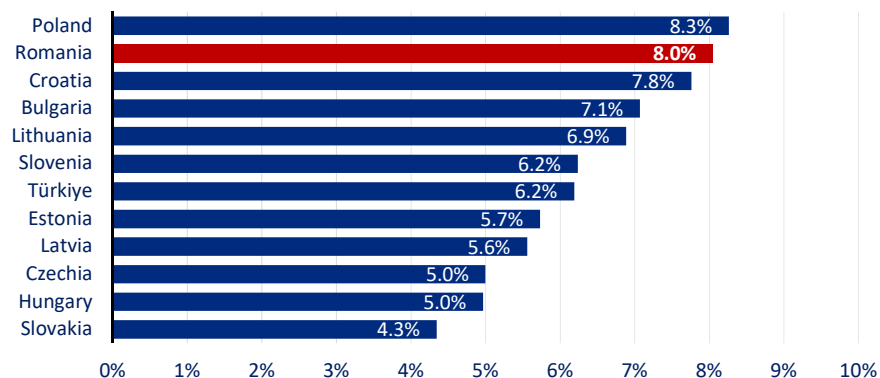
Public Debt Management

EU Funding

External Position, Inflation, Monetary Policy and Banking System

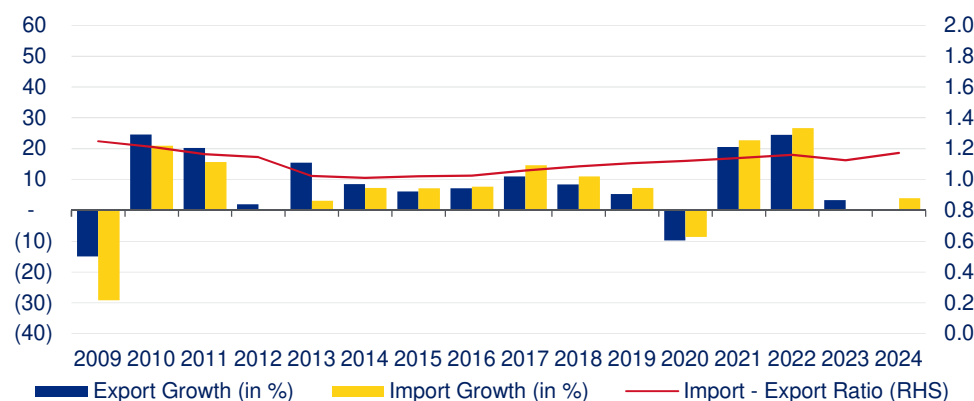
Romania's Export Growth is Stronger than Most Regional Peers

Average Annual Growth in Exports⁽¹⁾, 2012 to 2024, %



Source: Eurostat (1) Growth rates refer to exports of goods and services.

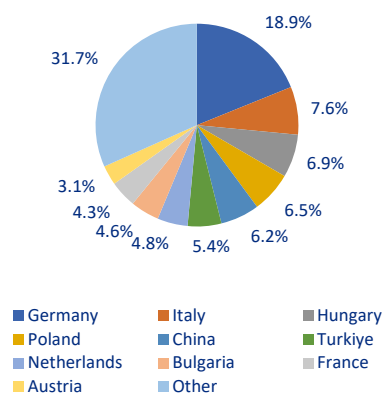
Export and Import Growth Dynamics ⁽¹⁾



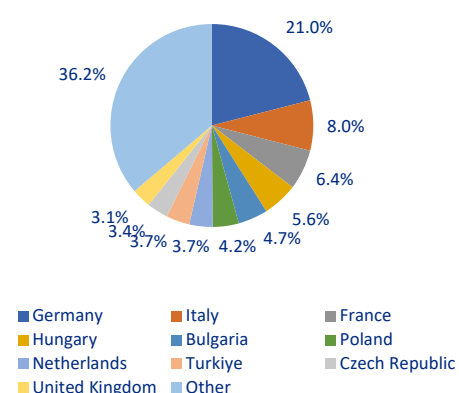
Source: National Bank of Romania

Top 10 Trade⁽²⁾ Partner Countries – 2024 (p)

Main Import Partners



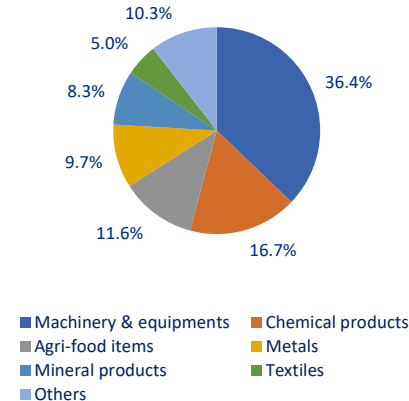
Main Export Partners



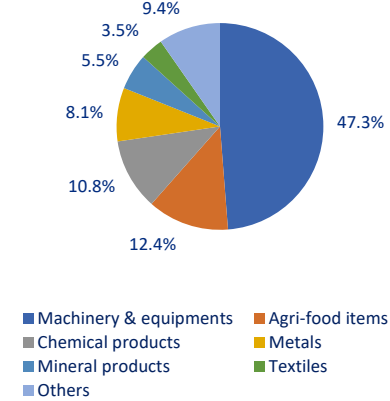
Source: National Institute of Statistics, National Bank of Romania calculations

Main Foreign Trade Categories by Commodity Groups – 2024 (p)

Main Import Categories



Main Export Categories



Source: National Institute of Statistics, National Bank of Romania calculations

Notes: (1) Data relates to export and import of goods and services.

(2) Trade in goods.

(p) Provisional data



Inflation Rose Recently, on the Back of Administrative Measures

Overview

GDP Growth

Fiscal Policy

Public Debt Management

EU Funding

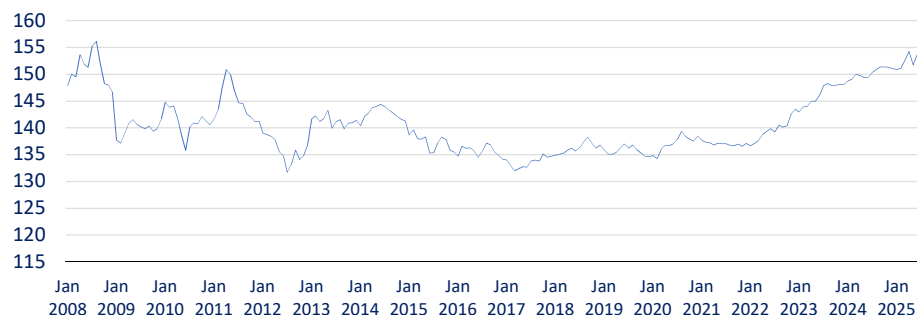
External Position, Inflation, Monetary Policy and Banking System

- CPI inflation increased moderately in the first six months of 2025 (to 5.66 per cent. in June), due to higher prices for fruit and vegetables, as a result of unfavourable weather conditions that affected supply. Core inflation declined at the beginning of the year, before increasing to reflect higher short-term inflation expectations and additional labour costs (it reached 5.6 per cent. in June). Thereafter, headline inflation rose significantly, owing to a series of administrative measures: in July, it reached 7.84 per cent., on account of the liberalization of the household electricity market (electricity prices saw a 62 per cent. month-on-month jump and accounted for 2.3 percentage points of the acceleration in headline inflation). In August inflation stood at 9.85 per cent., following a set of indirect tax increases (VAT rates and excise duties). Core inflation was also on the rise but to a lower level (7.91 percent in August), the higher VAT passthrough on processed food and market services being somewhat mitigated by the one on nonfood items.
- According to the August 2025 NBR Inflation Report, the annual CPI inflation rate is expected to rise abruptly in the short run. The jump in inflation is driven primarily by administrative measures: the significant upward adjustment of electricity tariffs in July 2025 and the rise in indirect taxes (VAT and excises) effective August 2025. The disinflationary trend is expected to resume in the fourth quarter of 2025, with the headline inflation rate projected to decline to 8.8 per cent. by December 2025. However, due to persistent base effects from these shocks, inflation will remain elevated until mid-2026. Inflation is expected to re-enter the NBR's target band (2.5 per cent. \pm 1 percentage point) in the third quarter of 2026 and to reach 3 percent in December 2026, and 2.7 percent in June 2027. Core inflation is anticipated to peak in the third quarter of 2025, as a direct effect of the hike in indirect taxes. Subsequently, it is seen dropping gradually starting in the third quarter of 2026, as the direct inflationary effect of the fiscal shocks fades away, domestic demand continues to cool off and import price pressures abate. The medium-term correction is primarily driven by the contractionary effects of the ongoing fiscal consolidation, which is projected to significantly widen the negative output gap. The latest CPI data for July and August, available after the Inflation Report's publication, indicate a higher-than-anticipated inflation trajectory over the coming year. In July, the increase in electricity prices surpassed initial projections, while in August, the price hikes for processed food and market services were markedly above the levels that would be consistent with a full pass-through of VAT adjustments, suggesting the emergence of second-round effects or opportunistic price-setting behaviour.

Recent monetary policy decisions:

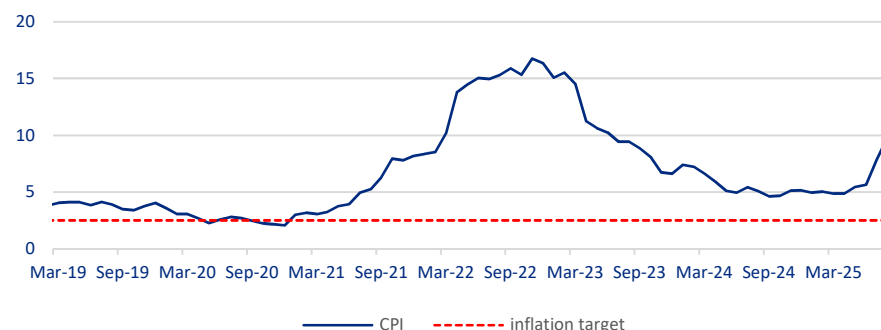
- In July and August 2025, the NBR kept the monetary policy interest rate unchanged at 6.50 percent and the interest rates on the lending and deposit facilities at 7.50 and 5.50 percent respectively. The minimum reserve requirement ratios on both leu- and foreign currency-denominated liabilities of credit institutions were also left at their existing levels (8 percent and 5 percent respectively). The decisions were justified by the considerable deterioration of the inflation outlook in the short run, but under the transitory impact of certain supply-side shocks - the expiration of the electricity price capping scheme in July and the increase in VAT rates and excises starting from August – likely to trigger, once it fades, after four quarters, an ample downward correction in the trajectory of the annual inflation rate.

RON Real Effective Exchange Rate (CPI-based, 1999=100)



Source: ECB, National Bank of Romania

Inflation %, (yoy)



Source: NIS, NBR

Liquid, Well-Capitalised Banking System and Well Provisioned NPLs



Overview

GDP Growth

Fiscal Policy

Public Debt Management

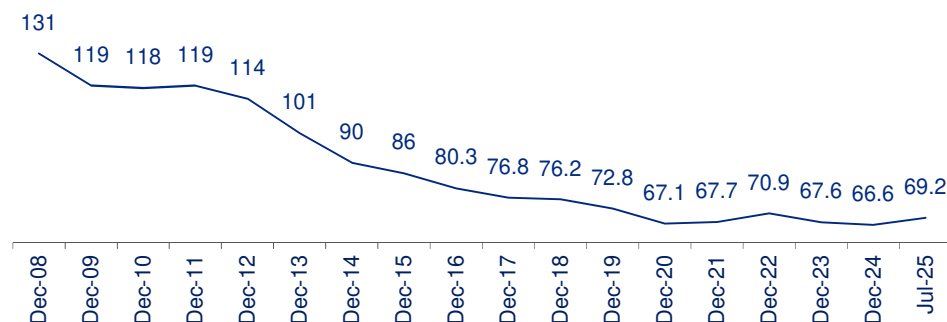
EU Funding

External Position, Inflation, Monetary Policy and Banking System

- The banks' asset quality has remained inside the European Banking Authority ("EBA") low-risk bucket (with a NPL ratio of 2.8% in July 2025).
- The NPL coverage ratio remained adequate (64.4% in July 2025) and significantly higher than the EU average (41.7% in Q2/2025).
- Both the level and quality of own funds are adequate: i) the Total Capital Ratio was 23.6% in December 2023, 24.9% in December 2024, and 24.2% in June 2025, respectively (25.1% in December 2020, 23.3% in December 2021 and 23.4% in December 2022), well above the minimum regulated level (8%); ii) own funds consist mainly of high-quality components, with Tier 1 Capital ratio: 20.7% in December 2023, 22.2% in December 2024, and 21.6% in June 2025, respectively (23.2% in December 2020, 20.9% in December 2021 and 20.5% in December 2022).
- As of December 2024, the net profit was RON 14.2 billion, the ROA was 1.7% and the ROE 18.4% (as compared to a net profit of RON 13.5 billion, ROA 1.8% and ROE 20.1% in December 2023, respectively). As of 31 July 2025, net profit was RON 8.7 bn, representing an annualized ROA of 1.7% and a ROE of 18.1%.
- The consolidated balance sheet of the banking sector recorded a 8.7% y-o-y growth and amounted to RON 937.1 billion as of July 2025, backed by solid savings and increasing exposures to both public and private sectors.

Steadily Declining Loan-to-Deposit Ratio of the Banking Sector

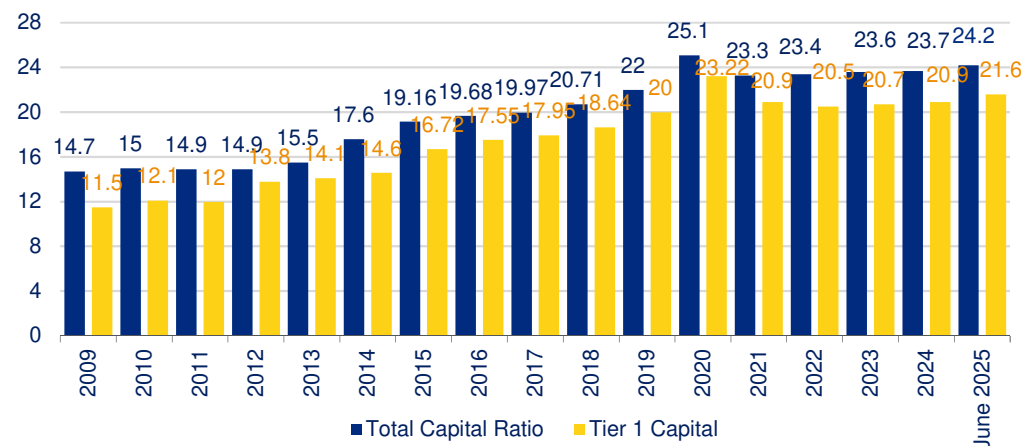
In %



Source: National Bank of Romania

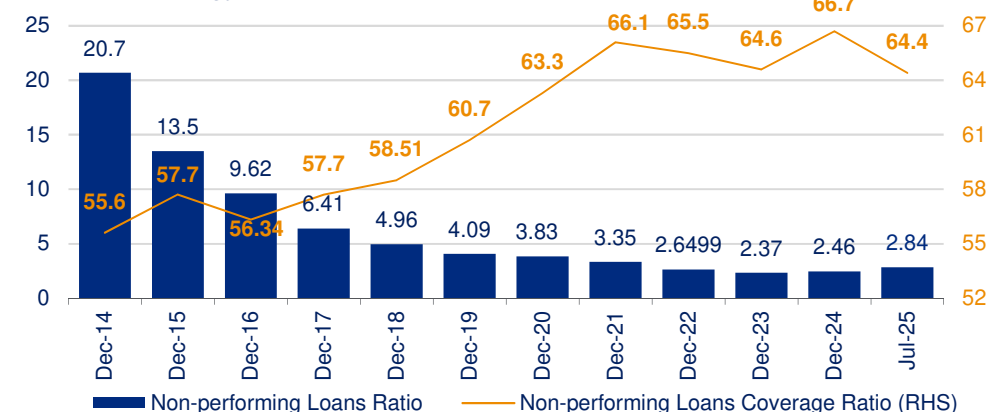
Strengthening Prudential and Financial Ratios of the Banking System

In %



NPLs Maintain Downward Path and Remain Adequately Covered

EBA Methodology, in %





Thank you!