IMPORTANT

You must read the following before continuing. The following applies to the attached Supplement following this page, and you are therefore required to read this carefully before reading, accessing or making any other use of the Supplement. In accessing the Supplement, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

THE ATTACHED SUPPLEMENT MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THIS SUPPLEMENT MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES AND WITHIN THE UNITED STATES TO "QUALIFIED INSTITUTIONAL BUYERS" ("QIBs") AS DEFINED IN AND PURSUANT TO RULE 144A OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") ("RULE 144A"). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED IN THE ATTACHED DOCUMENT.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT TO QIBs PURSUANT TO RULE 144A.

Confirmation of your representation: In order to be eligible to view the attached Supplement or make an investment decision with respect to any securities, you must be a person who is outside the United States or a QIB in the United States. By accepting the email and accessing the attached Supplement, you shall be deemed to have represented to the Arrangers and Dealers named in the Base Information Memorandum (as defined therein) that you and any customers you represent are a QIB or are not in the United States and that the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia unless you are a QIB in the United States and that you consent to delivery of such Supplement by electronic transmission.

You are reminded that the attached Supplement has been delivered to you on the basis that you are a person into whose possession the attached Supplement may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached Supplement to any other person.

Any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the potential offering be made by a licensed broker or dealer and any underwriter or any affiliate of any underwriter is a licensed broker or dealer in that jurisdiction, any offering shall be deemed to be made by the underwriter or such affiliate on behalf of the Issuer in such jurisdiction.

This document is being distributed only to and directed only at (i) persons who are outside the United Kingdom, (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or (iii) those persons to whom it may otherwise lawfully be distributed (all such persons together being referred to as "**relevant persons**"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

This attached Supplement has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Arrangers or Dealers named in the Base Information Memorandum (as defined therein), any person who controls any such persons, or any of their respective directors, officers, employees, agents or affiliates accepts any liability or responsibility whatsoever in respect of any difference between the Supplement distributed to you in electronic format and the hard copy version.

Third Supplement dated 21 May 2024 to the Base Information Memorandum dated 17 July 2023 as supplemented by the First Supplement dated 23 January 2024 and the Second Supplement dated 15 February 2024

Romania

Acting through the Ministry of Finance

EUR 75,000,000,000

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 "**Base Information Memorandum**"), as supplemented by the first supplement to the Base Information Memorandum dated 23 January 2024 (the "**First Supplement**") and the second supplement to the information memorandum dated 15 February 2024 (the "**Second Supplement**") (the Base Information Memorandum, the First Supplement and the Second Supplement together, 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 75,000,000,000 in aggregate principal amount of notes ("**Notes**"). The Programme size was increased from EUR 68,000,000,000 to EUR 75,000,000,000 with effect from the date hereof. The increase was authorised by the Government Decision No. 503 of 16 May 2024 effective 17 May 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.

TABLE OF CONTENTS

Page

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 Base Information Memorandum by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Information Memorandum, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or material 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 second sentence of the fifth paragraph on page 7 of the Base Information Memorandum beginning with "Romania has undergone major changes during its recent history" in the section entitled "*Risk Factors – Risk Relating to Romania – Political and economic uncertainty could have adverse effects on Romania's economy"* is hereby replaced by the following:

These include under-capitalisation of both private and public firms, a large emigration of the working age population, an ageing population coupled with negative population growth, a very uneven distribution of gross domestic product ("**GDP**") between regions, a significant transport infrastructure gap, historical current account deficits, as well as a lack of certain key reforms.

The following information is inserted after the first paragraph on page 8 of the Base Information Memorandum beginning with "In February 2022, the Russian government commenced a war of aggression" in the section entitled "*Risk Factor – Risk Relating to Romania – The ongoing war of aggression launched by Russia against Ukraine could impact Romania"*:

Romania actively participates in the international efforts to promote access to the mechanisms of international law, in order to restore justice. Romania is a strong supporter of the efforts to seek accountabilities for all serious crimes committed in Ukraine by Russian forces, joining the core group of States that work alongside Ukraine to identify the most appropriate legal basis to establish a Special Tribunal for the Punishment of the Crime of Aggression against Ukraine.

Romania will support further sanctioning measures against the entities and persons responsible for the war in Ukraine, as well as in a wider context of further violations of the international law and human rights.

The fourth paragraph on page 8 of the Base Information Memorandum beginning with "Romania is committed to strengthening the unity and solidarity within the North Atlantic Treaty Organisation ("**NATO**") and the EU in the face of threats posed by Russia's war of aggression" in the section entitled "*Risk Factor – Risk Relating to Romania – The ongoing war of aggression launched by Russia against Ukraine could impact Romania"* is hereby replaced by the following:

Romania is committed to strengthening the unity and solidarity within the North Atlantic Treaty Organisation ("**NATO**") and the EU in the face of threats posed by Russia's war of aggression.

Romania is supporting Ukraine and other vulnerable partners in the region at bilateral and multilateral levels. Security in the Black Sea is of significant importance for Romania, as both a member of NATO and an EU Member State. Romania remains a strong supporter of Ukrainian grains transit for export over land and through the Black Sea.

Romania has been also active in multilateral fora by:

- advocating for Ukraine's European agenda, by pleading at the highest level for opening accession negotiations with Ukraine and RMD in December 2023, as well as providing further predictable financial support for Ukraine;
- contributing to advancing Ukraine's Euro-Atlantic path, by establishing the NATO-Ukraine Council and further consolidating the cooperation of NATO with Ukraine;
- supporting the sanctioning regimes to reduce Russia's capacity to wage its unlawful war, by co-sponsoring all of the EU sanctions packages against Russia and Belarus;

Romania remains committed to support the advancement of UA's European path both at the political and sectoral level, by providing expertise in various fields.

At the same time, Romania continues to participate in relevant regional fora such as the Bucharest-9 Initiative (which includes Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia) and the Three Seas Initiative (a forum of twelve states in Central and Eastern Europe), in order to consolidate views on issues of interest in the North-Atlantic Alliance for participating nations, and to support joint security projects. However, there can be no assurance that participation in these initiatives will be sufficient to mitigate all future risks.

The section entitled "*Risk Factors – Risk associated with Romania – Romania is subject to risk in relation to external balances"* on page 11 beginning with "Romania's current account deficit has been increasing. See "*Foreign Trade and Balance of Payments*"." is hereby deleted in its entirety and replaced by the following:

Romania is subject to risk in relation to external balances

Following several years of widening, the external imbalance in the year ended 31 December 2023 lowered by 2.2 percentage points as compared to the previous year (from 9.2 per cent. of GDP in the year ended 31 December 2022 to 7 per cent. of GDP in the same period in 2023). See "*Foreign Trade and Balance of Payments*". In 2024, the decrease in current account deficit is expected to continue, but at a significantly slower pace. Over the medium term, the external imbalance could remain at an elevated figure, mirroring the low domestic capacity to accommodate excess demand and expected fiscal policy reforms. Further corrections of the current account deficit are conditional on both the absence of renewed bottlenecks in global value chains and on the swift economic recovery of Romania's main trading partners.

The section entitled "*Risk Factors – Risk associated with Romania – Romania is subject to exchange rate and inflation risk"* on page 11 beginning with "The RON is subject to a managed-floating exchange rate regime." is hereby deleted in its entirety and replaced by the following:

Romania is subject to inflation risk

The NBR's inflation projections are subject to numerous risks associated with the increasing and diversifying geopolitical tensions. Against this background, bottlenecks in global production and distribution chains may worsen. Furthermore, the reconfiguration of traditional transportation routes could lead to higher costs, which could pass-through into the prices of finished goods. While additional supply-driven shocks would have a net inflationary potential, the impact of demand-side shocks would most likely be disinflationary, given that the economic recovery is still ongoing. Heightened uncertainties, stemming from a possible slowdown in global economic activity as the below-expectations performance of some economies (i.e. Germany, the main trading partner of Romania), could become entrenched. On the domestic front, the future fiscal and income policy position remains an important source of uncertainty. Over the medium term, additional corrective measures are likely to be implemented which will therefore contribute to an advancement of the fiscal consolidation process. At the same time, labour market developments, especially in relation to the future dynamics of wages, continue to be a source of uncertainty. For instance, the recent increases in public sector wages could entail both direct effects (higher wage claims on the part of other public employees) as well as "demonstration effects" in the private sector. Persistent structural labour market deficiencies could increase the skills mismatch in certain sectors, which may in turn lead to additional inflationary pressures.

Inflation has declined throughout 2023, reaching 6.61 per cent. at the end of the year. 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. In addition, the contribution of the energy component to headline inflation declined significantly and was negative at the end of 2023, mainly owing to a decrease in electricity and natural gas prices. In the first quarter of 2024, CPI inflation temporarily halted its downward trend, the rate in March being equal to that in December 2023 (6.61 per cent.). Increased pressure came from hikes in excise duties and other taxes, rising oil prices, as well as from a significant base effect in electricity prices. Despite this, at the beginning of 2023 a new capping scheme came into force, leading to a 15.8 per cent. decrease in electricity prices.

The last paragraph on page 12 of the Base Information Memorandum beginning with "Initially, Romania had a low absorption rate" in the *"Risk Factors – Risks Relating to Romania – Failure to access all available EU funds could slow Romania's further development"* is hereby replaced by the following:

In the early years of its EU membership, Romania registered a slower absorption rate (defined as the level of amounts sent for reimbursements to the EC as a percentage of the total amount of European Structural and Investment Funds available to it) on programmes potentially financeable from EU accession funds, in particular from EU Structural and Cohesion Funds (European Regional Development Fund, Cohesion Fund and European Social Fund). However, under the coordination of the Ministry of European Investments and Projects (formerly Ministry of European Funds) the management and control system for EU funds in Romania has been improved and the absorption rate has significantly increased since 2012. At 30 April 2024, Romania's current absorption rate is 97.2 per cent. of the total EU budget allocation for the 2014-2020 Cohesion Policy.

The first paragraph on page 13 of the Base Information Memorandum beginning with "The total amount receive from the European Commission" in the section entitled *"Risk Factors – Risk Relating to Romania – Failure to access all available EU funds could slow Romania's further development"* is hereby replaced by the following:

The total amount received from the EC (including pre-financing) since the beginning of the 2014-2020 programming period, for the operational programmes ("**OPs**") financed by ESIF and The Fund for European Aid to the Most Deprived ("**FEAD**") is approximately EUR 33.4 billion, representing 93.6 per cent. of total EU allocation. In addition to ESIF, Romania benefits from additional available financing of approximately EUR 17.3 billion under the European Agricultural Guarantee Fund (EAGF), out of which approx. EUR 16 billion have been received (92 per cent. from allocation).

The second paragraph on page 13 of the Base Information Memorandum beginning "For the 2014-2020 programming period, the availability of funds depended on Romania meeting 36 ex-ante conditionalities required by EC regulation, all of which have been fulfilled." in the section entitled "*Risk Factors – Risk Relating to Romania – Failure to access to all available EU funds could slow Romania's further development"* is hereby replaced by the following:

For the 2014-2020 programming period, the availability of funds depended on Romania meeting 36 ex-ante conditionalities required by EC regulation, all of which have been fulfilled.

Romania has undertaken various actions and measures to ensure that use of EU funding continues at the same pace or even possibly increases in the future, given the increase in the allocation for the programming period 2021-2027, as the loss of potential EU funding would have a negative impact on Romania's budget, which has been under pressure due to the impact of the COVID-19 pandemic and Russia's war in Ukraine.

The third paragraph on page 13 of the Base Information Memorandum beginning with "As of 31 May 2023, no funds have been decommitted and the estimated amounts of payment applications (approximately EUR 5.2 billion)" in the section entitled *"Risk Factors – Risk Relating to Romania – Failure to access all available EU funds could slow Romania further development"* is hereby replaced by the following:

As of 30 April 2024, no funds have been decommitted and the estimated amounts of payment applications to be sent to the EC in 2024 and 2025 cover the risk of automatic decommitment of funds for the 2021-2027 programming period. However, failure to access and apply all available EU funds in the future could have an adverse impact on Romania's economy, Romania's ability to develop its infrastructure and its capacity to meet its obligations under the Notes.

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*" on page 14 of the Base Information Memorandum is hereby deleted in its entirety.

DESCRIPTION OF ROMANIA

The first two paragraphs on page 91 of the Base Information Memorandum beginning with "On 13 July 2022, the European Commission published the *2022 Rule of Law Report — Country Chapter on the rule of law"* in the section entitled *"Description of Romania – Rule of Law"* is hereby replaced by the following:

The EC published its last report on Romania's progress under the CVM on 22 November 2022. The EC concluded that the progress made by Romania is sufficient to satisfy CVM commitments made at the time of accession to the EU and that all benchmarks can be satisfactorily closed. The EC indicated that it will no longer monitor Romania under the CVM and that monitoring will continue within the annual rule of law report cycle as is done for all EU Member States. On 15 September 2023, the EC formally closed the Cooperation and Verification Mechanism for Romania and Bulgaria.

On 5 July 2023, the EC published the 2023 Rule of Law Report, which presents 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. The report acknowledges the efforts to improve judicial accountability, while noting that the ongoing shortage of magistrates is generating serious concerns for the quality and efficiency of justice. The EC recommended that Romania continues its efforts to provide adequate human resources for the justice system.

The EC 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 EC 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 following information is inserted after the fourth paragraph on page 91 of the Base Information Memorandum beginning with "The European Commission published its last report on Romania's progress" in the section entitled "*Description of Romania – Rule of Law"*:

The next Rule of Law Report is expected to be published by the Commission in July of 2024 and will contain an analysis regarding the progress in the implementation of the above-mentioned recommendations.

The fifth paragraph on page 6 of the First Supplement beginning with "The Criminal Code and Criminal Procedure draft laws, which aimed to align certain provisions" in the section entitled "*Description of Romania – Criminal Code and Criminal Procedure Code Amendments"* is hereby replaced by the following:

The Criminal Code and Criminal Procedure draft laws, which aimed to align certain Criminal law provisions with the Constitutional Court precedents were adopted in 2023 and published in the Official Gazette of Romania. The Constitutional Court has sustained legislative control with regards to abuse of office offenses. The regulation on abuse of office is in line with the Anti-Corruption Directive.

The last paragraph on pages 6 and 7 of the First Supplement beginning with "On 2 December 2021, Romania received EUR 1.85 billion in pre-financing from the RRF" in the section entitled *"Description of Romania – Romanian Recovery and Resilience Plan"* is hereby replaced by the following:

Since January 2022, Romania has received EUR 3.8 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, approximatively EUR 13.6 billion will come from the non-refundable financial assistance component and approximatively EUR 14.9 billion will come from the refundable financial assistance component, according to the loan agreement between the EC and Romania.

The second paragraph on page 7 of the First Supplement beginning with "After deducting pre-financing, the amount for the first payment request was EUR 2,562 million" in the section entitled "*Description of Romania – Romanian Recovery and Resilience Plan"* is hereby replaced by the following:

After deducting pre-financing, the amount for the first payment request was EUR 2,561.98 million (EUR 1,772.31 million representing the non-refundable financial assistance component and EUR 789.67 million representing the refundable financial assistance component).

The last two sentences of the third paragraph on page 3 of the First Supplement beginning with "On 21 September 2023, the EC authorised Romania to receive payment of the second instalment of RRF allocations." in the section entitled *"Description of Romania – Romanian Recovery and Resilience Plan"* is hereby replaced by the following:

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 53.36 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 2,147.49 million and for refundable financial assistance component was authorised the amount of EUR 1,026.83 million.

The fourth paragraph on page 7 of the First Supplement beginning with "After deducting pre-financing, the amount for the first payment request was EUR 2,562 million" in the section entitled *"Description of Romania – Romanian Recovery and Resilience Plan"* is hereby replaced by the following:

After deducting pre-financing, the amount related to the second payment request is EUR 2,761.66 million (EUR 1,868.32 million related to the non-refundable financial assistance component and EUR 893.34 million related to the refundable financial assistance component).

The fifth paragraph on page 7 of First Supplement beginning with "If the two outstanding milestones are satisfactorily fulfilled within a period of six months from the submission" in the section entitled *"Description of Romania – Romanian Recovery and Resilience Plan"* is hereby replaced by the following:

On the 19 March 2024, Romania sent a letter to the EC stating that the two outstanding milestones were satisfactorily fulfilled within a period of six months from the receipt of the letter of partial suspension and these milestones are now under the evaluation process within the EC.

The second paragraph on page 92 of the Base Information Memorandum beginning with "Currently, Romania is party to the following pending cases at the International Centre for Settlement of Investment Dispute" in the section entitled *"Description of Romania – Disputes in front of ICSID"* is hereby replaced by the following:

Currently, Romania is party to the following pending cases at the International Centre for Settlement of Investment Disputes ("**ICSID**"): (i) Case No. ARB/14/28 (ALPIQ AG v. Romania) (ii) Ioan Micula, Viorel Micula and others v. Romania (ICSID Case No. ARB/14/29); (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 (ICSID Case No. ARB 20/15); ICSID – Case No. ARB/16/19 (The Nova Group Investments BV v. Romania) and (vi) FinDoc SRL and others (ICSID Case No. ARB 20/35).

The section entitled *"Description of Romania – Disputes in front of ICSID – Case No. ARB/15/31 (Gabriel Resources Ltd. and Gabriel Resources (Jersey) v. Romania)"* on page 93 of the Base Information Memorandum beginning with "On 30 June 2017, the applicants filed a detailed memo containing 416 pages and nine expert reports" is hereby deleted in its entirety.

The following is inserted to the end of the section entitled *"Description of Romania – Disputes in front of ICSID – Case No. ARB/16/19 (The Nova Group Investments BV v. Romania)"* on pages 93 and 94 of the Base Information Memorandum beginning with "The Nova Group Investments has complained about a series of measures taken":

On 5 April 2024, the tribunal declared the proceedings closed in accordance with ICSID Arbitration Rule 38(1). The Tribunal has not yet rendered its award.

The following is inserted after the last paragraph on page 94 of the Base Information Memorandum beginning with "In September 2021, Romania requested the consent of the Arbitral Tribunal" in the section entitled "*Description of Romania – Disputes in front of ICSID – Case No. ARB/18/19 (LSG Building Solutions GmbH and others v. Romania)"*:

On 20 February 2024, the Tribunal rendered its award.

The fourth sentence of the third paragraph on page 96 of the Base Information Memorandum beginning with "Becoming a member of the OECD is a top priority of Romania's foreign policy. On 25 January 2022, Romania received the official invitation from the OECD to open accession negotiations" in the section entitled "*Description of Romania – International Relations"* is hereby replaced by the following:

At the national level, the accession process is managed by a coordination team, led by the National Coordinator State Secretary within the Ministry of Foreign Affairs.

The fifth and sixth sentences of the third paragraph on page 96 of the Base Information Memorandum beginning with "Becoming a member of the OECD is a top priority of Romania's foreign policy." In the section entitled "*Description of Romania – International Relations"* are hereby replaced by the following:

Romania successfully finalised several steps in the accession process, such as submitting the Initial Memorandum containing self-evaluations in relation with the alignment to the OECD legal instruments, filling in technical questionnaires requested by the OECD experts, organising on site fact-finding missions and starting the accession reviews in the 26 OECD Committees that evaluates Romania. Until now three committees have successfully closed the accession discussions and issued their Formal Opinion, as well as a number of subcommittees, which issued their technical opinion.

The fourth paragraph on page 96 of the Base Information Memorandum beginning with "On 18 April 2023, Romania received a formal invitation to accede to the Anti-Bribery Convention and to join the WGB." in the section entitled "*Description of Romania – International Relations*" is hereby replaced by the following:

After Romania's accession to the OECD Anti-Bribery Convention in September 2023, in October 2023 the Working Group on Bribery closed its first phase accession review and started the second phase. Until now, the evaluation concluded that Romania's legal framework is largely in compliance with the OECD Anti-Bribery Convention. Several aspects (including some linked to foreign bribery offences and defences) will continue to be examined during the second phase of the evaluation.

The section entitled *"Description of Romania – NATO"* on pages 96 and 97 of the Base Information Memorandum beginning with "Romania has been a member of NATO since 2004 and of the EU since 2007. NATO is a major guarantor of Romania's security." is replaced in its entirety by the following:

Romania has been a member of NATO since 2004 and of the EU since 2007. NATO is a major guarantor of country's security. In the lead up to the NATO Washington Summit in July 2024, Romania will continue to support the consolidation of NATO's eastern border, including a strengthened NATO presence in the Romanian territory and in the Black Sea region.

Romania will remain a steady contributor to the defence and security measures adopted by the NATO, promoting an approach based on unity and solidarity to overcome all threats and challenges. At the same time, Romania will continue to support the strengthening of EU's role in the field of security and defence, in addition to its ongoing work with NATO.

In light of Russia's aggressive activities, Romania will continue to provide consistent and multifaceted aid to Ukraine, while continuing to condemn Russia. Romania will remain an important hub for the assistance provided by NATO, the EU, and other partner countries. In the face of Russia's war in Ukraine, NATO-EU cooperation remains essential for European and Euro-Atlantic security, including in support of regional resilience and stability. To this end, Romania intends to continue to advocate for an increased Euro-Atlantic and European support for strengthening the resilience, defence and economies of the vulnerable countries in the Black Sea region, the Republic of Moldova and Georgia in particular, in order to develop the economic potential of the region.

The following information is inserted after the last sentence of the second paragraph on page 97 beginning with "The strategic partnership between Romania and the United States of America was launched in 1997 and remains a key pillar of Romania's foreign and security policy." in the section entitled "*Description of Romania – Partnership with the United States"*:

During Romania's President Klaus W. Iohannis meeting with U.S. President Joe Biden, in Washington D.C., on 7 May 2024, the two Presidents reviewed recent evolutions in the bilateral strategic partnership between both countries and ways to further strengthen it in the current security context.

The fourth, fifth, and sixth paragraphs on page 97 of the Base Information Memorandum beginning with "On 9 November 2022, in the margins of COP 27, EXIM issued two letters of interest", "On 4 November 2021, Nuclearelectrica and Nu Scale also signed an agreement to advance the deployment of the latter's innovative," and "On 20 May 2023, during the G7 Summit in Japan, EXIM issued a letter of interest for a potential" respectively are hereby replaced by the following:

On 4 November 2021, S.N. Nuclearelectrica and NuScale signed an agreement to advance the deployment of the latter's innovative small modular reactor (SMR) technology. The NuScale 6-module power plant is estimated to generate 193 permanent power plant jobs, 1,500 construction jobs, and 2,300 manufacturing jobs. The project also has the potential to help Romania reduce its CO2 emissions by four million tons per year. On 27 June 2022, during the G7 Summit, U.S. President Joe Biden announced a grant of U.S.$14 million to finance the first stages of the implementation of the SMR Power Plant in Romania.

On 20 May 2023, during the G7 Summit in Japan, EXIM issued a letter of interest for a potential U.S.$99 million loan for design studies on the SMR project. Alongside expressions of interest from public and private partners from Japan, Republic of Korea, and United Arab Emirates, the current early-stage support for the SMR Project amounts to U.S.$275 million. In addition, the DFC and the U.S. EXIM also issued letters of interest for potential support of up to U.S.$1 billion and U.S.$3 billion, respectively, for project deployment.

Following NuScale's and UAMPS's decision to terminate small modular reactor project in the U.S., the SMR project due to be built in Doicești, Romania, becomes a first of its kind project. Consequently, the start of the next phase of the project (Second Phase of the FEED Study) was postponed, while Romanian authorities perform due diligence.

On 9 November 2022, in the margins of COP 27, EXIM issued two letters of interest for a U.S.$3.05 billion loan aimed at the implementation of the Cernavodă project, which includes the building of two additional nuclear units at Cernavodă Nuclear Power Plant/NPP (Units 3 and 4) within the Euro-Atlantic cooperation framework, which will be completed by 2030-2031. Units 3 and 4 of the Cernavoda NPP project were notified to the EC in June 2023 according to the Article 41 of the Euratom Treaty.

The first paragraph on page 98 of the Base Information Memorandum beginning with "Romania also firmly supports the sovereignty, territorial integrity, independence and the EU membership aspirations of Ukraine" in the section entitled *"Description of Romania – Partnership with Other Nations"* is hereby replaced by the following:

On 15 February 2020, Nuclearelectrica signed a Memorandum of Understanding with SACE and Ansaldo Nucleare to advance the development and financing of Cernavoda NPP Unit 1 Refurbishment and Cernavoda NPP Units 3 and 4 strategic projects. Romania firmly supports the sovereignty, territorial integrity, independence and the EU membership aspirations of Ukraine. Since the beginning of Russia's war of aggression against Ukraine, Romania has extended humanitarian help to the Ukrainian authorities. As of February 2024, more than seven million Ukrainian citizens have entered Romania (7,397,495 persons), out of which approximately 148,844 persons have remained. A humanitarian hub was established in Suceava on 9 March 2022. Since its establishment, hundreds of humanitarian convoys have passed through the Suceava hub and reached Ukraine. Specific legislation was adopted for establishing the amount, conditions and mechanism for awarding lump sums in accordance with Government Emergency Ordinance No. 15/2022 regarding the granting of support and humanitarian assistance by the Romanian state to foreign citizens or stateless persons in special situations, coming from the areas of the armed conflict in Ukraine. Between 22 February 2024 and 29 Febuurary 2024, RON 1.8 billion (EUR 0.364 million) were awarded from the Emergency Ordinance funds.

The second paragraph on page 98 of the Base Information Memorandum beginning with "Since the beginning of the Russian invasion, Romania has also made a strong contribution in providing support for the transit of grain from Ukraine to third countries" in the section entitled *"Description of Romania – Partnership with Other Nations*" is hereby replaced by the following:

Since the beginning of the Russian invasion, Romania played an instrumental role in facilitating grain exports from Ukraine, with almost 37 million tons of Ukrainian grain transited through Romania as of April 2024. At the same time, the Danube corridor became the most important transit route within the EU-Solidarity Lanes, with over 65 per cent. of the total quantity transited.

The following is inserted after the fourth sentence of the fourth paragraph on page 98 of the Base Information Memorandum beginning with "A major priority for Romania is the development and deepening of its bilateral strategic partnerships" in the section entitled "*Description of Romania – Partnerships with Other Nations"*:

In 2023, Romania also put a strong emphasis on relaunching relations with countries in Africa. The first National Strategy for Africa was adopted, and presidential visits were organised in Kenya, Tanzania, Cabo Verde and Senegal. Additionally, Romania has organised presidential visits across Latin America in Brazil, Chile and Argentina.

The following is inserted after the third sentence of the fifth paragraph on page 98 of the Base Information Memorandum beginning with "After Russia invaded Ukraine, Romania implemented a series of actions against Russia," in the section entitled *"Description of Romania – Partnerships with Other Nations":*

The two banks officially withdrew from Russia on 9 June 2023, ending their operations in the country.

The following is inserted at the end of the second paragraph on page 99 of the Base Information Memorandum beginning with "In 2019, Romania made breakthroughs in favour of enhanced EU involvement in Black Sea regional cooperation" in the section entitled "*Description of Romania – Black Sea Initiatives"*:

Moreover, in line with the 2022 Strategic Concept, NATO has agreed for the first time in an official communique on the strategic importance of the Black Sea region.

Romania supports a swift and resolute EU strategic approach for the Black Sea.

The third paragraph on page 99 of the Base Information Memorandum beginning with "A special place in Romania's foreign policy is also reserved for major regional mechanisms and formats" in the section entitled "*Description of Romania – Black Sea Initiatives"* is hereby replaced by the following:

A special place in Romania's foreign policy is also reserved for major regional mechanisms and formats in the initiation and development of which Romania has participated and will continue to participate: the Bucharest 9 Format (B9), the Three Seas Initiative (3SI), the Security Trilateral with Poland and Türkiye, the Valencia Trio with Spain and Poland, and the bilateral working group on security in the Black Sea with Türkiye. The 3SI is particularly important to economic recovery and development; In September 2023, Romania hosted the 3SI Summit where Greece joined as the thirteenth participating state, while Ukraine and the Republic of Moldova were granted the associate participating state status. Romania aims to continue working with the other participating states, partner states, and financial institutions to maximise the potential of 3SI, with a focus on projects that are of particular interest to Romania.

The fourth paragraph on page 99 of the Base Information Memorandum beginning "Transgaz SA, the transmission system operator of natural gas in Romania signed a roadmap" in the section entitled *"Description of Romania – Black Sea Initiatives"* is hereby deleted.

The following is inserted after the first sentence of the second paragraph on page 100 of the Base Information Memorandum beginning with "Romania has been an EU Member State since 1 January 2007. According to the EU treaties, Romania ranks amongst the Member States with medium voting power." in the section entitled "*Description of Romania – Membership in the European Union – Overview"*:

Following the European Parliament elections of 2019, Romania holds 33 out of the total of 705 parliamentary seats in the European Parliament.

The third sentence of the second paragraph on page 100 of the Base Information Memorandum beginning with "Romania has been an EU Member State since 1 January 2007. According to the EU treaties, Romania ranks amongst the Member States with medium voting power." in the section entitled *"Description of Romania – Membership in the European Union – Overview"* is hereby replaced by the following.

Romania is also involved in the activity of a number of European consultative bodies, with 15 seats allocated in the Economic and Social Committee and 15 seats allocated in the European Committee of the Regions.

The third paragraph on page 100 of the Base Information Memorandum beginning with "Following the European Parliament elections of 2019, Romania holds 33 out of the total of 705 parliamentary" in the section entitled "*Description of Romania – Membership in European Union – Overview"* is hereby replaced by the following:

Romania continues to be an active promoter of the European integration process. Romania supports the strengthening of the European project, centred on major priorities such as economic growth, jobs, cohesion, stimulating investments, energy security and consolidation of the EU as a global actor, as well the advancement of the EU's enlargement process. In the last years, Romania's visibility and role in the EU have significantly increased as a result of how the country has handled various crises at the EU level. Russia's war in Ukraine reconfirmed that EU action must be based on solidarity and cohesion, as well as on the respect for Europe's democratic values and principles, which Romania fully embraces.

The section entitled *"Description of Romania – Membership in the European Union – Schengen Area"* on pages 100 and 101 of the Base Information Memorandum beginning with "In 2022, Romania underwent significant steps in order to accelerate the agenda for its accession to the Schengen area" is hereby deleted in its entirety and replaced with the following:

On 30 December 2023, the Council of Ministers unanimously agreed on the accession of Romania and Bulgaria to the Schengen area, which implies that these two Member States started to fully apply the Schengen acquis as of 31 March 2024. As of this date, Romania and Bulgaria have lifted controls at the air and sea borders. Concerning land borders, internal controls are currently maintained as another Council Decision is required for both countries. Romania remains fully committed to actively pursuing the objective of eliminating land border controls as soon as possible.

The last sentence of the third paragraph on page 102 of the Base Information Memorandum beginning with "To secure its energy security in the current volatile political and economic environment" in the section entitled "*Description of Romania – Membership in European Union – Energy and Climate"* is hereby replaced by the following:

Important technical solutions are being put to place, to meet the 2027 estimated term.

OMV Petrom announced on 12 December 2023 that it had signed agreements estimated at EUR 325 million with Transocean Barents for the semi-submersible drilling rig and with Halliburton Romania (EUR 140 million) for integrated drilling services. The two contracts are in addition to the EUR 1.6 billion previously announced agreement with Saipem for offshore installations. As such, OMV Petrom has secured more than 80 per cent. of the performance agreements required to deliver the Neptun Deep project.

Important steps have also been made to secure the access of the Black Sea gas resources to Romania's transport system through the construction of the Tuzla-Podișor pipeline. In June 2023, Transgaz signed a contract with Kalyon of Turkey for the execution of works on the Tuzla-Podișor gas pipeline, which could be commissioned in summer 2025. On 24 April 2024, the start of the construction of the pipeline was officially declared.

The fifth paragraph on page 102 of the Base Information Memorandum beginning with "A concrete step in the energy diversification efforts regarding the Caspian and Black Sea" in the section entitled *"Description of Romania – Membership in European Union – Energy and Climate"* is hereby deleted.

The section entitled "*Description of Romania – Membership in European Union – Cases before the Court of Justice of the European Union"* on pages 102 and 103 of the Base Information Memorandum is hereby deleted in its entirety and replaced with the following:

As of 30 April 2024, 46 infringement procedures launched by the EC against Romania are ongoing, all of them in the pre-litigation phase, meaning that they have not been brought before the Court of Justice of the European Union (the "**CJEU**").

As regards the 2 infringement procedures which up until recently were pending before the CJEU:

- Case C-109/22, European Commission vs Romania (failure to comply with CJEU judgment of 18 October 2018 in case C-301/17, European Commission vs Romania – obligation to close unauthorised waste landfills): On 14 December 2023, the CJEU issued its judgment, in which it noted that Romania had not closed 31 unauthorised landfills and it ordered Romania to pay a lump sum of EUR 1.5 million and a penalty of EUR 600 per landfill per day of delay in closure. On 22 January 2024, the lump sum was paid by the Ministry of Finance. Since the Court's judgement, two of the 31 landfills have been closed.

- 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 EC withdrew the case, which was officially removed from the Court's register on 17 January 2024.

The last paragraph on pages 103 and 104 of the Base Information Memorandum beginning with "For the 2014-2020 programming period, EUR 51 billion was allocated to Romania under the Multiannual Financial Framework." in the section entitled *"Description of Romania – EU Funding – Structural and Cohesion Funds – Overview"* is hereby replace by the following:

For the 2014-2020 programming period, EUR 53 billion was allocated to Romania under the Multiannual Financial Framework. Out of this amount, the allocation for European Structural and Investment Funds ("**ESIF**") was EUR 35.2 billion, for FEAD, EUR 0.5 billion, and for The European Agricultural Guarantee Fund ("**EAGF**") (direct payments in agriculture) it was EUR 17.3 billion. The allocation for the Cohesion Policy, which is financed under ESIF, was EUR 24.1 billion. As of 30 April 2024, approximately EUR 23.229 billion (97 per cent.) was received from the EC (pre-financing and reimbursements) and as of the same date, Romania ranked fourth among the 27 Member States in absolute value of EU funds received from Cohesion Policy. According to estimates, payment requests still to be sent to the EC in 2024 for programmes financed under cohesion policy and FEAD will amount to approx. EUR 2.1 billion.

The first paragraph on pages 12 and 13 of the First Supplement beginning with "As of 8 December 2023, the entire allocation for the programmes financed under ESIF and the FEAD" in the section entitled "*Description of Romania – EU Funding – Structural and Cohesion Funds – Funds under 2014 – 2020 programming period – Designation/implementation" is* hereby replaced with the following:

Not only 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 by the end of 2023 but the contracting rate has soared to 159 per cent., creating the prerequisites for the maximisation of the absorption rate of the 2014—2020 EU funds allocation. As of 30 April 2024, the absorption rate for the Large Infrastructure OP was 99.9 per cent., 91 per cent. for the Competitiveness OP, 98 per cent. for the Technical Assistance OP, 95 per cent. for the Regional OP, 97.5 per cent. for the Human Capital OP, 100 per cent. for the Administrative Capacity OP, and 92.7 per cent. for the Aid to the Most Deprived OP.

The second paragraph on page 13 of the First Supplement beginning with "As of 8 December 2023, for the 2021-2027 programming period, Romania received EUR 753.3 million in pre-financing from the European Commission." in the section entitled "*Description of Romania – EU Funding – Funds under 2014 – 2020 programming period – Designation/implementation"* is hereby deleted in its entirety.

The fifth paragraph on page 105 of the Base Information Memorandum beginning with "As at 31 May 2023, for the signed contracts, payments made to the beneficiaries provided for in the OPs amounted to EUR 21.6 billion" in the section entitled "*Description of Romania – EU Funding – Structural and Cohesion Funds – Funds under 2014 – 2020 programming period – Designation/implementation"* is hereby replaced by the following:

At 30 April 2024, for the signed contracts, payments made to the beneficiaries provided for in the OPs amounted to EUR 25.9 billion of EU contribution (including the overbooked expenditure), representing 106 per cent. of the OPs' EU allocation. The amount requested from the EC is approximately EUR 23.2 billion, representing a current absorption rate of approximately 95 per cent. Out of the amount requested, the EC made reimbursements of EUR 21.4 billion, which is equivalent to an 87 per cent. absorption rate. The total amount received for the above-mentioned OPs from the EC is approximately EUR 23.8 billion (including pre-financing and reimbursements), which represents 97 per cent. of the total EU allocation.

The sixth paragraph on page 105 of the Base Information Memorandum beginning with "Out of EUR 51 billion allocated to Romania for the 2014-2020 programme period" in the section entitled "*Description of Romania – EU Funding – Structural and Cohesion Funds – Funds under 2014 – 2020 programming period – Designation/implementation*" is hereby replaced by the following:

Out of the EUR 53 billion allocated to Romania for the 2014-2020 programming period, EUR 35.2 billion was allocated for ESIF. To date, the total amount received from the EC (including pre-financing), for the programmes financed by ESIF is approximately EUR 33 billion, representing 93.6 per cent. of total EU allocation of the programmes. In addition, approximately EUR 16 billion was received from the EC for direct payments in agriculture.

The seventh paragraph on page 105 of the Base Information Memorandum beginning with "In the context of the humanitarian crisis of refugees from Ukraine," in the section entitled "*Description of Romania – EU Funding – Funds under 2014 – 2020 programming period – Designation/implementation*" is hereby deleted in its entirety.

The last paragraph on page 105 of the Base Information Memorandum beginning with "The estimated payment applications to be sent to the European Commission for 2023 amount to approximately EUR 5.2 billion." In the section entitled "*Description of Romania – EU Funding – Structural and Cohesion Funds – Funds under 2014 – 2020 programming period – Designation/implementation*" is hereby replaced by the following:

According to estimates, payment requests still to be sent to the EC in 2024 for programmes financed under cohesion policy and FEAD will amount to approximately EUR 2.1 billion.

The section entitled *"Description of Romania – EU Funding – Structural and Cohesion Funds – Funds under 2014 – 2020 programming period – Covid 19 measures"* on pages 106 and 107 of the Base Information Memorandum is hereby retitled the following:

COVID-19 and Ukrainian war crisis mitigation measures

The fifth paragraph on page 106 of the Base Information Memorandum beginning with "The estimated total allocation of Romania's NRRP is EUR 29.1 billion can be broken" in the section entitled "*Description of Romania – EU Funding – Funds under 2014-2020 programming – Covid 19 measures*" is hereby replaced by the following:

The estimated total allocation of Romania's revised NRRP is EUR 28.5 billion can be broken down as follows: Romania has requested a non-reimbursable financial support of EUR 13.5 billion and financial support from loans of EUR 14.9 billion under the RRF.

The third sentence of the sixth paragraph on page 106 of the Base Information Memorandum beginning with "This financial support will be provided in instalments related to payment requests (for both grants and loans). One payment request was sent to the European Commission" in the section entitled "*Description of Romania – EU Funding – Funds under 2014-2020 programming – Covid 19 measures*" is hereby replaced by the following:

The amount of each payment is established in the Council Implementing Decision Amending Implementation Decision (EU) (ST 12319/2021, ST 12319/2021 ADD 1) of 29 October 2021 on the approval of the assessment of the recovery and resilience plan for Romania.

The last two sentences of the sixth paragraph on page 106 of the Base Information Memorandum beginning with "This financial support will be provided in instalments related to payment requests (for both grants and loans)" in the section entitled "*Description of Romania – EU Funding – Funds under 2014-2020 programming – Covid 19 measures*" are hereby replaced by the following:

The first payment was received on the 27 October 2022 in the amount of EUR 1.772 billion for the grant component and EUR 789.7 million for the loan component. The total amount received was EUR 2.56 billion, after deducting the pre-financing amount of EUR 264.8 million for the grant component and EUR 118.0 million for the loan component.

The last paragraph on pages 106 and 107 of the Base Information Memorandum beginning with "Under the NRRP, 41 per cent. of the total allocation for reforms and investments supports climate objectives, including EUR 3.9 billion for railway modernisation," in the section entitled "*Description of Romania – EU Funding – Funds under 2014-2020 programming – Covid 19 measures*" is hereby replaced by the following:

The modified Romanian plan, including its REPowerEU chapter, includes measures supporting climate change objectives for an amount which represents 44.1 per cent. of the total plan's allocation. The climate ambition of the revised plan without the REPowerEU chapter decreases slightly compared to the initial plan and stands at EUR 10.63 billion or 40.1 per cent., compared to 41 per cent. for the original plan. The contribution to the digital transition of the modified RRP (excluding the REPowerEU chapter) stands at 21.8 per cent. (EUR 5.8 billion) of Romania's revised maximum contribution of EUR 28.5 billion, which is above the contribution of the original RRP and the required target of 20 per cent. set out in the RRF Regulation.

In the context of the humanitarian crisis of refugees from Ukraine, early measures were taken at the EU level. This included the adoption of CARE and CARE+, which allowed flexible use of "cross-financing" between ESF and ERDF, flexibility of 100 per cent. co-financing rate applicable for the current accounting year, the possibility of a simplified cost option for Ukrainian refugees' expenditure from ESF/ERDF and increasing pre-financing from REACT-EU. The financial resources identified from the savings generated by projects completed at the level of the Human Capital OP, in the amount of approximately EUR 100 million, were reused to finance these support measures and other humanitarian assistance for Ukrainian refugees in Romania.

The following is inserted after the last paragraph on pages 106 and 107 of the Base Information Memorandum "Under the NRRP, 41 per cent. of the total allocation for reforms and investments supports climate objectives, including EUR 3.9 billion for railway modernisation," in the section entitled "*Description of Romania – EU Funding – Structural and Cohesion Funds – Funds under 2014 – 2020 programming period – Covid 19 measures"*:

In the context of the humanitarian crisis of refugees from Ukraine, early measures were taken at the EU level. This included the adoption of CARE and CARE+, which allowed flexible use of "cross-financing" between ESF and ERDF, flexibility of 100 per cent. co-financing rate applicable for the current accounting year, the possibility of a simplified cost option for Ukrainian refugees' expenditure from ESF/ERDF and increasing pre-financing from REACT-EU. The financial resources identified from the savings generated by projects completed at the level of the Human Capital OP, in the amount of approximately EUR 100 million, were reused to finance these support measures and other humanitarian assistance for Ukrainian refugees in Romania.

The fourth paragraph on page 107 of the Base Information Memorandum beginning "As of 31 May 2023, for the 2021-2027 programming period, Romania received EUR 753.3 million in pre-financing from the European Commission." In the section entitled "*Description of Romania – EU Funding – Structural and Cohesion Funds – Funds under 2021 – 2027 programming period"* is hereby replaced by the following:

As of 30 April 2024, for the 2021-2027 programming period, Romania received EUR 1.4 billion in pre-financing from the EC, representing approximately. 4.5 per cent. from total allocation.

The following is inserted after the last sentence of the fifth paragraph on page 107 of the Base Information Memorandum beginning with "To ensure the predictability of the financing opportunities and to achieve the absorption targets," in the section entitled "*Description of Romania – EU Funding – Structural and Cohesion Funds – Funds under 2021 – 2027 programming period*":

To start the 2021-2027 programmes smoothly, on 15 February 2023 MEIP published the consolidated version of the Indicative Calendar of Calls for projects for all 16 programmes of the 2021-2027 period, aiming to create stability and predictability and to promote transparency for potential beneficiaries/applicants to organise resources for preparing applications and accessing EU funds.

So far, final guides have been published for 267 calls, totalling approximately EUR 26.2 billion (approximately EUR 16.6 billion EU contribution), representing 53.6 per cent. of the EU allocation of programmes. Within these calls, 6.116 projects were submitted, totalling approx. EUR 28 billion eligible amount (approximately EUR 14.5 billion EU contribution). So far, managing authorities managing the 2021-2027 programmes have signed 267 financing contracts with beneficiaries totalling approx. EUR 2 billion eligible amount (approximately EUR 1 billion EU contribution). In the contracting stage there are 361 projects with a total value of approx. EUR 3.6 billion eligible amount (approximately EUR 2.5 billion EU contribution). For 2024, managing authorities estimated the launch calls with a total value of EUR 16.6 billion (EUR 12.5 billion EU contribution). It is estimated that at the end of this year, the rate of launching calls will reach 94 per cent. of the allocation of programs.

The Ministry of European Investments and Projects, together with the managing authorities managing the programs financed by the Cohesion Policy in the programming period 2021-2027, make every effort to launch calls for projects as soon as possible and facilitate the access of potential beneficiaries to European funding, in turn contributing to Romania's development.

The sixth, seventh and eighth paragraphs on page 107 beginning with "According to this timetable, as regards the programmes financed by the 2021-2027", "To start the 2021-2027 programmes smoothly, on 15 February 2023 MEIP published", and "To date, the draft applicant's guidelines for 95 calls for proposals has been published for public consultation." respectively in the section entitled *"Description of Romania – EU Funding – Structural and Cohesion Funds – Funds under 2021 – 2027 programming period*" are hereby deleted in their entirety.

The following is inserted after the second paragraph on page 13 of the First Supplement beginning with "The proposals were analysed at the national level in Romania" in the section entitled "*Description of Romania – EU Funding – Funds under the 2021-2027 Programming Period – Mid-term review of MFF 2021-2027"*:

Following the European Union leaders' agreement on 1 February 2024, the MFF 2021-2027 mid-term review package was published in the Official Journal of the European Union on 29 February 2024.

A sum of EUR 64.6 billion in extra funding is allocated to tackle the EU's new and evolving challenges and to fulfil the EU's legal commitments. To lessen the burden on national budgets, a segment of this funding, amounting to EUR 10.6 billion, is managed through budgetary reallocations, without affecting the EU funds initially allocated to Romania. Romania's total MFF allocation is EUR 49.9 billion.

THE ROMANIAN ECONOMY

The second paragraph on page 110 of the Base Information Memorandum beginning with "Romania had one of the highest growth rates in the EU prior to COVID-19." in the section entitled "*The Romanian Economy – Overview"* is hereby replaced by the following:

Romania had one of the highest growth rates in the EU prior to COVID-19. The annual average GDP growth was 4.8 per cent. in the 2015–2019 period. Annual increases were among the largest in the EU, which led to the improvement of the real convergence of the Romanian economy with the European average. In an unfavourable economic context dominated by the ongoing aggression of Russia in Ukraine and the maintenance of prices at still high levels, GDP growth was 2.1 per cent. in 2023.

The fourth paragraph page 110 of the Base Information Memorandum beginning with "The following table shows the main macroeconomic indicator" in the section entitled *"The Romanian Economy – Overview"* is hereby replaced by the following:

The following table shows the main macroeconomic indicators for the years 2018, 2019, 2020, 2021, 2022 and 2023:

The table on page 110 of the Base 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	2023
Gross domestic product – current prices (EUR billion)[(1)]	**206.1**	**224.2**	**220.5**	**241.7**	**284.2**	**324.6**
Real growth (percentage change)[(1)]	6.0	3.9	(3.7)	5.7	4.1	2.1
GDP/per capita (EUR)	10,577.7	11,559.3	11,429.3	12,635.2	14,914.5	17,066.6
GDP/per capita (RON)	49,223.3	54,851.1	55,284.8	62,170.4	73,551.0	84,419.8
Average exchange rate (EUR/RON)	4.6535	4.7452	4.8371	4.9204	4.9315	4.9465
GDP/per capita purchasing power (percentage change)	66.1	69.6	72.8	73.2	75.2	78.0
Industrial production (percentage change)	3.5	(2.2)	(9.3)	7.1	0.5	(3.0)
Agricultural production (percentage change)	7.2	(3.8)	(15.4)	14.3	(15.8)[(2)]	—
Retail (percentage change)[(3)]	5.5	7.2	2.2	10.2	4.5	1.6
Current account balance (EUR million)	(9,496)	(10,912)	(10,902)	(17,474)	(26,041)	(22,638)
Real wage (percentage change)	8.0	8.8	4.9	1.1	(2.2)	4.5
Average inflation (percentage change)	4.63	3.83	2.63	5.05	13.8	10.4
Employment (percentage change) (according to LFS – Labour Force Survey)[(4)]	0.5	0.6	(1.3)	0.8	0.7	(1.4)

Notes:

(1) Final data for 2018 to 2021 according to Press Release No. 260/12 October 2023, NIS; semi-final data for 2022 according to Press Release No. 332/21 December 2023, NIS; provisional data for 2023 according to Press Release No. 86/9 April 2024, NIS

(2) Final data for 2022 according to 2023 Romanian Statistical Yearbook, NIS.

(3) Excluding sale, maintenance and repair of motors, vehicles and motorcycles. Base year 2021.

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

Source: National Commission for Strategy and Prognosis, except where specified otherwise

The third paragraph on page 111 of the Base Information Memorandum beginning with "In 2020, the Romanian economy registered a contraction in the volume of activity of 3.7 per cent." in the section entitled "*The Romanian Economy – Overview"* is hereby replaced by the following:

In 2020, the Romanian economy registered a contraction in the volume of activity of 3.7 per cent. compared to the 2019 (according to unadjusted data). Within domestic demand, gross fixed capital formation registered an increase of 1.1 per cent. compared to 2019 (with a contribution to real GDP growth of 0.3 percentage points). The change in inventories decreased GDP by 0.2 per cent. At the same time, the measures implemented as a response to the COVID-19 pandemic have contributed to an increase in government consumption of 1.1 per cent., while private consumption decreased by 3.9 per cent. compared to 2019 (representing a negative contribution of 2.4 per cent. to real GDP growth). Net external demand had a negative contribution of 1.5 percentage points to real GDP growth (as a consequence of the 9.5 per cent. reduction in exports of goods and services in correlation with a slight contraction in the level of imports of goods and services (5.2 per cent.)).

The fourth paragraph on page 111 of the Base Information Memorandum beginning with "In 2021, GDP increased by 5.8 per cent. (semi-final data) compared to 2020. The increase was due to a 7.0 per cent. increase in domestic demand compared to 2020." in the section entitled *"The Romanian Economy – Overview"* is hereby replaced by the following:

In 2021, GDP increased by 5.7 per cent. compared to 2020. The increase was due to a 6.9 per cent. increase in domestic demand compared to 2020. In this context, private consumption increased by 7.2 per cent., while government consumption increased by 1.8 per cent. compared to 2020. A decrease in the volume of activity in the construction sector starting in the second half of 2021 as a result of both rising energy and raw material prices and disruptions in supply chains had a direct impact on gross investment. These factors led to a moderate increase by 2.9 per cent. of gross fixed capital formation in 2021 compared to 2020. Inventories changes contributed 1.8 percentage points to the economic growth in 2021. Net exports had a negative contribution of 1.5 percentage points to the economic growth rate, due to an increase in exports of goods and services, in real terms, by 12.6 per cent. in the year ended 31 December 2021 compared to the same period in 2020, which was offset by an increase of 14.8 per cent., in real terms, in imports of goods and services.

The last paragraph on page 111 of the Base Information Memorandum beginning with "In 2022, GDP increased by 4.7 per cent. as compared to 2021" in the section entitled *"The Romanian Economy – Overview"* is hereby replaced by the following:

In 2022, GDP increased by 4.1 per cent. as compared to 2021. Economic growth in 2022 was primarily due to growth in the services sector and construction sector, while industry and agriculture decreased. GVA in the service sector increased by 8.6 per cent. in 2022 compared to 2021. GVA in the construction sector increased by 2.5 per cent. in 2022 compared to 2021. GVA in the industry sector decreased by 4.6 per cent. in 2022 compared to 2021. On the demand side, economic growth was sustained both by the gross fixed capital formation, as well as private consumption. Gross fixed capital formation increased by 5.9 per cent., due to the efficiency with which the European and governmental funds were used to the construction sector, priority for infrastructure. Private consumption increased by 5.8 per cent., Ukrainian refugees, who transited or settled in Romania, contributed to the robust growth. Government consumption decreased by 3.3 per cent. Exports of goods and services increased by 9.7 per cent. compared to 2021, while imports of goods and services increased by 9.5 per cent. and net exports had a negative contribution to the real GDP growth, decreasing by 0.5 percentage points.

The following information is inserted after last paragraph on page 111 of the Base Information Memorandum beginning with "In 2022, GDP increased by 4.7 per cent. as compared to 2021." In the section entitled *"The Romanian Economy – Overview"*:

In 2023, the Romanian economy grew by 2.1 per cent. as compared to 2022. Growth in the economy was driven principally by construction, agriculture and services, this was offset by decreases in industry. Gross value added ("**GVA**") in the construction sector increased by 11.0 per cent. in the year ended 31 December 2023 compared to the same period in 2022. GVA in the agriculture increased by 10.2 per cent. in the year ended 31 December 2023 compared to the same period in 2022. GVA in the service sector increased by 1.9 per cent. in the year ended 31 December 2023 compared to the same period in 2022. GVA in the industry sector decreased by 2.3 per cent. in the year ended 31 December 2023 compared to the same period in 2022.

Gross fixed capital formation and final consumption were significant contributor to the Romanian economy in 2023, representing 3.6 per cent. and 2.8 per cent. of total gross fixed capital formation respectively. The construction sector, benefitting of substantial funding from national and European funds, were reflected in the remarkable performance of the gross fixed capital formation, representing 14.4 per cent. of the total gross fixed capital formation.

Within final consumption, the private consumption represented by 1.8 per cent. of general economic growth. Government consumption increased by 6.0 per cent., contributing one percentage point to the real GDP growth. This modest increase was supplemented by growth in two components of the domestic demand which was not fully reflected in GDP. Real economic growth rate was limited by a decrease in inventories, representing a 4.3 percentage points decrease in real GDP growth. Additionally lower demand affected both the export and the import of goods and services. In both cases, the decrease, in real terms, was of 1.4 per cent., the contribution of the net exports to the economic growth being zero.

The first paragraph and first table on page 112 of the Base Information Memorandum beginning with "The following table shows percentage change of GDP components for the year 2018, 2019 2020" in the section entitled *"The Romanian Economy – Overview"* are hereby replaced by the following:

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

	2018	**2019**	**2020**	**2021**	**2022**	**2023**
	(per cent. change against the same period of the previous year)					
Domestic demand	7.5	5.3	(2.1)	6.9	4.3	2.0
Final consumption	8.3	4.2	(2.8)	5.9	3.7	3.5
Private consumption expenditures	9.4	3.4	(3.9)	7.2	5.8	2.8
Government consumption expenditures...	3.6	7.2	1.1	1.8	(3.3)	6.0
Gross fixed capital formation................	0.0	12.6	1.1	2.9	5.9	14.4
Change in inventories (Contribution to real GDP growth, per cent.)...	1.2	(0.6)	(0.2)	1.8	0.2	(4.3)
Net exports (Contribution to real GDP growth, per cent.).................................	(1.6)	(1.6)	(1.5)	(1.4)	(0.5)	0.0
Gross domestic product......................	**6.0**	**3.9**	**(3.7)**	**5.7**	**4.1**	**2.1**

Source: National Institute of Statistics

The section entitled *"The Romanian Economy – Structure of the Economy"* on pages 112 and 113 of the Base Information Memorandum beginning with "The following table shows the structure of GDP by sector for the year 2018" is hereby deleted in its entirety and 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 2023:

	2018	2019	2020	2021	2022	2023
			(per cent. of GDP)			
Industry	23.0	21.3	20.0	19.7	20.8	19.6
Agriculture, forestry and fisheries	4.6	4.4	4.2	4.8	3.8	3.9
Construction	6.0	6.3	6.6	6.4	7.3	8.0
Services – Total	56.9	58.5	59.9	59.5	59.9	59.8
Trade, hotel and restaurants, transport and communications	22.9	23.3	24.7	26.2	27.7	27.5
Financial, real-estate, renting and business services	17.4	18.0	17.9	17.6	17.4	17.5
Other service activities	16.6	17.2	17.3	15.7	14.8	14.8
Net taxes	9.5	9.5	9.3	9.6	8.2	8.7
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 2023:

	2018	2019	2020	2021	2022	2023
		(per cent. change against the same period of the previous year)				
Industry	7.5	(1.9)	(6.5)	0.9	(4.6)	(2.3)
Agriculture, forestry and fisheries	13.8	(3.2)	(15.3)	13.7	(23.4)	10.2
Construction	(6.0)	5.4	4.3	1.5	2.5	11.0
Services – Total	5.4	6.3	(2.2)	6.6	8.6	1.9
Trade, hotel and restaurants, transport and communications	7.7	6.1	(1.3)	13.3	10.9	1.8
Financial, real-estate, renting and business services	4.2	8.0	(1.3)	5.4	9.5	2.3
Other service activities	3.1	4.7	(4.3)	(1.8)	3.7	1.7
Gross value added	5.6	3.7	(3.4)	5.3	3.6	2.0
Net taxes	9.7	5.6	(6.4)	10.0	8.9	3.8
Gross domestic product	**6.0**	**3.9**	**(3.7)**	**5.7**	**4.1**	**2.1**

Source: National Institute of Statistics

The last two sentences first paragraph on page 113 of the Base Information Memorandum beginning with "In 2018, gross value added ("**GVA**") in industry increased by 7.5 per cent. as compared to the previous year" in the section entitled "*The Romanian Economy – Gross Value Added"* are hereby replaced by the following:

In 2021, GVA in industry increased by 0.9 per cent. compared to 2020. In 2022, GVA in industry decreased by 4.6 per cent., compared to 2021. In 2023, GVA in industry decreased by 2.3 per cent., compared to 2022.

The last two sentences of second paragraph on page 113 of the Base Information Memorandum beginning with "In 2018, GVA in agriculture increased by 13.8 per cent. compared to the previous year." in the section entitled "*The Romanian Economy – Gross Value Added"* are hereby replaced by the following:

In 2021, GVA in the agriculture sector increased by 13.7 per cent. compared to the previous year. In 2022, GVA in agriculture decreased by 23.4 per cent., compared to 2021. In 2023, GVA in agriculture increased by 10.2 per cent., compared to 2022.

The last two sentences of third paragraph on page 113 of the Base Information Memorandum beginning with "In 2018, GVA in the services sector increased by 5.4 per cent. as compared to the previous year. In 2019, GVA in the services sector increased by 6.3 per cent. compared to the previous year." in the section entitled "*The Romanian Economy – Gross Value Added"* are hereby replaced by the following:

In 2021, GVA in services sector increased by 6.6 per cent. compared to the previous year. In 2022, GVA in the services sector increased by 8.6 per cent., compared to 2021. In 2023, GVA in the services sector increased by 1.9 per cent., compared to 2022.

The following information is inserted after the fourth paragraph on page 113 of the Base Information Memorandum beginning with "In 2018, GVA in the services sector increased by 5.4 per cent. as compared to the previous year. In 2019, GVA in the services sector increased by 6.3 per cent. compared to the previous year." in the section entitled *"The Romanian Economy – Gross Value Added"*:

In 2023, GVA in industry decreased by 2.3 per cent. as compared to the same period in 2022, this was offset by growth in agriculture and construction, which grew by 10.2 per cent. and 11.0 per cent. respectively. The service sector increased by 1.9 per cent. compared to the same period in 2022. Growth was recorded across all major sub-sectors (in 2023 compared to the same period in 2022) with 1.8 per cent. growth in trade, transport, hotels and restaurants and communications, 2.3 per cent. growth in financial, real estate and business services and 1.7 per cent. growth in other services activities.

The last paragraph and accompanying table on page 113 of the Base Information Memorandum beginning with "The following table shows percentage changes in industrial production" in the section entitled "*The Romanian Economy – Industrial Production"* are hereby replaced by the following:

The following table shows percentage changes in industrial production by sector for the years 2018, 2019, 2020, 2021, 2022 and 2023:

	2018	2019	2020	2021	2022	2023
	(per cent. change against the same period of the previous year)					
Mining and quarrying	(0.2)	(2.7)	(9.9)	(2.3)	(0.8)	(1.9)
Manufacturing	4.3	(1.9)	(10.2)	7.0	(2.0)	(2.5)
Energy	0.0	(4.2)	(2.6)	11.3	(8.0)	(6.7)
Total industry	**3.5**	**(2.2)**	**(9.3)**	**7.1**	**(0.5)**	**(3.0)**

Source: National Institute of Statistics, base year 2021

The first two sentences of the first paragraph on page 114 of the Base Information Memorandum beginning with "In 2019, as compared to 2018, industrial production decreased by 2.3 per cent., primarily due to a decrease in energy production" in the section entitled "The Romanian Economy – Industrial Production" are hereby replaced by the following:

In 2019, as compared to 2018, industrial production decreased by 2.2 per cent., primarily due to a decrease in energy production. In 2020, as compared to 2019, industrial production decreased by 9.3 per cent.

The second paragraph on page 114 of the Base Information Memorandum beginning with "In 2022, industrial production decreased by 1.8 per cent. compared to 2021. During the same period, manufacturing decreased by 0.4 per cent.," in the section entitled "*The Romanian Economy – Industrial Production"* is hereby replaced by the following:

In 2022, industrial production decreased by 0.5 per cent. compared to 2021. During the same period, manufacturing decreased by 2.0 per cent., while mining and quarrying and the energy sector decreased by 0.8 per cent. and 8.0 per cent., respectively, compared to 2021.

The following information is inserted after the second paragraph on page 114 of the Base Information Memorandum beginning with "In 2022, industrial production decreased by 1.8 per cent. compared to 2021. During the same period, manufacturing decreased by 0.4 per cent." in the section entitled *"The Romanian Economy – Industrial Production"*:

In 2023, industrial production decreased by 3.0 per cent. compared to 2022. During the same period, manufacturing decreased by 2.5 per cent., while mining and quarrying and the energy sector decreased by 1.9 per cent. and 6.7 per cent., respectively, compared to 2022.

In the first two months of 2024 industrial production decreased by 1.8 per cent. compared to the corresponding period of 2023. During this period, the largest decrease in production was in the energy industry, which fell by 3.0 per cent. Mining and quarrying and the manufacturing sector decreased by 2.4 per cent. and 1.6 per cent., respectively.

The third paragraph and accompanying table on page 114 of the Base Information Memorandum beginning with "the following table shows the total amount of natural gas" in the section entitled "*The Romanian Economy – Natural Gas"* are hereby replaced by the following:

The following table shows the total amount of natural gas available in Romania for the period between 2018, 2019, 2020, 2021, 2022 and 2023:

	2018	**2019**	**2020**	**2021**	**2022**	**2023**
			(billion cubic metres)			
Total amount of natural gas available...	13.368	13.991	13.820	14.439	13.539	11.907
Generated by domestic production	10.278	9.959	8.914	8.938	9.060	9.277
Imported	1.517	2.681	2.144	3.565	2.851	2.630

Sources: Data for 2018, 2019, 2020, 2021 and 2022: *Energy balance and the energy equipment structure, National Institute of Statistics, Ed. 2018, 2019, 2020, 2021,2022 and 2023.* Data for 2023 – *Industry Statistical Bulletin No.12/2023*.

The last sentence of the second paragraph on page 115 of the Base Information Memorandum beginning with "In 2018, crop output increased, as compared to 2017 for most crops, including maize grains (30.3 per cent.) and soya beans (18.3 per cent.)" in the section entitled *"The Romanian Economy – Agriculture, Forestry and Fisheries"* is hereby replaced by the following:

In 2022, crop output decreased for most crops as compared to 2021, including grain maize (45.8 per cent.), soya beans (29.7 per cent.), dried pulses (31.7 per cent.), sunflower (25.9 per cent.), wheat (16.8 per cent.), barley and two row barley (13.8 per cent.) and potatoes (3.7 per cent.).

The third paragraph on page 115 of the Base Information Memorandum beginning with "Between January and March 2023, Romania's food balance deteriorated significantly, recording a deficit of EUR 1.1 billion" in the section entitled *"The Romanian Economy – Agriculture, Forestry and Fisheries"* is hereby replaced by the following:

In 2023, crop output increased for most crops as compared with 2022, including grain maize (6.0 per cent.), soya beans (23.0 per cent.), dried pulses (37.8 per cent.), sunflower (3.7 per cent.), wheat (11.0 per cent.), barley and two row barley (17.2 per cent.), rapeseed (45.3 per cent.), and vegetables (1.6 per cent.). Decreases were recorded for oats (9.9 per cent.), and potatoes (19.4 per cent.).

The fourth paragraph and accompanying table on page 115 of the Base Information Memorandum beginning "The following table shows percentage changes in the agricultural production by type (excluding forestry) for the years 2018, 2019, 2020, 2021 and 2022" in the section entitled *"The Romanian Economy – Agriculture, Forestry and Fisheries"* are hereby replaced by the following:

The following table shows percentage changes in the agricultural production by type (excluding forestry) for the years 2018, 2019, 2020, 2021 and 2022:

Agricultural Production[(1)]

	2018	**2019**	**2020**	**2021**	**2022[(2)]**
	(per cent. change against the same period of the previous year)				
Crop production	11.5	(5.6)	(21.5)	22.2	(22.8)
Livestock	(2.6)	(0.8)	(1.2)	(0.2)	(0.5)
Agricultural services	16.9	32.3	(1.2)	(0.7)	29.2
Total	**7.2**	**(3.8)**	**(15.4)**	**14.3**	**(15.8)**

Notes:

(1) According to the Eurostat methodology on "Economic Accounts for Agriculture".

(2) Final data according to 2023 Romanian Statistical Yearbook, National Institute of Statistics.

Source: National Institute of Statistics

The section entitled "*The Romanian Economy – Construction"* on pages 115 to 116 is hereby deleted in its entirety and replaced with the following:

The following table shows the percentage change in the construction sector for the years 2018, 2019, 2020, 2021, 2022 and 2023:

	2018	**2019**	**2020**	**2021**	**2022**	**2023**
	(per cent. change against the same period of the previous year)					
Construction works of total by structural elements	(4.0)	27.6	15.9	(0.6)	12.3	16.1
New construction works	(8.4)	32.5	9.3	5.9	8.4	17.6
Capital repair works	1.5	0.9	46.0	(22.7)	23.6	23.7
Maintenance and current repair works of total by type of construction:	7.9	26.3	24.4	(7.9)	19.4	9.1
(a) Buildings	(14.2)	39.2	13.6	4.6	11.7	3.1
Residential buildings	(23.6)	26.2	17.8	28.0	2.5	0.9
Non-residential buildings	(5.5)	49.1	10.9	(11.4)	20.4	4.8
(b) Civil engineering	8.0	16.6	18.5	(6.2)	13.2	31.9

Source: National Institute of Statistics, base year 2021

The third, fourth, and fifth paragraphs on page 116 of the Base Information Memorandum beginning with "In 2020, GVA in the services sector decreased by 2.2 per cent. compared to the previous year.", "In 2021, GVA in the services sector increased by 6.5 per cent", and "In 2022, GVA in the services sector increased by 7.7 per cent., compared to the previous year." respectively in the section entitled "*The Romanian Economy – Services*" are hereby replaced by the following:

In 2021, GVA in the services sector increased by 6.6 per cent. compared to the previous year. GVA in trade, hotels and restaurants, transport and communications increased by 13.3 per cent., GVA in financial, real estate, renting and business services increase by 5.4 per cent., GVA in other service activities decreased by 1.8 per cent.

In 2022, GVA in the services sector increased by 8.6 per cent., compared to the previous year. Increases were recorded in all sub-sectors, including 10.9 per cent. in trade, hotels and restaurants, transport and communications, 9.5 per cent. in financial, real-estate, renting and business services and 3.7 per cent. in other service activities.

In 2023, GVA in the services sector increased by 1.9 per cent., compared to the previous year. Increases were recorded in all sub-sectors, including 1.8 per cent. in trade, hotels and restaurants, transport and communications, 2.3 per cent. in financial, real-estate, renting and business services and 1.7 per cent. in other service activities.

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

In 2022, the primary energy resources amounted to 42.5 million tonnes of oil equivalent, representing a decrease of 1.7 per cent. compared to 2021.

The first paragraph and accompanying table on page 117 of the Base Information Memorandum beginning with "For the years 2018, 2019, 2020, 2021 and 2022, the breakdown of primary energy resources" in the section entitled *"The Romanian Economy – Energy"* are hereby replaced by the following:

For the years 2018, 2019, 2020, 2021, 2022 and 2023, the breakdown of primary energy resources by per cent. of total energy resources comprise Romania's domestic production is as follows:

	2018	**2019**	**2020**	**2021**	**2022**	**2023**
	(per cent. of total energy resources)					
Net coal..	16.1	16.0	11.6	13.1	12.5	11.5
Crude oil..	14.0	14.2	15.1	14.1	13.7	13.1
Usable natural gas................................	34.3	33.7	33.1	32.3	33.8	33.8
Hydroelectric, wind, photovoltaic, energy and nuclear electric energy........	20.2	20.2	22.3	22.2	21.7	23.3
Others..	15.4	15.9	17.9	18.3	18.3	18.3
Total..	**100**	**100**	**100**	**100**	**100**	**100**

Source: Data for 2018, 2019, 2020, 2021 and 2022 – Energy balance and the energy equipment structure, Ed. 2019, 2020, 202, 2022 and 2023 – National Institute of Statistics; Data for 2023 – Industry Statistical Bulletin No. 12/2023.

The second paragraph and accompanying table on page 117 of the Base Information Memorandum beginning with "For the years 2018, 2019, 2020, 2021 and 2022, the breakdown of the sources of electricity production by per cent. of total electricity production is as follows" in the section entitled "The Romanian Economy – Electricity" are hereby replaced by the following:

For the years 2018, 2019, 2020, 2021, 2022 and 2023, the breakdown of the sources of electricity production by per cent. of total electricity production is as follows:

	2018	2019	2020	2021	2022	2023
	(per cent. of total energy resources)					
Electricity produced in thermo-power stations	42.1	39.9	35.9	37.3	38.5	31.5
Electricity produced in hydro-power station	27.9	26.8	28.1	29.8	25.6	32.6
Electricity produced in wind-power station	9.7	11.4	12.4	11.1	12.5	13.4
Electricity produced in nuclear-electric stations	17.5	18.9	20.5	19.1	19.8	19.6
Electricity produced in photovoltaic sun stations	2.8	3.0	3.1	2.9	3.5	2.9
Total	**100**	**100**	**100**	**100**	**100**	**100**

Source: Data for 2018, 2019, 2020, 2021 and 2022 – Energy balance and the energy equipment structure. Ed. 2019 2020, 2021, 2022 and 2023 – National Institute of Statistics; Data for 2023 – Industry Statistical Bulletin No. 12/2023.

The following information is inserted after the last sentence of the first paragraph on page 120 of the Base Information Memorandum beginning with "In 2018, an increase in air transport and road transport led to an increase in inter-city and international transport of passengers. In 2019, only air transport increased by 6.3 per cent" in the section entitled "The Romanian Economy – Transportation":

In 2023 railway transport increased by 5.4 per cent., air transportation increased by 17.0 per cent. and road transport increased by 8.3 per cent., as compared to 2022.

The second paragraph and accompanying table on page 120 of the Base Information Memorandum beginning with "The following table shows the percentage change in the transport of passengers" in the section entitled "The Romanian Economy – Transportation" are hereby replaced by the following:

The following table shows the percentage change in the transport of passengers according to modes of transport as compared to the previous year for 2018, 2019, 2020, 2021, 2022 and 2023:

	2018	2019	2020	2021	2022	2023
	(per cent. change against the same period of the previous year)					
Interurban and international transport[(1)]	8.4	(0.3)	(26.1)	3.2	8.1	8.2
Railway	(3.7)	4.8	(27.5)	8.7	28.3	5.4
Road	11.0	(1.6)	(23.1)	0.8	0.9	8.3
Inland waterways[(2)]	(21.6)	(17.5)	20.7	9.0	-	3.1
Air	7.9	6.3	(69.0)	55.5	87.6	17.0
Maritime	—	—	—	—	—	—
Urban transport total[(2)]	(1.3)	(5.4)	(19.0)	(3.7)	—	—

The third paragraph and accompanying table on page 120 of the Base Information Memorandum beginning with "The following table shows the percentage change in goods transported according to modes of transport" in the section entitled "*The Romanian Economy – Transportation*" are hereby replaced by the following:

The following table shows the percentage change in goods transported according to modes of transport as compared to the previous year for 2018, 2019, 2020, 2021, 2022 and 2023:

	2018	**2019**	**2020**	**2021**	**2022**	**2023**
	(per cent. change against the same period of the previous year)					
Goods transported – total	3.7	8.2	(2.0)	13.8	4.3	0.4
Railway	(1.2)	6.1	(15.5)	15.6	(3.9)	(11.5)
Road	4.8	8.2	3.9	15.1	5.8	(1.0)
Inland waterways	2.3	11.9	(8.2)	5.2	(10.9)	12.2
Air	7.9	(2.5)	(14.6)	1.9	22.7	(1.2)
Maritime	6.3	8.3	(11.1)	12.5	13.4	14.9
Transport via petroleum pipelines	(1.4)	6.1	(6.5)	(0.4)	8.1	(13.1)

Notes:

(1) Cruise passengers' excursions – inwards included.

(2) The data are not comparable with those from 2021, due to the change in the way of determining the number of transported passengers, by some transport companies.

Source: National Institute of Statistics – publication "Passengers and goods transport, by mode of transport" (2018 –2023)

The second paragraph and accompanying table on page 122 of Information memorandum beginning with "The following table shows percentage changes in consumer prices for the years 2018, 2019, 2020, 2021 and 2022" in the section entitled "*The Romanian Economy – Inflation – Overview*" are hereby replaced by the following:

The following table shows percentage changes in consumer prices for the years 2018, 2019, 2020, 2021, 2022 and 2023:

	2018	**2019**	**2020**	**2021**	**2022**	**2023**
	(per cent. change against the previous year)					
Food goods	3.75	4.69	4.80	3.24	15.69	14.90
Non-food goods	6.20	3.24	1.00	7.08	14.74	7.09
Services	2.5	3.87	3.10	3.10	7.75	11.25
Total	4.63	3.83	2.63	5.05	13.80	10.40
End of Period Increase						
Food goods	3.10	5.08	3.24	6.69	22.05	5.82
Non-food goods	3.75	3.31	1.01	10.73	14.95	5.51
Services	2.44	4.16	2.69	4.49	9.78	11.21
Total	**3.27**	**4.04**	**2.06**	**8.19**	**16.37**	**6.61**

Source: National Institute of Statistics and National Bank of Romania

The third paragraph on page 122 of the Base Information Memorandum beginning with "According to the May 2023 NBR Inflation Report, the annual CPI inflation rate is expected to continue" in the section entitled; "*The Romanian Economy – Inflation – Overview"* is hereby replaced by the following:

According to the February 2024 NBR Inflation Report, the annual CPI inflation rate was expected to follow a downward trajectory throughout the entire forecasting interval, after a temporary increase in January 2024, and to reach the upper limit of the inflation target band at the end of 2025. Compared to 2023, however, the expectations were for the pace of the disinflation process to slow down significantly over the course of the next two years. For both the end of 2024 as well as going forward, the expectations were that main driver of the decline in the annual rate of headline to remain the adjusted CORE2 index, supported by the gradual narrowing of the GDP gap, the downward trajectory of inflation expectations, as well as the easing of pressures associated with import prices. Nevertheless, the trajectory of annual core inflation was expected to exceed that of the headline index throughout the projection interval, given the still broad pressures stemming from unit labour costs, fuelled by both recent and anticipated wage increases. The projected values for headline inflation were 4.6 per cent. for December 2024 and 3.5 per cent. for December 2025. In contrast, the annual rate of inflation calculated at constant taxes (by removing the impact of recent and projected VAT and excise increases) would return to the target range as early as the first quarter of 2025. The most recent information, available after the publication of the February 2024 Inflation Report point to slightly higher inflation in the short run. The revision is mainly due to faster dynamics for the fuel component of the basket, on the back of increases in global oil prices, and, to a lesser extent, to higher core inflation. Nevertheless, the new information suggests a similar outlook for inflation for the medium term.

The second paragraph on page 124 of the Base Information Memorandum beginning with "CPI inflation maintained its downward trend during the first four months of 2023, decreasing to 11.23 per cent" in the section entitled "*The Romanian Economy – Inflation – 2023"* is hereby replaced by the following:

CPI inflation had a steep downward trajectory in 2023, receding from 16.37 per cent. year-on-year in December 2022 to 6.61 per cent. in December 2023, amid a decline in commodity prices, weaker consumer demand, lower inflation expectations, as well as some administrative measures aimed at supporting households (e.g. extension of price cap on electricity price so as to cover all households, setting an upper limit on mark-ups for basic food items). Core inflation peaked in February 2023 at 15.1 per cent. year-on-year (14.65 per cent. in December 2022), and declined slower, to 8.4 per cent. in December 2023. The downward trend was driven by lower price dynamics of processed food, which stood at 5.3 per cent. in December 2023, down from 22.9 per cent. in December 2022, amid subdued pressure stemming from agri-food commodity prices. Moreover, in August 2023 a cap on the price mark-ups for essential food items came into force. Initially intended to last for a three-month period, this initiative was renewed and extended in November 2023 for an additional three months; after another two month-prolongation, it was decided to keep the measure in place until the end of 2024. Inflation rates for the non-food and services components of the core basket stood on an upward trend for most of 2023, the corresponding values in December 2023 remained in double-digit territory at 11 per cent. and 10.2 per cent., respectively. In the case of non-food goods, a segment with a significant level of direct import dependence, price dynamics benefited towards the end of the year from lower imported inflation. As regards services, inflationary pressures stemming from unit labour costs are relevant and persist, given the strong wage dynamics (approximately half of the market services included in the CPI basket are wage-sensitive, with labour accounting for over 20 per cent. of costs).

The following is inserted following the second paragraph on page 124 of the Base Information Memorandum beginning with "CPI inflation maintained its downward trend during the first four months of 2023, decreasing to 11.23 per cent" in the section entitled *"The Romanian Economy – Inflation – 2023"*:

2024

In the first quarter of 2024, CPI inflation temporarily halted its downward trend, reaching 6.61 per cent. in March 2024, a level equal to that of December 2023. The year-on-year dynamics of electricity prices jumped in the beginning of 2024, amid a strong base effect associated to the enactment of a more generous price capping scheme in January 2023, increases in direct and indirect taxation, as well as rising oil prices. These influences were offset by the relatively benign conditions in global agri-food markets. Core inflation continued to fall during the first quarter of 2024, to 7.1 per cent. in March 2024, deflation was stronger in processed food prices sector and milder for non-food goods and services. The annual average inflation at the end of 2024 is projected to be 6.0 per cent.

The last paragraph on page 124 and the accompanying table on 125 of the Base Information Memorandum beginning with "The following table shows gross earnings for the years 2018, 2019, 2020, 2021 and 2022" in the section entitled "*The Romanian Economy – Wages"* are hereby replaced by the following:

The following table shows gross earnings for the years 2018, 2019, 2020, 2021, 2022, and 2023 (based on monthly data):

	2018	**2019**	**2020**	**2021**	**2022**	**2023**
	(per cent. change against the same period of the previous year)					
Average gross nominal monthly earnings (value in RON)......................	4,357	4,853	5,213	5,535	6,126	7,364
(per cent. change against the previous period)..	—	11.4	7.4	6.2	10.7	14.5
Average net nominal monthly earnings (value in RON)...................................	2,642	2,986	3,217	3,416	3,801	4,584
(per cent. change against the previous period)..	13.0	13.0	7.7	6.2	11.3	15.4
Real earnings (per cent. change against the previous period)............................	8.0	8.8	4.9	1.1	(2.2)	4.5

Source: National Institute of Statistics

The following information is inserted after the first paragraph on page 125 of the Base Information Memorandum beginning with "From 1 January 2022, the monthly gross wage of staff paid from public funds remains at the same level set for December 2021 (GEO No.130/2021)." in the section entitled "*The Romanian Economy – Wages"*:

From 1 October 2023, the gross minimum wage increased to RON 3,300 per month according to Government Decision No. 900/2023. This is an increase of 10.0 per cent. compared to the previous months.

The first paragraph on page 126 of the Base Information Memorandum beginning with "In 2022, based on monthly data, average gross earnings increased to RON 6,430, 11.3 per cent. higher than" in the section entitled "*The Romanian Economy – Wages"* is hereby replaced by the following:

In 2022, average gross earnings increased to RON 6,126, 10.7 per cent. higher than in 2021. Net average earning grew by 11.3 per cent. to RON 3,801 and real earnings decreased by 2.2 per cent. compared to 2021. In the public and private sectors, in 2022 average gross earnings reached RON 7,270 and RON 5,857, respectively.

In 2023, based on monthly data, average gross earnings increased to RON 7,364, 14.5 per cent. higher than in 2022. Net average earning grew by 15.4 per cent. to RON 4,584 and real earnings increased by 4.5 per cent. compared to 2022. In the public and private sectors, in 2023 average gross earnings reached RON 8,155 and RON 7,169, respectively.

In the first two months 2024, based on monthly data, average gross earnings increased to RON 7,983, 16.7 per cent. higher than in the corresponding period of 2023. Net average earning grew by 14.2 per cent. to RON 4,868 and real earnings increased by 6.4 per cent. compared to the corresponding period of 2023. In the public and private sectors, in the first two months 2024 average gross earnings reached RON 9,068 and RON 7,715 respectively. The gross average salary for 2024 is projected to be RON 7,567 per month.

The third paragraph and accompanying table on page 126 of the Base Information Memorandum beginning with "The following table shows changes in the labour force for the years 2018, 2019, 2020, 2021 and 2022" in the section entitled "*The Romanian Economy – Employment"* are hereby replaced by the following:

The following table shows changes in the labour force for the years 2018, 2019, 2020, 2021, 2022 and 2023:

	2018[1]	**2019[1]**	**2020[1]**	**2021[1]**	**2022[1]**	**2023**
	(per cent. change against the same period of the previous year)					
Active population[2][3]	(0.4)	0.3	0.0	0.5	0.8	(1.5)
Employment[2]	0.5	0.7	(1.3)	1.0	0.8	(1.5)
Employees	1.7	1.2	(1.2)	1.4	1.1	(0.9)
Activity rate[2][3]	62.4%	63.3%	64.1%	65.6%	66.8%	66.8%
Employment rate[2]	59.0%	60.2%	60.2%	61.9%	63.1%	63.0%
International Labour Organisation (ILO) unemployment rate	5.3%	4.9%	6.1%	5.6%	5.6%	5.6%

Notes:

(1) Data according to the 2021 methodology of Households Labour Force Survey (AMIGO).

(2) Working age population (15 to 64 years old).

(3) Total number of individuals who are either employed or are actively seeking employment.

Source: National Institute of Statistics

The following information is inserted after the last sentence of the fourth paragraph on page 126 of the Base Information Memorandum beginning with "The employment rate for the working-age population increased from 59.0 per cent. in 2018 to 60.2 per cent. in 2019 and 2020, and 61.9 per cent. in 2021. In addition, starting with 2021," in the section entitled "*The Romanian Economy – Employment"*:

In 2023, the employment rate of the working age population was 63.0 per cent.

The last sentence of the fifth paragraph on page 126 of the Base Information Memorandum beginning with "The positive economic evolution in the period 2018 and 2019 was also translated into the labour market with the ILO unemployment rate following a decreasing trend," in the section entitled "*The Romanian Economy – Employment"*: is hereby replaced by the following:

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

The following information is inserted after the last sentence of the first paragraph on page 127 of the Base Information Memorandum beginning with "In 2018, the average number of employees (the monthly average number of employees, according to the National Institute of Statistics) was 4,929.5 thousand people," in the section entitled "*The Romanian Economy – Employment"*:

In 2023, the average number of employees was 5,268.6 thousand people, increasing by 64.3 thousand people, or 1.3 per cent., compared to 2022. The average number of employees for 2024 is projected to be 5,342 thousand, with the number of registered unemployed persons at the end of the year projected to be 215 thousand (representing a rate of registered unemployment of 2.7 per cent.).

The first sentence of the second paragraph on page 127 of the Base Information Memorandum beginning with "The registered unemployment rate decreased from 3.3 per cent. in 2018, to 2.9 per cent. in 2019, to 3.4 per cent. in 2020, to 3.0 per cent" in the section entitled "*The Romanian Economy – Employment"* is hereby replaced by the following:

The registered unemployment rate increased from 2.9 per cent. in 2019, rose to 3.4 per cent. in 2020 and decreased to 3.0 per cent. in 2021 and 2022. In 2023 and February 2024, the registered unemployment rate was 3.0 and 3.1 per cent respectively.

The third paragraph and accompanying table on page 127 of the Base Information Memorandum beginning with "The following table shows the rate of unemployment registered at the national level as at 31 December 2018, 2019" in the section entitled "*The Romanian Economy – Employment"* are hereby replaced by the following:

The following table shows the rate of unemployment registered at the national level as of 31 December 2018, 2019, 2020, 2021, 2022 and 2023:

	2018	**2019**	**2020**	**2021**	**2022**	**2023**
Registered Unemployment Rate	3.3	2.9	3.4	3.0	3.0	3.0

Source: National Institute of Statistics and National Agency for Workforce Employment

The fourth paragraph and accompanying table on page 128 of the Base Information Memorandum beginning with "The following table shows the average number of employed persons, the average number of pensioners receiving state social security and the dependency ratio in 2018, 2019, 2020, 2021 and 2022" in the section entitled *"The Romanian Economy – Pension System Reform"* are hereby replaced by the following:

The following table shows the average number of employed persons, the average number of pensioners receiving state social security and the dependency ratio in 2018, 2019, 2020, 2021, 2022 and 2023:

	2018	**2019**	**2020**	**2021**	**2022**	**2023**[(1)]
Average no. of employees (*thousands*)	5,068.1	5,164.5	5,031.8	5,094.3	5,209.5	5,268.6
Average no. of pensioners receiving state social security (*thousands*)	4,684.5	4,672.0	4,674.9	4,654.1	4,607.6	4,601.4
Dependency ratio[(2)]	0.9243	0.9046	0.9290	0.9135	0.8845	0.8734

Notes:

(1) NCSP estimated data.

(2) According to National Institute of Statistics methodology. Represents the ratio between average number of pensioners receiving state social security and average number of employees.

FOREIGN TRADE AND BALANCE OF PAYMENTS

The entire section entitled "*Foreign Trade and Balance of Payments"* starting on pages 132 to 142 of the Base Information Memorandum beginning with "The current account deficit increased from 4.6 per cent. of GDP in 2018 to 9.3 per cent." is hereby deleted in its entirety and replaced with the following:

The current account deficit increased from 4.9 per cent. of GDP in 2019 to 7.0 per cent. of GDP in 2023. This was primarily the result of the increase in trade balance and primary income deficit. Financial account net inflows increased from 2.3 per cent. of GDP to 3.7 per cent. of GDP, following the trends of direct investment and other investment.

Trade in goods

The following table shows changes in foreign trade for the years 2019 to 2023 and the first two months of 2024:

	2019	**2020**	**2021**	**2022**	**2023**	**Jan-Feb 2024p)**
Current account balance (*EUR million*)	(10,905)	(10,902)	(17,473)	(26,040)	(22,637)	(2,707)
per cent. of GDP	(4.9)	(4.9)	(7.2)	(9.2)	(7.0)	—
Trade balance FOB(1) (*EUR million*).....	(17,852)	(18,949)	(23,122)	(32,047)	(29,009)	(4,202)
Per cent. of GDP	(8.0)	(8.6)	(9.6)	(11.3)	(8.9)	—
Exports of goods (*EUR million*)	63,066	57,56	70,196	86,017	86,559	14,018
annual percentage change	2.0	(8.7)	22.0	22.5	0.6	0,0
Imports of goods FOB(1) (*EUR million*)	80,918	76,509	93,318	118,064	115,568	18,220
annual percentage change	4.9	(5.4)	22.0	26.5	26.5	(0.2)

Notes:

(r) = revised data as of 31 March 2024

(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

Main trends from 2019 to 2023 and the first two months of 2024

In 2019, the goods deficit increased by 16.4 per cent. as compared to 2018, to EUR 17.852 million, with imports growth (4.9 per cent.) slowing compared to 2018 but continuing to outpace exports growth (2.0 per cent.). The imports through exports coverage was 77.9 per cent., down 2.2 percentage points year on year.

In 2020, the goods deficit increased to EUR 18,949 million (from EUR 17,852 million in 2019), with decreases in both imports (5.4 per cent.) and exports (8.7 per cent.) as compared to 2019. The imports through exports coverage was 75.2 per cent., down 2.7 percentage points. year on year.

In 2021, both exports and imports recovered, increasing by 22 per cent. each year-on-year, which led to a similar growth rate of the goods deficit (+22.0 per cent.) that arrived at EUR 23,122 million. The imports through exports coverage remained flat at 75.2 per cent.

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. The imports through exports coverage decreased by 3.1 percentage points in 2022 to 72.9 per cent., compared to 2021.

In 2023, the exports increase slowed down to 0.6 per cent., which, together with the decrease in imports by 2.1 per cent. reflected in a cut of the trade deficit by 9.5 per cent., to EUR 29,009 million and in a 2.0 percentage points higher imports through exports coverage.

In the first two months of 2024, the goods deficit accounted for EUR 4,202 billion, broadly comparable with that recorded in the same year-ago period, with both export and import remaining flat. The goods import growth rate for 2024 is projected to be 6.6 per cent., while the goods export growth rate projected to be 5.6 per cent.

Exports and imports of goods included in the balance of payments

In 2019, exports of goods increased by 2.0 per cent. to EUR 63,066 million, mainly from agri-food products and other products (mainly construction materials), chemical and plastics, machines and equipment. Exports to other EU countries increased by 2.3 per cent. year-on-year and by 0.3 per cent. as a share in total exports, to 72.2 per cent. Imports of goods amounted to EUR 80,918 million, representing a 4.9 per cent. increase from 2018, brought by chemical products, agri-food products and mineral products. Imports of goods purchased from EU countries increased by 4.6 per cent. year on year, but decreased by 0.2 as a share of total imports to 72.8 per cent.

Exports of goods in 2020 amounted to EUR 57,560 million, an 8.7 per cent. decrease as compared to 2019, from all merchandise groups. Exports to EU countries accounted for 73.2 per cent. of total exports, down 7.4 per cent. year-on-year. In 2020, imports of goods amounted to EUR 76,509 million, a decrease of 5.4 per cent. as compared to 2019, from all merchandise groups, except for agri-food products and chemical and plastics products. Imports from EU countries went up 1.3 percentage points. as a share of total imports, to 74.1 per cent.

In 2021 exports of goods accounted for EUR 70,196 million, up 22.0 per cent. year-on-year, out of which 72.0 per cent. represented exports to other EU countries. Imports of goods totalled EUR 93,318 million, an increase of 22.0 per cent. year-on-year, with imports from EU countries decreasing by 1.0 percentage points as a share in total imports, to 73.1 per cent.

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.

In 2023 exports of goods went up 0.6 per cent., to EUR 86,559 million, out of which 72.3 per cent. represented exports to EU. Imports of goods decreased by 2.1 per cent., to EUR 115,568 million, 74.4 per cent. of the total originating in the EU countries.

In the first two months of 2024, exports of goods reached EUR 14,018 million, as compared to EUR 14,020 million in the first two months of 2022. Imports of goods also maintained their level at 18,220 million (EUR 18,261 in January – February 2023).

The shares of groups of goods in total exports and in total imports from 2019 to 2023 and the first two months of 2024 are shown in the table below:

Trade Balance – Groups of Goods and Sections

	Export FOB						Import FOB					
	2019	2020	2021	2022	2023[r]	Jan-Feb 2024[(p)]	2019	2020	2021	2022	2023	Jan-Feb 2024[(p)]
						(per cent.)						
Total............................	100.0	100.0	100.0	100	100,0	100,0	100.0	100.0	100.0	100.0	100.0	100.0
1 Agri-food items........	11.3	12.1	13.6	13.8	14.0	12.2	10.2	11.5	10.6	10.8	11.4	12.1
I Live animals and animal products...........	1.5	1.5	1.5	1.3	1.4	1.3	2.3	2.4	2.2	2.3	2.6	2.6
II Vegetable origin products	6.1	5.8	7.7	7.8	7.6	6.3	3.0	3.7	3.3	3.6	3.3	4.2
III Animal or vegetable oils and fats.................	0.4	0.3	0.5	0.7	0.5	0.5	0.2	0.2	0.3	0.4	0.2	0.2
IV Foodstuff, beverages, tobacco	3.4	4.5	3.9	3.9	4.4	4.1	4.7	5.1	4.8	4.6	5.3	5.1
2 Mineral products (V)	4.4	2.8	4.0	8.3	5.9	6.0	8.1	5.7	8.1	12.5	8.6	7.9
3 Chemical and plastic products......................	9.7	10.0	10.1	9.9	10.0	10.5	16.9	18.1	18.4	17.2	16.5	17.5
VI Chemical products ..	3.7	3.9	3.7	3.6	3.5	3.7	10.1	11.3	11.2	10.6	10.1	10.9
VII Plastics, rubber	6.0	6.1	6.4	6.3	6.5	6.8	6.8	6.8	7.3	6.6	6.3	6.6
4 Wood products, paper	3.3	3.6	4.0	3.7	2.9	3.0	2.3	2.3	2.4	2.3	2.0	2.0
IX Wooden products	2.5	2.8	3.1	2.7	2.1	2.1	0.9	0.9	1.0	0.9	0.7	0.7
X Wood pulp, paper.....	0.8	0.8	0.9	1.0	0.9	0.9	1.4	1.4	1.4	1.4	1.3	1.3
5 Textiles, clothing, footwear	4.4	4.0	3.8	3.4	3.5	3.7	5.7	6.0	5.2	4.9	5.0	4.9
XI Textiles and articles thereof..........................	3.3	3.1	3.0	2.6	2.7	2.9	4.7	5.0	4.3	4.0	4.0	3.9
XII Footwear................	1.0	0.9	0.8	0.8	0.8	0.9	1.0	1.0	0.9	0.9	1.0	1.0
6 Common metals (XV)............................	8.9	8.7	10.8	10.1	8.6	8.8	10.0	9.7	10.8	10.3	9.7	9.6
7 Machinery, apparatus, electric equipment, transport means	47.8	49.1	45.0	41.6	45.1	46.4	37.4	37.1	35.2	32.9	36.5	36.1
XVI Machinery, appliances and electric equipment	28.9	30.0	28.5	26.0	28.1	28.1	26.3	27.0	25.3	23.8	25.4	25.5
XVII Transport means..	18.9	19.1	16.5	15.6	17.1	18.3	11.0	10.0	9.9	9.1	11.1	10.7
8. Others	10.1	9.5	8.6	8.8	9.9	9.3	9.4	9.8	9.2	9.0	10.4	9.9
VIII Undressed leather and dressed leather, furs and fur products	0.2	0.2	0.2	0.2	0.2	0.2	0.8	0.7	0.6	0.5	0.5	0.5
XIII Stone products, cement, ceramics, glass	0.7	0.7	0.7	0.7	0.7	0.7	1.4	1.4	1.4	1.4	1.3	1.3
Miscellaneous goods and products.................	9.2	8.6	7.7	7.6	7.9	8.3	7.2	7.6	7.1	7.1	8.5	8.1

Notes:

(p) = Provisional data as end of March 2024

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

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

The main markets for imports and exports for Romania in 2019 to 2023 and the first two months of 2024 are shown in the table below:

Trade Balance – Groups of Goods and Sections

	Export FOB						Import FOB					
	2019	**2020**	**2021**	**2022**	**2023[r]**	**Jan-Feb 2024(p)**	**2019**	**2020**	**2021**	**2022**	**2023**	**Jan-Feb 2024(p)**
	(per cent.)											
Total............................	100.0	100.0	100.0	100	100,0	100,0	100.0	100.0	100.0	100.0	100.0	100.0
1 Agri-food items........	11.3	12.1	13.6	13.8	14.0	12.2	10.2	11.5	10.6	10.8	11.4	12.1
I Live animals and animal products............	1.5	1.5	1.5	1.3	1.4	1.3	2.3	2.4	2.2	2.3	2.6	2.6
II Vegetable origin products	6.1	5.8	7.7	7.8	7.6	6.3	3.0	3.7	3.3	3.6	3.3	4.2
III Animal or vegetable oils and fats.................	0.4	0.3	0.5	0.7	0.5	0.5	0.2	0.2	0.3	0.4	0.2	0.2
IV Foodstuff, beverages, tobacco	3.4	4.5	3.9	3.9	4.4	4.1	4.7	5.1	4.8	4.6	5.3	5.1
2 Mineral products (V)	4.4	2.8	4.0	8.3	5.9	6.0	8.1	5.7	8.1	12.5	8.6	7.9
3 Chemical and plastic products.....................	9.7	10.0	10.1	9.9	10.0	10.5	16.9	18.1	18.4	17.2	16.5	17.5
VI Chemical products ..	3.7	3.9	3.7	3.6	3.5	3.7	10.1	11.3	11.2	10.6	10.1	10.9
VII Plastics, rubber	6.0	6.1	6.4	6.3	6.5	6.8	6.8	6.8	7.3	6.6	6.3	6.6
4 Wood products, paper	3.3	3.6	4.0	3.7	2.9	3.0	2.3	2.3	2.4	2.3	2.0	2.0
IX Wooden products	2.5	2.8	3.1	2.7	2.1	2.1	0.9	0.9	1.0	0.9	0.7	0.7
X Wood pulp, paper.....	0.8	0.8	0.9	1.0	0.9	0.9	1.4	1.4	1.4	1.4	1.3	1.3
5 Textiles, clothing, footwear	4.4	4.0	3.8	3.4	3.5	3.7	5.7	6.0	5.2	4.9	5.0	4.9
XI Textiles and articles thereof.........................	3.3	3.1	3.0	2.6	2.7	2.9	4.7	5.0	4.3	4.0	4.0	3.9
XII Footwear...............	1.0	0.9	0.8	0.8	0.8	0.9	1.0	1.0	0.9	0.9	1.0	1.0
6 Common metals (XV)............................	8.9	8.7	10.8	10.1	8.6	8.8	10.0	9.7	10.8	10.3	9.7	9.6
7 Machinery, apparatus, electric equipment, transport means	47.8	49.1	45.0	41.6	45.1	46.4	37.4	37.1	35.2	32.9	36.5	36.1
XVI Machinery, appliances and electric equipment	28.9	30.0	28.5	26.0	28.1	28.1	26.3	27.0	25.3	23.8	25.4	25.5
XVII Transport means..	18.9	19.1	16.5	15.6	17.1	18.3	11.0	10.0	9.9	9.1	11.1	10.7
8. Others	10.1	9.5	8.6	8.8	9.9	9.3	9.4	9.8	9.2	9.0	10.4	9.9
VIII Undressed leather and dressed leather, furs and fur products	0.2	0.2	0.2	0.2	0.2	0.2	0.8	0.7	0.6	0.5	0.5	0.5
XIII Stone products, cement, ceramics, glass	0.7	0.7	0.7	0.7	0.7	0.7	1.4	1.4	1.4	1.4	1.3	1.3
Miscellaneous goods and products................	9.2	8.6	7.7	7.6	7.9	8.3	7.2	7.6	7.1	7.1	8.5	8.1

Notes:

(p) = Provisional data as end of March 2024

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

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

Balance of Payments

Current Account

According to the International Monetary Fund's BPM6 Methodology, the "Current Account" consists of goods (calculated based on the international trade in goods data, from which the value of goods processed in Romania and abroad is eliminated and to which the net exports of goods by merchants is added; in order to comply with the BPM6 principle of change in ownership), services (which also include the value of the processing of goods owned by others and is not simply translated from goods, but compiled based on alternate data sources, i.e. quarterly surveys of international trade in services), primary income (including compensation of employees, investment income and other primary income) and secondary income (purely current transfers).

In 2020, the current account deficit was almost the same as in 2019 at EUR 10,902 million (4.9 per cent. of GDP) from EUR 10,905 million (4.9 per cent. of GDP) in 2019, mainly due to higher goods and primary income deficits and higher services and secondary income surplus compensating each other. The primary income recorded a deficit of EUR 3,326 million in 2020, as compared to EUR 3,189 million in 2019, mainly due to the reduction in the receipts representing compensation of employees and to the increase of interest payments on portfolio debt instruments. The secondary income surplus increased from EUR 1,484 million to EUR 1,935 million, amid increased inflows from the European Fund for Agriculture and Rural Development.

In 2021, the current account deficit increased to EUR 17,473 million, primarily due to increases in the trade balance deficit and the primary income deficit, as well as the decrease in secondary income surplus. Primary income deficit increased by 45.6 per cent., to EUR 4,842 million, due to higher reinvested earnings in direct investment companies in Romania, partially offset by increased employee compensation. The secondary income balance decreased to EUR 1,070 million, offset by the decrease in EU funds inflows of current transfers nature (such as EFARD and ESF) and by the increase in contributions to the EU budget.

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.

In 2023, the current account deficit went down by 13.1 per cent., to EUR 22,637 million, mainly following the trend of trade in goods deficit. The services surplus slightly grew by 3.2 per cent., to EUR 13,495 million and secondary income grew by 10.0 per cent., to EUR 1,592 million. Meanwhile, the primary income deficit increased by 2.4 per cent., to EUR 8,715 million.

In the first two months of 2024, the current account deficit reached EUR 2,707 million, up 24.7 per cent. year-on-year, primarily as a result of the decrease in the services deficit by 19.0 per cent., to EUR 1,945 million, due to the expansion of travel related payments, as well as of the primary income balance growing deficit (EUR 795 million, from EUR 279 million in the comparison period, from the decrease in EU agricultural subsidies). Secondary income recorded a surplus of EUR 345 million, as compared with a deficit of EUR 52 million in the first two months of 2023, boosted by higher inflows of EU funds (European Social Fund).

In 2019, the combined current and capital account had a deficit of EUR 8,055 million while non-residents' direct investment was EUR 5,173 million. In 2020, the combined current and capital account had a deficit of

EUR 6,724 million while non-residents' direct investment stood at EUR 3,005 million, following the trend of both equity and intra-group loans. In 2021, the combined current and capital account deficit totalled EUR 12,230 million, whereas the net non-residents' direct investment accounted for EUR 8,940 million. In 2022, the combined current and capital account ended with a deficit of EUR 19,032 million, out of which non-residents' direct investment (EUR 10,039 million) covered 52.7 per cent. In 2023 the cumulated deficit fell to EUR 15,830 million, similarly contribution of non-residents' direct investment to its financing decreased to 41.7 per cent. In the first two months of 2024 the combined current and capital account deficit attained EUR 2,159 million, out of which approximately 57 per cent. was covered by non-residents' direct investment.

The financing of the current account through FDI and EU funds for 2019 to 2023 and the first two months of 2024 is summarised in the table below:

	2019	**2020**	**2021⁾**	**2022**	**2023ʳ**	**Jan-Feb 2024**
			(EUR million)			
Current account balance........................	(10,905)	(10,902)	(17,473)	(26,040)	(22,637)	(2,707)
Foreign direct investments flows..........	5,173	3,005	8,94	10,039	6,594	1,229
EU funds inflows.................................	5,734	7,12	8,317	10,555	10,808	2,257
Subsidies..	1,845	1,896	1,901	1,856	1,912	1,214
Current transfers..................................	1,435	1,886	1,343	1,819	2,279	446
Capital transfers...................................	2,455	3,338	5,074	6,879	6,617	596

Notes:

(r) = Rev data as end of March 2024

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

Source: National Bank of Romania

Capital Account

In 2019, the capital account ended with a surplus of EUR 2,850 million (as compared to EUR 2,515 million in 2018), gaining 0.1 per cent. of GDP to 1.3 per cent. The upward trend followed the inflows of EU funds (mainly European Regional Development Fund, Cohesion Fund and European Social Fund). In 2020, the surplus on capital account increased to EUR 4,178 million (or 1.9 per cent. of GDP), reflecting inflows of EU funds and receipts from the sale of CO2 certificates. The capital account surplus further grew to EUR 5,243 million in 2021 (2.2 per cent. of GDP), following the inflows of EU grants in the framework of the RRF. The aim of the RRF is to mitigate the economic and social impact of the COVID-19 pandemic and make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions. In 2022 the capital account surplus increased by 33.7 per cent. to EUR 7,008 million compared to 2021, primarily as a result of upward trend of EU funds inflows (mainly European Regional Development Fund and Cohesion Fund). In 2023 the capital account surplus decreased by 2.9 per cent. to EUR 6,807 million, as a result of a slightly lower level of EU capital transfers. In the first two months of 2024 more than doubled year-on-year, to EUR 548 million, boosted by EU grants (European Fund for Regional Development and Resilience and Recovery Mechanism).

Financial Account

In 2019, the net financial inflows were EUR 5,134 million, compared to EUR 5,149 million in 2018, mainly due to the decrease of net inflows of direct investment and the slowing down of the increase in NBR's reserve assets. Net financial inflows for 2019 consisted of direct investment of EUR 4,849 million, portfolio investment of EUR 2,436 million and other investment with net outflows of EUR 2,456 million. In 2019, 70.6 per cent. of the current account deficit were covered by the net inflows of direct investment and capital inflows, while the difference was covered by the issuance of government bonds.

In 2020, net financial inflows were EUR 7,808 million, compared to EUR 5,134 million in 2019, mainly as a result of higher net inflows of portfolio investment and an increase in NBR reserve assets. Net financial inflows for 2020 consisted of direct investment of EUR 2,958 million, portfolio investment of EUR 13,423 million and other investment with net outflows of 2,988 million. In 2020, approximately 65 per cent. of the current account deficit was covered by net inflows of direct investment and capital inflows, while the difference was covered by the issuance of government bonds.

In 2021, net financial inflows were EUR 14,696 million, consisting in direct investment of EUR 8,821 million, portfolio investment of EUR 3,475 million and other investment of EUR 4,804 million. The reserve assets increased by EUR 2,251 million in 2021.

In 2022, net financial inflows were EUR 15,391 million, out of which direct investment totaled EUR 8,807 million, portfolio investment EUR 4,942 million and other investment EUR 8,569 billion. The reserve assets increased by EUR 6,574 million.

In 2023, net financial inflows were EUR 11,943 million, primarily consisting in portfolio investment of EUR 14,268 million government bonds, direct investment of EUR 6,557 million (primarily equity and reinvestment of earnings) and other investment of EUR 4,576 million. Net financial inflows decreased by approximately 22 per cent. to EUR 11.9 billion, as compared to 2022, the reduction being ascribable to the increase in reserve assets by EUR 13,270 million, as well as to the decrease in net inflows recorded by other investment of EUR 4,576 million and direct investment of EUR 6,557 million, respectively.

In the first two months of 2024, net financial inflows totaled EUR 2,950 million, with the contribution of portfolio and direct investment.

Balance of Payments for the Years 2019-2023 and the first two months of 2024

Item	2019			2020			2021			2022			2023r			Jan – Feb 2024p		
	credit	debit	balance	credit	debit	balance	credit	debit	balance	credit	debit	balance	credit	debit	balance	credit	debit	balance
1. Current account	101,972	112,878	(10,905)	93,135	104,036	(10,902)	110,299	127,772	(17,473)	137,096	163,136	(26,040)	142,898	165,535	(22,637)	24,027	26,734	(2,707)
A. Goods and services	90,124	99,324	(92,200)	81,327	90,837	(9,510)	98,079	111,780	(13,702)	122,953	141,928	(18,975)	127,016	142,531	(15,514)	20,467	22,724	(2,257)
a. Goods(2)	63,066	80,918	(17,852)	57,560	76,509	(18,949)	70,196	93,318	(23,122)	86,017	118,064	(32,048)	86,559	115,568	(29,009)	14,018	18,220	(4,202)
- General merchandise on a balance of payments basis	63016	80,918	(17,902)	57457	76,509	(19,051)	70,042	93,318	(23,276)	85,798	118,064	(32,267)	86,471	115,568	(29,098)	14,005	18,220	(4,215)
- Merchanting– export net	50	0	50	103	0	103	154	0	154	219	0	219	88	0	88	13	0	13
Merchanting– goods acquired	(395)	0	(395)	(549)	0	(549)	(654)	0	(654)	(648)	0	(648)	(640)	0	(640)	(88)	0	(88)
Merchanting– goods sold	445	0	445	651	0	651	808	0	808	867	0	867	729	0	729	102	0	102
- Nonmonetary gold(1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b. Services	27,058	18,406	8,652	23,767	14,329	9,439	27,883	18,463	9,420	36,937	23,864	13,073	40,457	26,962	13,495	6,449	4,504	1,945
- Manufacturing services on physical inputs owned by others	2,969	164	2,805	2,455	136	2,320	2,484	152	2,333	3,031	160	2,871	3,292	150	3,142	529	25	503
- Transportation	7,966	3,629	4,337	6,750	2,668	4,082	7,601	3,367	4,234	10,195	4,606	5,590	10,682	4,636	6,046	1,764	776	987
- Travel	3,195	5,360	(2,165)	1,262	2,709	(14,46)	2,784	4,417	(1,633)	4,474	7,382	(2,908)	4,602	8,499	(3,897)	362	1,310	(948)
- Other services	12,928	9,253	3,675	13,299	8,816	4,483	15,013	10,527	4,486	19,236	11,716	7,521	21,882	13,677	8,204	3,795	2,393	1,402
B. Primary income	6,298	9,487	(3,189)	5,981	9,307	(3,326)	6,529	11,371	(4,842)	7,213	15,726	(8,512)	8,292	17,007	(8,714)	2,274	3,069	(795)
- Compensation of employees	3,597	103	3,493	3,234	129	3,105	3,825	175	3,650	3,931	329	3,602	4,366	419	3,947	728	69	659
- Investment income	824	9,119	(8,294)	818	8,952	(8,134)	752	10,932	(10,180)	1,352	15,041	(13,688)	1,953	16,262	(14.309)	318	2,951	(2,633)
Direct investment	200	7,090	(6,891)	93	6,898	(6,804)	207	8,971	(8,765)	499	12,282	(11,783)	170	11,748	(11,578)	0	2,085	(2,085)
Portfolio investment income	242	1,404	(1,162)	395	1,585	(1,190)	279	1,718	(1,440)	417	2,037	(1,620)	398	3,059	(2,661)	54	561	(507)
Other investment income	63	624	(560)	42	470	(428)	73	243	(169)	251	721	(506)	495	1,455	(960)	85	305	(220)
Reserve assets income	319	0	319	287	0	287	193	0	193	221	0	221	890	0	890	179	0	179
- Other primary income	1,877	265	1,612	1,929	226	1,703	1,952	264	1,687	1,930	356	1,574	1,973	326	1,648	1,228	49	1,179
C. Secondary income	5,551	4,067	1,484	5,826	3,892	1,934	5,691	4,620	1,070	6,930	5,483	1,447	7,589	5,998	1,591	1,286	941	345
- General government	1,484	2,131	(648)	1,985	2,069	(83)	1,426	2,537	(1,111)	1,982	3,015	(1,033)	2,474	3,242	(768)	478	469	9
- Other sectors	4,067	1,935	2,132	3,841	1,24	2,017	4,265	2,083	2,181	4,948	2,468	2,480	5,116	2,756	2,360	808	472	336
A. Capital account	3,255	405	2,850	4,376	198	4,178	5,657	414	5,243	7,814	806	7,008	7,935	1,128	6,807	742	194	548
a. Capital transfers	2,469	293	2,177	3,354	58	3,297	5,139	4	5,135	6,890	0	6,890	6,631	1	6,629	599	0	599
- General government	2,455	293	2,162	3,338	0	3,338	5,080	4	5,076	6,879	0	6,879	6,617	0	6,617	596	0	596
- Other sectors	14	0	14	17	58	(41)	59	0	59	11	0	10	14	1	12	3	0	3
b. Gross acquisitions/ disposals of non-produced nonfinancial assets	786	112	674	1,021	104	882	517	410	108	924	806	119	1,305	1,126	178	143	194	(51)

	2019			2020			2021			2022			2023r			Jan – Feb 2024p		
	Net acquisition of assets[3]	Net incurrance of liabilities[3]	Net	Net acquisition of assets[3]	Net incurrance of liabilities[3]	Net	Net acquisition of assets[3]	Net incurrance of liabilities[3]	Net	Net acquisition of assets[3]	Net incurrance of liabilities[3]	Net	Net acquisition of assets[3]	Net incurrance of liabilities[3]	Net	Net acquisition of assets[3]	Net incurrance of liabilities[3]	Net
A. Financial account	3,485	8,618	(5,134)	11,773	19,581	(7,808)	3,844	18,540	(14,696)	9,321	24,712	(15,391)	15,806	27,748	(11,973)	5,461	8,411	(2,950)
a. Direct Investment	1,723	6,572	(4,849)	115	3,073	(2,958)	1,112	9,933	(8,821)	2,090	10,896	(8,807)	1,240	7,797	(6,557)	200	1,425	(1,225)
- Equity	195	5,021	(4,826)	52	3,998	(3,946)	169	6,747	(6,577)	1,214	7,890	(6,675)	22	6,550	(6,529)	0	1,104	(1,104)
Equity other than reinvestment of earnings	110	2,238	(2,129)	63	983	(921)	118	2,164	(2,046)	1,078	1,830	(753)	22	1,226	(1,205)	0	208	(208)
Reinvestment of earnings	85	2,783	(2,698)	(11)	3,015	(3,026)	51	4,583	(4,531)	136	6,059	(5,923)	0	5,324	(5,324)	0	895	(895)
- Debt instruments	1,528	2,783	(2,698)	63	(925)	988	942	3,186	(2,244)	876	3,007	(2,131)	1,219	1,247	(28)	200	321	(121)
b. Portfolio investment	1,368	3,805	(2,436)	38	13,461	(13,423)	1,582	5,056	(3,475)	1,470	6,412	(4,942)	1,541	15,809	(14,268)	(41)	6,702	(6,743)
- Equity and investment fund	119	(589)	708	435	(757)	1,192	7	(124)	130	782	(289)	1,070	(17)	293	(310)	107	(89)	196
- Debt securities	1,249	4,393	(3,144)	(396)	14,218	(14,614)	1,575	5,180	(3,605)	688	6,700	(6,012)	1,558	15,516	(13,958)	(148)	6,791	(6,939)
c. Financial derivatives	(49)	0	(49)	(16)	0	(16)	153	0	153	353	0	353	188	0	188	56	0	56
d. Other investment	698	(1,758)	(2,456)	6,035	3,047	2,988	(1,253)	3,551	(4,804)	(1,166)	7,404	(8,569)	(434)	4,142	(4,576)	1,899	284	1,615
1. Other equity other direct investment and portfolio investment	(1)	0	(1)	2	0	2	0	0	0	0	0	0	0	0	0	0	0	0
2. Currency and deposits	(300)	(1,171)	870	5,142	(588)	5,731	(2,653)	271	(2,924)	(3,409)	1,868	(5,276)	145	(379)	524	2,040	(465)	2,505
3. Loans	(149)	(1,349)	1,200	249	3,440	(3,191)	(116)	(227)	112	139	2,475	(2,336)	(35)	1,840	(1,875)	(33)	770	(804)
4. Insurance, pension and standardised guarantee schemes	18	22	(4)	(18)	(10)	(8)	318	(10)	328	173	14	160	(339)	(14)	(325)	(56)	(5)	(51)
5. Trade credits and advances	1,128	733	395	659	247	411	1,102	1,384	(282)	1,881	2,915	(1,034)	(21)	2,679	(2,700)	65	(53)	118
6. Other accounts receivable/payable	2	7	(5)	2	(42)	44	96	36	60	49	132	(83)	(185)	16	(201)	(116)	1	(117)
7. SDRs	0	0	0	0	0	0	0	2,097	(2,097)	0	0	0	0	0	0	0	35	(35)
e. Reserve Assets	(255)	0	(255)	5,601	0	5,601	2,251	0	2,251	6,574	0	6,574	13,270	0	13,270	3,347	0	3,347
3. Net errors and omissions			2,921	0	0	(1,084)	0	0	(2,465)	0	0	3,641	0	0	3,887	0	0	(791)

Notes:

(r) Revised data as end of March 2024

(1) BPM6 methodology.

(2) FOB imports are BNRs' figures calculated using NIS CIF/FOB coefficient.

(3) "+" = Increases; "-" = Decreases.

Differences between total and the sum of components are due to rounding.

Foreign Direct Investment

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.

According to the results of the latest annual statistical survey regarding FDI, as of 31 December 2022 out of the total FDI stock of EUR 107.9 billion, approximately 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.).

In 2023, estimated net FDI was EUR 6.6 million, a decrease of 34.3 per cent. as compared to 2022, primarily resulting from the decrease in inter-company lending, but also from equity and reinvested earnings

In the first two months of 2024, estimated net FDI was EUR 1.2 billion, out of which equity and reinvested earnings totaled EUR 1.1 billion.

The following table shows non-residents' direct investment in Romania for 2018 to 2023 and the first two months of 2024:

Net Foreign Direct Investment[(1)]

	2019	2020	2021	2022	2023[r]	Jan-Feb 2024
			(EUR million)			
Net FDI..	5,173	3,005	8,940	10,039	6,594	1,229
Equity, including reinvested earnings...	5,021	3,999	6,747	7,896	6,557	1,105
Other capital (intra-group loans)...........	152	(994)	2,194	2,143	37	124

Notes:

(r) Revised data as of end March 2024.

(1) Non-residents' direct investment in Romania

Source: NBR

MONETARY AND FINANCIAL SYSTEM

The following is inserted after the fifth paragraph on page 149 of the Base Information Memorandum beginning with "Against this background, the monetary policy decisions aimed to bring the annual inflation rate back in line with the 2.5 per cent." in the section entitled *Monetary and Financial System – Monetary Policy – Recent Monetary Policy – 2023*:

2024

The monetary policy interest rate remained unchanged at 7 per cent. in January, February and April 2024. The interest rates on NBR's lending and deposit facilities were also maintained at 8 and 6 per cent. Respectively. At the same time, the minimum reserve requirement ratios on both leu- and foreign currency-denominated liabilities of credit institutions were kept at their existing levels (8 per cent. and 5 per cent. respectively). The decisions were adopted as:

- The annual inflation rate continued to decrease in the first quarter of 2024, yet remained considerably above the target. In addition, it went up in January 2024 in line with forecasts to 7.41 per cent. from 6.61 per cent. in December 2023 and declined gradually in the following two months, returning in March to the end-2023 level. The increase at the beginning of the year was mainly driven by the sharp rise in the annual dynamics of electricity prices under the impact of a base effect, as well as by the pick-up in the prices of fuels and tobacco products amid the increase in excise duties (as part of the measures aimed at furthering fiscal consolidation) and higher crude oil prices.
- The annual adjusted CORE2 inflation rate continued to decline, albeit at a relatively slower pace compared to the previous two quarters (to 7.1 per cent. as of 31 March 2024, from 8.4 as of 31 December 2023), under the influence of the slowdown in the decrease of annual price dynamics of food products, but also on non-food and services segments. Its deceleration continued to reflect the disinflationary influences, albeit on the wane, stemming from base effects, downward corrections of agri-food commodity prices, and from the measure to cap temporarily the mark-ups on basic food products, alongside the impact of the falling dynamics of import prices. Moderate opposite impacts came from the direct and indirect effects of the fiscal measures implemented at the beginning of 2024 and higher short-term inflation expectations, as well as from the new increases in wage costs seen the end of 2023, that have been passed through, at least in part, into the prices of some services and goods, inter alia amid the rebound in private consumption.
- At the same time, the macroeconomic forecast updated in February reconfirmed the outlook for the annual inflation rate to resume its decrease as of the middle of the first quarter of 2024 at a slower pace compared to 2023, but also in line with the previous projection (November 2023). Specifically, the annual inflation rate is expected to decline to 4.7 per cent. in December 2024 and reaching the upper bound of the variation band of the target only at the end of 2025 – visibly later than in the previous projection, which saw it declining to 3.3 per cent. in September 2025 – amid the fading out of the disinflationary impact of supply-side factors and only gradually easing of underlying inflationary pressures. As such, the positive output gap was expected to narrow very slowly and to remain significant through the end of 2025, while the prior projection saw it entering negative territory in the fourth quarter of 2024 already. Furthermore, the increase in unit labour costs in the private sector was envisaged to moderate only mildly during 2024.
- According to the new data and assessments, the annual inflation rate remained slightly above the forecasted levels in March and was likely to decline over the coming months on a slightly higher path than that anticipated in the February medium term forecast.

- Heightened uncertainties and risks were associated with the future fiscal and income policy stance, coming on one hand from the budget execution in the first two months of the year, the public sector wage dynamics and the full impact of the new law on pensions, and on the other hand from the additional fiscal and budgetary measures likely to be implemented in the future to carry on budget consolidation, inter alia amid the excessive deficit procedure and the conditionalities attached to other agreements signed with the EC.
- Sources of risks and uncertainties to the outlook for economic activity, implicitly the medium-term inflation developments, also remained, nevertheless, the war in Ukraine and the Middle East conflict, the economic developments in Europe, particularly in Germany, as well as the absorption of EU funds, particularly those under the Next Generation EU programme.

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 Policy – Recent Development in the Lending Process – 2023"* on page 151 of the Base Information Memorandum beginning with "The annual growth rate of credit to the private sector decreased further during the first four months of 2023, albeit more slowly, reaching 8.8 per cent. in April, from 12.1 per cent." is hereby replaced in its entirety by the following:

2023

The annual growth rate of private sector credit decreased during the first nine months of 2023, to 4.5 per cent. in September, from 12.1 per cent. as of 31 December 2022, and posted modest increases during the fourth quarter of 2023 rising to 6.4 per cent. in December 2023. The annual growth rate was driven chiefly by the leu-denominated components, whose growth against the same period of previous year came virtually to a halt by the second quarter of 2023 (from 6.6 per cent. in December 2022) and increased somewhat in the last three months of 2023, to 4.0 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 in December 7.3 per cent., 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 temporarily increased during the final quarter of 2023, reaching 10.3 per cent. from 18.8 per cent. in December. In its turn, the growth of loans to households decelerated in 2023 in the first 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 increasing slightly to 1.4 per cent. as of 31 December 2023.

The following information in inserted after the fifth paragraph on page 151 of the Base Information Memorandum beginning with "The annual dynamics of loans to non-financial corporations slow down its decline, reaching 15.2 per cent." in the section entitled "*Monetary and Financial Policy – Recent Development in the Lending Process – 2023"*:

2024

The annual growth rate of credit to the private sector decreased from January, reaching 4.7 per cent. as of 31 March 2024 (from 6.4 per cent. as of 31 December 2023), on the back of a steady decline in the growth rate of the foreign currency denominated component (to 0.7 per cent. as of 31 March 2024, from 7.9 per cent. as of 31 December 2023, based on outstanding amounts expressed in EUR), which was partially offset by the slight increase in the growth of the leu-denominated component (to 6.4 per cent. as of 31 March 2024, from 5.8 per cent. as of 31 December 2023).

The annual dynamics of loans to non-financial corporations resumed its decline in the beginning of 2024, reaching 5.1 per cent. as of 31 March 2024 (from 10.3 per cent. as of 31 December 2023), as the further deceleration in the growth of foreign-currency denominated credit (primarily driven by medium- and long-term loans) was accompanied in the first two months of 2024 by a similar decline in the growth rate of the leu-denominated component, which re-accelerated somewhat as of 31 March 2024 (to 6.9 per cent.). On the other hand, the annual growth rate of loans to households prolonged its steady increase throughout the first quarter of 2024 (to 3.3 per cent. as of 31 March 2024, from 1.4 per cent. as of 31 December 2023), with the sole contribution of leu-denominated credit (6.3 per cent. as of 31 March 2024, from 3.8 per cent. as of 31 December 2023), especially on the back of consumer loans, while the foreign-currency denominated credit continued to contract (a decrease of 15.7 per cent. as of 31 March 2024, from a decrease of 13.7 per cent. as of 31 December 2023).

The first paragraph and accompanying table on page 152 of the Base Information Memorandum beginning with "The following table sets out quarterly inflation rates, annual target inflation rates and monetary policy rates as at the end of each quarter from 2018 to March 2023" in section entitled "*Monetary and Financial Policy – Inflation Rates, Target Inflation Rates and Monetary Policy Rates"* are hereby replaced by the following:

The following table sets out quarterly inflation rates, annual target inflation rates and monetary policy rates as at the end of each quarter from 2018 to March 2024:

End of Period	**Inflation Rate**	**Target Inflation Rate**	**Monetary Policy Rate**
		(per cent.)	
March 2018	4.95	2.5	2.25
June 2018	5.40	2.5	2.50
September 2018	5.03	2.5	2.50
December 2018	3.27	2.5	2.50
March 2019	4.03	2.5	2.50
June 2019	3.84	2.5	2.50
September 2019	3.49	2.5	2.50
December 2019	4.04	2.5	2.50
March 2020	3.05	2.5	2.00
June 2020	2.58	2.5	1.75
September 2020	2.45	2.5	1.5
December 2020	2.06	2.5	1.5
March 2021	3.05	2.5	1.25
June 2021	3.94	2.5	1.25
September 2021	6.29	2.5	1.25
December 2021	8.19	2.5	1.75
March 2022	10.15	2.5	2.50
June 2022	15.05	2.5	3.75
September 2022	15.88	2.5	5.50

End of Period	Inflation Rate	Target Inflation Rate	Monetary Policy Rate
		(per cent.)	
December 2022	16.37	2.5	6.75
March 2023	14.53	2.5	7.00
June 2023	10.25	2.5	7.00
September 2023	8.83	2.5	7.00
December 2023	6.61	2.5	7.00
March 2024	6.61	2.5	7.00

Source: National Institute of Statistics, National Bank of Romania

The second paragraph and accompanying table on pages 152 and 153 of the Base Information Memorandum beginning with "The following table shows selected monetary aggregates as at 31 December 2018, 2019, 2020, 2021, 2022 and as of 30 April 2023" in section entitled "*Monetary and Financial Policy – Monetary Aggregates"* are hereby replaced by the following:

The following table shows selected monetary aggregates as of 31 December 2019, 2020, 2021, 2022, 2023 and as of 31 March 2024:

	2019	2020	2021[)]	2022	2023	31 March 2024
			(RON million)			
M1 (narrow money) – Total	276,938.6	337,563.5	406,773.3	398,074.2	409,355.9	403,259.1
Currency in circulation	74,125.5	88,180.6	96,100.3	101,298.4	110,217.4	112,469.7
Overnight deposits	202,813.1	249,382.9	310,673.0	296,775.8	299,138.5	290,789.4
M2 (intermediate money) – Total	422,631.6	487,349.9	564,423.0	603,042.0	667,757.5	680,123.4
M1	276,938.6	337,563.5	406,773.3	398,074.2	409,355.9	403,259.1
Deposits with agreed maturity of up to two years	145,693.1	149,786.4	157,649.7	204,967.9	258,401.6	276,864.3
M3 broad money	422,631.6	487,349.9	564,423.0	603,042.0	667,757.5	680,123.4
M2	422,631.6	487,349.9	564,423.0	603,042.0	667,757.5	680,123.4
M1 (narrow money) – Total	276,938.6	337,563.5	406,773.3	398,074.2	409,355.9	403,259.1

Source: National Bank of Romania

The section entitled "*Monetary and Financial Policy – Interest Rates – 2023"* on pages 156 and 157 of the Base Information Memorandum beginning with "The liquidity surplus in the money market increased during the first four months of 2023 and was further drained by the central bank via the deposit facility" is hereby deleted in its entirety and replaced by the following:

2023

In 2023, the average interest rates on new loans and new time deposits of non-bank customers saw relatively modest decreases, and significantly lower amplitude compared to the increases in the previous year. Specifically, the average interest rate on new loans went down by 1.01 percentage points to 8.63 per cent. in December 2023, as the average interest rate on new loans to households decreased by 0.82 percentage points to

8.58 per cent., and that on new loans to non-financial corporations declined by 1.24 percentage points to 8.69 per cent. In its turn, the average interest rate on new time deposits declined by 1.07 percentage points to 5.64 per cent., amid the decreases seen both in the case of non-financial corporations (by 0.98 percentage points to 5.52 per cent.), and households (by 1.26 percentage points to 5.89 per cent.).

The following information in inserted after the sixth paragraph on pages 156 (ending on page 157) of the Base Information Memorandum beginning with "During January-April 2023, the average interest rate on new loans for non-bank customers decreased by 0.10 percentage points to 9.79 per cent." in the section entitled "*Monetary and Financial Policy – Interest Rates – 2023"*:

2024

The very short-term money market interest rates fluctuated slightly in the proximity of NBR's deposit facility rate in the first four months of 2024, in the context of the large liquidity surplus in the banking system, further drained by the central bank via its deposit facility.

The three-month to twelve-month ROBOR interest rates saw minor downward adjustments in January and towards the end of the first quarter of 2024, likely also under the influence of credit institutions' expectations regarding the NBR's policy rate, and stood relatively flat in February, most of March and April.

In the first quarter of 2024, the average interest rates on new loans and new time deposits of non-bank customers declined slightly compared to December 2023 (a decrease of 0.15 percentage points to 8.48 per cent. and a decrease of 0.25 percentage points to 5.40 per cent. respectively), with broadly similar developments from a sectoral perspective. As such, the average interest rate on new loans to households decreased by 0.06 percentage points to 8.52 per cent. and that on new loans to financial corporations went down by 0.31 percentage points to 8.38 per cent. At the same time, the average interest rate on new time deposits declined by 0.42 percentage points to 5.48 per cent. in the household sector and by 0.16 percentage points to 5.36 per cent. in the case of non-financial corporations.

The first paragraph and accompanying table on page 157 of the Base Information Memorandum beginning with "The following table shows key financing interest rates as at 31 December 2018, 2019, 2020, 2021, 2022 and May 2023" in the section entitled "*Monetary and Financial Policy – Interest Rates – 2023"* are hereby replaced by the following: The following table shows annual average interest rates for loans and term deposits as of 31 December 2019, 2020, 2021, 2022, 2023 and March 2024:

National Bank of Romania – Annual Interest Rate (Domestic Currency Operations)

	2019	2020	2021)	2022	2023	31 March 2024
			(per cent.)			
Individuals						
Loans	7.69	6.83	6.24	8.76	9.22	9.13
Term Deposits	1.87	1.82	1.7	6.18	6.47	6.11
Non-financial corporation						
Loans	5.81	4.8	4.81	10.2	8.95	8.83
Term Deposits	2.2	1.59	1.9	6.78	5.63	5.43
Total						
Loans	6.99	6.06	5.66	9.33	9.11	9.01

Source: National Bank of Romania

The following information in inserted after the second paragraph on page 27 of the First Supplement beginning with "Compared to December 2022, the RON depreciated in the first eleven months of 2023 by 1.0 per cent. in nominal terms against EUR" in the section entitled "*Monetary and Financial Policy – Exchange Rate Policy – 2023"*:

2024

After relative stability in the fourth quarter of 2023, the EUR/RON exchange rate began to fluctuate, growing slightly at the beginning of 2024 and stabilising in April, after a temporary downward correction. The driving factor of the fluctuations was global risk appetite, against the background of successive revisions of financial investors' expectations on the future path of the U.S. Federal Reserve interest rate, but also the still high relative attractiveness of investments in domestic currency.

Compared to December 2022, the RON depreciated in December 2023 in nominal terms against the EUR by 1.0 per cent. and appreciated against the USD by 2.0 percent. In real terms, the RON appreciated by 5.6 per cent. against the EUR and by 8.7 per cent. against the USD.

Compared to December 2023, the RON remained unchanged in the first four months of 2024 in nominal terms against the EUR and depreciated against the USD by 1.6 per cent. In real terms, as of 31 March 2024, the RON appreciated by 2.3 per cent. against the EUR and by 1.1 per cent. against the USD.

The section entitled "*Monetary and Financial Policy – Real Effective Exchange Rate"* on page 160 of the Base Information Memorandum beginning with "Labour cost pressures in recent years were significant, yet their effect on the Producer Price Index-based ("**PPI**")" is deleted in its entirety and replaced with the following:

Real Effective Exchange Rate

Labour cost pressures in recent years were significant, yet their effect on the Producer Price Index-based ("**PPI**") Real Effective Exchange Rate ("**REER**") was fairly limited. The commodity price shock of 2022 did lead to a real appreciation of 4.6 per cent., but subsequently, annual dynamics fell to lower values as commodity markets calmed down (1.3 per cent. in 2023 and 2.1 per cent. in the first four months of 2024).

The second paragraph and accompanying table on page 162 of the Base Information Memorandum beginning with "As at 31 December 2022, the share of assets held by banks with total or majority private capital in total assets of the Romanian banking system was 87.9 per cent." in the section entitled *"Monetary Policy and Financial Policy – Banking System – General*" is hereby replaced by the following:

As of 31 December 2023, the share of assets held by banks with total or majority private capital in total assets of the Romanian banking system was 86.3 per cent., while the share of assets held by banks with total or majority foreign capital, including foreign bank branches, was 65.6 per cent. Banks with total or majority state-owned capital held 13.7 per cent., while the private domestic capital held 20.7 per cent. As of 31 December 2023, the total net balance sheet assets of the Romanian banking system amounted to EUR 161.5 billion and the share capital was EUR 6.2 billion.

Market share of credit institutions in terms of assets

	2019	2020	2021	2022	2023
			(per cent. market share)		
Banks with majority state capital....................	8.2	10.6	11.4	12.1	13.7
Banks with majority domestic private capital.	18.1	18.9	20.4	19.8	20.7
Banks with majority foreign capital................	73.7	70.5	68.2	68.1	65.6

	2019	2020	2021	2022	2023
Total banking system	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: National Bank of Romania

The following is inserted after third paragraph on page 27 of the First Supplement beginning with "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" in the section entitled *"Monetary Policy and Financial Policy – Exchange Rate Policy – International Reserves"*

As of 30 April 2024, Romania's foreign exchange reserves amounted to EUR 62,511 million, an increase of EUR 2,741 million compared to 31 December 2023. The principal inflows, totalling EUR 14,321 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 EUR equivalent 4,762 million) and inflows into the EC account (amounting to EUR 1,140 million). The principal outflows for the reported period totalling EUR 11,580 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 EC account.

The first table and accompanying text on page 163 of the Base Information Memorandum in the section entitled "*Monetary Policy and Financial Policy – Banking System – General – Banking System Ownership"* are hereby replaced by the following:

In terms of net assets, the market share of banks with majority foreign capital was 65.6 per cent. in 31 December 2023 compared to 73.7 per cent. in 31 December 2019. The largest share of this majority foreign ownership in 2023 was Austrian (22.31 per cent.), followed by Dutch (11.75 per cent.) and French (10.69 per cent.). The market share of banks with majority Greek controlled capital declined significantly over the past eight years, from 12.2 per cent. as of 31 December 2014, to only 2.93 per cent. as of 31 December 2023.

Banking System Ownership by Total Asset

	2019	2020	2021	2022	2023
	(per cent. market share)				
Romania	26.35	29.47	31.81	31.89	34.39
Austria	23.87	23.92	23.57	22.99	22.31
Netherlands	12.66	12.81	12.33	12.07	11.75
France	12.73	12.32	11.25	11.01	10.69
Italy	10.32	9.27	8.94	9.72	9.35
Greece	4.94	3.20	2.94	3.01	2.93
Cyprus	1.84	1.92	2.63	2.54	2.57
Hungary	2.68	2.65	2.89	2.85	2.48
Other	4.61	4.44	3.64	3.92	3.51

Source: National Bank of Romania

The second table and introductory sentence on page 163 of the Base Information Memorandum in the section entitled *"Monetary Policy and Financial Policy – Banking System – General – Banking System Ownership"* are hereby replaced by the following:

The share in total equity capital held by banks with majority foreign capital was 58.4 per cent. in 2023, lower than 66.8 per cent. in 2019. Banks with majority Austrian capital held the largest share in 2023 (14.1 per cent.).

Banking System Ownership by Total Equity Capital

	2019	2020	2021	2022	2023
			(per cent. market share)		
Romania	33.17	38.14	39.58	39.40	41.57
Austria	17.83	15.16	14.86	15.25	14.05
France	10.10	10.46	9.26	9.27	9.05
Italy	8.05	8.16	7.84	8.07	7.92
Hungary	6.35	6.43	7.66	7.70	7.55
Netherlands	7.31	7.41	7.11	7.20	7.07
Luxemburg	5.07	4.28	4.11	4.13	4.06
Cyprus	3.43	3.47	4.15	3.35	3.29
Other	8.69	6.49	5.43	5.63	5.44

Source: National Bank of Romania

The section entitled *"Monetary Policy and Financial Policy – Banking System – Structure of the Banking Sector"* on pages 163 and 164 of the Base Information Memorandum beginning with "At the end of 2022, the Romanian banking system had 32 credit institutions, which consisted of one majority state owned institutions" is hereby deleted in its entirety and replaced by the following:

Structure of the Banking Sector

At the end of 2023, the Romanian banking system had 32 credit institutions, which consisted of one majority state-owned institution, one fully state-owned institution (CEC Bank), 8 branches of foreign banks and 22 credit institutions with private capital (including Banca Centrală Cooperatistă CREDITCOOP – the network of credit cooperatives), of which 18 had majority foreign ownership.

The following table shows the composition of the Romanian banking sector as of 31 December 2023:

Type of capital	Number of banks	Total loans	Total deposits	Total balance sheet
		(per cent.	*market share)*	
State-owned	1	8.6	11.4	10.4
Majority state-owned	1	3.4	2.8	3.3
Majority privately owned, of which	22	75.8	73.4	74.7
- majority domestic capital	4	19.3	21.1	20.7
- majority foreign capital	18	56.5	52.3	54.0
Branches of foreign banks	8	12.2	12.4	11.6

Source: National Bank of Romania

The second paragraph on page 166 of the Base Information Memorandum beginning with "On 18 February 2022, the NBR adopted Regulation No. 3/2022 amending" and the first paragraph and the second paragraph on page 28 of the First Supplement beginning with "As of October 2023, the net profit was RON 11.5 billion due to the operating profit growth" and "The banking sector's total assets continued to strengthen posting a 9.8 per cent." respectively in the section entitled *"Monetary Policy and Financial Policy – Banking System – Current Condition of Banking Sector"* are hereby replaced by the following:

As of 31 December 2023, in the case of non-financial companies, the NPL ratio decreased (according to the methodology developed by the European Banking Authority), by 0.6 percentage points year-on-year, to 3.7 per cent. compared to 4.3 per cent. in the year ended 31 December 2022. For the household sector, the NPL ratio (according to the methodology developed by the European Banking Authority) slightly increased to 3.17 per cent. in 31 December 2023, +0.17 percentage points compared to December 2022. By loan type, the NPL ratio for consumer loans was 5.7 per cent. in 31 December 2023, marginally decreasing by 0.05 percentage points compared to 2022, while the NPL ratio for mortgage loans was 1.65 per cent., +0.2 percentage points compared to the previous year. The total volume of household exposures rose by 1.5 per cent. in annual terms and the non-performing exposures increased by 7.4 per cent. in 2023 compared to 2022. In certain segments however, credit risk increased, with leu-denominated loans increasing in non-performing exposures both at an aggregate level (RON 0.5 billion and 14.1 per cent. in annual terms in 2023) and by main type of products targeting households. The non-performing loan ratio for foreign currency lending is higher than that for domestic currency loans (6.5 per cent. for foreign currency loans compared to 2.7 per cent. for domestic currency loans by 31 December 2023).

As of 31 December 2023, the annual default rate for housing loans was 0.25 per cent. and for consumer loans granted to households was 3 per cent. The probability of default is projected to slightly worsen over the next 12 months for both housing and consumer loans due to macroeconomic conditions.

According to the latest NBR Bank Lending Survey (February 2024), Romanian banks reported maintaining the status quo of credit standards for loans or credit lines to non-financial corporations, as well as for housing loans, while a slight easing of credit standards for consumer credit was indicated, amid improved customers' creditworthiness. The breakdown by sector showed that banks considered the credit risk associated with lending to non-financial corporations to have increased in the fourth quarter of 2023 compared to the prior quarter. The energy sector is still cited by credit institutions as the riskiest sector. Households' demand for house and land purchase loans recorded a moderate decline in the fourth quarter of 2023, while the consumer credit and non-financial corporations' loan demand increased moderately. In the first quarter of 2024, credit institutions' expectations about credit demand indicated a slight decrease in real sector credit demand.

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 U.S. 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 9.8 per cent. of the total assets as of 31 March 2024); (ii) the business model, based mainly on retail funding, less volatile than wholesale funding; and (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. Banks with majority domestic capital continued to strengthen their market share, accounting for one third of total bank assets, 34 per cent. of private sector deposits and currently have the largest contribution to financial intermediation (32 per cent. of total loans as of 31 December 2023). The consolidation of the Romanian banking sector is expected to continue via the mergers and acquisitions announced in 2023.

The total capital ratio (22.5 per cent. as of 31 December 2023), Tier 1 capital ratio (19.6 per cent. as of 31 December 2023) and the liquidity coverage ratio ("**LCR**") (286.0 per cent. as of 31 March 2024) continue to exceed the EU average. The results of the latest solvency stress test exercise carried out over the 2023-2025 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 2.4 per cent. as of 31 March 2024). The NPL coverage ratio remains adequate (65.9 per cent. as of 31 March 2024) and significantly higher than the EU average (42.3 per cent. as of 31 December 2023). The share of stage 2 loans in total loans (13.5 per cent. as of 31 March 2024) has remained above pre-pandemic levels (12.0 per cent. as of 31 December 2019).

As of 31 December 2023, the net profit was RON 13.7 billion (RON 10.1 billion as of 31 December 2022) due to the operating profit growth and a low level of loan losses. Operating profit was boosted by increased net interest income, with interest expense favourably impacted by the large share of demand deposits (52 per cent. of the real sector`s deposits as of 31 December 2023). As of 31 December 2023, the return on assets ("**ROA**") stood at 1.8 per cent. (1.5 per cent. as of 31 December 2022), with a return on equity ("**ROE**") of 20.4 per cent. (16.4 per cent. as of 31 December 2022). The relatively high interest rates did not have a strong negative impact on Romania's banking sector in terms of capital or profitability. As of 31 March 2024, net profit was RON 3.7 billion, representing an annualised ROE of 19.7 per cent. and a ROA of 1.8 per cent. respectively.

The banking sector's total assets continued to strengthen posting a 15.0 per cent. annual rise as of 31 March 2024, up to RON 871.9 billion, given the important savings and increasing exposure to the private and public sectors. Liabilities primarily consist of deposits from resident non-government clients (67 per cent. as of 31 March 2024). Households remain the main funding provider for the banking sector accounting for 39.6 per cent. in total liabilities and 59.1 per cent. of all deposits from residents.

The fifth paragraph on page 165 of the Base Information Memorandum beginning with "In October 2018, the NBR Board adopted the Regulation No.6/2018 amending and supplementing NBR" in the section entitled "*Monetary Policy and Financial Policy – Banking System – Current Condition of the Banking Sector"* is hereby replaced by the following:

In October 2018, the NBR Board adopted the Regulation No.6/2018 amending and supplementing NBR Regulation No. 17/2012, amended by NBR Regulation 3/2022 and by NBR Regulation 11/2022. In February 2022, the NBR Board adopted the Regulation No.3/2022 amending and supplementing NBR Regulation No. 17/2012, as subsequently amended and supplemented on certain lending conditions. According to the new provisions the maximum level of indebtedness shall be 45 per cent. of the net income for RON-denominated loans in case of people who do not own and have not owned any housing and 25 per cent. for foreign currency loans in case of the first loan for real estate investments, contracted for the purpose of purchasing a house in which the debtor will live, and the debtor does not own and has not owned any housing.

The section entitled "*Monetary Policy and Financial Policy – Banking System – Bank Resolution Framework"* on pages 166 to 168 of the Base Information Memorandum beginning with "To date, the Government has not used public funds to support the stability of the financial system" is hereby deleted in its entirety and replaced by the following:

Bank Resolution Framework

To date, the Government has not used public funds to support the stability of the financial system. The recapitalisation of the banking sector was entirely supported by bank shareholders. The backstop measures available in Romania mainly consist of private sector solutions and only a few public sector solutions. The private sector solutions of the backstop toolkit consist of supervisory and resolution measures, available to the NBR in accordance with its statutory powers.

The existing legal framework (Law No. 312/2015 regarding the recovery and resolution of credit institutions and investment firms, as further amended and supplemented, completely aligned with the latest version of the Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms) provides the NBR with a set of resolution tools to manage threats to financial stability posed by the deterioration of the financial situation of the banking system. The set of resolution powers applied by the National Bank of Romania as resolution authority, when the conditions for resolutions are cumulatively fulfilled, consists of: (i) the sale of business authority; (ii) the bridge institution power; (iii) the asset separation authority; and (iv) bail-in. These can be used individually or in any combination, except for the asset separation tool which may be applied only together with another resolution tool. In case the Ministry of Finance, as the competent ministry, and the National Bank of Romania, as a resolution authority, determine that the application of the resolution powers would not suffice to avoid a significant adverse effect on the financial system, government financial stabilisation tools will be applied. Such an action shall be carried out under the leadership of the Ministry of Finance, as the competent ministry, in close cooperation with the National Bank of Romania, as a resolution authority. The government financial stabilisation authority, namely public equity support and temporary public ownership, shall be used as a last resort after having assessed and exploited the other resolution tools to the maximum extent practicable while maintaining financial stability.

In its capacity as resolution authority, the NBR carries out the resolution planning activity under the harmonised EU legal framework for each bank or banking group in the European Union present in Romania. NBR elaborates resolution plans for local credit institutions, while for Romanian subsidiaries of cross-border banking groups, it takes part in updating the group-level resolution plans within the resolution colleges established by the Single Resolution Board ("**SRB**") or the resolution authorities in Member States where the consolidating supervisor is also located, in order to adopt the joint decisions on the resolution plans and on the Minimum Requirement for Eligible Liabilities ("**MREL**").

The resolution legal framework also includes a considerable number of level two EU legislative acts (such as delegated regulations or implementing regulations), directly applicable in Romania as well as Guidelines adopted by the European Banking Authority ("**EBA**"). Relevant in the area of resolvability of banks are the 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 (on resolvability testing) 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.

In 2023, the level three legislation was extended also with Guidelines to resolution authorities on the publication of the write down and conversion and bail-in exchange mechanic (EBA/GL/2023/01).

By the end of 2024, the available financial means of the Bank Resolution Fund ("**BRF**") will reach the target level provided by Directive 2014/59/EU of at least 1 per cent. of the amount of covered deposits of all the credit institutions authorised in Romania. As of 31 December 2023, the resources of the BRF were approximately RON 3,014 million. As no bank resolution action was required in Romania, the BRF has not been utilised.

The NBR, in its capacity as resolution authority, sets the MREL requirement for all banks (local or subsidiaries of cross-border banking groups) under its remit, on the basis of the provisions of BRRD2 - Directive (EU) 2019/879, following its transposition in Romania by *Law No. 320/2021*, in force since 3 January 2022, and on the basis of the NBR MREL policy (*Policy regarding the determination of minimum requirement for own funds and eligible liabilities (MREL) for the credit institutions under the remit of the NBR*). The transition period ended on 1 January 2024 for all banks under NBR's remit. As of 1 January 2024, the average MREL final target for resolution banks under the NBR remit amounted to 24.63 per cent. of the Total Risk Exposure Amount. When the Combined Buffer Requirement is considered on top of the risk-based MREL, the final target reached the level of 29.61 per cent.

Based on the 1 January 2024 figures, all banks comply with the applicable MREL final target and are expected to comply with it on a continuous basis.

In order to achieve compliance with the applicable MREL target, the banks – resolution entities under NBR's remit have issued eligible liabilities for external MREL with an aggregated value of approximately RON 26.4 billion, while the Romanian banks subject to internal MREL raised new subordinated funding from their parent entities, with an aggregated contracted value exceeding RON 11.1 billion. The investors of external eligible

MREL resources are international financial institutions and institutional investors, such as asset management companies, local and foreign banks, pension funds, insurance companies and corporates.

The following is inserted after the fourth paragraph on page 168 of the Base Information Memorandum beginning with "Directive 2014/59/EU of the European Parliament and of the Council establishing a framework" in the section entitled "*Monetary Policy and Financial Policy – Romanian Banking Regulation and Business Standards – Banking Regulation and Supervision"*:

The provisions of article 45d alin. (4) and article 45h alin. (2) of Directive 2014/59/EU, as were modified by article 2 point. 1 and 3 of Regulation (EU) 2022/2036 of the European Parliament and of the Council of 19 October 2022 amending Regulation (EU) No 575/2013 and Directive 2014/59/EU as regards the prudential treatment of global systemically important institutions with a multiple point-of-entry resolution strategy and methods for the indirect subscription of instruments eligible for meeting the minimum requirement for own funds and eligible liabilities, were transposed by Law No.6/2024 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.12 on 08.01.2024.

The first bullet of the second paragraph on page 170 of the Information Memorandum beginning with "In 2022, following the process started by the Ministry of Finance for the establishment of a national development bank, were adopted the following acts" in the section entitled *"Monetary Policy and Financial Policy – Romanian Banking Regulation and Business Standards – Banking Regulation and Supervision*" is hereby replaced by the following:

- Law No. 207/2022 for the regulation of some measures regarding the general framework applicable to the establishment and operation of development banks in Romania, published in the Official Gazette, Part I No. 693 of 12 July 2022, modified by GEO No. 132/2022; GO No. 17/2023 and GEO No. 44/2023. Law No. 207/2022 establishes a special prudential regime applicable to development banks, under the conditions in which they will be set up as credit institutions, but exempted from the application of the CRD/CRR framework, without the need of the NBR authorisation, so as to ensure the adapting of the legislation in the banking field to the specifics of the development banks' activity, as well as the legal basis for the elaboration by the NBR of the prudential regulatory framework in the application of the law. The financial reporting framework ("**FINREP**") approved by the European Banking Authority, is governed by the (EU) Regulation No 680/2014, as subsequently amended and supplemented, being directly applicable to the EU credit institutions. In order to ensure the optimal conditions for the unitary application of the FINREP individual reporting framework by the Romanian credit institutions, as well as the correlation thereof with the FINREP consolidated reporting framework, this framework was adapted in 2014 for solo reporting purposes and subsequently updated following the adoption at EU level of the new standard IFRS 9 and the other amendments brought by the EBA to the FINREP consolidated reporting framework, being issued NBR Order No. 9/2017, last updated by NBR Regulation No. 11/2022. For ensuring the continuity of the financial and accounting statistical information reported by the Romanian branches of credit institutions having their head offices in other Member States, needed for performing analyses and studies at the NBR level, the NBR also issued the Order No. 10/2017, last updated by NBR Regulation No. 11/2022.

The section entitled *"Monetary Policy and Financial Policy – Banking System –Capital Buffers"* on page 173 to 175 of the Base Information Memorandum beginning with "The CRD IV/CRR regulatory package makes available a set of macro-prudential instruments that national" is hereby deleted in its entirety and replaced by the following;

Capital Buffers

The CRD IV/CRR regulatory package makes available a set of macro-prudential instruments that national competent authorities can resort to with a view to preventing the emergence of cyclical systemic risks or mitigating structural systemic risks, as follows: (i) the capital conservation buffer; (ii) the countercyclical capital buffer; (iii) the buffer relating to global systemically important institutions (G-SII buffer), (iv) the buffer relating to other systemically important institutions (O-SII buffer); and (v) the systemic risk buffer. By regulating capital buffers through a European Directive and a directly applicable Regulation, it was envisaged to (a) ensure a level playing field across EU Member States, as an essential pre-requisite for the functioning of the internal market, (b) prevent regulatory arbitrage, (c) ensure a high level of harmonisation, and (d) enhance transparency and predictability in the macro-prudential field.

According to the NBR Regulation No.5/2013, as of 1 January 2019, the capital conservation buffer is set at 2.5 per cent. of the credit institutions' total risk exposure amount.

The beginning of 2022 marked the finalisation of the transposal of the CRD V framework into national law. The main difference regarding the capital buffers topic is that Romanian banks started to accumulate the O-SII and SyRB buffers as applicable. The former provisions of the CRD IV stated that banks apply only the highest of the two buffers.

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. Until 23 October 2023, depending on the macroeconomic conditions and the developments in lending, the measure might had been subject to revision by the NCMO. In the meeting of the NCMO held on 19 Oct 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. Considering international and also national uncertainties, in the meetings of the NCMO held on 14 Dec 2023 and on 28 Mar 2024, the General Board decided to approve the NCMO Recommendations No. R/5/2023 and No. R/1/2024 on the countercyclical capital buffer in Romania, whereby the National Bank of Romania is also recommended to keep in place the measure to set the countercyclical buffer rate at 1 per cent. and to further monitor developments in the economy and lending. The decision is further warranted, given that the banking sector's liquidity and solvency levels are adequate, and profitability allows maintaining the capital reserves. This line of action is consistent with the European trend in the macroprudential field, by proactively using the instruments available to the authorities for strengthening the resilience of credit institutions, inter alia by applying, in a forward-looking manner, a positive rate of the countercyclical capital buffer. 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.

In the meeting of the NCMO held on 20 October 2022, the General Board decided to approve the NCMO Recommendation No. R/5/2022 on the capital buffer for other systemically important institutions in Romania to be effective from 1 January 2023. 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. In this respect, the NBR Order nr. 9/06.12.2023 regarding the capital buffer for credit institutions authorised in Romania and identified as other systemically important institutions was published in the Official Gazette of Romania Part I. Starting 1 January 2024, credit institutions authorised in Romania and identified as other systemically important institutions 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).

Moreover, in the meeting of the NCMO held on 15 December 2022, the members of the NCMO General Board decided on the compliance with and the implementation at national level of the European Banking Authority Guidelines EBA/GL/2022/12 amending Guidelines EBA/GL/2020/14 on the specification and disclosure of systemic importance indicators by relevant national authorities. The systemic risk buffer requirement is reviewed at least every second year.

On 18 December 2017, the NCMO adopted Recommendation No. R/9/2017, recommending the NBR, as competent authority, to implement an SRB of 1 per cent. or 2 per cent., applicable to all exposures, starting on 30 June 2018, aiming at (a) encouraging banks' efforts to continue cleaning up their balance sheets, without affecting other prudential indicators, considering a possible upward trend of the non-performing loans and (b) protecting the financial stability, assuming the persistence of the macroeconomic strains and of the regional and global uncertainties. The 2 per cent. buffer rate is applied to banks which are both above the NPL ratio threshold and below the coverage ratio threshold, the 1 per cent. rate is applied to banks which meet only one of the criteria, while a 0 per cent. rate is applied to banks that are both below the NPL ratio threshold and above the coverage ratio threshold, as detailed in the following table:

Non-performing loan ratio	**Coverage ratio**	**Buffer level (% of total exposures)**
<5%	>55%	0%
>5%	>55%	1%
<5%	<55%	1%
>5%	<55%	2%

The recommendations were enforced by NBR Order No. 4/2018 regarding the Systematic Risk Buffer, published in the Official Gazette of Romania Part I No. 433 on 22 May 2018. By Recommendation No. R/7/2018, implemented by NBR Order No. 8/2018, the NCMO recommended further application of the provisions and methodology of the above-mentioned Recommendation from 1 January 2019. The dynamics of the breakdown of credit institutions by SyRB rate is also indicative of a sustained improvement in the NPL resolution process within the Romanian banking sector. The number of institutions to which a 2 per cent. rate applies has decreased significantly, while the number of institutions with a SyRB rate of 0 per cent. has increased, from 4 in H1 2019 to 16 in H1 2024.

The following is inserted after the fifth paragraph on page 178 of the Base Information Memorandum beginning with "On 14 December 2021, the NBR Regulation No. 5/2021 amending and supplementing the NBR Regulation" in the section entitled "*Monetary Policy and Financial Policy – Romanian Banking Regulation and Business Standards –Payment Services Sector"*:

On 09 April 2024, the NBR Regulation No. 2/2024 amending and supplementing the NBR Regulation No. 4/2019 on payment institutions and account information services providers was published in the Official Gazette No. 326/2024. The amendments made under the new regulation aim to clarify that taking possession of users' funds is an essential criterion for being included in the scope of payment services, and the entities that provide such activities must take the necessary steps in order to be authorised as a payment institution.

The fourth paragraph on page 178 of the Base Information Memorandum beginning with "NBR Regulation No. 4/2019 on payment institutions and account information services providers" in the section entitled "*Monetary Policy and Financial Policy Romanian Banking Regulation and Business Standards –Payment Services Sector"* are hereby replace by the following:

As of 31 January 2024, there were 11 payment institutions registered in the Register of Payment Institutions and 16 agents through which they provide payment services in Romania and Moldova. Among authorised payment institutions, 5 also hold the quality of non-banking financial institution and are registered in the General Register.

The following is inserted after the first paragraph on page 178 of the Base Information Memorandum beginning with "In September 2022, the NBR adopted the NBR Order No. 4/2022 approving the methodological" in the section entitled "*Monetary and Financial Policy – Romanian Banking Regulation and Business Standards – Non-Bank Financial Institutions 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.

The section entitled *"Monetary Policy and Financial Policy – Banking System – Electronic Money institutions Sector"* on page 178 of the Base Information Memorandum beginning with "The NBR is the sole authority entitled to authorise and perform prudential supervision of electronic money institutions, according to the existing regulatory framework." is hereby deleted in its entirety and replaced by the following;

The NBR is the sole authority entitled to authorise and perform prudential supervision of electronic money institutions, according to the existing regulatory framework.

The legislative measures for the full transposition of the EU Directive 2015/2366 (that cover both the payment services sector and electronic money institutions sector) were adopted and published in the Official Gazette of Romania No. 913 of 13 November 2019 (Law No. 209/2019 on payment services and for the modification of some normative acts), respectively No. 914 of 13 November 2019.

NBR Regulation No. 5/2019 on electronic money institutions, adopted in the application of Law No. 210/2019 on the activity of issuing electronic money, details the requirements and documentation to be submitted, as well as the conditions that an entity shall meet in order to gain access to the activity as an electronic money institution.

As of 31 January 2024, there were two authorised electronic money institutions registered in the Register of Electronic Money Institutions. Among authorised electronic money institutions, one also holds the designation of non-banking financial institution and is registered in the General Register.

The third paragraph on page 34 of the First Supplement beginning with "For 2023, the estimated budget deficit is 5.7 per cent. of GDP." in the section entitled *"Monetary and Financial System – Public Finance – The*

Budgetary System – The General Consolidated Budget – 2023 Budget execution": is hereby replaced by the following:

The execution of the consolidated general budget for 2023, according to operational data, ended with a deficit of RON 89.90 billion, or 5.68 per cent., of GDP compared to a deficit of RON 80.77 billion, or 5.76 per cent., of GDP during the same period in 2022. Total revenues amounted to RON 521.45 billion in 2023, increasing by 13.3 per cent. year-on-year, primarily due to receipts from European funds, salary and income tax and insurance contributions. Moderate growth was recorded in VAT revenues (an increase of 10.9 per cent. to RON 104.3 billion), personal income tax (an increase of 19.9 per cent.), social security contributions (an increase of 13.4 per cent.), corporate income tax (an increase of 9.2 per cent.), excise tax (an increase of 5.5 per cent.) and non-tax revenue (an increase 7.5 per cent.). Reimbursements from the EU also increased by 39.8 per cent. in 2023, to RON 67.7 billion.

Expenses increased by RON 611.35 billion, or by 13.0 per cent. compared to the same period in 2022. Expressed as a percentage of the GDP, expenditures for the year 2023 maintained their weight at the level of 38.6 per cent. of GDP. Personnel expenditures increased by 12.9 per cent. compared to 2022, goods and services expenditures increased by 6.5 per cent. over the same period and social assistance expenditure increased by 6.5 per cent. over the same period. Interest expenditure increased by 5.2 per cent. to RON 30.62 billion, while investment expenditure increased by 38.8 per cent. to RON 100.66 billion. Expenditure on projects financed by non-reimbursable external funds amounted to RON 78.41 billion in 2023.

The following is inserted after the last paragraph on page 34 of the First Supplement beginning with "The budget also reflects a 1 per cent. of GDP increase in investment" in the section entitled "*Monetary and Financial System – Public Finance – The Budgetary System – The General Consolidated Budget – 2024 Budget execution*":

The execution of the general consolidated budget in the first three months of 2024 ended with a deficit of RON 35.88 billion or 2.06 per cent. of GDP as compared to the deficit of RON 22.75 billion, or 1.42 per cent. of GDP related to the same period of 2023.

Total revenues amounted to RON 132.16 billion in the first quarter of 2024, growing by 15.8 per cent. year-on-year due to an increase in current income receipts such as insurance contributions, wage income tax, VAT and European funds.

Expenditures during the first three months of 2024 is RON 168.04 billion, an increase of 22.7 per cent. compared to the same period in 2023. Expressed as a percentage of GDP, expenditures for the first three months of 2024 registered an increase of 1.13 percentage points compared to the same period in 2023, growing from 8.53 per cent. of GDP to 9.66 per cent. of GDP.

The following is insert after first paragraph on page 35 of the First Supplement beginning with "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." in the section entitled "*Monetary and Financial System – Public Debt – Overview*":

According to the EU methodology, as of 31 January 2024, the government debt was 50.2 per cent. of GDP.

In 2023, the Government borrowed RON 203.8 billion equivalent (12.7 per cent. of GDP), covering the budgetary deficit of 5.7 per cent. of GDP according to the data published by the Ministry of Finance on the execution of the consolidated general budget deficit on 31 December 2023 (approximately RON 90.0 billion), the volume of debt refinanced in 2023 (approximately RON 95.8 billion) while the remaining amounts were allocated for the consolidation of the foreign exchange buffer and the partial pre-financing of the Government financing needs in 2024.

Government financing needs for 2024 are estimated to RON 181.3 billion representing 10.3 per cent. of GDP, out of which RON 86.6 billion represents the financing of the general budget deficit (4.9 per cent. of the estimated GDP in 2024), RON 22.9 billion represents the financing of foreign debt redemption and RON 71.5 billion represents the financing of domestic debt redemption.

The following inserted after the second paragraph on page 194 of the Base Information Memorandum beginning with "Starting 1 April 2023, the level of excise duties for the following excisable products was increased" in the section entitled *"Monetary and Financial System – Public Finance – Excises"*:

In 2024, new excise policies were adopted. Excise duty for energy products with inflation rate were introduced, which were 50 per cent. by the year ended 31 December 2023 and are expected to remain consistent through July of 2024. A new withholding for health insurance contribution for medical leave allowances was introduced. Budget revenues increased due to NAFA digitisation and improving collection.

TAXATION

The following is inserted after third paragraph on page 218 of the Base Information Memorandum beginning with "THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES" in the section entitled *"Taxation — Certain U.S. Federal Income Tax Considerations"*:

"Additionally, this discussion does not address U.S. Holders who participate in the tender offer launched by the Issuer on 21 May 2024 in connection with the offer to purchase the 2.875% Notes due 28 October 2024 and the 2.750% Notes due 29 October 2025 (the "Tender Offer"). Prospective purchasers who are U.S. Holders of the notes to be tendered who will participate in the Tender Offer should consult their own tax advisors regarding the U.S. federal income tax consequences to them of the acquisition of the Notes offered hereby and the sale of their notes to be tendered pursuant to the Tender Offer that may be relevant to investors that hold the notes to be tendered and are acquiring Notes in this offer."

The last two paragraphs on page 216 of the Base Information Memorandum beginning with "All payments of interest and principal by the Paying Agent under the Notes" in the section entitled "*Taxation – Luxembourg Taxation*" are hereby replaced by the following:

All payments of interest and principal by the Paying Agent under the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to the application as regards Luxembourg resident individual beneficial owners of the Luxembourg law of 23 December 2005, as amended, which has introduced a 20 per cent. withholding tax (which is final when Luxembourg resident individuals are acting in the context of the management of their private wealth) on interest paid by a Luxembourg paying agent with respect to debt instruments listed and admitted to trading on a regulated market (within the meaning of the Luxembourg law of 23 Decembre 2005, as amended), such as the Notes. Responsibility for the withholding of such 20 per cent. tax is assumed by the paying agent within the meaning of this law and not by the Issuer.

In addition, pursuant to the law of 23 December 2005, as amended, Luxembourg resident individuals who are the beneficial owners of interest paid (for the avoidance of doubt, exclusively under debt instruments listed and admitted to trading on a regulated market within the meaning of the Luxembourg law of 23 Decembre 2005, as amended, such as the Notes) by a paying agent established outside Luxembourg, in a Member State of either the European Union or the European Economic Area, can opt to self-declare and pay a 20 per cent. tax on this interest. This 20 per cent. tax is final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

GENERAL INFORMATION

The section on page 242 in the Base 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, by Government Decision No. 354 of 20 April 2023, by Government Decision No. 11 of 11 January 2024 and by Government Decision No. 503 of 16 May 2024.

The increase in the size of the Programme from EUR 68,000,000,000 to EUR 75,000,000,000 was authorised by Government Decision No. 503 of 16 May 2024 which entered into force on 17 May 2024 and all references to the Initial Programme Amount in the Base 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.

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, by Government Decision No. 11 of 11 January 2024 and by Government Decision No. 503 of 16 May 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 Base 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 Base 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.