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First Supplement dated 23 January 2024 to the Information Memorandum dated 17 July 2023

Romania
Acting through the Ministry of Finance
EUR 68,000,000,000
Global Medium Term Note Programme

This supplement ("**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the information memorandum dated 17 July 2023 (the "**Information Memorandum**"), as may be further supplemented from time to time, prepared by Romania acting through the Ministry of Finance ("**Romania**" or the "**Issuer**"), in connection with its Global Medium Term Note Programme ("**Programme**") for the issuance of up to EUR 68,000,000,000 in aggregate principal amount of notes ("**Notes**"). The Programme size was increased from EUR 62,000,000,000 to EUR 68,000,000,000 with effect from the date hereof. The increase was authorised by the Government Decision No. 11 of 11 January 2024 effective 11 January 2024. Terms given a defined meaning in the Information Memorandum shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement does not comprise a supplement for the purpose of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Accordingly, this document has not been and will not be submitted for approval to any competent authority within the meaning of the Prospectus Regulation and in particular the *Luxembourg Commission de Surveillance du Secteur Financier*, in its capacity as the competent authority for the purposes of the Prospectus Regulation.

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IMPORTANT NOTICES

This Supplement contains information provided by the Issuer in connection with the Programme and the Notes to be issued under the Programme. The Issuer accepts sole responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Information Memorandum by this Supplement and (b) any other statement in, or incorporated by reference into, the Information Memorandum, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Information Memorandum which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Information Memorandum.

AMENDMENTS OR ADDITIONS TO THE INFORMATION MEMORANDUM

With effect from the date of this Supplement, the information appearing in, or incorporated by reference into, the Information Memorandum shall be amended and/or supplemented in the manner described below. This Supplement should be read together with the Information Memorandum in forming a basis for any decision to invest in any Notes offered under the Programme.

RISK FACTORS

The last two sentences of the last paragraph on page 11 of the Information Memorandum beginning with "In 2021, a surge in energy prices" in the section entitled "*Risk Factors – Risks Relating to Romania – Romania is subject to exchange rate and inflation risk*" are hereby replaced with the following:

Inflation has declined throughout 2023, reaching 6.72 per cent. in November 2023. This decline was due in part to a decrease in food price inflation, resulting from the decision to cap the mark-up of certain essential food products (including flour, bread, cow's milk, eggs, sunflower oil, chicken and pork meat, potatoes, tomatoes and sugar) and a decrease in tensions in the agricultural markets globally. Going forward, the NBR projects that inflation will continue to decrease steadily over the next two years, reaching 4.8 per cent. at the end of 2024 and 3.3 per cent. in the third quarter of 2025.

The fourth paragraph on page 14 of the Information Memorandum beginning with "The-Anti-Corruption Strategy for 2021-2025" in the section entitled "*Risk Factors – Risks Relating to Romania – The Inconsistent Application of Reforms of the Justice Laws could have an adverse effect on Romania's economy and therefore on the Notes"* is hereby replaced with the following:

The Anti-Corruption Strategy for 2021-2025 (NAS 2021-2025) was adopted in December 2021. Its effective implementation relies on institutional transparency, integrity, priority of public interest and political support to implement the measures established by NAS 2021- 2025.

The second sentence of the fifth paragraph on page 14 of the Information Memorandum beginning with "There can also be no certainty" in the section entitled "*Risk Factors – Risks Relating to Romania – The Inconsistent Application of Reforms of the Justice Law could have an adverse effect on Romania's economy and therefore on the Notes"* is hereby deleted.

The sixth paragraph on page 14 of the Information Memorandum beginning with "A failure by the government" in the section entitled "*Risk Factors – Risks Relating to Romania – The Inconsistent Application of Reforms of the Justice Law could have an adverse effect on Romania's economy and therefore on the Notes"* is hereby deleted.

The first and second sentences of the seventh paragraph on page 14 of the Information Memorandum beginning with "The level of the total public indebtedness calculated based on the national legislation" in the section entitled "*Risk Factors – Risks Relating to Romania – A significant increase of Romania's debt level could make it difficult to refinance debt on favourable terms*" are hereby replaced with the following:

The level of the total public indebtedness calculated based on the national legislation (including guarantees) decreased to 58.0 per cent. of GDP at the end of October 2023 compared to 58.4 per cent. of GDP at the end of December 2022. According to EU methodology, the general government debt increased to 48.6 per cent. of GDP as at the end of October 2023, from 47.2 per cent. of GDP at the end of December 2022.

DESCRIPTION OF ROMANIA

The first paragraph on page 91 of the Information Memorandum beginning with "On 13 July 2022, the European Commission" in the section entitled "*Description of Romania – Judiciary and Constitutional Court – Rule of Law"* is hereby replaced with the following:

On 5 July 2023, the European Commission published the 2023 Rule of Law Report, which present a synthesis of both the rule of law situation in the EU and an assessment of the situation in each Member State. The 2023 Rule of Law Report found that Romania has fulfilled its residual commitments under the 2022 CVM report.

The recent Justice Laws amendments constituted a significant improvement to judicial independence. The report also found that Romania has taken important steps in investigating and prosecuting criminal offences committed by the members of the judiciary. Despite efforts to improve judicial accountability, the ongoing shortage of magistrates is generating serious concerns for the quality and efficiency of justice and the European Commission recommended that Romania continues its efforts to provide adequate human resources for the justice system.

The European Commission found that implementation of the Anti-Corruption Strategy is on track. Romania has maintained a positive record in combating corruption, including for high-level cases.

The European Commission provided several additional recommendations for the Government, including completing the process initiated in view of taking into account the recommendations contained in the opinion of the Venice Commission on the Justice Laws, taking measures to address the remaining concerns about the investigation and prosecution of criminal offences in the judiciary, introducing rules on lobbying for Members of Parliament, ensuring effective public consultation before the adoption of draft legislation, strengthening rules and mechanisms to enhance the independent governance and editorial independence of public service media, and stepping up efforts to obtain the accreditation of a National Human Rights Institution taking into account the UN Paris Principles.

The fourth paragraph on page 91 of the Information Memorandum beginning with "The Criminal Code and Criminal Procedure draft laws" in the section entitled "*Description of Romania – Judiciary and Constitutional Court – Criminal Code and Criminal Procedure Code Amendments"* is hereby replaced with the following:

The Criminal Code and Criminal Procedure draft laws, which aimed to align certain provisions with Constitutional Court decisions were adopted in 2023 and published in the Official Gazette of Romania. The Constitutional Court has validated the legislative solution on the offence of abuse in office. The regulation of abuse of service is also in line with the Anti-Corruption Directive. In its decision, the Constitutional Court stated that only a few technical adjustments would be needed to ensure all the necessary guarantees for the use of national security warrants as evidence in criminal proceedings.

The first paragraph on page 92 of the Information Memorandum beginning with "On 27 September 2021, the European Commission" of the section entitled "*Description of Romania – Judiciary and Constitutional Court –Romanian Recovery and Resilience Plan"* is hereby replaced with the following:

Romania intends to access its full, revised RRF allocation of EUR 28.5 billion from the Recovery and Resilience Plan, which consists of a non-refundable financial assistance component (EUR 13,566 million) and a refundable financial assistance component (EUR 14,942 million). The Next-Generation EU amount represents 4 per cent. of the total value of this fund, with Romania receiving the fifth highest allocation of all EU member states.

On 2 December 2021, Romania received EUR 1.85 billion in pre-financing from the RRF, representing 13 per cent. of the total value of the plan. Across the RRF's two financial components, EUR 28.5 billion will come from the non-refundable financial assistance component and EUR 14.9 billion will come from the refundable financial assistance component, according to the loan agreement between the European Commission and Romania.

On 20 October 2022, the European Commission processed the payment related to the first payment request. According to RRF implementation calendar, Romania had met 21 milestones and targets. The disbursement of the financial contribution for the first instalment of the non-refundable financial assistance component was EUR 2,037 million and for refundable financial assistance component was EUR 907.7 million, totalling EUR 2,945 million.

After deducting pre-financing, the amount for the first payment request was EUR 2,562 million (EUR 1,772 million representing the non-refundable financial assistance component and EUR 789.7 million representing the refundable financial assistance component).

On 21 September 2023, the European Commission authorised Romania to receive payment of the second instalment of RRF allocations. Following its assessment, the European Commission considered that 49 of the 51 milestones and relevant targets related to the second payment request of Romania were satisfactorily fulfilled. The European Commission found that two milestones regarding energy investments (milestones 129 and 133) had not yet been met. Pursuant to Article 24(6) of Regulation (EU) 2021/241, the payment of the second instalment of refundable financial assistance has been partially suspended with the amount of EUR 53.4 million. Following the partially positive assessment of Romania's payment request, in accordance with Article 24 paragraph (5) of Regulation (EU) 2021/241, payment of the financial contribution related to the second instalment for the non-refundable financial assistance component was authorised in the amount of EUR 2,147 million and for refundable financial assistance component was authorised the amount of EUR 1,027 million.

After deducting pre-financing, the amount related to the second payment request is EUR 2,762 million (EUR 1,868 million related to the non-refundable financial assistance component and EUR 893 million related to the refundable financial assistance component).

If the two outstanding milestones are satisfactorily fulfilled within a period of six months from the submission of the letter of partial suspension, the European Commission will proceed to initiate the procedure regarding the payment of RRF funds, according to Art. 24 paragraph (8) of the Regulation (EU) No. 241/2021 241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Mechanism, with subsequent amendments and additions.

The third payment request related to the Recovery and Resilience Mechanism was sent to the European Commission on 15 December 2023. All 74 benchmarks and targets related to this payment were considered met by Romanian authorities and the evaluation process of this payment request is ongoing with the European Commission.

The section entitled "*Description of Romania—Judiciary and Constitutional Court—Disputes in front of ICSID*" on pages 92 to 95 of the Information Memorandum is hereby replaced with the following:

Disputes in front of ICSID and UNCITRAL

Currently, Romania is party to the following pending cases at the International Centre for Settlement of Investment Disputes ("**ICSID**") and at the United Nations Commission on International Trade Law ("**UNCITRAL**"): (i) Gabriel Resources Ltd. and Gabriel Resources (Jersey) v. Romania (ICSID Case No. ARB/15/31); (ii) The Nova Group Investments BV v. Romania (ICSID Case No. ARB/16/19); (iii) LSG Building Solutions GmbH and others v. Romania (ICSID Case No. ARB/18/19); (iv) Petrochemical Holding Group v. Romania (ICSID Case No. ARB/19/21); (v) Ep Wind Project (Rom) Six Ltd v. Romania (ICSID Case No. ARB 20/15); (vi) FinDoc SRL and others (ICSID Case No. ARB 20/35) v. Romania, (vii) Kelag Karntner și alții v. Romania (ICSID Case No. ARB 21/54), (viii) Clara Petroleum v. Romania (ICSID Case No. ARB 22/10), (ix) Aderlyne v. Romania (ICSID Case No. ARB 22/13), (x) Plaza Centers N.V. v. Romania (ICSID case No. ARB 22/15) and (xi) Sukyas v. Romania (UNCITRAL case No. 2020-53 and UNCITRAL case No. 2020-54).

Case No. ARB/15/31 (*Gabriel Resources Ltd. and Gabriel Resources (Jersey) v. Romania*)

On 30 June 2017, the applicants filed a detailed memo containing 416 pages and nine expert reports. The main complaint that the claimants in the arbitral file have with the Romanian state is that it delayed and unjustifiably blocked the issuance of the necessary agreements for the implementation and development of the Roşia Montană mining project. The applicants claim compensation amounting to USD 3.28 billion, to which a LIBOR plus 4 per cent. capital interest is to be added starting from 29 July 2011 until the date of payment of the arbitration decision (*i.e.*, USD 5 billion at current value for 31 December 2023).

On 22 February 2018, Romania submitted a written defence (the "**Counter-Memo**") to the claimant's allegations. On 2 November 2018, the claimants submitted a reply to the Counter-Memo. On 7 December 2018, the arbitral tribunal admitted the applications for action (Amicus curiae submission) filed by Alburnus Maior, Greenpeace CEE through Greenpeace Romania and the ICDER Independent Centre for Environmental Resources Development.

Romania submitted the second round of detailed written defences on 24 May 2019 and subsequently two rounds of oral hearings took place. Thereafter, the arbitral tribunal ordered the parties to make written submissions in two rounds; the first submission took place on 18 February 2021 and the second submission took place on 23 April 2021.

On 14 September 2023, the Arbitral Tribunal declared the proceeding closed in accordance with the ICSID Arbitration Rule 38(1). The Arbitral Tribunal is deliberating on the decision and no approximate date was indicated for the issuance of the arbitral award. The case is ongoing.

Case No. ARB/16/19 (*The Nova Group Investments BV v. Romania*)

The Nova Group Investments has complained about a series of measures taken by the competent public authorities in relation to an insurance company, which subsequently entered bankruptcy proceedings, as well as an alleged denial of the right to a fair trial as part of criminal proceedings (undertaken by the prosecution bodies and by the courts) concerning the representatives of the investor. On 21 July 2017, the claimant submitted a memo detailing its arbitral claim. The amount of compensation requested by the claimant is EUR 330 million plus interest.

Romania submitted its first detailed written defence on 9 February 2018, in which Romania strongly opposed the allegations of the plaintiff.

On 27 May 2018, the Tribunal rejected both the claimant's request for suspension of the arbitral proceedings and Romania's request to reconsider and withdraw the interim measures imposed by the decision of 29 March 2017. By procedural Order No. 7, the arbitral tribunal recommended Romania, pursuant to Art. 47 of the ICSID Convention, to withdraw the European provisional arrest warrant issued for Alexander Adamescu, associated with his extradition request addressed to the United Kingdom. The national judge has analysed this procedural order and has decided that there are no grounds for withdrawing the European provisional arrest warrant.

On 15 November 2018, the European Commission filed a request for intervention as *amicus curiae* in order to present the consequences of the European Court of Justice's decision in the Achmea case which are described in statements signed by the EU Member States on 15 and 16 January 2019, public documents published by the European Commission. On 9 January 2019, the arbitral tribunal admitted the intervention request of the European Commission and will allow it to submit its view on the legal issues arising from the European Court of Justice's Achmea case ruling after the resumption of the arbitration procedure.

On 16 July 2020, Romania submitted the last main written defence, the "Rejoinder". On 20 February 2021, the Arbitral Tribunal issued a procedural order concerning organisation of the next phase of the hearing in order to rule on the jurisdiction and merits. The Arbitral Tribunal is deliberating on the case and no new approximate term was indicated for the issuance of the arbitral award. The case is ongoing.

Case No. ARB/18/19 (*LSG Building Solutions GmbH and others v. Romania*)

The claimants, LSG Building Solutions GmbH, Green Source Consulting GmbH, Solluce Romania BV, Risen Energy Solar Project GmbH, Core Value Investments GmbH & Co KG Gamma, SC LJG Green Source Energy Beta, Anina Pro Invest Ltd, Giust Ltd and Pressburg UK GmbH introduced arbitration under the Energy Charter Treaty and Energy Charter Protocol on Efficient energy and environmental issues. The claimants stated that, following the ratification by Romania of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, Law no. 3/2001, it undertook to adopt a series of measures to reduce emissions of gases by reducing the dependence on conventional energy sources and by encouraging renewable energy production. In this respect, it is stated that Romania has adopted several pieces of legislation through which, according to investors, one of the most favourable incentive schemes for investments in renewable energy in Europe was established. As a consequence, the claimants argue that on the basis of this regulatory framework existing in 2012, they immediately brought substantial funds to their project companies set up in Romania to complete the construction of photovoltaic installations as soon as possible. However, since mid-2013, the applicants stated that Romania has implemented measures that have had the effect of modifying the regime established in the renewable energy sector, significantly and irreversibly affecting their investments. The claimants argued that the actions and omissions committed by Romania constitute serious and repeated infringements of the protection granted to foreign investors under the Energy Charter Treaty. The amount of compensation requested by the claimants is EUR 142.7 million.

On 2 March 2021, the Arbitral Tribunal issued a procedural order concerning the procedural matters of the case.

In September 2021, Romania requested the consent of the Arbitral Tribunal for the submission of the CJEU decision in case C-741/19 (*Moldova v. Komstroy*), given its relevance to Romania's defences. On 12 November 2021, the claimants submitted their response with regards to the submission of the CJEU's decision in the *Moldova v. Komstroy* case. The Arbitral Tribunal allowed the submission of the decision.

In May 2023 the claimants' appointed expert quantified the damages at EUR 65.4 million, while the expert appointed by Romania after making some adjustments to the calculation model provided by the claimant's expert, arrived at a damage of EUR 27.6 million. However, further discussions are being held between the experts of the parties to establish the amount of damages. The case is ongoing.

Case No. ARB/19/21 (*Petrochemical Holding Group v. Romania*)

The claimant states that in the period between 2005 and 2016, it invested an amount of more than EUR 476 million in the company Rafo S.A. ("**RAFO**"), whose main asset is a refinery located in Onesti, Bacau County. This amount would result from the acquisition of 97 per cent. of RAFO shares, as well as from the payment of RAFO debts to third parties (through the assignment of RAFO debts in 2006, through an agreement with AVAS, in the amount of EUR 6.9 million, and the payment of RAFO debts to the Romanian state in the amount of EUR 186.4 million), from loans made to RAFO that were converted into capital, as well as from amounts and expenses made in order to modernise the RAFO refinery.

The claimant argues that the failure to offer, as agreed, a state guarantee in the amount of EUR 330 million or equivalent, to support investments in the modernisation of RAFO, as well as the 2015 seizure by the National Agency for Fiscal Administration ("**NAFA**") on RAFO assets, including the refinery, for 2.72 per cent. of shares held by SC Prospecting S.A. in RAFO (a seizure that was cancelled on 2 February 2017) resulted in a loss for the claimant. The claimant also argues that Romania has not complied with its own laws adopted to stimulate investments. Specifically, the investor claims that the measures taken by Romania through its relevant institutions damaged the claimant's ability to revive the RAFO refinery, as well as the claimant's investment in RAFO.

The claimant believes that Romania"s ac'Ions are serious and repeated violations of the protections related to investments under Part III of the Energy Charter Treaty. On 23 November 2020, the claimant lodged a statement detailing its claims against Romania and quantified the damages suffered at USD 887.5 million plus interest.

The Arbitral Tribunal held two rounds of written conclusions in August and September 2023, while the declarations regarding expenses were submitted by the parties in November 2023. An arbitral award is expected to be issued in this case with no approximate date indicated for the issuance of the award. The case is ongoing.

Case No. ARB 20/15 (*Ep Wind Project (Rom) Six Ltd v. Romania*)

According to the procedural timetable established by the Arbitral Tribunal, Romania had to examine the documents identified in the national public authorities and the claimant's allegations, and had to formulate its first detailed written defence (the "**Counter-Memorandum**") by 10 May 2022. The claimants quantified the damages suffered at EUR 183.3 million. The hearings in this case took place between 8 and 19 May 2023.

On 15 September 2023, each party filed a statement of costs. An arbitral award is expected to be issued in this case with no approximate date indicated for the issuance of the award. The case is ongoing.

Case No. ARB 20/35 (*FinDoc SRL and others v. Romania*)

On 7 January 2022, the Arbitral Tribunal rejected Romania's request to bifurcate the proceedings in this case, with the possibility of submitting a new bifurcation request regarding the amount of damages requested by the claimants (EUR 256 million), through the Counter-Memorandum. Romania had to submit the Counter-Memorandum on 5 May 2022. On 20 October 2023, the Arbitral Tribunal issued a procedural order concerning post-hearing procedural matters. The case is ongoing.

Case No. ARB/21/54 (*Kelag-Kärntner Elektrizitäts-Aktiengesellschaft and others v. Romania*)

In the arbitration request, the investors claim that based on Romania's legislation in the field of renewable energy (Law no. 220/2008), since 2013 they have put into operation several wind farms, located in several counties in Romania. Considering the existing legislation at that time, investors were convinced that the support scheme in renewable energy was to apply for a period of 15 years cumulatively with certain (progressive) quotas established for energy produced from renewable sources. Moreover, the investors claim that Romania has given assurances that it will invest millions of euros in the renewable energy support scheme to make this scheme one of the most generous in Europe. Thus, since 2013, several wind farms have been put into operation, located in several counties in Romania.

However, it is claimed that later Romania adopted a series of normative acts (Government Emergency Ordinance no. 57/2013, Government Decision no. 994/2013, Law no. 23/2014, Government Emergency Ordinance no. 24/ 2017) which had the effect of changing the original principles of the renewable energy scheme. Thus, in essence, the contested measures are the following: (i) the granting of one (1) visa certificate out of two (2) between 1 July 2013 and 31 March 2017 was postponed and the period for their recovery was subsequently modified; (ii) the mandatory quotas of electricity produced from renewable sources were reduced; (iii) the validity of green certificates was reduced from 16 months to 12 months; (iv) the maximum trading price of green certificates was reduced from EUR 55 euros to EUR 35.

According to the claimants, these changes had the effect of reducing the profitability of the wind power plants built by them in Romania. In this sense, the claimants state that due to these legislative changes in the field of renewable energy, Romania has violated the provisions of art. 10 paragraph (1) and art. 13 of the Energy Charter Treaty, regarding fair and equitable treatment and the prohibition of illegal expropriations.

The requested amount of compensation is approximately EUR 48.4 million. The hearings will take place between 11 and 15 March 2024. The arbitration proceedings are ongoing.

Case No. 22/10 (*Clara Petroleum Ltd v. Romania*)

The claimant – Clara Petroleum Ltd (a company with its registered office in Great Britain) – invokes the existence of a dispute with Romania resulting from an oil concession agreement concluded by it with the National Agency for Mineral Resources (NAMR) regarding the perimeter of exploration-development-exploitation EX-4 Tulca Bloc, concession agreement that was approved by Government Decision no. 1184/2012. The requested amount of compensation is approximately EUR 62.5 million. The hearings in this case will take place in April 2024. Arbitration proceedings are ongoing.

Case No. 22/13 (*Alderlyne Ltd v. Romania*)

The claimant states that based on Romania's legislation in the field of renewable energy (Law no. 220/2008), since 2013 the claimant company has put into operation several photovoltaic (central) parks, located in several counties in Romania. Considering the existing legislation at that time, the claimant had the conviction that the renewable energy support scheme was to apply for a period of 15 years cumulatively with certain progressive quotas (established for energy produced from renewable sources).

However, the claimant states that, starting in 2014, Romania adopted a series of normative acts (Law no. 23/2014, GEO no. 24/2017, GEO no. 114/2018, GEO no. 118/2021) which have had the effect of drastically changing the original principles of the renewable energy scheme. Thus, according to him: (i) the mandatory quotas of electricity produced from renewable sources were reduced; (ii) the validity of green certificates was reduced from 16 months to 12 months; (iii) the maximum trading price of green certificates was reduced from EUR 55 to EUR 35; (iv) increased the contribution of renewable energy producers to the ANRE budget from 0.1 per cent. to 2 per cent. of their revenues; v) a "ceiling" was introduced on electricity prices for renewable energy producers at 450 lei per MWh (around EUR 90 per MWh) until 31 March 2022 (this being subsequently extended until March 2023), meaning in which, it is estimated that energy producers are obliged to give up 80 per cent. of the revenues achieved above this threshold.

Therefore, the claimant believes that through the measures adopted in the field of renewable energy, Romania has eliminated the characteristics of stability and predictability that were the basis of the original regime, with the consequence of reducing the profitability of the photovoltaic plants built in Romania, causing considerable losses. The claimant states that Romania violated the provisions of art. 10 and art. 13 of the Energy Charter Treaty, provisions aimed at fair and equitable treatment and the prohibition of illegal expropriations.

The requested amount of compensation is approximately EUR 151.4 million. The hearings will take place in May 2025. Arbitration proceedings are ongoing.

Case No. 22/15 (*Plaza Centers N.V. v. Romania*)

The claimant PLAZA CENTERS N.V. (a company with its registered office in Netherlands) states that Romania has not fulfilled its obligations from the Public-Private Partnership Contract for the functional reconversion of the "Dambovița Center" location. The requested amount of compensation is approximately EUR 385 million. The hearings will take place in November 2024. Arbitration proceedings are ongoing.

UNCITRAL Case No. 2020-53 and Case No. 2020-54 (*Sukyas v. Romania*)

The claimants (Edward Sukyas and Jak Sukyas) state that their father and uncle owned, until the 1940s, the Cinegrafia Română company with the object of activity in the production of films, a company that was taken over on 14 April 1948, together with all its assets, by the communist regime, without just compensation, being further exploited by various state entities, the last of which is RADEF. It is claimed that since 2001, the Sukyas brothers have tried to exercise their rights in accordance with Law no. 10/2001, but the Romanian authorities delayed the retrocession process, rejecting the claimants' claims seven years later, which made the claimants appeal to the Romanian courts, which resolved the case in an unfavourable way for them. The Sykyas claimants consider themselves foreign citizens who hold investments in Romania in the form of property rights deriving from Law no. 10/2001, rights that they could not exercise due to the discriminatory and unfair measures that the Romanian state took against the claimants. The claimants invoke the provisions of the bilateral Agreements signed by Romania with the US and Canada, and the clauses of the Bilateral Agreement on Mutual Protection of Investments concluded between Romania and Turkey in 2008. The claimants seek damages of approximately USD 2.06 billion, without interest because Romania allegedly breached its obligations regarding the applicable BITs – particularly by its courts – of its post-communist restitution laws, specifically Law 10/2001. In addition, the claimants requested that Romania bear the costs of the arbitration, court costs including the fees of Sykyas lawyers.

The hearings on jurisdiction and admissibility in this arbitral case took place from 10 to 14 July 2023 in Paris.

The following information is added after the fifth paragraph on page 96 of the Information Memorandum beginning with "Romania officially became the WGB's" In the section entitled "*Description of Romania – International Relations"*:

In October 2023, the WGB concluded the first phase of the Anti-Bribery Convention evaluation of Romania. The evaluation concluded that Romania's legal framework is largely in compliance with the OECD Anti-Bribery Convention, although there are several points (including around foreign bribery offences and defences) that will continue to be examined during the second phase of the evaluation.

The last paragraph on page 100 of the Information Memorandum beginning with "In 2022, Romania underwent significant steps" in the section entitled *"Description of Romania – Membership in the European Union – Schengen Area"* is hereby replaced with the following:

Romania took significant steps to accelerate the agenda for its accession to the Schengen area. Romania received two technical missions from the European Commission in October and November 2022. The European Commission affirmed that Romania continues to fulfil the conditions for its accession. Romania remains fully committed to actively pursuing entry into the Schengen area.

The following information is added to the end of the first sub-bullet of the second bullet of the sixth paragraph at page 102 of the Information Memorandum beginning with "2 are currently pending before the CJEU" in the section entitled *"Membership in the European Union – Cases Before the Court of Justice of the European Union"*:

In addition, two additional landfills have since been closed. On 14 December 2023, the CJEU issued its judgment on the remaining sites, in which it notes that Romania has still not closed 31 sites which are not authorised to be in operation. The judgment orders Romania to pay a lump sum of EUR 1.5 million and a penalty payment of EUR 600 per landfill/per day of delay in closure.

The second sub-bullet of the second bullet of the sixth paragraph at page 102 of the Information Memorandum beginning with "2 are currently pending before the CJEU" in the section entitled: *"Membership in the European Union – Cases Before the Court of Justice of the European Union"* is hereby replaced with the following:

Case C-455/22, European Commission v. Romania (regarding the failure to ensure that three large combustion plants were not operated without a permit). The European Commission decided on 16 November 2023, to withdraw the case, but it has yet to be removed from the Court's register.

The third paragraph on page 105 of the Information Memorandum beginning with "As at 31 May 2023, the entire allocation" in the section entitled "*Description of Romania – EU Funding – Funds Under 2014-2020 programming period – Designation/implementation process"* is hereby replaced with the following:

As of 8 December 2023, the entire allocation for the programmes financed under ESIF and the FEAD, (Large Infrastructure OP, Competitiveness OP, Technical Assistance OP, Regional OP, Human Capital OP, Administrative Capacity OP and Aid to the Most Deprived OP), excluding the agriculture sector, was launched. As of 8 December 2023, the absorption rate for the Large Infrastructure OP was 99 per cent., 83 per cent. for the Competitiveness OP, 89 per cent. for the Technical Assistance OP, 86 per cent. for the Regional OP, 85 per cent. for the Human Capital OP, 91 per cent. for the Administrative Capacity OP, and 88 per cent. for the Aid to the Most Deprived OP.

The fourth paragraph on page 107 of the Information Memorandum beginning with "As of 31 May 2023" in the section entitled *"Description of Romania – EU Funding – Funds under the 2021 – 2027 Programming Period* is hereby replaced with the following:

As of 8 December 2023, for the 2021-2027 programming period, Romania received EUR 753.3 million in pre-financing from the European Commission.

The first sentence of the final paragraph on page 107 of the Information Memorandum beginning with "To date, the draft applicant's guidelines" in the section entitled *"Description of Romania – EU Funding – Funds under the 2021-2027 Programming Period* is hereby replaced with the following:

To date, the final applicant's guidelines for 148 calls for proposals have been published for public consultation, with a total value of EUR 20 billion, out of which EUR 11.7 billion is EU contribution (approximately 38 per cent. of the programme's EU allocation).

The second paragraph on page 108 of the Information Memorandum beginning with "The proposals are currently undergoing" in the section entitled *"Description of Romania – EU Funding – Funds under the 2021-2027 Programming Period – Mid-term review of MFF 2021-2027"* is hereby replaced with the following:

The proposals were analysed at the national level in Romania. They were also discussed at technical and political levels within EU formats, with a view towards an agreement near the beginning of 2024.

THE ROMANIAN ECONOMY

The last sentence of the second paragraph on page 110 of the Information Memorandum beginning with "Romania had one of the highest growth" in the section entitled "*The Romanian Economy – Overview"* is hereby replaced with the following:

In 2022, GDP growth was 4.1 per cent., representing a slowdown in growth by 1.10 percentage points compared to 2021. This trend continued in the first nine months of 2023, which saw GDP growth of 1.4 per cent.

The table on page 110 of the Information Memorandum labelled "Main Macroeconomic Indicators" in the section entitled *"The Romanian Economy – Overview*" is hereby replaced with the following information:

Main Macroeconomic Indicators

	2018	**2019**	**2020**	**2021**	**2022**	**Jan. -Sept. 2023**
Gross domestic product – current prices (EUR billion)[1]	**206.1**	**224.2**	**220.5**	**241.7**	**285.9**	**228.9**
Real growth (percentage change)[1]	6.0	3.9	(3.7)	5.7	4.1	1.4
GDP/per capita (EUR)	10,577.7	11,559.3	11,445.1	12,635.2	15,010	—
GDP/per capita (RON)	49,223.3	54,851.1	55,361.2	62,170.4	74,010[2	—
Average exchange rate (EUR/RON)	4.6535	4.7452	4.8371	4.9204	4.9315	4.9388
GDP/per capita purchasing power (percentage change)	66.1	69.6	72.5	73.6	76.4	—
Industrial production (percentage change)	3.5	(2.3)	(9.2)	7.1	(1.8)	(5.1)
Agricultural production (percentage change)	7.2	(3.8)	(15.4)	14.3	(15.8)[3]	—
Retail (percentage change)[4]	5.4	7.2	2.2	10.1	4.4	2.0
Current account balance (EUR million)	(9,496)	(10,912)	(10,902)	(17,474)	(26,473)	(16,053)
Real wage (percentage change)	8.0	8.8	4.9	1.1	(2.2)	3.2
Average inflation (percentage change)	4.63	3.83	2.63	5.05	13.8	11.6
Employment (percentage change) (according to LFS – Labour Force Survey)[5]	0.5	0.6	(1.3)	0.8	0.7	(1.7)[6]

Notes:

(1) Final data for 2018 to 2021 according to Press Release No. 260/12 October 2023, NIS; provisional estimates for 2022 according to Press Release No. 84/7 April 2023, NIS; provisional data for first nine months 2023 according to Press Release No. 308/7 December 2023, NIS

(2) According to Eurostat.

(3) Final data for 2022 according to Press Release No. 263/13 October 2023, NIS.

(4) Excluding sale, maintenance and repair of motors, vehicles and motorcycles.

(5) Data according to the methodology of the Household Labour Force Survey (AMIGO).

(6) Data for the first six months of 2023.

The first paragraph on page 112 beginning with "The following table shows percentage changes to GDP components" in the section entitled *"The Romanian Economy – Overview*" and the accompanying table are hereby replaced with the following:

The following table shows percentage changes to GDP components for the years 2018, 2019, 2020, 2021, 2022 and the first nine months of 2023:

	2018	**2019**	**2020**	**2021**	**2022**	**Jan. - Sept. 2023**
	(per cent. change against the same period of the previous year)					
Domestic demand	7.5	5.3	(2.1)	6.9	5.2	0.1
Final consumption	8.3	4.2	(2.8)	5.9	5.2	2.8
Private consumption expenditures	9.4	3.4	(3.9)	7.2	5.5	2.8
Government consumption expenditures	3.6	7.2	1.1	1.8	4.3	2.6
Gross fixed capital formation	0.0	12.6	1.1	2.9	8.0	10.7
Change in inventories (Contribution to real GDP growth, per cent.)	1.2	(0.6)	(0.2)	1.8	(0.6)	(4.9)
Net exports (Contribution to real GDP growth, per cent.)	(1.6)	(1.6)	(1.5)	(1.4)	(0.7)	1.3
Gross domestic product	**6.0**	**3.9**	**(3.7)**	**5.7**	**4.7**	**1.4**

The second paragraph on page 112 beginning with "The following tables show structures of GDP" in the section entitled *"The Romanian Economy – Structure of the Economy"* and the accompanying tables are hereby replaced with the following:

Structure of the Economy

The following table shows the percentage of GDP by sector for the years 2018, 2019, 2020, 2021, 2022 and the first nine months of 2023:

	2018	**2019**	**2020**	**2021**	**2022**	**Jan. – Sept. 2023**
	(per cent. of GDP)					
Industry	23.0	21.3	20.0	19.7	22.5	21.0
Agriculture, forestry and fisheries	4.6	4.4	4.2	4.8	4.5	5.9
Construction	6.0	6.3	6.6	6.4	6.3	4.4
Services – Total	56.9	58.5	59.9	59.5	57.7	59.2
Trade, hotel and restaurants, transport and communications	22.9	23.3	24.7	26.2	25.3	25.8
Financial, real-estate, renting and business services	17.4	18.0	17.9	17.6	17.1	17.3
Other service activities	16.6	17.2	17.3	15.7	15.3	16.1
Net taxes	9.5	9.5	9.3	9.6	9.0	9.5
Gross domestic product	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: National Institute of Statistics

The following table shows percentage changes in sectoral components of GDP for the years 2018, 2019, 2020, 2021, 2022 and the first nine months of 2023:

	2018	**2019**	**2020**	**2021**	**2022**	**Jan. - Sept. 2023**
	(per cent. change against the same period of the previous year)					
Industry..	7.5	(1.9)	(6.5)	0.9	(2.3)	(2.7)
Agriculture, forestry and fisheries	13.8	(3.2)	(15.3)	13.7	(11.6)	5.0
Construction	(6.0)	5.4	4.3	1.5	11.2	7.4
Services – Total	5.4	6.3	(2.2)	6.6	7.7	2.1
Trade, hotel and restaurants, transport and communications..........	7.7	6.1	(1.3)	13.3	10.0	2.1
Financial, real-estate, renting and business services..............................	4.2	8.0	(1.3)	5.4	9.1	2.2
Other service activities	3.1	4.7	(4.3)	(1.8)	2.7	1.8
Gross value added............................	5.6	3.7	(3.4)	5.3	4.7	1.4
Net taxes..	9.7	5.6	(6.4)	10.0	5.3	2.2
Gross domestic product.................	**6.0**	**3.9**	**(3.7)**	**5.7**	**4.7**	**1.4**

Source: National Institute of Statistics

The following information is added after the fourth paragraph on page 113 of the Information Memorandum beginning with "In 2018, GVA in the services sector" in the section entitled "*The Romanian Economy – Gross Value Added*":

In the first nine months of 2023, the GVA in industry decreased by 2.6 per cent. compared to the same period of 2022, while in agriculture it increased by 5.0 per cent. and in construction it increased by 7.4 per cent. In the services sector, the increase was 2.1 per cent. compared to the same period of the previous year. Increases were recorded in all sub-sectors, respectively, 2.1 per cent. in trade, transport, hotels and restaurants and communications, 2.2 per cent. in financial, real estate and business services and 1.8 per cent. in and other services activities.

The third paragraph on page 115 of the Information Memorandum beginning with "Between January and March 2023, Romania's food balance" in the section entitled *"The Romanian Economy – Structure of the Economy – Agriculture, Forestry, and Fisheries"* is hereby replaced with the following:

According to Press Release No. 281/9 November 2023 and Press Release No. 279/9 November 2022 of the National Institute of Statistics, in the period between January and September 2023, Romania's food balance recorded a deficit of EUR 2.4 billion, a decrease of approximately EUR 1 billion as compared to the same period in 2022.

The following information is added to the end of the second to last paragraph on page 115 of the Information Memorandum beginning with "In 2018, the volume of construction works decreased by 4.1 per cent" in the section entitled "*The Romanian Economy – Structure of the Economy – Construction*":

In the first nine months of 2023 the volume of construction works increased by 12.5 per cent. compared to the same period in 2022.

The last sentence of the last paragraph on page 116 of the Information Memorandum beginning with "In 2018, main primary energy resources amount to" in the section entitled *"The Romanian Economy – Structure of the Economy – Energy"* is hereby replaced with the following:

In 2022, the primary energy resources amounted to 42.75 million tonnes of oil equivalent, representing a decrease of 1.27 per cent. compared to 2021.

The following information is added to the end of the first paragraph on page 120 of the Information Memorandum beginning with "In 2018, an increase in air transport and road transport" in the section entitled "*The Romanian Economy – Structure of the Economy – Transportation"*:

In the first half of 2023 railway transport increased by 10.5 per cent., air transportation increased by 26.3 per cent. and road transport increased by 21.5 per cent., as compared to the corresponding period of 2022.

The last two sentences of the third paragraph on page 122 of the Information Memorandum beginning with "According to the May 2023 NBR inflation Report" in the section entitled *"The Romanian Economy -Inflation – Overview"* are hereby replaced with the following:

The annual CPI inflation rate is expected to continue its downward trend throughout the projection interval, with a temporary halt in the first quarter of 2024. The disinflationary path will be gradual, yet the current projection round predicts the indicator to re-enter the variation band of the target at the forecast horizon, (*i.e.*, in the third quarter of 2025), when it is seen reaching 3.3 per cent. The annual CPI inflation rate was 6.6 per cent. in December 2023, and the projected value of the annual CPI rate for end-2024 is 4.8 per cent. Nevertheless, core inflation will reflect the persistence of the impact of companies' higher production costs, being projected to fall gradually throughout the projection interval, but to remain high relative to the inflation target.

The last sentence of the first paragraph on page 126 of the Information Memorandum beginning "In 2022, based on monthly data, average gross" in the section entitled *"The Romanian Economy – Inflation – Wages"* is hereby replaced with the following:

In the public and private sectors, in 2022 average gross earnings reached RON 7,270 and RON 5,857, respectively.

In the public and private sectors, in the first nine months 2023 average gross earnings reached RON 8,011 and RON 7,000, respectively.

The following information is added to end of the last sentence of the fourth paragraph on page 126 of the Information Memorandum beginning with "The employment rate for the working-age population" in the section entitled "*The Romanian Economy – Inflation – Employment"*:

In the first six months of 2023, the employment rate of the working-age population was 62.9 per cent., while the registered unemployment rate for the first ten months of 2023 was 2.90 per cent.

The last sentence of the fifth paragraph on page 126 of the Information Memorandum beginning with "The positive economic evolution in the period" in the section entitled "*The Romanian Economy – Inflation – Employment"* is hereby replaced with the following:

In 2022 and first half of 2023, the ILO unemployment rate was 5.6 per cent.

FOREIGN TRADE AND BALANCE OF PAYMENTS

The first paragraph on page 132 of the Information Memorandum beginning with "The current account deficit increased from 4.6 per cent" in the section entitled *"Foreign Trade and Balance Payment"* is hereby replaced with the following:

The current account deficit increased from 4.6 per cent. of GDP in 2018 to 9.1 per cent. of GDP in 2022. This was primarily the result of the increase in trade balance and primary income deficit. Financial account net inflows increased from 2.5 per cent. of GDP to 5.4 per cent. of GDP over the same period, primarily as a result of direct investment, supplemented by portfolio investment, when necessary, including through the issuance of government bonds and other investments. The financial inflows were supplemented in the same period by net capital transfers (2.4 per cent. of GDP), mainly from the EU.

The second paragraph on page 132 of the Information Memorandum beginning with "The following table shows changes in foreign trade for the years 2018 to 2022" and the corresponding table in the section entitled *"Foreign Trade and Balance of Payment – Trade in Goods"* is hereby replaced with the following:

Trade in goods

The following table shows changes in foreign trade for the years 2018 to 2022 and the first ten months of 2023:

	2018	**2019**	**2020**	**2021**	**2022**	**Jan. – Oct. 2023**
Current account balance (*EUR million*)...	(9,496)	(10,905)	(10,902)	(17,473)	(26,040)	(18,340)
Per cent. of GDP..................................	(4.6)	(4.9)	(4.9)	(7.2)	(9.1)	—
Trade balance FOB(1) (*EUR million*)	(15,341)	(17,852)	(18,949)	(23,122)	(32,048)	(23,184)
Per cent. of GDP..................................	(7.4)	(8.0)	(8.6)	(9.6)	(11.2)	—
Exports of goods (*EUR million*)	61,819	63,066	57,560	70,196	86,017	73,116
Annual percentage change....................	8.1	2.0	(8.7)	22.0	22.5	1.8
Imports of goods FOB(1) (*EUR million*)	77,160	80,918	76,509	93,318	118,064	96,300
Annual percentage change....................	10.2	4.9	(5.4)	22.0	26.5	(2.2)

Note:

(1) Free on board ("**FOB**") means the seller's obligation to deliver is fulfilled when the goods have passed over the ship's rail at the named port of shipment. This means that the buyer has to bear all costs and risks of loss of, or damage to, the goods from that point. Imports on FOB of goods are calculated based on the coefficient published by the National Institute of Statistics. ("**CIF**" means cost, insurance and freight.)

Source: National Bank of Romania

The third paragraph on page 133 of the Information Memorandum beginning with "In 2022 the increase in import (26.6 per cent)" in the section entitled *"Foreign Trade and Balance of Payment – Main Trends in 2023"* is hereby replaced with the following:

In 2022, the increase in imports (26.5 per cent.) exceeded the increase in exports (22.5 per cent.) resulting in an increase in the trade deficit by 38.6 per cent., to EUR 32,048 million compared to 2021. In 2022, 72.1 per cent. of the goods deficit came from the intra-EU trade in goods, while extra-EU trade in goods made up the remaining 27.9 per cent. The imports through exports coverage decreased by 3.1 percentage points in 2022 to 72.9 per cent., compared to 2021.

The fourth paragraph on page 133 of the Information Memorandum beginning with "In the first four months of 2023" in the section entitled *"Foreign Trade and Balance of Payment – Main Trends in 2023"* is hereby replaced with the following:

In the first ten months of 2023, the goods deficit accounted for EUR 23.1 billion, down 13.0 per cent. year on year, out of which around 79 per cent. was generated by the trade within EU.

The last paragraph on page 133 of the Information Memorandum beginning with "In 2022 export of good accounted for EUR 85,833 million" in the section entitled *"Foreign Trade and Balance Payment – Exports and imports of goods included in the balance of payments"* is hereby replaced with the following:

In 2022 exports of goods accounted for EUR 86,017 million, up 22.5 per cent. year-on-year, out of which 72.1 per cent. represented exports to other EU countries. Imports of goods totalled EUR 118,064 million, an increase of 26.5 per cent. year-on-year, with imports from EU countries decreasing by 1.0 percentage points as a share in total imports, to 72.1 per cent.

The first paragraph on page 134 of the Information Memorandum beginning with "In the first four months of 2023, export of goods reached 29.0 billion" in the section entitled *"Foreign Trade and Balance Payment – Exports and imports of goods included in the balance of payment"* is hereby replaced with the following:

In the first ten months of 2023, exports of goods reached EUR 73.1 billion, up 1.8 per cent. year on year, out of which 72.5 per cent. represented intra-EU exports. Imports of goods decreased by 2.2 per cent., to EUR 96.3 billion.

The second paragraph on page 134 of the Information Memorandum beginning with "The shares of groups of goods in total exports" and the corresponding table in the section entitled *"Foreign Trade and Balance of Payments – Exports and imports of goods included in the balance of payment"* are hereby replaced with the following:

The shares of groups of goods in total exports and in total imports from 2018 to 2022 and the first ten months of 2023 are shown in the table below:

Trade Balance – Groups of Goods and Sections

	Export FOB						Import FOB					
	2018	2019	2020	2021	2022	Jan. – Oct. 2023	2018	2019	2020	2021	2022	Jan.– Oct. 2023
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1 Agri-food items	10.4	11.3	12.1	13.6	13.8	13.7	9.8	10.2	11.5	10.6	10.8	11.3
I Live animals and animal products	1.4	1.5	1.5	1.5	1.3	1.4	2.2	2.3	2.4	2.3	2.3	2.5
II Vegetable origin products	5.8	6.1	5.8	7.7	7.8	7.3	2.9	3.0	3.7	3.3	3.6	3.3
III Animal or vegetable oils and fats	0.4	0.4	0.3	0.5	0.7	0.5	0.2	0.2	0.2	0.3	0.4	0.2
IV Foodstuff, beverages, tobacco	2.8	3.4	4.5	3.9	3.9	4.5	4.5	4.7	5.1	4.8	4.6	5.2
2 Mineral products (V)	4.7	4.4	2.8	4.0	8.3	6.1	8.0	8.1	5.7	8.1	12.5	8.9
3 Chemical and plastic products	9.6	9.7	10.0	10.1	9.9	10.1	16.5	16.9	18.1	18.4	17.2	16.8
VI Chemical products	3.6	3.7	3.9	3.7	3.6	3.6	9.5	10.1	11.3	11.2	10.6	10.3
VII Plastics, rubber	6.0	6.0	6.1	6.4	6.3	6.5	7.0	6.8	6.8	7.3	6.6	6.5
4 Wood products, paper	3.4	3.3	3.6	4.0	3.7	3.0	2.4	2.3	2.3	2.4	2.3	2.0

	Export FOB						Import FOB					
	2018	**2019**	**2020**	**2021**	**2022**	**Jan. – Oct. 2023**	**2018**	**2019**	**2020**	**2021**	**2022**	**Jan.– Oct. 2023**
IX Wooden products	2.6	2.5	2.8	3.1	2.7	2.1	0.9	0.9	0.9	1.0	0.9	0.7
X Wood pulp, paper	0.8	0.8	0.8	0.9	1.0	0.9	1.4	1.4	1.4	1.4	1.4	1.3
5 Textiles, clothing, footwear	4.8	4.4	4.0	3.8	3.4	3.5	5.8	5.7	6.0	5.2	4.9	5.1
XI Textiles and articles thereof..........................	3.6	3.3	3.1	3.0	2.6	2.7	4.8	4.7	5.0	4.3	4.0	4.1
XII Footwear................	1.2	1.0	0.9	0.8	0.8	0.8	1.0	1.0	1.0	0.9	0.9	1.0
6 Common metals (XV)............................	9.3	8.9	8.7	10.8	10.1	8.9	10.6	10.0	9.7	10.8	10.3	10.0
7 Machinery, apparatus, electric equipment, transport means	47.9	47.9	49.1	45.0	41.6	44.6	38.6	37.4	37.1	35.3	32.9	35.7
XVI Machinery, appliances and electric equipment	28.4	28.9	30.0	28.5	26.0	27.9	27.4	26.3	27.0	25.4	23.8	25.0
XVII Transport means .	19.5	18.9	19.1	16.5	15.6	16.8	11.2	11.0	10.0	9.9	9.1	10.7
8. Others	9.7	10.1	9.5	8.6	8.8	9.8	8.4	9.4	9.8	9.2	9.0	10.1
VIII Undressed leather and dressed leather, furs and fur products	0.3	0.2	0.2	0.2	0.2	0.2	0.9	0.8	0.7	0.6	0.5	0.5
XIII Stone products, cement, ceramics, glass	0.6	0.7	0.7	0.7	0.7	0.7	1.4	1.4	1.4	1.4	1.4	1.4
Miscellaneous goods and products.................	8.8	9.2	8.6	7.7	7.9	8.9	6.1	7.2	7.6	7.1	7.1	8.3

Note:

Some totals may differ from the sum of components due to rounding.

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

The first paragraph on page 135 of the Information Memorandum beginning with "The main markets for imports and exports for Romania in 2018 to 2022" and the corresponding table in the section entitled *"Foreign Trade and Balance of Payments – Exports and imports of goods included in the balance of payment"* are hereby replaced with the following:

The main markets for imports and exports for Romania in 2018 to 2022 and the first nine months of 2023 are shown in the table below:

Trade Balance – Geographical Distribution

	Export FOB						Import FOB					
						(per cent.)						
	2018	**2019**	**2020**	**2021**	**2022**	**Jan. – Sept. 2023**	**2018**	**2019**	**2020**	**2021**	**2022**	**Jan. – Sept. 2023**
Country Group												
Total.............................	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
- Intra EU Trade (EU-28), of which................	71.9	72.2	73.2	72.0	72.1	72.1	73.0	72.8	74.1	73.1	72.1	74.4
Germany	22.9	22.4	22.9	20.5	20.0	21.1	20.4	19.9	20.7	20.1	17.9	19.3
Italy..............................	9.3	9.0	8.8	8.8	8.4	8.4	8.2	8.0	7.9	8.0	7.3	7.8

	Export FOB						Import FOB					
	(per cent.)											
	2018	2019	2020	2021	2022	Jan. – Sept. 2023	2018	2019	2020	2021	2022	Jan. – Sept. 2023
France	7.3	7.1	6.8	6.5	6.1	6.4	5.1	4.8	4.6	4.2	3.9	4.3
Hungary	5.0	5.0	5.2	5.9	7.7	6.5	7.2	7.4	7.6	7.1	6.7	6.7
Bulgaria	3.5	3.8	3.9	4.2	4.1	4.3	2.9	3.1	3.3	4.3	7.2	5.3
United Kingdom of Great Britain and Northern Ireland...........	4.1	3.6	3.3	3.0	2.8	2.8	2.4	2.6	2.0	1.1	0.9	1.0
Spain	3.3	3.2	3.1	3.1	3.3	3.2	2.8	2.9	2.5	2.6	2.6	2.8
Netherlands	2.7	3.1	3.4	3.5	3.4	3.0	4.1	4.2	4.1	4.2	4.3	4.7
Poland	3.4	3.8	3.9	4.2	4.0	3.8	5.7	6.1	6.3	6.4	6.1	6.2
Austria	2.3	2.2	2.3	2.5	2.4	2.1	3.3	3.1	3.4	3.2	3.1	3.5
- Extra EU Trade (extra-EU-28), of which..........................	28.1	27.8	26.8	28.0	27.9	27.9	27.0	27.2	25.9	26.9	27.9	25.6
Turkey..........................	3.2	3.5	3.6	3.7	3.2	3.4	4.4	4.4	4.3	4.5	4.7	4.9
Russia	1.7	1.6	1.4	1.4	0.5	0.3	3.7	3.5	2.2	3.1	3.0	0.6
U.S..............................	2.1	2.0	1.8	2.2	2.5	2.3	1.0	0.9	1.1	0.9	1.1	1.1
Ukraine	0.6	0.6	0.7	0.7	1.6	2.6	0.8	0.8	0.9	1.1	1.6	1.2
Republic of Moldova....	1.6	1.6	1.5	1.6	2.4	1.5	0.6	0.5	0.5	0.5	0.6	0.6
People's Republic of China............................	1.2	1.2	1.4	1.6	1.2	1.0	5.4	5.3	6.3	6.3	5.9	5.5
Japan............................	0.4	0.4	0.8	0.6	0.8	1.0	0.4	0.4	0.4	0.4	0.3	0.4
Kazakhstan...................	0.1	0.1	0.1	0.0	0.0	0.1	1.6	1.9	1.4	1.5	2.5	2.3

Note:

Some totals may differ from the sum of components due to rounding.

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

The fifth paragraph on page 136 of the Information Memorandum beginning with "In 2022, the current account deficit reached EUR 26,689 million" in the section entitled *"Foreign Trade and Balance of Payments – Balance of Payments – Current Account"* is hereby replaced with the following:

In 2022, the current account deficit reached EUR 26,040 million, an increase of 49.0 per cent. as compared to 2021. This was primarily due to an increase in the trade balance and the primary income deficits. The primary income deficit increased by 75.8 per cent. from EUR 4,842 million in 2021 to EUR 8,512 million in 2022, and the secondary income surplus increased by 35.2 per cent. from EUR 1,070 million in 2021 to EUR 1,447 million in 2022.

The first sentence of the last paragraph on page 136 of the Information Memorandum beginning with "In the first four months of 2023 the current accounts reached EUR 5.5 billion" in the section entitled "*Foreign Trade and Balance of Payments – Balance of Payments – Current Accounts*" is hereby replaced with the following:

In the first ten months of 2023, the current account deficit reached EUR 18.3 billion, down from EUR 23.0 billion year-on-year, primarily as a result of the decrease in trade in goods deficit (which decreased 13.0 per cent., to EUR 23.2 billion), but also from the services balance surplus (an increase of 11.2 per cent., to EUR 11.5 billion, resulting from higher receipts related to IT services, transport services, manufacturing services on physical inputs owned by others and other business services).

The second paragraph on page 137 of the Information Memorandum beginning with the following "The financing of the current account through FDI" and the accompanying table in the section titled *"Foreign Trade and Balance of Payments – Balance of Payments – Current Accounts"* are here by replaced with the following:

The financing of the current account through FDI and EU funds for 2018 to 2022 and the first ten months of 2023 is summarised in the table below:

	2018	**2019**	**2020**	**2021**	**2022**	**Jan. – Oct. 2023**
			(EUR millions)			
Current account balance	(9,496)	(10,905)	(10,902)	(17,473)	(26,040)	(5,465)
Foreign direct investments flows	5,266	5,173	3,005	8,940	10,039	6,148
EU funds inflows	4,444	5,734	7,120	8,317	10,555	8,241
Subsidies	1,769	1,845	1,896	1,901	1,856	1,877
Current transfers	922	1,435	1,886	1,343	1,819	1,638
Capital transfers	1,753	2,455	3,338	5,076	6,879	4,726

Source: National Bank of Romania

The last sentence of the second paragraph on page 137 of the Information Memorandum beginning with "In 2018, the capital account ended with surplus of EUR 2,215 million" in the section entitled "*Foreign Trade and Balance of Payment – Balance of Payments – Capital Account"* are hereby replaced with the following:

In the first ten months of 2023 the capital account surplus decreased by 10.9 per cent. to EUR 5,007 million as compared to the same period in 2022 as a result of a slightly lower level of EU capital transfers.

The fourth paragraph on page 138 of the Information Memorandum beginning with "In 2022, net financial inflows were EUR 16.0 billion compared to EUR 14.7 billion in 2021" in the section entitled *"Foreign Trade and Balance of Payment – Balance of Payment – Financial Account"* are hereby replaced with the following:

In 2022, net financial inflows were EUR 15.4 billion, compared to EUR 14.7 billion in 2021. Net financial inflows for 2022 consisted of direct investment of EUR 8.8 billion, portfolio investment of EUR 4.9 billion and other investment of EUR 8.6 billion. The reserve assets increased by EUR 6,574 million in 2022.

The fifth paragraph on page 138 of the Information Memorandum beginning with "In the first four months of 2023, net financial inflows" in the section entitled *"Foreign Trade and Balance of Payment – Balance of Payment – Financial Account"* are hereby replaced with the following:

In the first ten months of 2023, net financial inflows decreased by around 31 per cent. as compared to the same period in 2022. The reduction was attributable to the increase in reserve assets (by EUR 12.0 billion), as well as by the decrease in net inflows recorded by other investment (to EUR 1.4 billion). Net financial inflows primarily consisted of a portfolio investment of EUR 13.3 billion (government bonds) and direct investment of EUR 6.1 billion (primarily equity and reinvestment of earnings).

The table on page 139 of the Information Memorandum titled "Balance of Payments for the Years 2018-2202 and the first four months 2023" in the sectioned entitled *"Foreign Trade and Balance of Payment – Balance of Payment"* is hereby replaced with the following:

Item	2018			2019			2020			2021			2022			Jan. – Oct. 2023		
	credit	debit	balance	credit	debit	balance	credit	debit	balance	credit	debit	balance	credit	debit	balance	credit	debit	balance
1. Current account	95,282	104,778	(9,496)	101,966	112,878	(10,912)	93,135	104,036	(10,902)	110,299	127,772	(17,473)	137,096	163,136	(26,040)	119,179	137,519	(18,340)
A. Goods and services	85,612	92,593	(6,981)	90,120	99,324	(9,204)	81,327	90,837	(9,510)	98,079	111,780	(13,702)	122,953	141,928	(18,975)	106,469	118,110	(11,642)
a. Goods(2)	61,819	77,160	(15,341)	63,062	80,918	(17,856)	57,560	76,509	(18,949)	70,196	93,318	(23,122)	86,017	118,064	(32,048)	73,116	96,300	(23,184)
- General merchandise on a balance of payments basis	61,750	77,160	(15,411)	63,012	80,918	(17,905)	57,457	76,509	(19,051)	70,042	93,318	(23,276)	85,798	118,064	(32,267)	73,038	96,300	(23,262)
- Merchanting– export net	69	0	69	50	0	50	103	0	103	154	0	154	219	0	219	78	0	78
Merchanting– goods acquired ..	(331)	0	(331)	(395)	0	(395)	(549)	0	(549)	(654)	0	(654)	(648)	0	(648)	(570)	0	(570)
Merchanting– goods sold	400	0	400	445	0	445	651	0	651	808	0	808	867	0	867	648	0	648
- Nonmonetary gold(1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b. Services	23,793	15,433	8,361	27,058	18,406	8,652	23,767	14,329	9,439	27,883	18,463	9,420	36,937	23,864	13,073	33,352	21,810	11,542
- Manufacturing services on physical inputs owned by others	2,936	182	2,754	2,969	164	2,805	2,455	136	2,320	2,484	152	2,333	3,031	160	2,871	2,752	121	2,631
- Transportation..........................	6,912	2,932	3,980	7,966	3,629	4,337	6,750	2,668	4,082	7,601	3,367	4,234	10,195	4,606	5,590	8,921	3,813	5,108
- Travel	2,877	4,522	(1,646)	3,195	5,360	(2,165)	1,262	2,709	(1,446)	2,784	4,417	(1,633)	4,474	7,382	(2,908)	4,079	7,018	(2939)
- Other services	11,069	7,796	3,273	12,928	9,253	3,675	13,299	8,816	4,483	15,013	10,527	4,486	19,236	11,716	7,521	17,600	10,859	6,741
B. Primary income	5,271	9,038	(3,767)	6,295	9,487	(3,192)	5,981	9,307	(3,326)	6,529	11,371	(4,842)	7,213	15,726	(8,512)	6,942	14,667	(7,724)
- Compensation of employees...........	2,946	104	2,842	3,597	103	3,493	3,234	129	3,105	3,825	175	3,650	3,931	329	3,602	3,487	306	3,180
- Investment income	539	8,689	(8,150)	822	9,119	(8,297)	818	8,952	(8,134)	752	10,932	(10,180)	1,352	15,041	(13,688)	1,539	14,103	(12,564)
Direct investment	89	6,832	(6,743)	200	7,090	(6,891)	93	6,898	(6,804)	207	8,971	(8,764)	499	12,282	(11,783)	101	10,560	(10,459)
Portfolio investment income...........	134	1,219	(1,086)	242	1,404	(1,162)	395	1,585	(1,109)	279	1,718	(1,440)	417	2,037	(1,620)	337	2,449	(2,112)
Other investment income.................	58	638	(579)	61	624	(563)	42	470	(428)	73	243	(169)	215	721	(506)	409	1,094	(685)
Reserve assets income.....................	258	0	258	319	0	319	287	0	287	193	0	193	221	0	221	692	0	692
- Other primary income	1,786	245	1,541	1,877	265	1,612	1,929	226	1,703	1,952	264	1,687	1,930	356	1,574	1,917	257	1,660
C. Secondary income	4,399	3,148	1,252	5,551	4,067	1,484	5,826	3,892	1,934	5,691	4,620	1,070	6,930	5,483	1,447	5,768	4,742	1,026
- General government.......................	972	1,500	(527)	1,484	2,131	(648)	1,985	2,069	(83)	1,426	2,537	(1,111)	1,975	3,015	(1,040)	1,785	2,584	(799)
- Other sectors	3,427	1,648	1,779	4,067	1,935	2,132	3,841	1,824	2,017	4,265	2,083	2,181	4,955	2,486	2,487	3,983	2,158	1,825
A. Capital account	2,580	65	2,515	3,255	405	2,850	4,376	198	4,178	5,657	414	5,243	7,814	806	7,008	5,863	856	5,007
a. Capital transfers	1,827	0	1,827	2,469	293	2,177	3,354	58	3,297	5,139	4	5,135	6,890	0	6,890	3,009	0	3,008
- General government.................	1,753	0	1,753	2,455	293	2,162	3,338	0	3,338	5,080	4	5,076	6,879	0	6,879	4,729	1	4,728
- Other sectors............................	74	0	74	14	0	14	17	58	(41)	59	0	59	11	0	10	4,725	0	4,725
b. Gross acquisitions/ disposals of non-produced nonfinancial assets ...	753	65	688	786	112	674	1,021	140	882	517	410	108	924	806	119	1,134	855	279

The footnote attached to the table at page 141 of the Information Memorandum titled "Foreign Direct Investment" in the section entitled *"Foreign Trade and Balance of Payments – Foreign Direct Investment"* is hereby deleted.

The first paragraph on page 141 beginning with "According to the results of the annual statical surveys" in the section entitled *"Foreign Trade and Balance of Payments – Foreign Direct Investment"* is hereby replaced with the following:

According to the results of the annual statistical surveys (for the period from 2018 to 2022), foreign direct investment slightly decreased from EUR 5.3 billion in 2018 to EUR 5.2 billion in 2019 and then decreased further to EUR 3.0 billion in 2020. They regained the momentum climbing to EUR 8.9 billion in 2021 and further to EUR 10.0 billion in 2022. As a share of GDP, non-residents' direct investment stayed flat at 2.6 per cent. of GDP in 2018, dropping at 2.3 per cent. of GDP in 2019 and 1.4 per cent. of GDP in 2020 and recovering to 3.7 per cent. of GDP in 2021 and 3.5 per cent. of GDP in 2022.

The second paragraph of on page 141 of the Information Memorandum beginning with "According to the results of the 2021 annual statical survey" in the section entitled *"Foreign Trade and Balance of Payments – Foreign Direct Investment"* is hereby replaced with the following:

According to the results of the latest annual statistical survey regarding FDI, at end-2022 out of the total FDI stock of EUR 107.9 billion, around 71 per cent. consisted of equity, including reinvested earnings (EUR 76.6 billion), while the net credit from foreign investors amounted to EUR 31.4 billion. Industry was the largest with approximately 39 per cent. of the total (out of which manufacturing with 30.2 per cent. of the total, primarily transport equipment, oil processing and chemicals), followed by wholesale/retail trade, construction and real estate, financial intermediation and insurance. The four largest economies from which FDI originated, based on ultimate beneficiary country, as of 31 December 2022 were Germany (14.9 per cent.), Austria (10.7 per cent.), France (9.7 per cent) and Italy (7.8 per cent.).

The following information is inserted after the paragraph on page 141 of the Information Memorandum beginning with "According to the results of the latest annual statical survey" in the section entitled *"Foreign Trade and Balance of Payment – Foreign Direct Investment"*:

In the first ten months of 2023, net FDI was EUR 6.1 billion, a decrease of 35.5 per cent. as compared to the same period in 2022, primarily resulting from the decrease in inter-company lending.

The third paragraph of page 141 of the Information Memorandum beginning with "The following table shows non-residents' direct investment" in the section entitled *"Foreign Trade and Balance of Payment – Foreign Direct Investment"* and the accompanying table are hereby replaced with the following:

The following table shows non-residents' direct investment in Romania for 2018 to 2022 and the first ten months of 2023:

Net Foreign Direct Investment

	2018	2019	2020	2021	2022	Jan. – Oct. 2023
			(EUR millions)			
Net FDI	5,266	5,173	3,005	8,940	10,039	6,148
Equity, including reinvested earnings	5,546	5,021	3,999	6,747	7,896	6,077
Other capital (intra-group loans)	(280)	152	(994)	2,194	2,143	(70)

MONETARY AND FINANCIAL SYSTEM

The section entitled *"Monetary and Financial System – Recent Monetary Policy – 2023"* on page 148 and 149 of the Information Memorandum is hereby deleted in its entirety and replaced with the following:

After raising the policy rate by a cumulative 5.75 percentage points between October 2021 and January 2023, during the February-November 2023 interval, the NBR kept the monetary policy interest rate unchanged at 7.00 per cent. and the interest rates on standing facilities, at 8.00 and 6.00 per cent., respectively. Also, it maintained the existing levels of minimum reserve requirement ratios on both leu- and foreign currency-denominated liabilities of credit institutions (at 8 per cent. and 5 per cent., respectively).

The status-quo decisions were adopted as the annual inflation rate began a downward trend in December 2022 and decreased in line with expectations in the first three quarters of 2023, though on a trajectory considerably above the variation band of the target, going down to 8.4 per cent. in December 2023 (from the peak of 16.76 per cent. in November 2022). The decline was primarily driven by the sharp decreases in processed food (which stood at 5.3 per cent. year-on-year in December 2023, down from 22.9 per cent. year-on-year in December 2022) and energy prices, under the influence of disinflationary base effects, falling commodities prices and administrative measures (capping schemes for electricity and natural gas prices and for the mark-ups on basic food products). The annual adjusted CORE2 inflation rate began declining in March 2023 and fell faster than expected in the third quarter of 2023, reaching 11.3 per cent. in September (from 14.6 per cent. in March 2023 and December 2022).

In addition to the impact of the decrease in the price of processed food, the decline in core inflation also reflected the downward adjustment of short-term inflation expectations in the first half of 2023 and the weakening pass-through of higher corporate costs, especially wage costs, into consumer prices, as well as the softening of the inflationary impact of imports. The macroeconomic forecasts for the first three quarters of 2023 confirmed the outlook that the annual inflation rate will gradually fall over the next two years and remain slightly above the variation band of the target at the end of the projection horizon. The underlying inflationary pressures were also expected to be somewhat stronger in the first six months of 2023 than previously anticipated, but to soften more quickly afterwards and fade away entirely towards the end of the projection horizon given the prospects for a relatively abrupt contraction of the output gap starting in the third quarter of 2023, and entering the negative territory towards the end of 2024, significantly earlier than previously forecasted. The growth of unit labour costs was also expected to decelerate starting from 2024.

Furthermore, the latest projection from November 2023 saw the annual inflation rate going up at the onset of 2024 – under the impact of the increase and introduction of some taxes and charges – and then gradually decreasing, on a higher-than-previously-expected trajectory during 2024, reaching 4.8 per cent. in December 2024, but accelerating its decline in 2025, falling to 3.3 per cent., in the upper half of the variation band of the target, at the end of the projection horizon. The decline was expected to be primarily driven by supply-side factors, mainly by the disinflationary base effects and the downward corrections of some commodity prices, especially of agri-food items.

The growth unit of the labour costs was also expected to decelerate starting with 2023. However, uncertainies around, and risks related to, inflation continued during the period, stemming primarily from increases in taxes and charges (aimed at furthering budget consolidation) and from the evolution of oil prices in light of conflict in the Middle East. Notable uncertainties and risks were also associated with the future fiscal and income policy stance, given the recent actions aimed at containing budget expenditures in 2023 and the possible broadening over the next years of the package of corrective fiscal and budgetary measures, but also the potential implications of the new legislation on pensions and wages in the public sector, as well as possible further pay rises in the budgetary sector. However, at the same time, significant uncertainties and risks to the prospects for economic activity, implicitly the medium-term inflation developments, were arising from the war in Ukraine and the Middle East conflict, from below-expectations economic performance in Europe, as well as from the absorption of EU funds, especially those under the Next Generation EU programme.

In its most recent meeting meeting, on 12 January 2024, the NBR Board decided to keep unchanged the monetary policy interest rate at 7.00 per cent. and the interest rates on standing facilities, at 8.00 and 6.00 per cent., respectively. It also maintained the existing levels of minimum reserve requirement ratios on both leu- and foreign currency-denominated liabilities of credit institutions (at 8 per cent. and 5 per cent., respectively).

The NBR Board decisions aimed to bring the annual inflation rate back in line with the 2.5 per cent. ±1 percentage point flat target on a lasting basis, *inter alia* by anchoring inflation expectations over the medium term, in a manner conducive to achieving sustainable economic growth.

The section entitled *"Monetary and Financial System – Recent Developments in Lending Process – 2023"* on page 151 of the Information Memorandum is hereby deleted in its entirety and replaced with the following:

The annual growth rate of credit to the private sector decreased further during the first nine months of 2023 and increased slightly in October, reaching 5.0 per cent. from 12.1 in December 2022. The deceleration over this period was driven chiefly by the leu-denominated component, the annual growth of which came virtually to a halt by the second quarter of 2023 (from 6.6 per cent. in December 2022) and picked up slightly in September-October (to 2.1 per cent.). At the same time, the growth rate of the foreign currency-denominated credit (expressed in EUR) declined abruptly starting in the second quarter of 2023, reaching 10.6 per cent. in October 2022, from 30.2 per cent. in April 2023 and 26.7 per cent. in December 2022.

The annual dynamics of loans to non-financial corporations continued to decrease in the first nine months of 2023 and increased somewhat in October, reaching 8.4 per cent. from 18.8 per cent. in December. In its turn, the growth of loans to households decelerated in the second half of 2023 and then stalled in the third quarter of 2023 from 4.3 per cent. in December 2022, primarily on the back of loans for house purchase, before picking up slightly to 0.9 per cent. in October 2023, largely due to developments in consumer loans.

The last two paragraphs on page 156 (running into page 157) of the Information Memorandum beginning with "The liquidity surplus in the money market increased" and "During January April 2023, the average interest rate", respectively, in the section entitled "*Monetary and Financial System – Interest Rates – 2023"* are hereby replaced with the following:

The liquidity surplus in the money market increased considerably in 2023. Against this background, and in part due to central bank actions via the deposit facility, overnight interbank rates stood in the proximity of the lower bound of the interest rate corridor. The three-month to twelve-month ROBOR rates extended their gradual decline until the middle of the third quarter, and then remained relatively stable.

During the first ten months of 2023, the average interest rate on new loans for non-bank customers decreased by 0.78 percentage points to 8.86 per cent. Specifically, the average interest rate on new loans to households declined slowly by 0.46 percentage points to 8.94 per cent., while the average interest rate on new loans to non-financial corporations went down by 1.20 percentage points from the December 2022 level to 8.73 per cent. In turn, the average interest rate on new time deposits saw a downward adjustment during the first ten months of the year decreasing by 0.96 percentage points to 5.75 per cent., amid the decreases seen both in the case of non-financial corporations (a decrease of 0.87 percentage points to 5.63 per cent.) and of households (a decrease of 1.15 percentage points to 6.00 per cent.). The following table shows key financing interest rates as at 31 December 2018, 2019, 2020, 2021, 2022 and 31 May 2023

The section entitled *"Monetary and Financial System – Exchange Rate Policy – 2023"* on page 160 of the Information Memorandum is hereby deleted in its entirety and replaced with the following:

The EUR/RON exchange rate remained broadly stable during the first four months of 2023, against the background of favourable investor sentiment towards financial market in the CEE region and an improvement in the trade balance. In mid-May, in the context of revised investor expectations on the short-term prospects for the Fed interest rate, the EUR/RON saw a relatively steep increase, which however reversed in July, also under the influence of domestic one-off and seasonal factors. In September, the exchange rate repositioned around the higher levels reached in May and then remained broadly stable, amid the fluctuations in global risk appetite induced by changes in expectations on major central banks' monetary policy decisions and by geopolitical developments, but also against the backdrop of further improvement in the trade balance and of the expectations on the short-term outlook of NBR's monetary policy interest rate.

Compared to December 2022, the RON depreciated in the first eleven months of 2023 by 1.0 per cent. in nominal terms against the EUR and appreciated by 1.0 per cent. against the USD. In real terms, the RON appreciated during the same period by 5.3 per cent. against the EUR and by 7.4 per cent. against the USD.

The fourth paragraph on page 161 of the Information Memorandum beginning "As of 31 December 2022, Romania's foreign exchange reserves" in the section entitled *"Monetary Policy and Financial System – International Reserves"* is hereby replaced with the following:

As of 31 December 2023, Romania's foreign exchange reserves amounted to EUR 59,770 million, an increase of EUR 13,134 million compared to 31 December 2022. The principal inflows, totalling EUR 35,090 million, were represented by credit institutions' foreign currency required reserves held with the NBR, inflows into the Ministry of Finance's accounts (including flows from the Ministry of Finance's foreign currency bond issuances amounting to the equivalent of EUR 12,879 million) and inflows into the European Commission account (amounting to EUR 5,414 million). The principal outflows for the reported period totalling EUR 21,956 million were represented by withdrawals of credit institutions' foreign currency required reserves as well as the repayment of principal and interest payments on public and publicly guaranteed foreign currency debt and payments from the European Commission account.

The following information is added after the third paragraph on page 166 of the Information Memorandum beginning with "The credit standards for both non-financial" in the section entitled "*Monetary and Financial System – Current Condition of the Banking Sector"*:

The prudential and financial position of the Romanian banking sector has remained adequate, despite some disruptive events such as the lingering geopolitical tensions in the region, the persistence of high inflation and interest rates and the banking turmoil in Europe and US. The impact of these events was limited, given: (i) the specificity of banking activity in Romania, oriented predominantly towards resident customers (the share of foreign assets was just 9.4 per cent. of the total assets in October 2023); (ii) the business model, based mainly on retail funding, less volatile than wholesale funding; (iii) the low financial complexity and sophistication (with reduced funding from capital markets, low resort to financial derivatives). So far, there have been no bank failures/defaults in Romania after the Great Financial Crisis (GFC) and no need for public support, with private shareholders providing the additional capital needed to strengthen the prudential position of local banks.

The total capital ratio (22.3 per cent. in September 2023), Tier 1 capital ratio (19.2 per cent. in September 2023) and the liquidity coverage ratio, LCR (258.2 per cent. in October 2023) continue to exceed the EU average. The results of the latest solvency stress test exercise carried out over the 2022-2024 horizon show that banks generally have the capacity to absorb losses from the materialisation of the main regulated risks, without significantly affecting capital.

Asset quality has remained inside the European Banking Association ("**EBA**") low-risk bucket (with an NPL ratio of 2.5 per cent. in October 2023). The NPL coverage ratio remains adequate (65.7 per cent. in October 2023) and significantly higher than the EU average (42.9 per cent. in June 2023). The share of stage 2 loans in total loans (14.4 per cent. in October 2023) has remained above pre-pandemic levels (12.0 per cent. in December 2019).

As of October 2023, the net profit was RON 11.5 billion due to the operating profit growth and the further historical low level of the net expected credit losses. Operating profit was boosted by increased net interest income, as interest expense did not fully adjust to the interest rate environment, as it increased at a slower pace, given that 52 per cent. of the real sector`s deposits (as of October 2023) are demand deposits. As of October 2023, the return on assets ("**ROA**") based on the annualised profit amounted to 1.9 per cent, with a return on equity ("**ROE**") of 21.0 per cent. The fast-paced rise of interest rates did not have a strong negative impact on Romania's banking sector in terms of capital or profitability.

The banking sector's total assets continued to strengthen posting a 9.8 per cent. annual rise in October 2023, up to RON 807.3 billion, given the important savings and increasing exposure to the private and public sectors. Liabilities primarily consist of deposits from resident non-government clients (68 per cent.). Households remain the main funding provider for the banking sector accounting for 40.3 per cent. in total liabilities and 59.4 per cent. of all deposits from residents.

The second paragraph on page 168 of the Information Memorandum beginning with "Relevant in the area of resolvability" in the section entitled *"Monetary and Financial System – Bank Resolution Framework"* is hereby replaced with the following:

Relevant in the area of resolvability of banks is also a piece of level three legislation – Guidelines on improving resolvability for institutions and resolution authorities under articles 15 and 16 of BRRD (EBA/GL/2022/01) with the amendments brought by Guidelines EBA/GL/2023/05 and Guidelines for institutions and resolution authorities to complement the resolvability assessment for transfer strategies (Transferability guidelines) EBA/GL/2022/11, with which the National Bank of Romania declared its compliance.

Sub-paragraph (ii) of the fifth paragraph on page 168 of the Information Memorandum beginning with "harmonisation with guidelines/recommendations" in the section entitled *"Monetary and Financial System – Bank Regulation and Supervision"* is hereby replaced with the following:

(ii) harmonisation with guidelines/recommendations issued by European Banking Authority; areas in which the EBA guidelines/recommendations were transposed into Romanian regulations refer to equivalents of the confidentiality regime; COVID-19 measures reporting and disclosure in compliance with CRR "quick fix"; governance arrangements; assessment of the suitability of members of the management body and key function holders; remuneration policies, credit risk management practices and accounting for expected credit losses; prudential treatment of legislative and non-legislative moratoria on loan payments introduced in response to the COVID-19 pandemic; management of non-performing and forborne exposures; specification of types of exposures to be associated with high risk under the CRR; internal capital and liquidity adequacy assessment process and management of significant risks; liquidity cost benefit allocation; conditions for outsourcing of activities; assessment and validation of using advanced approaches for calculating capital requirements for credit and operational risks; retention requirements in securitisation transactions; clarifications regarding the revised large exposures regime and clarifications regarding the exemption of some short-term exposures from the application of the large exposures regime; specifying the conditions for the application of the alternative treatment of institutions' exposures related to 'tri-party repurchase agreements' for large exposures purposes; the eligibility criteria for capital instruments to be recognised as original own funds; recovery and resolution of credit institutions; liquidity coverage ratio ("**LCR**") disclosure; disclosure requirements under Part eight of the CRR; implicit support for securitisation transactions; modified duration for debt instruments; acquisitions and qualifying holdings; connected clients; definition of default; funding plans; ICT risk; determining the weighted average maturity of a tranche in securitisation transactions; treatment of structural FX; criteria to assess the exceptional cases when institutions exceed the large exposure limits; and specifying criteria for the use of data inputs in the risk-measurement model used for calculating the own funds requirements for market risk; monitoring of the threshold and other procedural aspects on the establishment of an intermediate EU parent; identification, evaluation and management of the interest rate risk arising from the non-trading book (banking book) activities (IRRBB), internal governance arrangements in relation to the management of IRRBB, criteria to assess the sudden and unexpected changes in the interest rate for the purposes of the review and evaluation performed by competent authorities; identification and management of credit spread risk in the non-trading book (CSRBB); loan origination and monitoring; improving resolvability for institutions and resolution authorities under articles 15 and 16 BRRD including in case of transfer strategies; publication of the write-down and conversion and bail-in exchange mechanic; common procedure and methodologies for the supervisory review and evaluation process (SREP); and supervisory stress testing, benchmarking exercises on remuneration practices, the gender pay gap and approved higher ratios, data collection exercises regarding high earners.

The following information is added after the last paragraph on page 169 of the Information Memorandum beginning with "The technical provisions of the Directive EU 2019/878" in the section entitled *"Monetary and Financial System – Bank Regulation and Supervision"*:

Directive (EU) 2019/879 has been transposed by Law No. 320/2021 amending and supplementing Law No. 312/2015 on the recovery and resolution of credit institutions and investment firms, amending and supplementing certain legislative acts in the financial field, published in the Official Gazette, Part I, No. 1256 on 31 December 2021. Law No. 320/2021 ensuring the transposition of Directive (EU) 2019/879 (BRRD II), entered into force on 3 January 2022.

In March 2022, the NBR issued Regulation No. 5/2022 on amending and supplementing NBR Regulation No. 5/2013 on prudential requirements for credit institutions and on repealing of some normative acts. The regulation was published in the Official Gazette, Part I No. 314 on 30 March 2022.

In October 2022, the NBR issued Regulation No. 11/2022 on amending and supplementing some normative acts issued by the NBR, respectively: NBR Order No. 9/2017; NBR Order No. 10/2017; NBR Order No. 18/2007; NBR Regulation No. 4/2019; NBR Regulation No. 5/2019; NBR Regulation No. 20/2009; NBR Regulation No. 2/2019; NBR Regulation No. 17/2012; NBR Regulation No. 5/2013; NBR Regulation No. 12/2020; NBR Order No. 8/2014; NBR Order No. 9/2014 and NBR Order No. 2/2014. The regulation was published in the Official Gazette, Part I No. 1036 on 25 October 2022. The main objective of the regulation was to implement the European Systemic Risk Board Recommendation (ESRB/2020/12) on identifying legal entities, by requesting the LEI Code of the reporting entity to be presented through reports (if the reporting entity has such an LEI Code), and also the LEI Code of any other legal entity about which information must be reported by the reporting entity and which has an LEI Code, and also publishing the LEI Code in the public registers/lists with financial institution supervised by NBR, if the institutions have such an identifier.

At the beginning of 2023, the NBR published two orders in the area of remuneration reporting, respectively NBR Order No. 4/2023 on the benchmarking exercises on remuneration practices and the gender pay gap (Official Gazette, Part I No. 387 on 5 May 2023) and NBR Order No. 5/2023 on the data-collection exercises regarding high earners (Official Gazette, Part I No. 391 on 8 May 2023). The two orders were developed taking into account European Bank Authority's guidelines in this area, and regulate the content of the reporting forms regarding the information to be provided by the credit institutions to National Bank of Romania for the reporting exercises, for the purpose of benchmarking the remuneration trends and practices.

The following information is added after the paragraph on page 169 of the Information Memorandum beginning with "The technical provision of the Directive (EU) 2019/878" in the section entitled *"Monetary and Financial System – Bank Regulation and Supervision"*:

On 18 December 2019, in the Official Journal of the EU was published the Covered bonds package including Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU and Regulation (EU) 2019/2160 of the European Parliament and of the Council of 27 November 2019 amending Regulation (EU) No. 575/2013 as regards exposures in the form of covered bonds. The regulation went into effect on 8 July 2022.

The provisions of Directive (EU) 2019/2162 have been transposed in the national legislation by Law No. 233/2022 regarding covered bonds, as well as amending and supplementing some normative acts in the financial field, and by NBR Regulation No. 10/2022 on the issuance of covered bonds, which transposes the technical provisions of the directive in the national legislation.

The following information is added after the fourth paragraph on page 173 of the Information Memorandum beginning with "The above-mentioned institutions must send" in the section entitled *"Monetary and Financial System – Provisioning and Loans/Investment Classification – Loan Classification for credit other than Credit Institution"*:

Starting from 1 January 2023, non-bank financial institutions were required to apply IFRS as their accounting basis and for the preparation of the individual annual financial statements. Therefore, they apply IFRS 9 to calculate the expected credit losses for loans granted to debtors and classify these exposures to impairment stages according to the rules in IFRS 9, as follows:

- Stage I: loans at initial recognition or loans that have low credit risk at the reporting date;
- Stage II: loans for which the credit risk has increased significantly from initial recognition.
- Stage III: loans that are impaired at the reporting date.

The reporting for these stages is provided quarterly according to NBR Order No. 4/2022 approving the methodological rules regarding the preparation of periodical financial statements at individual level, according to International Financial Reporting Standards, applicable to non-bank financial institutions for monitoring/prudential supervision purposes.

The third paragraph on page 174 of the Information Memorandum beginning with "In order to identify systemic risks" in the section entitled *"Monetary and Financial System – Capital Buffers"* is hereby replaced with the following:

In order to identify systemic risks, the NBR continues to monitor signals pointing to the build-up of vulnerabilities as regards loans granted to certain sectors. In the meeting of the NCMO held on 20 October 2022, the General Board decided to approve the NCMO Recommendation No. R/4/2022 on the countercyclical capital buffer in Romania, whereby the National Bank of Romania is recommended to raise the countercyclical buffer rate to 1 per cent. from 0.5 per cent. as of 23 October 2023. Moreover, the National Bank of Romania is recommended to further monitor developments in the economy and lending, given the multiple sources of uncertainty internationally and in the region. In the meeting of the NCMO held on 19 October 2023, the General Board decided to approve the NCMO Recommendation No. R/3/2023 on the countercyclical capital buffer in Romania, whereby the National Bank of Romania is recommended to keep in place the measure to set the countercyclical buffer rate at 1 per cent., as of 23 October 2023. Likewise, in the meeting of the NCMO held on 14 December 2023, the General Board approved NCMO Recommendation No. R/5/2023 on the countercyclical capital buffer in Romania, in which the countercyclical capital buffer is being kept at 1 per cent., as liquidity and solvency levels of the banking sector are adequate, profitability allows for the strengthening of capital reserves and the elevated global uncertainty calls for caution. The NBR implemented the NCMO recommendation by issuing the NBR Order no. 7/2022 for the amendment of the Order of the National Bank of Romania no. 12/2015 regarding the capital conservation buffer and the countercyclical capital buffer (published in the Official Gazette, Part I no.1187 of 12 December 2022).

The NBR has implemented at national level the methodology for identifying systemically important credit institutions in line with the EBA Guidelines on the criteria to determine the conditions of application of Article 131(3) of Directive 2013/36/EU (CRD) in relation to the assessment of other systemically important institutions (O-SIIs), which strike a balance between convergence, comparability and flexibility.

The following information is added to immediately follow the fifth paragraph on page 174 of the Information Memorandum beginning with "In the meeting of the NCMO held on 20 October 2022" in the section entitled *"Monetary and Financial System – Capital Buffer"*:

In the meeting of the NCMO held on 19 October 2023, the General Board decided to approve the NCMO Recommendation No. R/4/2023 on the capital buffer for other systemically important institutions in Romania to be effective from 1 January 2024. The NBR implemented the NCMO recommendation by issuing the NBR Order No. 9/06.12.2023 regarding the capital buffer for credit institutions authorised in Romania and identified as other systemically important institutions (published in the Official Gazette, Part I no.1177 of 27 December 2023). Therefore, starting from 1 January 2024, credit institutions authorised in Romania and identified as other systemically important institutions will have to maintain an O-SII buffer rate ranging from 0.5 per cent. to 2 per cent. as follows: (i) 2 per cent. for Banca Transilvania S.A. (consolidated level); (ii) 1.5 per cent. for UniCredit Bank S.A. (consolidated level), Banca Comercială Română S.A. (consolidated level), BRD – Groupe Société Générale S.A. (consolidated level); (iii) 1 per cent. for Raiffeisen Bank S.A. (consolidated level); (iv) 0.5 per cent. for OTP Bank România S.A. (consolidated level) and (v) 1 per cent. for CEC Bank S.A. (individual level), (vi) 0.5 per cent. for Alpha Bank România S.A. (individual level), and for EXIM BANCA ROMANEASCA S.A. (individual level).

The fourth paragraph on page 175 of the Information Memorandum beginning with "In order to establish a prudential treatment" in the section entitled "*Monetary and Financial System – Participation in Other Enterprise"* is hereby replaced with the following:

According to CRR shares of undertakings outside the financial sector, as detailed above, shall not be included in calculating the eligible capital limits specified above if those shares are held temporarily during a financial assistance operation.

The second paragraph of page 177 of the Information Memorandum beginning with "The non-bank financial institutions" in the sectioned entitled *"Monetary and Financial System – Non-Bank Financial Institutions (NBFIs) Sector"* is hereby deleted

The following is added after the last paragraph on page 177 of the Information Memorandum beginning with "In August 2022, the NBR adopted the NBR Order No. 1/2022" in the section entitled "*Monetary and Financial System – Non-Bank Financial Institution (NBFIs) Sectors"*:

As of 31 December 2022, the non-bank financial institutions applied NBR Order No. 6/2015 for the approval of the accounting regulations, in compliance with the EU's legislative requirements.

NBR Regulation No. 3/2023 amending and supplementing NBR Regulation No. 20/2009 on non-bank financial institutions was published in May 2023. The amendments made under the new regulation aim to strengthen the credit risk regulatory framework and the supervision regime for NBFI involved in the issuance of guarantees or/and the assumption of guarantee commitments (by changing one of the existing criteria used as a trigger for registration in the Special Register of NBFIs, *i.e.*, if the scope of activity includes the activity of issuing guarantees and/or the assumption of guarantee commitments as well as increasing the share capital of non-bank financial institutions issuing guarantees/assuming guarantee commitments from EUR 200,000 to EUR 3,000,000).

At the same time, NBFIs registered in the Special Register are required to comply with prudential limits regarding solvency and liquidity. Therefore, they have to meet, on a continuous basis, a solvency ratio of at least 8 per cent., representing the own funds of the non-bank financial institution expressed as a percentage of the total risk-weighted exposure amount and a liquidity ratio which requires that cash outflows recorded in a 30-day period be covered by cash inflows for the same period.

The paragraph on page 192 of the Information Memorandum beginning with "Romania also applies a reduced VAT rate of 5 per cent. for the supply of: high quality foods" in the section entitled "*Monetary and Financial System – Public Finance – Taxation System – Value Added Tax*" is hereby replaced with the following:

From 1 January 2024, the following measures apply with regard to Romania's VAT rate:

- The reduced VAT rate of 9 per cent. was eliminated for the supply of alcohol-free beer and foods with added sugar, whose total sugar content is at least 10g/100g product, with some exceptions;
- the VAT rate was increased from 5 per cent. to 9 per cent. for certain categories of goods and services (for example, social policy housing, high-quality food, photovoltaic panels, solar thermal panels, heat pumps and other high-efficiency heating systems, access to fairgrounds, amusement parks and recreational parks, fairs, exhibitions, cinemas, sports events and cultural events);
- the reduced VAT rate of 5 per cent. was eliminated for the right to use sports facilities and for transport with certain vehicles of people for tourist or leisure purposes; and
- the VAT exemption with the right to deduct applicable to operations conducted in state hospital units was eliminated.

Romania also applies a reduced VAT rate of 5 per cent. for the supply of schoolbooks, books, newspapers and magazines, except for those used solely or principally for advertising; services consisting in admission to castles, museums, memorial houses, historical, archaeological and architectural monuments, zoos and botanical gardens, other than those exempted; district heating in the cold season; and firewood in certain forms.

The section on pages 193 and 194 of the Information Memorandum entitled "*Monetary and Financial System – Public Finance – Taxation System – Excises*" is hereby replaced with the following:

Excises

Romania applies excise duties to goods which are mandatorily subject to excise tax at the EU level (ethyl alcohol, alcoholic beverages, manufactured tobacco, energy products and electricity), and also for products containing tobacco intended for inhalation without combustion, products intended for inhalation without combustion, containing tobacco substitutes, with or without nicotine, liquids containing nicotine or not, non-alcoholic drinks with added sugar for which the total sugar level is between 5g and 8g/100ml and non-alcoholic drinks with added sugar for which the total sugar level is above 8g/100ml, set up as non-harmonised excise duties. Products intended for inhalation without combustion, containing tobacco substitutes, with or without nicotine, liquids not containing nicotine, non-alcoholic drinks with added sugar for which the total sugar level is between 5g and 8g/100ml and non-alcoholic drinks with added sugar for which the total sugar level is above 8g/100ml are subject to non-harmonised excise duty from 1 January 2024.

The excise duty levels for the products specified above are provided in Law no. 227/2015 regarding the Fiscal Code, with subsequent amendments, and are set out in Annex no. 1 for harmonised excise duties products and in Annex no. 2 for non-harmonised excise duties products.

As provided in Fiscal Code, excise duties levels, for harmonised products, excepting cigarettes, cigars and cigarillos, fine cut tobacco intended for rolling of cigarettes and other smoking tobacco, are mandatorily updated on an annual basis, by reference to the growth in consumer prices, calculated over a period of 12 months ending in September of the year that precedes the period for which the new level of excise duties shall apply, by comparison to the level of the consumer prices for the period October 2014 to September 2015 which was officially announced by NIS. From 1 August 2022 to 31 December 2023, the level of excise duty for products in alcohol and alcoholic beverages was exempt from this calculation. From 1 January 2024 to 31 December 2024, the level of excise duty for products in alcohol and alcoholic beverages are exempt from this calculation.

During 2023, the level of excise duty for leaded petrol, unleaded petrol and gasoil were excepted from updates pertaining to the increase in consumer prices from the last 12 months, calculated in September 2022 and compared to the period of October 2014 to September 2015.

From 1 January 2024, the level of excise duty for products such as beer, sparkling wines, still fermented beverages, other than beer and wine, intermediate products, ethyl alcohol that is considered alcohol and alcoholic beverages, cigarettes, fine cut tobacco intended for rolling of cigarettes and other smoking tobacco, products containing tobacco intended for inhalation without combustion, products intended for inhalation without combustion containing tobacco substitutes (with or without nicotine), non-alcoholic drinks with added sugar for which the total sugar level is between 5g and 8g/100 ml, leaded petrol, unleaded petrol, and gasoil were increased. The level of excise duty applicable in 2024 for leaded petrol, unleaded petrol and gasoil is as follows:

- Leaded petrol: RON 3,085.84 per tonne, or RON 2,375.48 per 1.000 litres;
- Unleaded petrol: RON 2,622.87 per tonne, or RON 2,019.60 per 1.000 litres; and
- Gasoil: RON 2,190.51 per tonne, or RON 1,850.95 per 1.000 litres.

The paragraph and accompanying bullets on page 194 of the Information Memorandum beginning with "According to the Fiscal Code, the Romanian corporate tax system is characterised" in the section entitled *"Monetary and Financial System – Public Finance – Taxation System – Corporate Income Tax"* are hereby replaced with the following:

According to the Fiscal Code, the Romanian corporate tax system is characterised with the following attributes:

- A general system of taxation, the corporate tax, established by applying a tax rate of 16 per cent. on taxable profit, required to be calculated and paid quarterly or annually;
- From 1 January 2024, taxpayers who registered a turnover of over EUR 50 million in the previous year and, in the calculation year, determine a profit tax, accumulated from the beginning of the fiscal year/amended fiscal year until the end of the quarter/calculation year, lower than the minimum turnover tax, are obliged to pay profit tax at the level of the minimum turnover tax;
- For credit institutions (including Romanian legal entities and Romanian branches of credit institutions) foreign legal entities owe, in addition to the profit tax, a turnover tax, which is calculated by applying the following tax rates to the turnover:

  a) 2 per cent., for the period 1 January 2024 to 31 December 2025 (inclusive)

  b) 1 per cent., starting from 1 January 2026; and
- For legal entities which carry out activities in the oil and natural gas sectors that register in the previous year a turnover of over EUR 50 million, a specific turnover tax in addition to the profit tax is owed.

The annual tax losses starting from 2024 carried forwards from the taxable profits made, within the limit of 70 per cent. (inclusive), in the next five consecutive years.

As of 1 January 2024, the following new conditions are added and the tax rates on the income of micro-enterprises are:

- 1 per cent. of turnover for micro-enterprises whose revenues do not exceed EUR 60,000 (inclusive) and do not carry out certain activities; and
- 3 per cent. of turnover for micro-enterprises whose revenues are over EUR 60,000 or carry out certain activities.

The following information is added to immediately follow the paragraph on page 206 of the Information Memorandum beginning with "Among the most important measures that have been taken into account" in the section entitled "*Monetary and Financial System – Public Finance – The Budgetary System – The General Consolidated Budget – 2023 Budget*":

2023 Budget execution

For 2023, the estimated budget deficit is 5.7 per cent. of GDP. As of November 2023, the budget execution reflected a budget deficit of 4.6 per cent. of GDP in the first eleven months of 2023, approximately 0.4 percentage points above the deficit recorded during the same period in 2022 (4.2 per cent. of GDP). Total expenditure increased by 0.1 percentage points (RON 538.5 billion), primarily as a result of higher investment spending (increased by 0.4 percentage points), while some expenditure categories decreased as a percentage of GDP, primarily resulting from lower increases as compared to changes in GDP (*i.e.*, social assistance, which decreased 0.3 percentage points, wages, which decreased by 0.1 percentage points, and goods and services, which decreased by 0.1 percentage points). Interest expenditure for the first eleven months of 2023 amounted to RON 30.1 billion, subsidy expenditure amounted to RON 16.2 billion, expenditure on projects financed from non-reimbursable external funds amounted to RON 57.1 and investment expenditure amounted to RON 75.1 billion. Total revenue decreased by 0.3 percentage points to RON 465.0 billion, primarily resulting from current revenue (which decreased by 0.6 percentage points), as well as from non-tax revenue, excises and VAT (RON 94.4 billion), while EU funds increased by 0.3 percentage points (RON 49.5 billion).

2024 Budget

The 2024 budget estimates a cash budget deficit of 5.0 per cent. of GDP, reflecting a decrease of 0.7 percentage points compared to the estimated cash budget deficit for 2023. Total revenue is projected to be 33.8 per cent. of GDP, an increase of 0.9 percentage points compared to the estimated revenue for 2023, while expenditure is estimated to remain stable at 38.8 per cent. of GDP. Budget assumptions for the 2024 budget include economic growth of 3.4 per cent. and GDP deflation of 5.9 per cent. (reflecting an estimated nominal GDP of RON 1,733.8 billion).

General consolidated budget revenue is expected to increase as a result of additional receipts from current revenue (primarily resulting from social contribution, VAT and PIT) reflecting the impact of the tax package implemented in late-2023, as well as due to the improvement of revenue collection. The most impactful measures of the tax package include partially removing the tax exemptions for social security contributions and personal income tax, streamlining the reduced VAT rates and an increase in excise taxes (which will have an estimated impact reflecting 1 per cent. of GDP in 2024).

The budget also reflects a 1 per cent. of GDP increase in investment, indexation of pensions and social assistance (including the recalculation of all pension rights as of September 2024) and increases in public wages (including a 20 per cent. increase in the education sector and 5 per cent. on average for other government sectors). The budget also envisages an adjustment in goods and services by about 0.2 percentage points, subsidies by 0.3 percentage points and national capital spending (excluding EU funds) by 0.2 percentage points.

The paragraph on page 208 of the Information Memorandum beginning with "The level of general government debt according to EU methodology" in the section entitled "*Monetary and Financial System – Public Debt – Overview*" is hereby replaced with the following:

The level of general government debt according to EU methodology increased from 47.2 per cent. of GDP as at 31 December 2022 to 48.6 per cent. of GDP as at 31 October 2023, out of which the external general government debt represented 25.2 per cent. of GDP and domestic general government debt represented 23.4 per cent. of GDP.

The paragraph on pages 208 to 209 of the Information Memorandum from, and including, the sentence beginning with "The public government debt at the end of April 2023" to, and including, the sentence beginning with "The non-residents held 24.1 per cent. of government securities" in the section entitled "*Monetary and Financial System – Public Debt – Government Public Indebtedness*" is hereby replaced with the following:

The public government debt at the end of October 2023 (contracted directly and guaranteed by the Government through the Ministry of Finance) represented 56.9 per cent. and local public debt (debt contracted directly and guaranteed by local public authorities) was 1.1 per cent. of total public debt. Domestic public debt was 34.8 per cent. of GDP (60.0 per cent. of total public debt) and the external public debt was 23.2 per cent. of GDP (40.0 per cent. of total public debt). By the interest type, a major part of government public debt was fixed rate, representing 77.5 per cent. at October 2023, compared to 75.6 per cent. at the end of 2022. Non-residents held 25.4 per cent. of government securities issued on the domestic market.

The last paragraph on page 211 of the Information Memorandum beginning with "As of 31 April 2023, Romania's outstanding international bonds amounted to" in the section entitled *"Monetary and Financial System – Public Debt – Public Debt Instrument and External Financing Programme – Government Bonds"* is hereby replaced with the following:

As of 31 October 2023, Romania's outstanding international bonds amounted to EUR 45.2 billion and USD 15.0 billion and as of 31 December 2022 to EUR 35.3 billion and USD 10.0 billion.

GENERAL INFORMATION

The section on page 242 in the Information Memorandum entitled "*General Information – Authorisation*" is hereby deleted in its entirety and replaced with the following:

Authorisation

The establishment of the Programme was authorised by Government Decision No. 1264/2010 on the approval of the sovereign notes framework programme "Medium Term Sovereign Notes", as rectified through the rectification published in the Official Gazette of Romania, Part I, No. 730 of 29 October 2012 and as amended by Government Decision No. 361/2013, by Government Decision No. 923/2013, by Government Decision No. 192/2015, by Government Decision No. 242/2016, by Government Decision No. 929/2017, by Government Decision 352/2019, by Government Decision No. 238/2020, by Government Decision No. 384/2021, by Government Decision No. 1018/2021 and by Government Decision No. 354 of 20 April 2023.

The increase in the size of the Programme from EUR 62,000,000,000 to EUR 68,000,000,000 was authorised by Government Decision No. 11 of 11 January 2024 which entered into force on 11 January 2024 and all references to the Initial Programme Amount in the Information Memorandum shall be construed accordingly.

The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations (including without limitation such ministerial orders or approvals or governmental memoranda or approvals as may be required under applicable law from time to time) in connection with each issue and performance of Notes thereunder.

The section on page 242 of the Information Memorandum entitled "*General Information – Issue of Notes*" is hereby deleted in its entirety and replaced with the following:

Issue of Notes

The maximum aggregate principal amount of Notes outstanding from time to time under the Programme will not exceed the maximum amount specified in the Government Decision No. 1264/2010 on the approval of the sovereign notes framework programme "Medium Term Sovereign Notes", as rectified through the rectification published in the Official Gazette of Romania, Part I, No. 730 of 29 October 2012 and as amended by Government Decision No. 361/2013, by Government Decision No. 923/2013, by Government Decision No. 192/2015, by Government Decision No. 242/2016, by Government Decision No. 929/2017, by Government Decision No. 352/2019, by Government Decision No. 238/2020 of 26 March 2020, by Government Decision No. 384 of 31 March 2021, by Government Decision No. 1018/2021 of 29 September 2021, by Government Decision No. 354/2023 of 20 April 2023 and by Government Decision No. 11 of 11 January 2024 and as may be rectified, amended or replaced from time to time, and in any other applicable Romanian law.

The issue of Notes is made in accordance with the Government Emergency Ordinance No. 64/2007 on public debt, as subsequently amended, and Government Decision No. 1470/2007 on the approval of the methodological norms for the application of the Government Emergency Ordinance No. 64/2007 on public debt, as subsequently amended.

The section on page 243 of the Information Memorandum entitled "*General Information – No Significant Change*" is hereby deleted in its entirety and replaced with the following:

No Significant Change

Save as otherwise disclosed in the Information Memorandum and this Supplement, there has been no significant change in the tax and budgetary systems, gross public debt, foreign trade and balance of payments, foreign exchange reserves, financial position and resources and income and expenditure figures of the Issuer since 31 December 2023.