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Fourth Supplement dated 19 September 2024 to the Base Information Memorandum dated 17 July 2023 as supplemented by the First Supplement dated 23 January 2024, the Second Supplement dated 15 February 2024 and the Third Supplement dated 21 May 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**"), the second supplement to the Base Information Memorandum dated 15 February 2024 (the "**Second Supplement**") and the third supplement to the Base Information Memorandum dated 21 May 2024 (the "**Third Supplement**") (the Base Information Memorandum, the First Supplement, the Second Supplement and the Third 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**"). 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, as amended (the "**Prospectus Regulation**"). Accordingly, this document has not been and will not be submitted for approval to any competent authority within the meaning of the Prospectus Regulation and in particular the *Luxembourg Commission de Surveillance du Secteur Financier*, in its capacity as the competent authority for the purposes of the Prospectus Regulation.

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IMPORTANT NOTICES

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

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

Save as disclosed in this Supplement, no significant new fact, material mistake or 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 on page 8 of the Base Information Memorandum beginning with "In February 2022, the Russian government commenced a war of aggression against Ukraine, resulting in a humanitarian crisis and significant disruption to global financial markets." in the section entitled *"Risk Factors – Risk Associated with Romania – The Ongoing war of aggression launched by Russia against Ukraine could impact Romania"* is hereby replaced by the following:

Furthermore, the governments of the United States, the United Kingdom, the European Union, Japan and other jurisdictions have announced the imposition of extensive sanctions on certain sectors in Russia and on the Ukrainian regions of Donetsk, Kherson, Luhansk and Zaporizhzhia which have been temporarily occupied by Russian forces. Sanctions have also been placed on certain individuals in Russia and abroad in connection with Russia's invasion of Ukraine.

The ninth paragraph and accompanying bullets on page 5 of the Third Supplement beginning with "Romania has been also active in multilateral fora" is hereby replaced by the following:

As a member of the European Union (the "**EU**") and the North Atlantic Treaty Organization ("**NATO**"), with a foreign policy based on the respect of the principles of international law, Romania has been a promoter of peace and stability in its region, in Europe and throughout the world. Sharing the largest NATO and EU border with Ukraine, Romania reaffirmed its ability to act as a reliable member of the Euro-Atlantic community and as an anchor of stability on Europe's eastern flank.

Since Russia started its war against Ukraine in February 2022, Romania has been supporting Ukraine and other vulnerable partners in the region at bilateral and multilateral levels to limit possible spill-over effects in the region and reduce the humanitarian and economic impact of the conflict. Maintaining security in the Black Sea is paramount for Romania. Furthermore, Romania will continue to stand with Ukraine, including in terms of exploring ways to facilitate short and long-term projects for Ukraine's reconstruction process.

In order to achieve these objectives, Romania has implemented the following actions:

- offering extended access through its territory (maritime, rail, and roads) for the Ukrainian grains transit, in order to support global food security;
- advocating for Ukraine's European agenda, by asserting at the highest level for opening accession negotiations with Ukraine and Moldova, as well as providing further financial support for Ukraine;
- supporting the sanctioning regimes to reduce Russia's capacity to wage its unlawful war through active participation and full implementation of all EU sanctions packages against Russia and Belarus;
- continuing to support Ukraine's NATO membership path in accordance with commitments undertaken by Allied leaders, increasing political and practical NATO support and EU security assistance to Ukraine; and
- developing cooperation with Bulgaria and Türkiye to counter drifting mines in the Black Sea.

The last paragraph on page 5 of the Third Supplement beginning with "Romania remains committed to support the advancement of UA's European path" is hereby replaced by the following:

Romania remains committed to supporting the advancement of UA's European and Euro-Atlantic goals, both politically and economically by providing expertise in various fields.

The first paragraph on page 6 of the Third Supplement beginning with "At the same time, Romania continues to participate in relevant regional fora such as the Bucharest-9 Initiative" is hereby replaced by the following:

At the same time, Romania continues to participate in relevant regional initiatives, such as the Bucharest-9 Initiative (which includes Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia), the trilateral security agreement between Romania, Poland and Türkiye, and the Three Seas Initiative. Romania also maintains strategic partnerships with the United States, Germany, Japan, and the European Commission (the "**EC**"). Additionally, the Republic of Moldova and Ukraine are Three Seas Initiative associated participating states. These initiatives contribute to consolidating views on issues of interest in the North-Atlantic Alliance for participating nations, and to support joint security and critical infrastructure projects.

The fifth paragraph on page 8 of the Base Information Memorandum beginning with "Romania's economy remains vulnerable to external and domestic economic conditions, including political and macroeconomic risks" in the section entitled "*Risk Factors-Risk Associated with Romania – Romania is exposed to risk relating to macroeconomic events, particularly those affecting Europe and the European Union"* is hereby replaced by the following:

Romania's economy remains vulnerable to external and domestic economic conditions, including political and macroeconomic risks relating to the impact of Russia's war against Ukraine, a slow recovery from COVID-19, and the effect of any future significant economic difficulties on its major trading partners or general "contagion" effects, which could have a material adverse effect on Romania's economic growth.

The section entitled *"Risk Factors – Risk Associated with Romania – Romania is subject to risk in relation to external balances"* on page 6 of the Third Supplement beginning with "Following several years of widening, the external balances" is hereby replaced in its entirety by the following:

Romania is subject to risk in relation to external balances

Romania's current account deficit has been increasing. See "*Foreign Trade and Balance of Payments*". In addition, as majority of Romania's exports are to the EU, a slower than expected economic recovery or recession in the EU Member States to whom Romania primarily exports its goods and services, could negatively impact Romania's exports, and thus the trade deficit. A widening of the current account deficit could negatively impact Romania's economy. In 2022, the current account deficit as a share of GDP increased to 9.2 per cent. of GDP, exceeding the previous year's current account deficit of 7.2 per cent. The external imbalance is likely to have peaked, as seen in 2023 when deficit fell to 7 per cent. of GDP. Yet, over the medium-term, account deficits could remain at an elevated level. Further adjustments to the account deficit are strictly conditional on the budget deficit, which is in line with the EC's recommendations. In the first half of 2024, statistical data showed a reversal of the downtrend in external balance, with less favourable contributions associated with most sub-components. 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 adjustment to the budget deficit. Changes in the current account deficit also hinges on both the absence of renewed bottlenecks in global value chains and a stronger recovery in economic activity of Romania's main trading partners.

Romania's trend of external deleveraging may not continue. High wage growth, expansionary fiscal policy and increased household lending could lead to a high growth in imports, which could further widen the current account deficit. Higher deficits might necessitate external borrowing and could therefore risk halting the trend of external deleveraging (see "*Foreign Trade and Balance of Payments – Foreign Direct Investments*").

The section entitled *"Risk Factor – Risk Associated with Romania – Romania is subject to exchange and inflation risk"* on page 6 of the Third Supplement beginning with "*The NBR's inflation projection are subject to numerous risks"* is hereby replaced in its entirety by the following:

Romania is subject to exchange rate and inflation risk

The RON is subject to a managed-floating exchange rate regime, whereby the value of the RON against foreign currencies is determined in the interbank foreign exchange market. The NBR's monetary policy strategy is inflation targeting. Since 2013, the inflation target has been set at 2.5 per cent. with a variation band of ± one per cent.

The managed-floating exchange rate regime uses inflation targets as a nominal anchor for monetary policy which allows for a flexible policy response to unpredicted shocks likely to affect the economy. The NBR does not target any level or range under this regime. The ability of the NBR to limit volatility of the RON is contingent on several economic and political factors, including the availability of foreign currency reserves, foreign direct investment inflows, as well as developments in market sentiment and investors' risk aversion. Compared to December 2023, the RON depreciated in August 2024 in nominal terms by 0.1 per cent. against the EUR and appreciated by 0.8 per cent. against the USD. In real terms, the RON appreciated during the same period by 3.3 per cent. against the EUR and by 4.3 per cent. against the USD. See "*Monetary and Financial System—Monetary Policy—Exchange Rate Policy*".

Romania's public debt is also subject to foreign currency risk, as a substantial proportion of the country's public debt is denominated in foreign currencies (principally in EUR). While this risk is partially mitigated by the existence of a hard currency buffer, which is maintained at up to four months of gross funding needed to provide protection against any vulnerabilities arising from external factors, there can be no assurance that the buffer will be adequate to eliminate foreign currency risk.

In 2021, a surge in energy prices pushed consumer price index ("**CPI**") inflation significantly above the upper bound of the variation band (2.5 per cent., ± one percentage point) reaching 8.19 per cent. in December 2021. The trend continued through 2022, with headline inflation reaching 16.37 per cent. in December 2022, primarily due to increased commodity prices due to Russia's war against Ukraine, as well as disruptions in global value chains. However, in 2023, inflation displayed a downward trend, falling to 6.61 per cent. by December 2023. This decrease was due to a decline in commodity prices, the adoption of measures to cap prices of electricity, gas, and basic food items, lower inflation expectations, and weaker consumer demand.

In the first quarter of 2024, CPI inflation temporarily halted its downward trend, with the rate in March 2024 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 a significant base effect in electricity prices. However, in the second quarter of 2024, annual CPI inflation resumed its downward trend, decreasing to 4.94 per cent. year-on-year in June 2024. The disinflationary process benefited from a generally favourable situation on commodity markets, several legislative changes that allowed for a decrease in household tariffs for electricity and natural gas and lower inflation expectations. Against this background, core inflation also declined to 5.7 per cent. year-on-year in June 2024, across all subcomponents. In July 2024, CPI inflation temporarily rose to 5.42 per cent., mostly due to changes in energy prices, while harvest conditions seem to have exerted an inflationary influence via vegetable and fruit prices. Core inflation continued its downward trend falling to 5.5 per cent. in July 2024. Going forward, the NBR projects that inflation will continue to decrease steadily over the next two years, reaching 4.8 per cent. at the end of 2024 and 3.3 per cent. by the third quarter of 2025.

The NBR's inflation projections are subject to numerous risks associated with both increasing and diversifying geopolitical tensions and the future configuration of a new fiscal consolidation package, needed to correct excessive budget deficit. There remain uncertainties associated with the application and the nature of the measures that could be adopted. At the same time, the labour market continues to pose relevant risks to inflation projection, as the swift wage dynamics economy-wide could trigger inflationary pressures. Similar developments could also stem from persistent structural labour market deficiencies increasing the skills mismatch in certain sectors. On the external front, the geopolitical tensions pose challenges to the smooth functioning of trade and investment flows. Against this background, bottlenecks in global production and distribution chains may worsen. Furthermore, the reconfiguration of traditional transportation routes due to geopolitical tensions among other factors could lead to higher costs, which could pass-through into the prices of finished goods. Upside risks are also related with future weather conditions, possible protracted droughts and increased incidence of extreme meteorological phenomena. Over the medium term, climate change policies could necessitate additional adaptation costs. While supply-driven shocks could have inflationary potential, the impact of demand-side shocks would likely be disinflationary. Economic recovery could be hampered by restrictive financial conditions, persistent inflationary shocks or high volatility of energy goods

As the NBR's monetary policy primarily impacts the RON and has limited impact on foreign currencies, including the Euro, the large-scale use of the Euro in the Romanian economy may undermine the ability of the NBR to implement its monetary policy. Similarly, the policies of the European Central Bank ("**ECB**") affecting the Euro may indirectly impact the Romanian economy and may pose limits on the NBR's monetary policy, which may have an adverse effect on the Romanian economy.

The last sentence of the first paragraph on page 7 of the Third Supplement beginning with "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" is hereby replaced by the following:

As at 23 August 2024, Romania's current absorption rate was 98.1 per cent. of the total EU budget allocation for the 2014-2020 Cohesion Policy.

The second paragraph on page 7 of the Third Supplement beginning with "The total amount received from the EC (including pre-financing) since the beginning of the 2014-2020" 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 34 billion, representing 95.1 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 approximately EUR 16.2 billion, representing 94 per cent. of allocation, have been received.

The first sentence of the last paragraph on page 7 of the Third Supplement beginning with "As of 30 April 2024, no funds have been decommitted" is hereby replaced by the following:

As of 23 August 2024, no funds have been decommitted and the estimated amounts of payment applications to be sent to the EC for payment to Romania in 2024 and 2025 cover the risk of automatic decommitment of funds for the 2021-2027 programming period.

The following is inserted after the second sentence of the fourth paragraph on page 13 of the Base Information Memorandum beginning with "The EC published the final report on Romania under the Cooperation and Verification" in the section entitled *"Risk Factors – Risk Relating to Romania – Corruption and money laundering issues may hinder the growth of the Romanian economy, and otherwise have a material adverse effect on Romania and therefore on its capacity to meet obligations under the Notes"*:

On 15 September 2023, the EC formally closed the Cooperation and Verification Mechanism for Romania and Bulgaria.

The risk factor entitled "*A significant increase of Romania's debt level could make it difficult to refinance debt on favourable terms"* on page 14 of the Base Information Memorandum beginning with "The level of total public indebtedness calculated based on the national legislation" is replaced by the following:

A significant increase of Romania's debt level could make it difficult to refinance debt on favourable terms

According to EU methodology, as at 30 June 2024 the general government debt increased to 51.4 per cent. of GDP, from 48.8 per cent. of GDP as 31 December 2023. Any further increase in Romania's indebtedness or deterioration in financing conditions as a result of market, economic or political factors outside Romania's control could make it difficult for Romania to refinance its indebtedness on favourable terms. The level of non-resident ownership of public debt was 23.7 per cent. as at 30 June 2024, as calculated per EU methodology. In addition, any deterioration of the current account deficit and/or a decrease in net foreign direct investments could add further pressure on Romania's external finances.

The first paragraph of the risk factor entitled "*Political and economic uncertainty could have an adverse effect on Romania's economy*" on page 7 of the Base Information Memorandum beginning with "*Romania has undergone major changes during its recent history*" is replaced by the following:

Romania has undergone major changes during its recent history. Many political and economic reforms have been implemented, but Romania's economy still has a number of structural weaknesses. 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 delayed absorption of EU funds and a lack of certain key reforms, all of which could lead to economic uncertainty and have material adverse effect on Romania's economy. Among others, economic uncertainty could result in regular revision of Romania's budgets and economic projections and there is no assurance that its financial position and economic performance in any period will correspond with its budgets and economic projections.

DESCRIPTION OF ROMANIA

The second sentence in the first paragraph on page 9 of the Third Supplement beginning with "The EC published its last report on Romania's progress under the CVM on 22 November 2022" is hereby replaced by the following:

On the 24 July 2024, the EC published the 5th edition of the Rule of law Report- Country Chapter on the rule of law situation in Romania (the "Rule of Law Report") According to the report, on 15 September 2023, in line with the 2006 decision setting up the Cooperation and Verification Mechanism ("**CVM**"), the Commission formally closed the CVM, as Romania had satisfactorily fulfilled all the benchmarks and all recommendations set under the mechanism. Monitoring continues under the Rule of Law Report, as required for all EU Member States.

Measures have been implemented to address the Venice Commission's recommendations on Justice Laws, with a current focus on execution. The High Court of Cassation and Justice has annulled disciplinary sanctions from the Superior Council of the Magistracy, indicating effective redress. Efforts persist to staff the justice system adequately, despite ongoing vacancies that could impact quality and efficiency.

Additional steps have been taken to ensure effective implementation of the Justice Laws. The implementation of the 2021-2025 Anti-Corruption Strategy remains on track. Romanian authorities maintain a positive track record in combating corruption at all levels. However, delayed legislative action on statute of limitations reform continues to result in the closing of many corruption cases and the annulment of convictions. Further steps have been taken with regards to the system for investigating and prosecuting corruption in the judiciary. A proposal to update the integrity framework has been submitted to the Ministry of Justice. The National Integrity Agency continues to work efficiently on conflicts of interest, asset declarations and whistleblowing. The adoption of legislation to improve the transparency of political party financing remains pending.

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

The tenth paragraph on page 9 of the Third Supplement beginning with "The Criminal Code and Criminal Procedure draft laws, which aimed to align certain provisions" is hereby replaced by the following:

The Criminal Code and Criminal Procedure draft laws, aimed at aligning certain provisions with Constitutional Court decisions were adopted in 2023 and published in the Official Gazette of Romania (Law no.200/2023 and Law no. 201/2023). Law no 200/2023 enshrined a remedy for unconstitutionality in the Criminal Code and Law no 201/2023 provided similar protections within the Criminal Procedure Code.

The last paragraph on page 6 and continuing onto page 7 of the First Supplement beginning with "On 2 December 2021, Romania received EUR 1.85 billion in pre-financing from the RRF, representing" is hereby replaced with 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 fifth through to the tenth paragraphs on page 10 of the Third Supplement beginning with "The last two sentences of the third paragraph on page 3 of the First Supplement beginning with" are hereby deleted in their entirety:

The third, fourth and fifth paragraph on page 7 of the First Supplement beginning with "On 21 September 2023, the European Commission authorised Romania to receive payment of the second instalment of RRF allocations" are hereby replaced by the following:

After a series of negotiations with the EC and the submission of a proposal to amend the NRRP, on 11 December 2023 the Council of the European Union issued the *Implementing Decision of the Council amending the Implementing Decision of the Council from 3 November 2021, approving the assessment of Romania's recovery and resilience plan*. The Council's implementing decision adjusted NRRP targets and milestones and introduced a new REPowerEU chapter, based on Articles 18, 21 and 21c of Regulation (EU) 2021/241, as subsequently amended.

Thus, the modified NRRP allocation amounts to EUR 28.5 billion (EUR 14.9 billion in loans and EUR 13.6 billion in grants) and covers 66 reforms and 113 investments (179 measures), structured around 16 components. The revised plan includes 518 targets and milestones.

On 25 January 2024, the EC made pre-financing payments to Romania, as well as to eight other countries, from the funds allocated under REPowerEU component 16 of the National Recovery and Resilience Plan. Consequently, Romania received EUR 288 million in non-reimbursable financial support as REPowerEU pre-financing, which will contribute to accelerating the implementation of key measures, investments, and reforms included in the new chapter.

Romania's modified plan places a strong emphasis on green transition, allocating 44.1 per cent. (an increase from 41 per cent. in the initial plan) of the available funds to measures supporting climate objectives, and continues to significantly contribute to the digital transition, allocating 21.8 per cent. (an increase from 20.5 per cent. in the initial plan) to support the country's digital transition.

After approval of the modified plan, Romania submitted payment request no. 3. This submission could only occur after the Commission had approved the revised National Recovery and Resilience Plan.

The second sentence of the sixth paragraph on page 7 of the First Supplement beginning with "The third payment request related to the Recovery and Resilience Mechanism was sent to the European" is hereby deleted:

The second paragraph on page 96 of the Base Information Memorandum beginning with "A key component of Romania's foreign policy is its active contribution to the activities of the international fora" in the section entitled *"Description of Romania – International Relations"* is hereby replaced by the following:

A key component of Romania's foreign policy is its active contribution to international initiatives, including the UN, NATO, the Council of Europe, the Organisation for Security and Co-operation in Europe ("**OSCE**") and the World Trade Organisation, as well as to regional programs in the Balkans and the Black Sea area. Special attention is given to the Three Seas Initiative ("**3SI**"). Moreover, Romania is an active member of the Alliance for Multilateralism, an informal network of countries united in their conviction that a rules-based multilateral order is the only reliable guarantee for international stability and peace and that our common challenges can only be solved through cooperation.

Becoming a member of the Organisation for Economic Co-operation and Development ("**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 (together with the other five aspiring countries). At the OECD Ministerial Council Meeting, held on 9 and 10 June 2022, the Accession Roadmap for Romania's accession to the OECD was adopted. At the national level, the accession process is managed by a coordination team, led by the National Coordinator, a State Secretary within the Ministry of Foreign Affairs. 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 technical questionnaires requested by the OECD experts, organising on-site fact-finding missions and starting the accession reviews in several committees. As of August 2024, five out of twenty-six OECD 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 first paragraph on page 11 of the Third Supplement beginning with *"The section entitled Description of Romania – NATO"* on page 96 and 97 of the Base Information Memorandum on page 96 and 97 of the Base Information Memorandum is hereby deleted in its entirety and replaced by the following:

Romania has been a member of NATO since 2004 and of the EU since 2007. NATO is the main guarantor of the country's security. The NATO Washington Summit in July 2024 has consolidated NATO's deterrence and defence posture along its Eastern border, which includes Romania, providing the highest level of security in Romania's history.

Romania will remain a steady contributor to the defence and security measures adopted by 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 security and defence, in conjunction with NATO. By assuming increased responsibilities to act as security provider at regional level, Romania will ensure the conditions for a substantial Allied presence in its national territory and facilitate sustainable development of its defense industry by increasing competitiveness, training and qualification of its workforce.

In light of the ongoing war in the region, Romania continues to provide consistent and multifaceted aid to Ukraine, while also emphasising the importance of reaching a just and enduring peace for Ukraine, in accordance with international law. Romania will remain an important hub for the assistance provided by NATO, the EU, and other partner countries to Ukraine. In the face of Russia's war against 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 vulnerable countries in the wider Black Sea region to develop the economic potential of the region.

The last paragraph on page 12 continuing onto page 13 of the Third Supplement beginning with "Following NuScale's and UAMPS's decision to terminate small modular reactor project in the U.S.," is hereby replaced by the following:

With NuScale and UAMPS deciding to terminate its small modular reactor ("SMR") project in the United States, the SMR project scheduled for Doicești, Romania, now stands as a pioneering initiative. This project was part of the discussions during the 9th round of the Bilateral Strategic Dialogue held in Washington DC on 21 June 2024 between Romania and the United States. On 2 July 2024, approval was given to commence the Second Phase of the FEED Study, which aims to determine the overall cost leading up to the final investment decision.

The following is inserted after the first sentence of the third paragraph on page 13 of the Third Supplement beginning with "On 15 February 2020, Nuclearelectrica signed a Memorandum of Understanding with SACE and Ansaldo Nucleare to advance the development and financing of Cernavoda":

In order to implement the Agreement between the governments of the Republic of Azerbaijan, Georgia, Romania and Hungary regarding the Strategic Partnership in the field of Green Energy Development and Transport, also known as the "Green Energy Corridor" Project, CNTEE Transelectrica SA and the other relevant parties designated at the level of each state, signed a Memorandum of Understanding by which they agree to make the necessary efforts for the establishment of a joint venture company, based in Romania.

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 – International Relations- Partnerships with Other Nations"* is hereby replaced by the following:

Following Russia's invasion of Ukraine in 2022, Romania played an active role both in the adoption and the implementation of all fourteen EU sanctions packages. Romania also initiated withdrawal procedures from the two international banks which represent successor institutions of the former Council for Mutual Economic Assistance (which remain under Russian influence), namely the International Investment Bank and the International Bank for Economic Co-operation. The two banks officially withdrew from Russia on 9 June 2023, ending their operations in the country. Politically, the Romanian authorities condemn the aggression of Russia against Ukraine and do not recognise the illegal annexation by Russia of the regions of Eastern Ukraine (including Luhansk, Donetsk, Kherson and Zaporozhye), which remain an inalienable part of the national territory of Ukraine, in accordance with core principles of international law.

Additionally, Romania advocated for sanctions against Russia within the EU sanctions regime, targeting individuals and entities responsible for Russia's destabilisation efforts in Moldova. Romania supported these sanctions by promoting them and drafting the adopted listing proposals.

The section entitled "*Description of Romania – International Relations – Black Sea Initiatives"* on page 98 and continuing onto page 99 of the Base Information Memorandum beginning with "As part of Europe and a bridge to Central Asia and Afghanistan, the wider Black Sea region is an important part" is hereby deleted in its entirety and replaced by the following:

Black Sea Initiatives

As part of Europe and a bridge to Central Asia and beyond, the wider Black Sea region remains an important part of the Euro-Atlantic security. Consequently, Romania works to enhance regional security and co-operation. Strengthening security in the wider Black Sea area requires regional approaches and multilateral solutions based upon democratic participation of countries in the region, as well as engagement with the EU, the US, NATO and OSCE.

In 2019, Romania took significant steps towards enhancing EU involvement in Black Sea regional cooperation, with a particular focus on the development of a sustainable blue economy. Romania supports a swift and resolute EU strategic approach for the Black Sea. Romanian diplomatic démarches have led in developing an EU Strategy for the Black Sea, which would allow the EU to have a more strategic stance towards the region. In June 2024, the European Council decided that the EU will develop a strategic approach for the Black Sea.

Moreover, in its 2022 Strategic Concept, NATO has stated the strategic importance of the Black Sea region for Euro-Atlantic security.

In 2023, Romania held the rotating presidency of the Common Maritime Agenda for the Black Sea ("**CMA**"), which is a sea basin initiative that aims at supporting regional cooperation for a more sustainable blue economy in the Black Sea.

Romania actively engaged with the United States, offering input on the drafting of the United States' Black Sea Strategy, which aims to better coordinate the efforts of the United States with its allies and partners in the Black Sea region.

A special place in Romania's foreign policy is 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 for economic recovery and development, aiming to close the development gap between Central and Eastern European states and Western Europe through investments in infrastructure projects across the energy, transport, and digital sectors. Another goal of the 3SI is to attract investors to the region, and for this purpose the 3SI Infrastructure Fund (3SIIF I) was established in 2019, with Romania participating as an investor through Exim Banca Romaneasca. Currently, 3SI is focused on creating a second Three Seas Initiative

Investment Fund. In 2024, Romania, along with financial institutions from Poland, Lithuania, Hungary, and Slovenia, signed a Memorandum of Intent to jointly develop the second Three Seas Initiative Investment Fund (3SIIF II), which aims to finance infrastructure projects that enhance connectivity between countries. Romania hosted the 3SI Summits in 2018 and 2023 and intends to continue working with the other 3SI participating states, strategic partners, associating participating states and financial institutions to maximise the potential of 3SI, with a focus on projects that are of particular interest to Romania.

The second paragraph on page 100 of the Base Information Memorandum beginning with "Romania has been an EU Member State since 1 January 2007" in the section entitled "*Description of Romania – Membership in the European Union – Overview"* is hereby replaced by the following:

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. Following the European Parliament elections of 2024, Romania holds 33 out of the total of 720 parliamentary seats in the European Parliament. The current Romanian member of the College of Commissioners in the EU holds the Transport portfolio (from 2019 to 2024). 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. Romania is also represented in the European External Action Service, including the management of some EU Delegations and civilian missions.

The fifth paragraph on page 100 of the Base Information Memorandum beginning with "From 2020 to 2022, Romania's visibility and role in the EU has significantly increased" in the section entitled "*Description of Romania – Membership in the European Union – Overview"* is hereby deleted in its entirety.

The second paragraph on page 15 of the Third Supplement beginning with "On 30 December 2023, the Council of Ministers unanimously agreed on the accession of Romania" is hereby replaced by the following:

On 30 December 2023, the Council of the European Union decided on the accession of Romania and Bulgaria to the Schengen Area, which implies that both states started to fully apply the Schengen acquis and lifted controls at the air and sea borders as of 31 March 2024. Concerning land borders, internal controls are currently maintained as another unanimous 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 second sentence of the fifth paragraph on page 101 of the Base Information Memorandum beginning with "Moreover, Romania is currently adapting its energy and climate policy framework to incorporate new targets" in the section entitled "*Description of Romania – Membership in the European Union – Energy and Climate"* is hereby replaced by the following:

Some of these measures are also part of the REPowerEU Chapter in the revised Recovery and Resilience Plan.

The last sentence of the last paragraph on page 101 continuing on page 102 of the Base Information Memorandum beginning with "In addition to on shore exploitation and offshore exploration for natural gas in the Black Sea," in the section entitled "*Description of Romania – Membership in the European Union – Energy and Climate"* is replaced by the following:

Romania has additional plans to further increase transmission capacity with neighbouring countries, thus a Memorandum of Understanding regarding the future interconnection of national gas transmission systems was signed with Serbia on 5 August 2024.

The last paragraph on page 15 and continuing on page 16 of the Third Supplement beginning with "*The section entitled "Description of Romania – Membership in European Union – Cases before the Court of Justice of the European union"* on page 102 and 103 of the Base Information Memorandum is hereby deleted in its entirety and replaced by the following:

As of 23 August 2024, fifty infringement procedures have been launched by the EC against Romania all of which are currently in the pre-litigation phase. Therefore there are no current infringement cases against Romania pending before the Court of Justice of the European Union (the "**CJEU**").

- As regards the infringement 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 Ministry of Finance paid such lump sum. On 15 July 2024, the Ministry of Finance also paid a penalty of EUR 3.3 million, for the period from 15 December 2023 to 15 June 2024. Since the Court's judgement, two of the 31 landfills have been closed.

The second paragraph on page 16 of the Third Supplement beginning with "For 2014-2020 programming period, EUR 53 billion" is hereby replaced by the following:

During 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 EAGF, EUR 17.3 billion. The allocation for the Cohesion Policy, which is financed under ESIF, was EUR 24.1 billion. As of 23 August 2024, approximately EUR 23.7 billion (98.5 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 for the 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 approximately EUR 1.2 billion.

The fifth paragraph on page 101 of the Base Information Memorandum beginning with "Moreover, Romania is currently adapting its energy and climate policy framework" in the section entitled "*Description of Romania – Membership in the European Union – Energy and Climate"* is hereby replaced by the following:

Moreover, Romania is currently adapting its energy and climate policy framework to incorporate new targets on renewable energy production and emissions reduction. These measures are part of the REPowerEU Chapter in the Recovery and Resilience Plan. The aim of the REPowerEU chapter is to contribute to reducing the dependence on fossil fuels in Romania by supporting the implementation of renewable energy sources and energy efficiency renovations targeting especially the most vulnerable consumers and by increasing the capacity of the transmission network electricity to integrate renewable energy sources.

The fourth paragraph on page 16 of the Third Supplement beginning with "Not only the entire allocation for the programmes financed under ESIF and the FEAD" is hereby replaced by the following:

By August 2024, the entire allocation for programmes financed under ESIF and FEAD, excluding the agriculture sector, was launched ,while the contracting rate has risen to 140.7 per cent. As of 23 August 2024, the absorption rate was 99.9 per cent. for the Large Infrastructure OP, 96.4 per cent. for the Competitiveness OP, 100 per cent. for the Technical Assistance OP, 98 per cent. for the Regional OP, 97.4 per cent. for the Human Capital OP, 99.3 per cent. for the Administrative Capacity OP and 100 per cent. for the Aid to the Most Deprived OP.

The last paragraph on page 16 and continuing onto page 17 of the Third Supplement beginning with "At 30 April 2024, for the signed contracts, payments made to the beneficiaries provided for in the OPs amounted" is hereby replaced by the following:

As at 23 August 2024, for the signed contracts, payments made to the beneficiaries provided for in the OPs amounted to EUR 26.2 billion of EU contribution (including the overbooked expenditure), representing 109 per cent. of the OPs' EU allocation. The amount requested from the EC is approximately EUR 23.6 billion, representing a current absorption rate of approximately 98.1 per cent. Out of the amount requested, the EC made reimbursements of EUR 21.8 billion, which is equivalent to a 91 per cent. absorption rate. The total amount received for the above-mentioned OPs from the EC is approximately EUR 23.7 billion (including pre-financing and reimbursements), which represents 98.5 per cent. of the total EU allocation.

The second paragraph on page 17 of the Third Supplement beginning with "Out of the EUR 53 billion allocated to Romania for the 2014-2020 programming period," 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 programmes financed by ESIF is approximately EUR 33.4 billion, representing 95 per cent. of total EU allocation of such programmes. In addition, approximately EUR 16.2 billion was received from the EC for direct payments in agriculture.

The fifth paragraph on page 17 of the Third Supplement beginning with "According to estimates, payment requests still to be sent to the EC in 2024 for programmes" 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 1.2 billion.

The third sentence of the fourth paragraph on page 106 of the Base Information Memorandum beginning with "On 29 October 2021, the EU Council approved through written procedure the National Resilience" in the section entitled "*Description of Romania – EU Funding – Funding under the 2014-2020 programming – Covid Measure*" is hereby replaced by the following:

Romania signed both financial and loan agreements with the EC and received the prefinancing from the grant allocation of EUR 1.85 billion on 2 December 2021.

The following is inserted after the fourth paragraph on page 106 of the Base Information Memorandum beginning with "On 29 October 2021, the EU Council approved through written procedure the National Resilience" in the section entitled "*Description of Romania – EU Funding – Funding under the 2014-2020 programming – Covid Measure*":

Following negotiations with the EC, on 11 December 2023, the Council of the European Union issued a council implementation decision amending the Council Implementation Decision of 3 November 2021 approving the evaluation of the plan of recovery and resilience of Romania. Through the Commission decision, the targets and milestones included in the NRRP were adjusted and the new REPowerEU chapter was introduced, based on art. 18, 21 and 21c of Regulation (EU) 2021/241, as amended.

The fifth and sixth 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 down as follows:" in the section entitled "*Description of Romania – EU Funding – Funding under the 2014-2020 programming – Covid Measure*" is hereby replaced by the following:

The total allocation of Romania's revised NRRP is EUR 28.5 billion that is broken down as follows: non-refundable financial assistance component - EUR 13.5 million and a refundable financial assistance component - EUR 14.9 million.

This financial support is provided in instalments related to payment requests (for both grants and loans). One payment request was sent to the EC on 31 May 2022, one on 15 December 2022 and another on 15 December 2023, and subsequent payment requests will be sent in the first and third quarters of each year, according to the operational arrangements. The amount of each payment is established in the Council Implementation Decision amending the Council Implementation Decision of 3 November 2021 approving the evaluation of the plan of recovery and resilience of Romania. The payment on 15 December 2022 includes the assessment on 51 milestones and targets which were achieved in the first and second quarters of 2022. The second payment request from the grant amounts EUR 2,147,491,242 and from the loan amounts to EUR 1,080,198,230. The net value of the second payment was EUR 2,761,662,436, of which: EUR 1,868,317,381 was a grant and EUR 893,345,055 was a loan. This value resulted from the deduction of pre-financing and the application of the suspension methodology of EUR 53.36 million, as a result of the non-fulfilment of two milestones related to the loan component.

Romania's first payment request was reviewed by the EC and received the positive assessment of the fulfilment of all 21 milestones and targets included, which meant that the payment instalments could begin. The first payment was received on the 27 October 2022 in the amount of EUR 1.77 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 page 106 and continuing onto page 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" in the section entitled "*Description of Romania – EU Funding – Funding under the 2014-2020 programming – Covid Measure*" is hereby replaced by the following:

Under the revised NRRP, 44.1 per cent. of the total allocation for reforms and investments supports climate objectives, including EUR 3.2 billion for railway modernisation, EUR 0.9 billion for urban mobility, EUR 2.04 billion for clean energy production, EUR 3 billion for energy efficiency of buildings and EUR 0.9 billion for biodiversity and environmental protection. An additional 21.8 per cent. of the revised NRRP total allocation for reforms and investments supports digital objectives, including EUR 1.4 billion for the digitalisation of public administration, EUR 470 million for the digitalisation of the health system and EUR 0.9 billion for the digitalisation of education. Additional measures under the NRRP are aimed at reinforcing Romania's economic and social resilience, such as strengthening the quality and effectiveness of the public administration, modernising the social benefits system, enhancing fiscal sustainability and strengthening the health system, including EUR 1.2 billion investments in upgrading hospital infrastructure.

The eighth paragraph on page 18 of the Third Supplement beginning with "As of 30 April 2024, for the 2021-2027 programming period, Romania received" is hereby replaced by the following:

As of 23 August 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. As part of the NGEU, Romania has an allocation of EUR 32.6 billion in EU financing (EUR 28.5 billion under the RRF, EUR 1.5 billion under REACT-EU 2021/2022, EUR 1.4 billion under REPowerEU, EUR 1.2 billion under the Just Transition Fund and EUR 0.7 billion from the European Agricultural Fund for Rural Development).

The second paragraph on page 19 of the Third Supplement beginning with "So far, final guides have been published for 267 calls, totalling approximately EUR 26.2 billion" is hereby replaced by the following:

So far, final guides have been published for 360 calls, totalling approximately EUR 30.6 billion (approximately EUR 20 billion EU contribution), representing 65 per cent. of the EU allocation of programmes. Within these calls, 9,895 projects were submitted, totalling approximately EUR 46.4 billion eligible amount (approximately EUR 30 billion EU contribution). Managing authorities controlling the 2021-2027 programmes have signed 1,300 financing contracts with beneficiaries totalling approximately EUR 14 billion eligible amount (approximately EUR 9.6 billion EU contribution). In the contracting stage there are 1,224 projects with a total value of approximately EUR 6.3 billion eligible amount (approximately EUR 4.4 billion EU contribution). For 2024, managing authorities estimated to launch calls with a total value of EUR 12 billion (EUR 9 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 ROMANIAN ECONOMY

The first sentence of 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.

The third and fourth sentence of 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:

In an unfavourable economic period dominated by the ongoing Russia-Ukraine conflict and the maintenance of prices at still high levels, GDP growth was 2.1 per cent. in 2023.

The fourth paragraph and accompanying table on page 20 of the Third Supplement beginning with "The following table shows the main macroeconomic indicator" is hereby replaced by the following:

The following table shows the main macroeconomic indicators for the years 2018, 2019, 2020, 2021, 2022, 2023 and the first six months of 2024:

Main Macroeconomic Indicators

	2018	2019	2020	2021	2022	2023	Jan-Jun 2024
Gross domestic product – current prices (EUR billion)[(1)]	**206.1**	**224.2**	**220.5**	**241.7**	**284.2**	**324.6**	**70.1**[(2)]
Real growth (percentage change)[(1)]	6.0	3.9	(3.7)	5.7	4.1	2.1	0.5[(2)]
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	4.9743
GDP/per capita purchasing power (percentage change)[(3)]	66.0	69.4	72.5	72.9	74.9	79.3	—
Industrial production (percentage change)	3.5	(2.2)	(9.3)	7.1	0.5	(3.0)	(2.1)
Agricultural production (percentage change)	7.2	(3.8)	(15.4)	14.3	(15.8)	0.6[(4)]	—
Retail (percentage change)[(5)]	5.5	7.2	2.2	10.2	4.5	1.6	8.1
Current account balance (EUR million)	(9,495)	(10,907)	(10,900)	(17,474)	(26,041)	(22,638)	(12,177)
Real wage (percentage change)	8.0	8.8	4.9	1.1	(2.2)	4.5	7.0
Average inflation (percentage change)	4.63	3.83	2.63	5.05	13.8	10.4	6.19
Employment (percentage change) (according to LFS – Labour Force Survey)[(6)]	0.5	0.6	(1.3)	0.8	0.7	(1.4)	3.9[(7)]

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) Provisional data for the first quarter of 2024 according to Press Release No. 176/8 July 2024, NIS

(3) According to Eurostat

(4) Simi-final data for 2023 according to Press Release No. 194/25 July 2024 NIS.

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

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

(7) Data for the first quarter of 2024 as compared to the first quarter of 2023.

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

The third, fourth, and fifth sentences of 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. compared to the 2019 (according to unadjusted data" in the section entitled *"The Romanian Economy – Overview"* are hereby replaced by the following:

The change in inventories decreased GDP by 0.2 percentage points. At the same time, the measures implemented as a response to the COVID-19 pandemic have contributed to an increase in government consumption by 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 of 5.2 per cent. in the level of imports of goods and services).

The fourth and fifth paragraphs 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." in the section entitled *"The Romanian Economy – Overview"* are 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. The change in inventories contributed by 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, as a result of the increase in exports of goods and services, in real terms, by 12.6 per cent. in 2021 compared to 2020, which was offset by an increase of 14.8 per cent., in real terms, in imports of goods and services.

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 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 of 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 of GDP in 2022. 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 (-0.5 percentage points).

The following is inserted after the fifth 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 registered an increase of 2.1 per cent. compared to 2022. On the supply side, the advance of the economy was determined by construction, agriculture and services, while industry, through a negative evolution, mitigated their contribution. GVA in the construction sector increased by 11.0 per cent. in 2023 compared to 2022. GVA in the agriculture increased by 10.2 per cent. in 2023 compared to 2022. GVA in the service sector increased by 1.9 per cent. in 2023 compared to 2022. GVA in the industry sector decreased by 2.3 per cent. in 2023 compared to 2022.

By elements of use, it should be highlighted the significant contribution to the economic growth of the gross fixed capital formation (3.6 percentage points) and final consumption (2.8 percentage points). The construction sector, benefitting of substantial funding from national and European funds, were reflected in the strong performance of the gross fixed capital formation (14.4 per cent.). Within final consumption, private consumption contributed by 1.8 percentage points to the economic growth, although it had a modest dynamic (2.8 per cent.). Government consumption increased by 6.0 per cent., contributing one percentage point to the real GDP growth. However, the positive evolution of the two components of the domestic demand was not fully reflected in the dynamics of the gross domestic product, the negative contribution of the change in inventories (-4.3 percentage points) considerably reducing the real economic growth rate. On the external side, the 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.

In the first quarter of 2024, the Romanian economy grew by 0.5 per cent. as compared to the corresponding period of 2023. GDP in the first quarter of 2024 registered an increase, in real terms, of 0.7 per cent. compared to the fourth quarter of 2023 and of 2.2 per cent. compared to the first quarter of 2023. On the supply side, industry and construction registered unfavourable developments, while agriculture and services sector had positive evolutions. Gross value added in industry decreased in the first quarter of 2024 compared to the same period in 2023 by 0.8 per cent. Construction registered a contraction of 2.3 per cent. in the first quarter of 2024. The services sector registered a slight increase in gross value added, respectively 0.3 per cent.

In the context of population purchasing power improvement, private consumption increased by 3.8 per cent., contributing 2.5 percentage points to real GDP growth. Government consumption decreased by 4.6 per cent., reducing economic growth by 0.8 percentage points. Favourable evolution of gross fixed capital formation, (with a dynamic of 7.1 per cent. contributed 1.4 percentage points to real economic growth, being mainly supported, by substantial funds allocated for new infrastructure investment projects. Exports of goods and services decreased in real terms by 3.4 per cent. and simultaneously imports of goods and services increased by 1.6 per cent. resulting in a considerable real GDP growth rate reduction and a negative contribution of net exports by 2.5 percentage points, respectively.

The second paragraph and accompanying table on page 23 of the Third Supplement beginning with "The following table shows the percentage of GDP by sector for the years 2018, 2019, 2020," are hereby replaced by the following:

The following table shows the percentage of GDP by sector for the years 2018, 2019, 2020, 2021, 2022, 2023 and the first quarter of 2024:

	2018	2019	2020	2021	2022	2023	Jan-Mar 2024
				(per cent. of GDP)			
Industry	23.0	21.3	20.0	19.7	20.8	19.6	17.4
Agriculture, forestry and fisheries	4.6	4.4	4.2	4.8	3.8	3.9	1.7
Construction	6.0	6.3	6.6	6.4	7.3	8.0	4.5
Services – Total	56.9	58.5	59.9	59.5	59.9	59.8	66.5
Trade, hotel and restaurants, transport and communications	22.9	23.3	24.7	26.2	27.7	27.5	32.4
Financial, real-estate, renting and business services	17.4	18.0	17.9	17.6	17.4	17.5	15.9
Other service activities	16.6	17.2	17.3	15.7	14.8	14.8	18.2
Net taxes	9.5	9.5	9.3	9.6	8.2	8.7	9.9
Gross domestic product	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: National Institute of Statistics

The third paragraph and accompanying table on page 23 of the Third Supplement beginning with "The following table shows percentage changes in sectoral components of GDP for the years 2018, 2019, 2020, 2021, 2022 and 2023," are hereby replaced by the following:

The following table shows percentage changes in sectoral components of GDP for the years 2018, 2019, 2020, 2021, 2022, 2023 and first quarter of 2024:

	2018	2019	2020	2021	2022	2023	Jan-Mar 2024
		(per cent. change against the same period of the previous year)					
Industry	7.5	(1.9)	(6.5)	0.9	(4.6)	(2.3)	**(0.8)**
Agriculture, forestry and fisheries	13.8	(3.2)	(15.3)	13.7	(23.4)	10.2	2.0
Construction	(6.0)	5.4	4.3	1.5	2.5	11.0	(2.3)
Services – Total	5.4	6.3	(2.2)	6.6	8.6	1.9	0.3
Trade, hotel and restaurants, transport and communications	7.7	6.1	(1.3)	13.3	10.9	1.8	0.8
Financial, real-estate, renting and business services	4.2	8.0	(1.3)	5.4	9.5	2.3	(1.6)
Other service activities	3.1	4.7	(4.3)	(1.8)	3.7	1.7	1.1
Gross value added	5.6	3.7	(3.4)	5.3	3.6	2.0	0.0
Net taxes	9.7	5.6	(6.4)	10.0	8.9	3.8	6.2
Gross domestic product	**6.0**	**3.9**	**(3.7)**	**5.7**	**4.1**	**2.1**	**0.5**

Source: National Institute of Statistics

The third and fourth sentences of the 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." 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 fourth and fifth sentences of the second paragraph on page 113 of the Base Information Memorandum beginning with "In 2018, GVA in construction decreased by 6.0 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 construction increased by 1.5 per cent. compared to the previous year. In 2022, GVA in construction increased by 2.5 per cent., compared to 2021. In 2023, GVA in construction increased by 11.0 per cent., compared to 2022.

The third and fourth sentences of the 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 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. Increases were recorded in all sub-sectors, respectively, 1.8 per cent. in trade, transport, hotels and restaurants and communications, 2.3 per cent. in financial, real estate and business services and 1.7 per cent. in and other services activities.

The third paragraph on page 16 of the First Supplement beginning with "In the first nine months of 2023, the GVA in industry decreased by 2.6 per cent" in the section entitled is hereby replaced by the following:

In 2023, the GVA in industry decreased by 2.3 per cent. as compared to 2022, while in agriculture it increased by 10.2 per cent. and in construction it increased by 11.0 per cent. In the services sector the increase was 1.9 per cent. compared to the previous year. The increases were recorded in all sub-sectors, respectively, 1.8 per cent. in trade, transport, hotels, restaurants and communications, 2.3 per cent. in financial, real estate and business services and 1.7 per cent. in and other services activities.

In the first three months of 2024, the GVA in industry decreased by 0.8 per cent. as compared to the same period of 2023 and in construction decreased by 2.3 per cent., while in agriculture it increased by 2.0 per cent. In the services sector the increase was 0.3 per cent. as compared to the same period of the previous year. GVA in trade, transport, hotels, restaurants and communications increased by 0.8 per cent. and GVA in other services activities increased by 1.1 per cent. GVA in financial, real estate and business services decreased by 1.6 per cent.

The nineth paragraph and the accompanying table on page 24 of the Third Supplement beginning with "The following table shows percentage changes in industrial production by sector for the years 2018, 2019, 2020" in the section entitled *"The Romanian Economy – Structure of Economy"* 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, 2023 and the first half of 2024:

	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**Jan-Jun 2024**
	(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)	(1.2)
Manufacturing	4.3	(1.9)	(10.2)	7.0	(2.0)	(2.5)	(1.5)
Energy	0.0	(4.2)	(2.6)	11.3	(8.0)	(6.7)	(6.4)
Total industry	**3.5**	**(2.2)**	**(9.3)**	**7.1**	**(0.5)**	**(3.0)**	**(2.1)**

The sixth paragraph on page 25 of the Third Supplement beginning with "In the first two months of 2024 industrial production" in the section entitled "*The Romanian Economy – Structure of Economy"* is hereby replaced by the following:

In the first six months of 2024 industrial production decreased by 2.1 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 6.4 per cent. Mining and quarrying and the manufacturing sector decreased by 1.2 per cent. and 1.5 per cent., respectively.

The eighth paragraph and the accompanying table on page 25 of the Third Supplement beginning with "The following table shows the total amount of natural gas available in Romania" in the section entitled *"The Romanian Economy – Structure of Economy"* 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, 2023 and the first five months of 2024:

	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**Jan-May 2024**
				(billion cubic metres)			
Total amount of natural gas available..	13.368	13.991	13.820	14.439	13.539	14.358	7423
Generated by domestic production	10.278	9.959	8.914	8.938	9.060	9.277	3965
Imported	1.517	2.681	2.144	3.565	2.851	2.619	820

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.1/2024*. Data for the first 5 months of 2024 - *Industry Statistical Bulletin No.6/2024*

The last sentence of 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" in the section entitled *"The Romanian Economy – Gross Value Added -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.).

In 2023, according to the provisional data from the publication "Vegetable production of the main crops in 2023"crop output increased for most crops as compared with 2022, including grain maize (8.8 per cent.), soya beans (24.1 per cent.), dried pulses (38.0 per cent.), wheat (10.8 per cent.), barley and two row barley (17.0 per cent.) and rapeseed (45.6 per cent.). Decreases were recorded for vegetables (4.7 per cent.), sunflower (4.3 per cent.), oats (9.6 per cent.), and potatoes (12.1 per cent.).

For 2024, The areas dedicated to sown autumn crops increased compared to the previous year for barley (6.2 per cent.) and triticale (2.0 per cent.) and decreased for wheat (1.4 per cent.) and rapeseed (3.3 per cent.). Regarding the areas sown with spring crops, the areas increased for sugar beet (43.7 per cent.), sunflower (1.2 per cent. per cent.) and soya beans (0.5 per cent.) and decreased for field vegetables and solaria (1.3 per cent.), oats (4.4 per cent.), early, semi-early and summer potatoes (3.4 per cent.), autumn potatoes (7.4 per cent.), maize and sorghum (0.9 per cent.).

The third paragraph and the accompanying table on page 26 of the Third Supplement beginning with "The following table shows percentage changes in the agricultural production by type (excluding forestry)" in the section entitled *"The Romanian Economy - Structure of Economy"* is 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, 2022 and 2023:

Agricultural Production[(1)]

	2018	2019	2020	2021	2022	2023[(2)]
	(per cent. change against the same period of the previous year)					
Crop production	11.5	(5.6)	(21.5)	22.2	(22.8)	2.1
Livestock	(2.6)	(0.8)	(1.2)	(0.2)	(0.5)	(2.5)
Agricultural services	16.9	32.3	(1.2)	(0.7)	29.2	0.4
Total	**7.2**	**(3.8)**	**(15.4)**	**14.3**	**(15.8)**	**0.6**

Notes:

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

(2) Semi-final data for 2023 according to Press Release No. 194/25 July 2024, , National Institute of Statistics.

Source: National Institute of Statistics

The fifth paragraph on page 115 of the Base Information Memorandum beginning with "In 2018, the volume of construction works decreased by 4.1 per cent" in the section entitled *"The Romanian Economy – Gross Value Added - Construction"* is hereby replaced by the following:

In 2018, the volume of construction works decreased by 4.0 per cent. compared to 2017. In 2019, the volume of construction increased by 27.6 per cent. as compared to 2018. In 2020, the volume of construction increased by 15.9 per cent. In 2021, as compared to 2020, the volume of construction works decreased by 0.6 per cent. In 2022, the volume of construction works increased by 12.3 per cent. compared to 2021. In 2023 the volume of construction works increased by 16.1 per cent. compared to 2022.

The fifth paragraph and the accompanying table on page 26 of the Third Supplement beginning with "The following table shows the percentage change in the construction sector for the years 2018, 2019" in the section entitled are hereby replaced by the following:

The following table shows the percentage change in the construction sector for the years 2018, 2019, 2020, 2021, 2022, 2023 and the first six months of 2024:

	2018	2019	2020	2021	2022	2023	Jan-Jun 2024
	(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	(2.5)
New construction works	(8.4)	32.5	9.3	5.9	8.4	17.6	(2.1)
Capital repair works	1.5	0.9	46.0	(22.7)	23.6	23.7	(0.6)
Maintenance and current repair works of total by type of construction:	7.9	26.3	24.4	(7.9)	19.4	9.1	(4.7)
(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	(22.2)
Non-residential buildings	(5.5)	49.1	10.9	(11.4)	20.4	4.8	(2.0)
(b) Civil engineering	8.0	16.6	18.5	(6.2)	13.2	31.9	7.6

Source: National Institute of Statistics, base year 2021

The second sentence of the fourth paragraph on page 116 of the Base Information Memorandum beginning with "In 2021, GVA in the services sector increased by 6.5 per cent. compared to the previous year." in the section entitled "*The Romanian Economy – Gross Value Added -Services"* is hereby replaced by the following:

GVA in trade, hotels and restaurants, transport and communications increased by 13.3 per cent. and GVA in financial, real estate, renting and business services increased by 5.4 per cent. GVA in other service activities decreased by 1.8 per cent.

The following is inserted after the fourth paragraph on page 27 of the Third Supplement beginning with "In 2023, GVA in the services sector increased by 1.9 per cent., compared to the previous year"

In the first three months of 2024, the GVA in the services sector increased by 0.3 per cent. compared to the same period of the previous year. GVA in trade, transport, hotels, restaurants and communications increased by 0.8 per cent. and GVA in other services activities increased by 1.1 per cent. GVA in financial, real estate and business services decreased by 1.6 per cent.

The first paragraph on page 17 of the First Supplement beginning with "In 2022, the primary energy resources amounted to 42.75" 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 eighth paragraph and the accompanying table on page 27 of the Third Supplement beginning with "For the years 2018, 2019, 2020, 2021, 2022 and 2023, the breakdown of primary energy resources" 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	10.2
Crude oil..	14.0	14.2	15.1	14.1	13.7	13.2
Usable natural gas................................	34.3	33.7	33.1	32.3	33.8	34.5
Hydroelectric, wind, photovoltaic, energy and nuclear electric energy........	20.2	20.2	22.3	22.2	21.7	23.4
Others..	15.4	15.9	17.9	18.3	18.3	18.7
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 – NCSP calculations based on NIS data from Industry Statistical Bulletin.

The second paragraph and the accompanying table on page 28 of the Third Supplement beginning with "For the years 2018, 2019, 2020, 2021, 2022 and 2023, the breakdown of the source of the electricity" are hereby replaced by the following:

For the years 2018, 2019, 2020, 2021, 2022, 2023 and the first half of 2024, the breakdown of the sources of electricity production by per cent. of total electricity production is as follows:

	2018	2019	2020	2021	2022	2023	Jan-Jun 2024
			(per cent. of total energy resources)				
Electricity produced in thermo-power stations	42.1	39.9	35.9	37.3	38.5	31.5	30.7
Electricity produced in hydro-power station	27.9	26.8	28.1	29.8	25.6	32.6	31.7
Electricity produced in wind-power station	9.7	11.4	12.4	11.1	12.5	13.4	12.5
Electricity produced in nuclear-electric stations	17.5	18.9	20.5	19.1	19.8	19.6	19.0
Electricity produced in photovoltaic sun stations	2.8	3.0	3.1	2.9	3.6	2.9	6.1
Total	**100**	**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. 1/2024. Data for the first 6 months of 2024 – Industry Statistical Bulletin No. 6/2024

The third paragraph on page 28 of the Third Supplement beginning with “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.” is hereby replaced by the following:

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. In the first quarter of 2024 railway transport decreased by 3.6 per cent., air transportation increased by 4.9 per cent. and road transport decreased by 5.1 per cent., as compared to the corresponding period of 2023.

The fifth paragraph and the accompanying table on page 28 of the Third Supplement beginning with “The following table shows the percentage change in the transport of passengers according to modes of transport” 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, 2023 and the first quarter of 2024:

	2018	2019	2020	2021	2022	2023	Jan-Mar 2024
			(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	(3.6)
Road	11.0	(1.6)	(23.1)	0.8	0.9	8.3	(5.1)
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	4.9
Maritime	—	—	—	—	—	—	-
Urban transport total[(2)]	(1.3)	(5.4)	(19.0)	(3.7)	—	—	5.0

The second paragraph and the accompanying table on page 29 of the Third Supplement beginning with "The following table shows the percentage change in goods transported according to modes of transport" 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, 2023 and the first quarter of 2024:

	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**Jan-Mar 2024**
	(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	5.1
Railway..............................	(1.2)	6.1	(15.5)	15.6	(3.9)	(11.5)	(11.3)
Road	4.8	8.2	3.9	15.1	5.8	(1.0)	4.7
Inland waterways................	2.3	11.9	(8.2)	5.2	(10.9)	12.2	16.3
Air......................................	7.9	(2.5)	(14.6)	1.9	22.7	(1.2)	(1.0)
Maritime	6.3	8.3	(11.1)	12.5	13.4	14.9	16.1
Transport via petroleum pipelines..	(1.4)	6.1	(6.5)	(0.4)	8.1	(13.1)	7.3

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 – Q1 2024)

The last paragraph and accompanying table on page 22 of the Third Supplement beginning with "The following table shows percentage change to GDP" is hereby replaced by the following:

The following table shows percentage changes in consumer prices for the years 2018, 2019, 2020, 2021, 2022, 2023 and the first seven month of 2024:

	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**Jan- July 2024**
	(per cent. change against the previous year)						
Food goods	3.75	4.69	4.80	3.24	15.69	14.89	5.1
Non-food goods	6.20	3.24	1.00	7.08	14.74	7.08	6.7
Services	2.5	3.87	3.10	3.10	7.75	11.25	10.6
Total..	**4.63**	**3.83**	**2.63**	**5.05**	**13.80**	**10.40**	**6.8**
End of Period Increase							
Food goods	3.10	5.08	3.24	6.69	22.05	5.82	1.71
Non-food goods	3.75	3.31	1.01	10.73	14.95	5.51	6.92
Services	2.44	4.16	2.69	4.49	9.78	11.21	8.52
Total..	**3.27**	**4.04**	**2.06**	**8.19**	**16.37**	**6.61**	**5.42**

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" in the section entitled "*The Romanian Economy – Inflation – Overview"* is hereby replaced by the following:

According to the August 2024 NBR Inflation Report, after a temporary increase in July 2024, due to an increase in fuel excise duties, inflation will return to its downward trend and will reach a minimum of 2.9 per cent. in the first quarter of 2025, on the back of favourable base effects. Following a brief upswing in the second quarter of 2025, also due to transitory statistical effects, inflation will return inside the variation band of the central target in the third quarter of 2025 (2.5 per cent., ± one percentage point), remaining there for the rest of the forecast interval. The indicator is foreseen to stand at 4 per cent. at the end of 2025, reaching 3.4 per cent. in December 2025 and 3.2 per cent. in June 2026, respectively. Overall, disinflation will slow down significantly in the second part of the forecast interval. Adjusted CORE2 inflation rate is declining gradually in the medium term, while the rest of the CPI basket components will register a more volatile contribution in the first part of the forecast interval, stabilising afterwards. The decrease in core inflation rate will be driven mainly by a slowdown in the price dynamics for services and non-food subcomponents. At the same time, processed food inflation will continue to benefit from relatively favourable developments in the global agri-food commodity prices. Labour costs will continue to exert upward pressures on prices, albeit with diminishing intensity. The slowdown in disinflation in the second half of the forecast interval is expected in the context of persistently positive output gap, as well as still relatively high (albeit declining) inflation expectations

The section entitled *"the Romanian Economy – Inflation – 2023"* on page 124 of the Base Information Memorandum is hereby replaced by the following:

CPI annual inflation had a steep downward trajectory in 2023, receding from 16.37 per cent. in December 2022 to 6.61 per cent. in December 2023, amid a decline in commodity prices, the adoption of measures to cap prices of electricity, natural gas and basic food items, lower inflation expectations, as well as weaker consumer demand. Energy prices saw a strong decline in year-on-year dynamics, from 26.7 per cent. in December 2022 to -3.2 per cent. in December 2023. Electricity and natural gas, due to the latest version of the Government Ordinance on capping consumer tariffs which entered into force in January 2023, saw an 8.6 per cent. month-on-month decline in prices at the beginning of the year, followed by moderate variations. Year-on-year electricity and natural gas prices dipped into negative territory in July 2023 until the end of the year. Fuel price year-on-year dynamics became negative in March 2023 lasting until the last quarter of 2023, amid overall subdued oil prices on international markets.

Core annual inflation peaked in February 2023 at 15.1 per cent., from 14.6 per cent. at end-2022, and declined slower than CPI, to 8.4 per cent. in December 2023. The downward trend was driven by the lower price dynamics of processed food, which stood at 5.3 per cent. year-on-year in December 2023, down from 22.9 per cent. in December 2022. The decrease in agri-food commodity prices, supported by a bountiful harvest, has alleviated the pressures on production prices in the food industry. Moreover, in August 2023 a cap on the price mark-ups essential food items came into effect. Initially intended for a three-month period, this initiative was further on extended several times. Mark-ups on imported foods which undergo no further processing in Romania, have been similarly capped since November 2023.

Inflation rates for the non-food and services components of the core basket stayed on an upward trend for most of 2023, fuelled by high dynamics of import prices (relevant for non-food products) and strong wage dynamics (particularly relevant for market services), peaking in September 2023 at 12.2 per cent. year-on-year for non-food and in October 2023 at 11.5 per cent. year-on-year for services. Non-food and services continued to trend downward for the remainder of the year, yet still post large monthly rates from a historical perspective, keeping the annual rates in double digits at the end of 2023 (11.0 per cent. and 10.2 per cent. respectively) and delaying correction of core inflation.

The following is inserted after the last sentence of the first paragraph on page 31 of the Third Supplement beginning with "In the first quarter of 2024, CPI inflation temporarily halted its downward trend" in the section entitled "*The Romanian Economy – Inflation – 2024"*:

In the second quarter of 2024 CPI inflation resumed its downward trend, decreasing to 4.94 per cent. in June 2024. Exogenous components accounted for about half of the progress seen in disinflation in the second quarter of 2024. In particular, the positive conditions in wholesale markets for natural gas and electricity, as well as legislative changes allowed for a drop in prices for household consumers. In addition, the crude oil market neared equilibrium towards the end of the second quarter of 2024, on the backdrop of still weak global industrial demand and higher OPEC+ production, leading to a lower annual growth rate of fuel prices at the end of the second quarter of compared to March 2024. Moreover, vegetables, fruits, and eggs price dynamics also fell throughout the second quarter of 2024, due to favourable weather conditions in the spring months. The annual core inflation rate declined at a pace close to that seen in the first quarter of 2024, by 1.4 percentage points to 5.7 per cent. in June 2024, with all three subgroups contributing to a similar extent to disinflation. While the lowering of price dynamics for processed food items was driven by the sustained alleviation of pressures on agri-food markets, the price dynamics of non-food and services core segments decreased on the backdrop of a relatively favourable context regarding material input costs, fading inflationary influences from import prices (both relevant for non-food items), and weaker demand for market services. In July 2024, CPI inflation temporarily rose to 5.42 per cent., mostly due to the second planned increase in excise duties for fuel. Moreover, moderate increases took place in the case of natural gas and electricity prices for households, probably in line with the temporary unrest on wholesale markets due to the recent heatwave that affected Europe. Harvest conditions also seem to have exerted an inflationary influence. Core inflation continued its downward path to 5.5 per cent. in July 2024, with the contribution of all three sub-indices

The third paragraph and accompanying table on page 31 of the Third Supplement beginning with "The following table shows gross earnings for the years 2018, 2019, 2020, 2021, 2022," are hereby replaced by the following:

The following table shows gross earnings for the years 2018, 2019, 2020, 2021, 2022, 2023 and first six months of 2024:

	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**Jan-Jun 2024**
	(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	8,306
(per cent. change against the previous period)..............................	—	11.4	7.4	6.2	10.7	14.5	16.2
Average net nominal monthly earnings (value in RON).................	2,642	2,986	3,217	3,416	3,801	4,584	5,072
(per cent. change against the previous period)..............................	13.0	13.0	7.7	6.2	11.3	15.4	13.6
Real earnings (per cent. change against the previous period)............	8.0	8.8	4.9	1.1	(2.2)	4.5	7.0

Source: National Institute of Statistics

The first paragraph on page 32 of the Third Supplement beginning with "In the first two months 2024, based on monthly data, average gross earnings increased to RON 7,983" is hereby replaced by the following:

In the first six months of 2024, based on monthly data, average gross earnings increased to RON 8,306, 16.2 per cent. higher than in the corresponding period of 2023. Net average earning grew by 13.6 per cent. to RON 5,072 and real earnings increased by 7.0 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 9,431 and RON 8,028 respectively. The gross average salary for 2024 is projected to be RON 7,725 per month.

The third paragraph and the accompanying table on page 31 of the Third Supplement beginning with "The following table shows changes in the labour force for the years 2018, 2019, 2020, 2021, 2022" are hereby replaced by the following:

The following table shows changes in the labour force for the years 2018, 2019, 2020, 2021, 2022, 2023 and the first quarter of 2024:

	2018[1]	**2019[1]**	**2020[1]**	**2021[1]**	**2022[1]**	**2023**	**Jan-Mar 2024**
	(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)	3.4
Employment[2]	0.5	0.7	(1.3)	1.0	0.8	(1.5)	3.9
Employees	1.7	1.2	(1.2)	1.4	1.1	(0.9)	2.2
Activity rate[2][3]	62.4%	63.3%	64.1%	65.6%	66.8%	66.8%	67.8%
Employment rate[2]	59.0%	60.2%	60.2%	61.9%	63.1%	63.0%	64.2%
International Labour Organisation (ILO) unemployment rate	5.3%	4.9%	6.1%	5.6%	5.6%	5.6%	5.3%

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 tenth paragraph on page 13 of the First Supplement beginning with "In the first six months of 2023, the employment rate of the working-age population was 62.9 per cent." is hereby replaced by the following:

In 2023, the employment rate of the working-age population was 63.0 per cent. and in the first quarter of 2024 it was 64.2 per cent. The registered unemployment rate at the end of 2023 was 2.9 per cent.

The last paragraph on page 13 of the First Supplement beginning with "In 2022 and first half of 2023, the ILO unemployment rate was 5.6 per cent." is hereby replaced by the following:

In 2022 and 2023, the ILO unemployment rate was 5.6 per cent. and 5.3 per cent. in the first quarter of 2024.

The last paragraph on page 32 and continuing onto page 33 of the Third Supplement beginning with "In 2023, the average number of employees was 5,268.6 thousand people, increasing by 64.3 thousand people," is hereby replaced by the following:

In 2023, the average number of employees was 5120.4 thousand people, increasing by 64.3 thousand people, or 1.3 per cent., compared to 2022. In the first six months 2024 the monthly average number of employees was 5147.9, increasing by 38 thousand people, or 0.7 per cent.

The second paragraph on page 33 of the Third Supplement beginning with "The registered unemployment rate increased from 2.9 per cent. in 2019," is hereby replaced by the following:

The registered unemployment rate increased from 2.9 per cent. in 2019, to 3.4 per cent. in 2020 and decreased to 3.0 per cent. in 2021 and 2022 and to 2.9 at 31 December 2023. Then, it slightly increased to 3.1 per cent. at 30 June 2024.

The fourth paragraph and accompanying table on page 33 of the Third Supplement beginning with "The following table shows the average number of employed persons, the average number of pensioners" is 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, 2023 and the first six months of 2024:

	2018	**2019**	**2020**	**2021**	**2022**	**2023(1)**	**Jan-Jun 2024**
Average no. of employees (*thousands*)	5,068.1	5,164.5	5,031.8	5,094.3	5,209.5	5,120.4	5,147.9
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	4,600.7
Dependency ratio(2)	0.9243	0.9046	0.9290	0.9135	0.8845	0.8986	0.8937

Notes:

(1) Based on monthly averages.

(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 second paragraph on page 25 of the First Supplement beginning with "The current account deficit increased from 4.6 per cent. of GDP in 2018 to 9.1 per cent." is hereby replaced by the following:

The current account deficit increased from 4.6 per cent. of GDP in 2018 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 2.5 per cent. of GDP to 3.7 per cent. of GDP over the same period, primarily because of direct investment, supplemented by portfolio investment, when necessary, including through the issuance of government bonds and other investments. The financial inflows were supplemented in the same period by net capital transfers (2.0 per cent. of GDP in 2023), mainly from the EU. As of 30 June 2024, 39.1 per cent. of the current account was covered by net FDIs and capital inflows (a decrease from 59.0 per cent. as of 31 December 2023).

The third paragraph and the accompanying table on page 34 of the Third Supplement beginning with "The following table shows changes in foreign trade" in the section entitled *"Foreign Trade and Balances of Payments – Trade in goods"* is hereby replaced by the following: The following table shows changes in foreign trade for the years 2019 to 2023 and the first six months of 2024:

	2019	**2020**	**2021**	**2022**	**2023**	**Jan-Jun 2024p)**
Current account balance (*EUR million*)	(10,905)	(10,902)	(17,473)	(26,040)	(22,637)	(12,176)
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)	(15,017)
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	43,077
annual percentage change	2.0	(8.7)	22.0	22.5	0.6	(2,2)
Imports of goods FOB(1) (*EUR million*)	80,918	76,509	93,318	118,064	115,568	58,094
annual percentage change	4.9	(5.4)	22.0	26.5	26.5	1.6

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

The section entitled *"Foreign Trade and Balance of Payments - Main trends from 2019 to 2023 and first two months of 2024"* on page 34 of the Third Supplement is hereby re-entitled "*Foreign Trade and Balance of Payments – Main trends from 2019 to 2023 and the first six months of 2024"*

The last sentence of the first paragraph on page 35 of the Third Supplement beginning with "In 2022, the increase in import (26.5 per cent.)" in the section entitled "*Foreign Trade and Balance of Payments – Main trends from 2019 to 2023 and the first two months of 2024*" is hereby replaced by the following:

The imports through exports coverage decreased by 2.4 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 compared to 2022. In

2023, 80.7 per cent. of the goods deficit came from the intra-EU trade in goods, while extra-EU trade in goods made up the remaining 19.3 per cent. The imports through exports coverage increased by 2.0 percentage points in 2023 to 74.9 per cent, compared to 2022.

The sixth paragraph on page 14 of the First Supplement beginning with "In the first ten months of 2023, exports of goods reached EUR 73.1 billion," is hereby replaced by the following:

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.

The third paragraph on page 35 of the Third Supplement beginning with "In the first two months of 2024, the goods deficit" in the section entitled "*Foreign Trade and Balance of Payments – Main trends from 2019 to 2023 and the first two months of 2024"* is hereby replaced by the following:

In the first six months of 2024, the goods deficit accounted for EUR 15,017 million, 14.2 per cent. up y-o-y, with export decreasing by 2.2 per cent. and import increasing by 1.6 per cent.

The second to last paragraph on page 35 of the Third Supplement beginning with "In the first two months of 2024, exports of the goods reached EUR 14,018" in the section entitled "*Foreign Trade and Balance of Payments – Export and imports of good included in the balance of payment*" is hereby replaced by the following:

"In the first six months of 2024, exports of goods reached EUR 43,077 million, 2.2 per cent. down from the first six months of 2023. Imports of goods grew in the same period by 1.6 per cent."

The last paragraph and accompanying table on page 35 continuing onto pages 36 and 37 of Third Supplement beginning with "The shares of groups of goods in total exports in total from 2019" in the section entitled "*Foreign trade and Balance of payments – Exports and imports included in the balance of payments"* is hereby replaced by the following:

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

Trade Balance – Groups of Goods and Sections

	Export FOB						Import FOB					
	2019	2020	2021	2022	2023r	Jan-Jun 2024(p)	2019	2020	2021	2022	2023	Jan-Jun 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	11.9	10.2	11.5	10.6	10.8	11.4	11.5
I Live animals and animal products	1.5	1.5	1.5	1.3	1.4	1.6	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	5.2	3.0	3.7	3.3	3.6	3.3	3.5
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	4.7	4.7	5.1	4.8	4.6	5.3	5.2
2 Mineral products (V)	4.4	2.8	4.0	8.3	5.9	4.7	8.1	5.7	8.1	12.5	8.6	7.5
3 Chemical and plastic products	9.7	10.0	10.1	9.9	10.0	11.0	16.9	18.1	18.4	17.2	16.5	17.1

Trade Balance – Groups of Goods and Sections

	Export FOB						Import FOB					
	2019	**2020**	**2021**	**2022**	**2023**[r]	**Jan-Jun 2024**[(p)]	**2019**	**2020**	**2021**	**2022**	**2023**	**Jan-Jun 2024**[(p)]
						(per cent.)						
VI Chemical products ..	3.7	3.9	3.7	3.6	3.5	4.3	10.1	11.3	11.2	10.6	10.1	10.5
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	3.1	2.3	2.3	2.4	2.3	2.0	2.1
IX Wooden products	2.5	2.8	3.1	2.7	2.1	2.2	0.9	0.9	1.0	0.9	0.7	0.8
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	3.5	5.7	6.0	5.2	4.9	5.0	5.0
XI Textiles and articles thereof..........................	3.3	3.1	3.0	2.6	2.7	2.7	4.7	5.0	4.3	4.0	4.0	4.0
XII Footwear................	1.0	0.9	0.8	0.8	0.8	0.8	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	8.7	10.0	9.7	10.8	10.3	9.7	9.9
7 Machinery, apparatus, electric equipment, transport means	47.8	49.1	45.0	41.6	45.1	47.6	37.4	37.1	35.2	32.9	36.5	36.6
XVI Machinery, appliances and electric equipment	28.9	30.0	28.5	26.0	28.1	28.8	26.3	27.0	25.3	23.8	25.4	25.0
XVII Transport means..	18.9	19.1	16.5	15.6	17.1	18.8	11.0	10.0	9.9	9.1	11.1	11.5
8. Others	10.1	9.5	8.6	8.8	9.9	9.4	9.4	9.8	9.2	9.0	10.4	10.4
VIII Undressed leather and dressed leather, furs and fur products	0.2	0.2	0.2	0.2	0.2	0.3	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	1.4
Miscellaneous goods and products.................	9.2	8.6	7.7	7.6	7.9	8.4	7.2	7.6	7.1	7.1	8.5	8.5

Notes:

(r) = Revised data as end of March 2024

(p) = Provisional data

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

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

The first paragraph and accompanying on page 37 of the Third Supplement beginning with "The main markets for imports and exports for Romania in 2019 to 2023" in the section entitled *"Foreign Trade and Balance of Payments – Exports and imports of goods included in the balance of payments"* is hereby replaced by the following:

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

Trade Balance – Geographical Distribution

	Export FOB						Import FOB					
	2019	**2020**	**2021**	**2022**	**2023** [(r)]	**Jan-Jun**	**2019**	**2020**	**2021**	**2022**	**2023** [(r)]	**Jan-Jun**

						2024 (p)						**202 4(p)**
							(%)					
Country Group												
Total	100	100	100	100	100	100	100	100	100	100	100	100
- Intra EU Trade (EU-27), of which	72.2	73.2	72.0	72.1	72.3	72.7	72.8	74.1	73.1	72.1	74.4	74.9
Germany	22.4	22.9	20.5	20.0	21.1	21.6	19.9	20.7	20.2	17.9	19.4	19.5
Italy	9.0	8.8	8.8	8.4	8.4	8.4	8.0	7.9	8.0	7.3	7.8	7.9
France	7.1	6.8	6.5	6.1	6.5	6.5	4.8	4.6	4.2	3.9	4.3	4.4
Hungary	5.0	5.2	5.9	7.7	5.9	5.4	7.4	7.6	7.1	6.7	6.6	6.6
Bulgaria	3.8	3.9	4.2	4.1	4.4	4.6	3.1	3.3	4.3	7.2	4.8	4.3
Spain	3.2	3.1	3.1	3.3	3.4	3.3	2.9	2.5	2.6	2.6	2.9	3.1
Netherlands	3.1	3.4	3.5	3.6	3.4	3.4	4.2	4.1	4.2	4.3	4.6	4.6
Poland	3.7	3.9	4.2	4.0	3.9	4.1	6.1	6.3	6.4	6.1	6.4	6.5
Austria	2.2	2.4	2.5	2.4	2.0	2.1	3.1	3.2	3.2	3.1	3.4	3.3
- Extra EU Trade (extra- EU-27), of which	27.8	26.8	28.0	27.9	27.7	27.3	27.2	25.9	26.9	27.9	25.6	25.1
Turkey	3.5	3.6	3.7	3.2	3.4	3.7	4.4	4.3	4.5	4.7	5.0	5.5
Russian Federation	1.6	1.4	1.5	0.5	0.3	0.2	3.5	2.2	3.1	3.0	0.3	0.1
U.S.	2.0	1.8	2.2	2.5	2.4	2.4	0.9	1.1	1.0	1.1	1.1	0.9
Ukraine	0.6	0.7	0.7	1.6	2.6	1.9	0.8	0.9	1.1	1.6	1.1	0.9
Republic of Moldova	1.6	1.5	1.6	2.4	2.1	2.0	0.5	0.5	0.5	0.6	0.6	0.6
People's Republic of China	1.4	1.3	1.4	1.2	0.9	0.9	5.3	6.3	6.3	5.9	5.5	5.6
Japan	0.4	0.8	0.6	0.8	0.9	0.8	0.4	0.4	0.4	0.3	0.4	0.5
Kazakhstan	0.1	0.1	0.0	0.0	0.1	0.1	1.9	1.4	1.5	2.5	2.2	1.7
United Kingdom of Great Britain and Northern Ireland	3.6	3.3	3.0	2.8	2.9	3.1	2.6	2.0	1.1	0.9	1.0	1.1

Notes:

(r) = Revised data as end of March 2024

(p) = Provisional data

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

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

The second to last paragraph on page 38 of the Third Supplement beginning with "In the first two months of 2023, the current account deficit reached EUR 2,707 million" in the section entitled *"Foreign Trade and Balance of Payment – Balance of Payments – Current Account"* is hereby replaced by the following:

In the first six months of 2024, the current account deficit reached EUR 12,176 million, up 34.0 per cent. year-on-year, primarily because of the 14.2 per cent. increase in trade in goods deficit to EUR 15,017 million and in primary income deficit of 16.5 per cent. to EUR 4,261 million. These changes follow the ongoing trend of dividends paid to non-resident direct investors and that of interest paid for government bonds, but also of the decrease in the services surplus due to the expansion of travel related payments. Secondary income recorded a surplus of EUR 957 million, as compared with EUR 511 million in the first six months of 2023, boosted by higher inflows of EU funds and by larger workers' remittances.

The last sentence on last paragraph on page 38 continuing on to page 39 of the Third Supplement beginning with "In 2019, the combined current and capital account had a deficit of EUR 8,055 million" in the section entitled "*Foreign Trade and Balance of Payments – Current Payments"* is hereby replaced by the following:

In the first six months of 2024 the combined current and capital account deficit attained EUR 10,633 million, out of which approximately 30 per cent. was covered by non-residents' direct investment.

The first paragraph and accompanying table on page 39 of the Third Supplement beginning with "The financing of the current account through FDI" in the section entitled "*Foreign Trade and Balance of Payments – Current Payments"* is hereby replaced by the following:

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

	2019	2020	2021	2022	2023[r]	Jan-Jun 2024[p]
			(EUR million)			
Current account balance........................	(10,905)	(10,902)	(17,473)	(26,040)	(22,637)	(12,176)
Foreign direct investments flows..........	5,173	3,005	8,94	10,039	6,594	3,219
EU funds inflows.................................	5,734	7,12	8,317	10,555	10,808	4,615
Subsidies..	1,845	1,896	1,901	1,856	1,912	1,742
Current transfers..................................	1,435	1,886	1,343	1,819	2,279	1,489
Capital transfers...................................	2,455	3,338	5,074	6,879	6,617	1,383

Notes:

(r) = Revised data as end of March 2024

(p) = Provisional data

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

Source: National Bank of Romania

The last sentence third paragraph on page 39 of the Third Supplement beginning with" In 2019, the capital account ended with a surplus of EUR 2,850 million" in the section entitled "*Foreign Trade and Balance of Payments—Capital Accounts"* is hereby replaced by the following:

In the first six months of 2024 it decreased by 19.8 per cent. year-on-year, to EUR 1,543 million, hampered by lower inflows of EU grants such as the European Fund for Regional Development and Cohesion Fund.

The second to last paragraph on page 18 of the First Supplement beginning with "In the first ten months of 2023, net financial inflows" is hereby replaced by the following:

In 2023, net financial inflows were EUR 11,943 million, primarily consisting in portfolio investment of EUR 14,268 million in 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 decrease in net inflows recorded by other investment of EUR 4,576 million and direct investment of EUR 6,557 million, respectively.

The last paragraph on page 40 of the Third Supplement beginning with "In the first two months of 2024, net financial inflows totalled EUR 2,950 million" in the section entitled "*Foreign Trade and Balance of Payments—Financial Accounts"* is hereby replaced by the following:

In the first six months of 2024, net financial inflows totalled EUR 7,436 million, with contributions from portfolio and direct investments. The increase, from EUR 4,502 million in the first half of 2023, was due to growth in FDI, non-residents' deposits in Romania and government borrowings, as well as a decrease the amount allocated to reserve assets.

The section entitled *"Foreign Trade and Balance of Payments—Balance of Payments for the Years 2019-2023 and the first two months of 2024*" on page 41 of the Third Supplement is hereby replaced by the following:

Balance of Payments for the Years 2019-2023 and the First Six Months of 2024

Item	2019			2020			2021			2022			2023 [r]			Jan - Jun 2024	
	credit	debit	balance	credit	debit	balance	credit	debit	balance	credit	debit	balance	credit	debit	balance	credit	debit
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)**	**71,585**	**83,761**
A. Goods and services	*90,124*	*99,324*	*(9,200)*	*81,327*	*90,837*	*(9,510)*	*98,079*	*111,780*	*(13,702)*	*122,953*	*141,928*	*(18,975)*	*127,016*	*142,531*	*(15,514)*	*62,119*	*70,992*
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)	43,077	58,094
- General merchandise on a balance of payments basis	63,016	80,918	(17,902)	57,457	76,509	(19,051)	70,042	93,318	(23,276)	85,798	118,064	(32,267)	86,471	115,568	(29,098)	43,061	58,094
- Merchanting - export net	50	0	50	103	0	103	154	0	154	219	0	219	88	0	88	16	0
Merchanting - goods acquired	(395)	0	(395)	(549)	0	(549)	(654)	0	(654)	(648)	0	(648)	(640)	0	(640)	(319)	0
Merchanting - goods sold	445	0	445	651	0	651	808	0	808	867	0	867	729	0	729	335	0
- Nonmonetary gold	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*	*19,042*	*12,897*
- 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	1,531	61
- 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	4,960	2,220
- Travel	3,195	5,360	(2,165)	1,262	2,709	(1,446)	2,784	4,417	(1,633)	4,474	7,382	(2,908)	4,602	8,499	(3,897)	1,892	4,147
- 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	10,659	6,469
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)*	*5,198*	*9,459*
- 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*	*2,177*	*209*
- 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)*	*1,241*	*9,101*
Direct investment	200	7,090	(6,891)	93	6,898	(6,804)	207	8,971	(8,764)	*499*	*12,282*	*(11,783)*	*170*	*11,748*	*(11,578)*	*55*	*6,373*
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)	205	1,950
Other investment income	63	624	(560)	42	470	(428)	73	243	(169)	215	721	(506)	495	1,455	(960)	269	778
Reserve assets income	319	0	319	287	0	287	193	0	193	221	0	221	890	0	890	712	0
- 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	1,781	149
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*	*4,268*	*3,310*
- 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)	1,586	1,888
- Other sectors	4,067	1,935	2,132	3,841	1,824	2,017	4,265	2,083	2,181	4,948	2,468	2,480	5,116	2,756	2,360	2,682	1,423
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*	*1,713*	*171*
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*	*1,386*	*0*
- 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	1,383	0
- Other sectors	14	0	14	17	58	(41)	59	0	59	11	0	10	14	1	12	3	0
b. Gross acquisitions / disposals of nonproduced nonfinancial assets	*786*	*112*	*674*	*1,021*	*140*	*882*	*517*	*410*	*108*	*924*	*806*	*119*	*1,305*	*1,126*	*178*	*328*	*170*

	2019			2020			2021			2022r			2023r			Jan - Jun 2024p	
	Net acquisition of assets	**Net incurrence of liabilities**	**Net**	**Net acquisition of assets**	**Net incurrence of liabilities**	**Net**	**Net acquisition of assets**	**Net incurrence of liabilities**	**Net**	**Net acquisition of assets**	**Net incurrence of liabilities**	**Net**	**Net acquisition of assets**	**Net incurrence of liabilities**	**Net**	**Net acquisition of assets**	**Net incurrence of liab**
B. 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***	***(11,943)***	***8,266***	[illegible]
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)*	*1,375*	
- 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	
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	
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	
- Debt instruments	1,528	1,551	(23)	63	(925)	988	942	3,186	(2,244)	876	3,007	(2,131)	1,219	1,247	(28)	1,375	
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)*	*109*	
- Equity and investment fund shares/units	119	(589)	708	435	(757)	1,192	7	(124)	130	782	(289)	1,070	(17)	293	(310)	516	
- 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)	(407)	
c. Financial derivatives	*(49)*	*0*	*(49)*	*(16)*	*0*	*(16)*	*153*	*0*	*153*	*353*	*0*	*353*	*188*	*0*	*188*	*28*	
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)*	*2,595*	
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	
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	1,101	
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)	24	
4.Insurance, pension and standardised guarantee schemes	18	22	(4)	(18)	(10)	(8)	318	(10)	328	173	14	160	(339)	(14)	(325)	260	
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)	1,289	
6. Other accounts receivable/payable	2	7	(5)	2	(42)	44	96	36	60	49	132	(83)	(185)	16	(201)	(79)	
7.SDRs	0	0	0	0	0	0	0	2,097	(2,097)	0	0	0	0	0	0	0	
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*	*4,158*	
3. Net errors and omissions			**2,921**			**(1,084)**			**(2,465)**			**3,641**			**3,887**		

Notes:

(r) Revised data as end of March 2024

(p) Provisional data

(1) BPM6 methodology.

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

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

The second sentence of the second paragraph on page 43 of the Third Supplement beginning with "According to the results of the latest annual statistical survey regarding FDI, as of 31 December 2022" is hereby replaced by the following:

Industry was the largest with 39.2 per cent. of the total (out of which manufacturing comprised 30.2 per cent. of the total, primarily transport equipment, oil processing and chemicals), followed by trade (17 per cent.), construction and real estate (17.2 per cent.) and financial intermediation and insurance (13.2 per cent.).

The fourth paragraph on page 43 of the Third Supplement beginning with "In the first two months of 2024, estimated net FDI" in the section entitled "*Foreign Trade and Balance of Payments—Foreign Direct Investment"* is hereby replaced by the following:

In the first six months of 2024, estimated net FDI was EUR 3.2 billion, out of which equity and reinvested earnings totalled EUR 3.7 billion and intragroup loans recorded a negative value of EUR 0.5 billion.

The fifth paragraph and accompanying table on page 43 of the Third Supplement beginning with "The following table shows non-residents' direct investment in Romania" in the section entitled *"Foreign Trade and Balance of Payments—Foreign Direct Investment"* is hereby replaced by the following:

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

Net Foreign Direct Investment[(1)]

	2019	**2020**	**2021**	**2022**	**2023[r]**	**Jan-Jun 2024[p]**
			(EUR million)			
Net FDI	5,173	3,005	8,940	10,039	6,594	3,219
Equity, including reinvested earnings	5,021	3,999	6,747	7,896	6,557	3,709
Other capital (intra-group loans)	152	(994)	2,194	2,143	37	(490)

Notes:

(r) Revised data as of end March 2024.

(p) Provisional data

(1) Non-residents' direct investment in Romania

Source: NBR

MONETARY AND FINANCIAL SYSTEM

The first two sentences of the second paragraph on page 44 of the Third Supplement beginning with "The monetary policy interest rate remained unchanged at 7 per cent." in the section entitled "*Monetary and Financial System – Monetary Policy – Recent Monetary Policy – 2024"* is hereby replaced by the following:

The NBR further kept the monetary policy interest rate unchanged at 7.0 per cent. in January, February, April and May 2024. The interest rates on NBR's lending and deposit facilities were also maintained at 8.0 and 6.0 per cent. respectively.

The seven bullets on page 44 continuing on to page 45 of the Third Supplement beginning with "The annual inflation rate continued to decrease in the first quarter" in the section entitled "*Monetary and Financial System – Monetary Policy – Recent Monetary Policy – 2024"* is hereby replaced by the following:

- The annual inflation rate went up in January 2024 in line with forecasts to 7.41 per cent. from 6.61 per cent. in December 2023 and then declined in the following two months, returning in March 2024 to December 2023 levels – still considerably above the target variation band– given the relatively equal opposite effects generated in the first quarter of 2024, on the one hand, by the increases in the pricing dynamics of electricity, fuel and tobacco product, amid a base effect, the hikes in excise duties and higher crude oil prices, and, by the deceleration in core inflation and the decline in the dynamics of volatile food prices.

- The annual adjusted CORE2 inflation rate slowed down its deceleration over this interval compared to the previous two quarters, declining to 7.1 per cent. in March 2024, from 8.4 per cent. in December 2023, amid the easing in the pace of disinflation particularly on the food segment, but also in the case of non-food items and of services, whose annual dynamics remained very high. The deceleration was further driven mainly by disinflationary base effects, downward corrections of agri-food commodity prices, and by the measure to cap temporarily the mark-ups on basic food products, alongside 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 from higher short-term inflation expectations, as well as from the new increases in wage costs seen towards 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.

- Economic activity contracted by 0.5 per cent. in Q4 2023 versus the previous quarter but was expected to increase significantly in the first half of 2024, which rendered likely a slight increase of the positive output gap and its return by mid-2024 to previously forecasted levels, after a relatively more pronounced narrowing in the last three months of 2023.

- In addition, the tendency of easing labour market tensions seen in the second half of the last year came to a halt during the first months of 2024. Furthermore, the two-digit annual growth rate of the nominal gross wage continued to increase in January-February 2024, while that of unit labour costs in industry decreased only slightly compared to the previous quarter average, remaining very high.

- The medium-term forecasts updated during the first half of 2024 reconfirmed the prospects for the annual inflation rate to decrease throughout the next 2 years at a much slower pace than in 2023, but also slower than anticipated in November 2023, as its foreseen trajectory was slightly revised upwards in the long run in February 2024 and then in the short run in May 2024. Thus, according to the May forecast, the annual inflation rate was expected to decrease to 4.9 per cent. in December 2024 (compared with a previous forecast of 4.7 per cent.) and to decline only marginally in the variation band of the target at the end of the projection horizon, i.e. at 3.4 per cent. in March 2026, in line with previous forecast. The fall was expected to be primarily driven by supply-side factors. Their disinflationary action was however seen as progressively waning over time, and more visibly over the short term than previously anticipated, against the background of the diminishing influence from base effects and price corrections in agri-food commodities, but also of relatively higher price dynamics for fuels and tobacco products. At the same time, underlying inflationary pressures were expected to persist and subside only slightly, given the prospects for a very slow narrowing of excess aggregate demand over the next eight quarters and it is remaining at a significantly level at the end of the projection horizon.

- Heightened uncertainties and risks were associated with the fiscal and income policy stance, stemming in 2024 from the budget execution in the first months of the year, the public sector wage dynamics and the full impact of the new law on pensions. Beyond this time horizon, the increased risks were however related to the fiscal and budgetary measures that might be implemented in the future to carry out the fiscal correction and to put the budget deficit onto a sustainable downward path, compatible with the requirements of the excessive deficit procedure and with the conditionalities attached to other agreements signed with the EC.
- Nevertheless, uncertainties and risks to the outlook for economic activity, implicitly the medium-term inflation developments, also continued to arise from the war in Ukraine and the Middle East conflict, as well as from the economic performance in Europe, particularly in Germany, and from the absorption of EU funds, especially those under the Next Generation EU programme.

In July and August 2024, the NBR cut the monetary policy interest rate in two rate cuts, each of 0.25 percentage points, bringing the monetary policy interest rate to 6.50 per cent. At the same time, the interest rates on central bank's lending and deposit facilities were reduced in similar steps, to 7.50 per cent. and 5.50 per cent. respectively. Meanwhile the minimum reserve requirement ratios on both leu- and foreign currency-denominated liabilities of credit institutions were maintained at their existing levels. The decisions were adopted as the annual inflation rate declined more than expected recently and the inflation outlook improved compared to the previous forecast, especially in the very short run and in the context of still high uncertainties surrounding the longer-term forecasts. Specifically:

- The annual inflation rate went down more than anticipated in the second quarter of 2024, to 4.94 per cent. in June, mainly due to the notable drop in energy prices, especially natural gas prices, in the second quarter of 2024 overall, following the legislative changes implemented as of April (which lowered the regulated price for centralised purchases of electricity, thereby allowing for a drop in corresponding household consumer prices), as well further deceleration in the growth rate of food prices.
- At the same time, the annual adjusted CORE2 inflation rate fell at a faster pace in the second quarter of 2024, compared to the forecasts, down to 5.7 per cent. in June. Behind the deceleration stood again disinflationary base effects and downward corrections of commodity prices. Additional influences stemmed from the decreasing dynamics of import prices and the short-term inflation expectations resuming a slight downward trend. A moderate opposite impact came from the hikes in unit labour costs recorded in the first quarter of 2024, which were passed through, at least in part, into some consumer prices, inter alia amid a robust demand for goods.
- Economic activity expanded by 0.7 per cent. in the first quarter of 2024, more modestly than expected, which made it likely for excess aggregate demand to have further narrowed over this period. The new assessments pointed to a somewhat more robust quarter-on-quarter economic growth in the second quarter and third quarters of 2024 as compared to what was anticipated in May, entailing a slight increase of the positive output gap and its return close to the previously projected levels.
- The latest data and surveys indicated a resumption in the second quarter of 2024 of the tendency of easing labour market tensions, which came to halt in the first quarter. Specifically, the number of

employees economy-wide recorded a strong contraction in May, after the substantial rise in April, and the ILO unemployment rate picked up gradually in the second quarter of 2024 to 5.5 per cent., marginally below average seen in the second half of last year. At the same time, the surveys indicated in July more moderate employment intentions over the very short horizon than in the second quarter of 2024, as well as a declining labour shortage, in contrast to the rising shortage reported by companies in the first two quarters of 2024. The two-digit annual growth rate of the nominal gross wage and particularly that of unit labour costs in industry went down in April-May overall, remaining however high.

- The macroeconomic forecast updated in August 2024 shows an improvement of the inflation outlook compared to the previous projection, especially in the short run, as the annual inflation rate is envisaged to decline at the end of 2024 and in the first quarter of 2025 to significantly lower values than previously anticipated, and will temporarily pick-up in the second quarter of 2025 to return and remain until the end of the projection horizon slightly below the upper bound of the variation band of the target. Thus, the annual inflation rate was expected to fall to 4.0 per cent. in December 2024, to 3.4 per cent. at end-2025 and to 3.2 per cent. at the end of the projection horizon, compared to the levels of 4.9 per cent., 3.5 per cent. and 3.4 per cent. indicated by the previous forecast for the same reference moments.
- The disinflationary process will be further driven by the supply-side factors, with their action remaining stronger in the short run than previously expected given the impact exerted by base effects and the legislative changes in the energy sector. Significant uncertainties are nonetheless associated with developments in energy and food prices amid the related legislative changes (namely that which lowered the regulated price for centralised purchases of electricity) and the protracted drought this year, as well as with the future evolution of crude oil prices amid geopolitical tensions. After a yearlong period in which tariffs changed only marginally (for electricity) or not at all (for natural gas), as they were capped, in the second quarter of 2024 tariffs were reduced significantly amid favourable conditions on commodity markets that allowed for legislative changes which, in turn, enabled a reduction of tariffs below the price caps.
- At the same time, underlying inflationary pressures are likely to persist throughout the projection horizon and to ease only slightly compared to the first half of 2024 and with the previous forecast, as, after having slightly narrowed in the first half of 2024, excess aggregate demand is seen remaining almost constant over the next six quarters, at a significant level, marginally below that previously projected. In addition, the two-digit annual dynamics of unit labour cost in the private sector is anticipated to increase further in 2024 as a whole and exceed the slightly decreasing level envisaged before.
- Heightened uncertainties and risks stem from the fiscal and income policy stance, given on one hand the budget execution in the first six months of the year, the public sector wage dynamics and the full impact of the new law on pensions (which increased the tax-exempt pension threshold from RON 2,000 to RON 3,000, effective 1 October 2024), and on the other hand the fiscal and budgetary measures that could be implemented in the future to carry on budget consolidation, in the context of the medium-term fiscal-structural plan expected to be submitted to the EC in the autumn of this year.
- Uncertainties and risks to the outlook for economic activity, implicitly the medium-term inflation developments, also continue to arise from the war in Ukraine and the Middle East conflict, as well as from the economic performance in Europe, and from the absorption of EU funds, especially those under the Next Generation EU programme.

The first paragraph on page 45 of the Third Supplement beginning with “The NBR Board decisions aimed to bring the annual inflation rate back in line with 2.5 per cent” in the section entitled *“Monetary and Financial System – Monetary Policy – Recent Monetary Policy – 2024”* is hereby replaced by the following:

The NBR Board decisions aimed to ensure and maintain price stability over the medium term, in a manner conducive to achieving sustainable economic growth.

The third paragraph on page 45 of the Third Supplement beginning with "The annual growth rate of private sector credit" in the section entitled "*Monetary and Financial System – Recent Development in the Lending Process – 2023"* is hereby replaced by the following:

The annual growth rate of private sector credit decreased during the first nine months of 2023, to 4.5 per cent. in September, down from 12.1 per cent. in 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 component, 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 5.8 per cent. in December 2023. 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 7.3 per cent. by December 2023, from 30.2 per cent. in April 2023 and 26.7 per cent. in December 2022.

The fourth paragraph on page 45 of the Third Supplement beginning with "the annual dynamic of loans to non-financial corporations" in the section entitled *"Monetary and Financial System – Recent Development in the Lending Process – 2023"* is hereby replaced by the following:

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 the first half of 2023 (from 4.3 per cent. in December 2022) and then stalled in the third quarter of 2023, primarily on the back of loans for house purchase, before increasing slightly to 1.4 per cent. as of 31 December 2023.

The section entitled "*Monetary and Financial System – Recent Development in the Lending Process – 2024"* on page 45 and continuing to page 46 of the Third Supplement is replaced in its entirety by the following:

The annual growth rate of credit to the private sector decreased during the first three months of the year, to 4.7 per cent. in March (from 6.4 per cent. in December 2023) and then re-embarked on an upward path, reaching 6.7 per cent. in June. The growth rate of the leu-denominated component continued to rise steadily to 8.7 per cent. in June (from 5.8 per cent. in December 2023), while the annual dynamics of the foreign currency–denominated component posted sharp declines during the first quarter of 2024 (to 0.7 per cent. in March 2024, from 7.3 per cent. in December 2023 based on outstanding amounts expressed in EUR), and then fluctuated around slightly higher levels (standing at 2.4 per cent. in June).

From a sectoral perspective, the annual dynamics of loans to non-financial corporations resumed its decline in the beginning of 2024, reaching 5.1 per cent. in March (from 10.3 per cent. as of 31 December 2023) and then fluctuated somewhat during the second quarter of 2024, to stand at 5.8 per cent. in June. The growth of the leu-denominated component decelerated more significantly in January (to 6.1 per cent. from 8.8 per cent. in December 2023) and then was little changed until June, when it rose to 7.7 per cent. In turn, the annual dynamics of the foreign currency-denominated credit declined further significantly during the first quarter of 2024 (to 2.6 per cent. in March, from 11.6 per cent. in December 2023), and broadly levelled-off afterwards (3.2 per cent. in June).

By contrast, the annual growth rate of loans to households prolonged its steady increase throughout the first half of 2024 (to 6.0 per cent. in June, from 1.4 per cent. in December 2023), with the sole contribution of leu-denominated credit (9.6 per cent. in June, from 3.8 per cent. in December 2023), especially on the back of consumer loans, but also with a contribution from housing loans. The foreign currency-denominated credit accelerated the pace of its annual contraction (to -17.4 per cent. as of June 2024, from -13.7 per cent. in December 2023).

The last paragraph and the accompanying table on page 46 continuing onto page 47 of the Third Supplement beginning with "The following table sets out quarterly inflation rate" 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 June 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
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
June 2024	4.94	2.5	7.00

Source: National Institute of Statistics, National Bank of Romania

The second paragraph and accompanying table on page 47 of the Third Supplement beginning with "The following table shows selected monetary aggregates as of" 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 30 June 2024:

	2019	2020	2021)	2022	2023	30 June 2024
			(RON million)			
M1 (narrow money) – Total.................	276,938.6	337,563.5	406,773.3	398,074.2	409,346.8	414,353.0
Currency in circulation	74,125.5	88,180.6	96,100.3	101,298.4	110,214.9	116,508.5
Overnight deposits................................	202,813.1	249,382.9	310,673.0	296,775.8	299,131.9	297,844.5
M2 (intermediate money) – Total	422,631.6	487,349.9	564,423.0	603,042.0	666,387.1	684,822.8
M1	276,938.6	337,563.5	406,773.3	398,074.2	409,346.8	414,353.0
Deposits with agreed maturity of up to two years...	145,693.1	149,786.4	157,649.7	204,967.9	257,040.4	270,469.8
M3 broad money..................................	422,631.6	487,349.9	564,423.0	603,042.0	666,387.1	684,822.8
M2	422,631.6	487,349.9	564,423.0	603,042.0	666,387.1	684,822.8
M1 (narrow money) – Total.................	276,938.6	337,563.5	406,773.3	398,074.2	409,346.8	414,353.0

Source: National Bank of Romania

The following is inserted above the last paragraph on page 47 of the Third Supplement beginning with "In 2023, the average interest rates on new loans and new time deposits" in the section entitled "*Monetary and Financial System – Interest Rate – 2023"*:

The liquidity surplus in the money market increased considerably in 2023 and was further depleted by the central bank via the deposit facility. Overnight interbank rates remained within proximity of the lower bound of the interest rate corridor. The three-month to twelve-month ROBOR interest rates continued to decline during the first part of the year, yet at a slower pace after entering the lower half of the interest rate corridor, and then remained almost constant since August, except for some minor decreases in Q4.

The third, fourth, and fifth paragraph on page 48 of the Third Supplement beginning with "The very short term money market interest rates fluctuated slightly" in the section entitled "*Monetary and Financial System – Interest Rate – 2024"* are hereby replaced by the following:

During the first eight months of 2024, in the context of the large liquidity surplus in the banking system, further depleted by the central bank via its deposit facility, the very short-term money market interest rates generally stayed in the proximity of NBR's deposit facility rate, declining in lockstep with it following the NBR's cuts of the monetary policy rate and standing facility rates in July and August, by 0.25 percentage points each time.

The three-month to twelve-month ROBOR interest rates stood broadly stable during the first half of the year, seeing some episodes of minor decreases, and then adjusted downwards in July and August in response to NBR's monetary policy decisions.

In the first half of 2024, the average interest rates on new loans and new time deposits of non-bank customers declined compared to December 2023, by 0.59 percentage points to 8.04 per cent. and by 0.32 percentage points to 5.32 per cent. respectively, with generally similar developments from a sectoral perspective. As such, the average interest rate on new loans to households decreased by 0.61 percentage points to 7.97 per cent. and that on new loans to financial corporations went down by 0.55 percentage points to 8.14 per cent. At the same time, the average interest rate on new time deposits declined by 0.69 percentage points to 5.20 per cent. in the household sector and by 0.15 percentage points to 5.37 per cent. in the case of non-financial corporations.

The last paragraph and accompanying table on page 48 of the Third Supplement beginning with "the following table shows annual average interest rates for loans and term deposits" in the section entitled "*Monetary and Financial System – Interest Rates – 2024*" 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 30 June 2024:

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

	2019	**2020**	**2021[)]**	**2022**	**2023**	**30 June 2024**
			(per cent.)			
Individuals						
Loans	7.69	6.83	6.24	8.76	9.22	8.96
Term Deposits	1.87	1.82	1.7	6.18	6.47	5.82
Non-financial corporation						
Loans	5.81	4.8	4.81	10.2	8.95	8.70
Term Deposits	2.2	1.59	1.9	6.78	5.63	5.23
Total						
Loans	6.99	6.06	5.66	9.33	9.11	8.85

Source: National Bank of Romania

The section entitled "*Monetary and Financial System – Exchange Rate Policy – 2024"* on page 49 of the Third Supplement beginning with "After relative stability in the fourth quarter of 2023, the EUR/RON exchange rate began to fluctuate," is hereby deleted in its entirety and replace by the following:

2024

The EUR/RON exchange rate remained broadly stable during the first seven months of the year, tending to stay at the higher levels reached at the beginning of the period, and posting only temporary downward adjustments. The main external and domestic factors behind its behaviour were the changes in global risk appetite – against the background of successive revisions of financial investors' expectations on future path of the US Federal Reserve interest rate, as well as of geopolitical developments in the Middle East – but also the still high relative attractiveness of investments in domestic currency.

Compared to December 2023, the RON depreciated in the first seven months of the year by 0.1 per cent. in nominal terms against the euro and by 0.6 per cent. against the US dollar. In real terms, it appreciated over the same period by 3.1 per cent. against the euro and by 2.6 per cent. against the US dollar.

The sixth paragraph on page 49 of the Third Supplement beginning "Labour coast pressures in recent years were significant" in the section entitled "*Monetary and Financial System – Real Effective Exchange Rate"* is hereby replaced by the following:

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 indicator witnessed modest variations (between ± 1 per cent.) in 2018-2020. Cost pressures began to build up in 2021 and especially in 2022, amid the supply shocks affecting the world economy; against this background, the PPI-based REER appreciated by 4.6 per cent. in 2022, but subsequently, as commodity markets calmed down, annual dynamics fell to lower values (1.3 per cent. in 2023 and 2.5 per cent. in the first seven months of 2024).

The last paragraph and accompanying table on page 49 and continuing onto page 50 of the Third Supplement beginning with "As of 31 December 2023, the share of assets held by banks with total or majority private capital" in the section entitled "*Monetary and Financial System – 2024- Real Effective Exchange* " is hereby replaced by the following:

As of 30 June 2024, the share of assets held by banks with total or majority private capital in total assets of the Romanian banking system was 85.6 per cent., while the share of assets held by banks with total or majority foreign capital, including foreign bank branches, was 64.9 per cent. Banks with total or majority state-owned capital held 14.4 per cent., while the private domestic capital held 20.7 per cent. As of 30 June 2024, the total net balance sheet assets of the Romanian banking system amounted to EUR 167.8 billion and the share capital was EUR 6.2 billion.

Market share of credit institutions in terms of assets

	2019	**2020**	**2021**	**2022**	**2023**	**Jan.–Jun. 2024**
			(per cent. market share)			
Banks with majority state capital............	8.2	10.6	11.4	12.1	13.7	14.4
Banks with majority domestic private capital	18.1	18.9	20.4	19.8	20.7	20.7
Banks with majority foreign capital.........	73.7	70.5	68.2	68.1	65.6	64.9
Total banking system............................	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: National Bank of Romania

The following is inserted after of the fourth paragraph on page 23 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":

As of 31 December 2022, Romania's foreign exchange reserves amounted to EUR 46,636 million, an increase of EUR 6,161 million compared to 31 December 2021. The principal inflows, totalling EUR 42,180 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 9,754 million) and inflows into the EC account (amounting to EUR 7,749 million). The principal outflows for the reported period totalling EUR 36,019 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 second paragraph on page 50 of the Third Supplement beginning with "As of 30 April 2024, Romania's foreign exchange reserves amounted to EUR 62,511 million" is hereby replaced by the following:

As of 31 July 2024, Romania's foreign exchange reserves amounted to EUR 63,579 million, an increase of EUR 3,809 million compared to 31 December 2023. The principal inflows, totalling EUR 23,173 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 8,509 million) and inflows into the EC account (amounting to EUR 1,447 million). The principal outflows for the reported period totalling EUR 19,364 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 second to last paragraph on page 161 of the Base Information Memorandum beginning with "The amount of total reserves was EUR 36,800 million as of the end of 2018, EUR 37,450 as of the end of 2019," in the section entitled "*Monetary Policy and Financial Policy – Exchange Rate Policy – International Reserves"* is hereby replaced by the following:

The amount of total reserves was EUR 36,800 million as of the end of 2018, EUR 37,450 as of the end of 2019, EUR 42,517 million as of the end of 2020, EUR 45,831 million as of the end of 2021, EUR 52,305 million as of 31 December 2022, and EUR 65,983 million as of 31 December 2023. Romania's gold reserve assets have remained at approximately 103.6 tonnes since the second half of 2007 and were valued at EUR 6,213 million on 31 December 2023.

The second paragraph and accompanying table on page 162 of the Base Information Memorandum beginning with "The following table shows Romania's international reserves as at 31 December 2018" in the section entitled "*Monetary Policy and Financial Policy – Exchange Rate Policy – International Reserves"* is hereby replaced by the following:

The following table shows Romania's international reserves as at 31 December 2018, 2019, 2020, 2021, 2022 and 2023:

	2018	2019	2020	2021	2022	2023
			(EUR million)			
Foreign exchange reserves	33,065	32,926	37,379	40,475	46,636	59,770
Gold reserves	3,735	4,524	5,138	5,356	5,669	6,213
Total reserves	**36,800**	**37,450**	**42,517**	**45,831**	**52,305**	**65,983**

The fourth paragraph and accompanying table on page 50 of the Third Supplement beginning with "In terms of net asset, the market share of banks with majority foreign capital" in the section entitled are hereby replaced by the following: *"*

In terms of net assets, the market share of banks with majority foreign capital was 64.9 per cent. in 30 June 2024 compared to 73.7 per cent. in 31 December 2019. The largest share of this majority foreign ownership in June 2024 was Austrian (22.24 per cent.), followed by Dutch (11.79 per cent.) and French (10.49 per cent.). The market share of banks with majority Greek controlled capital declined significantly over the past nine years, from 12.2 per cent. as of 31 December 2014, to only 2.76 per cent. as of 30 June 2024

Banking System Ownership by Total Asset

	2019	2020	2021	2022	2023	Jan.-Jun. 2024
			(per cent. market share)			
Romania	26.35	29.47	31.81	31.89	34.39	35.12
Austria	23.87	23.92	23.57	22.99	22.31	22.24
Netherlands	12.66	12.81	12.33	12.07	11.75	11.79
France	12.73	12.32	11.25	11.01	10.69	10.49
Italy	10.32	9.27	8.94	9.72	9.35	9.06
Greece	4.94	3.20	2.94	3.01	2.93	2.76
Cyprus	1.84	1.92	2.63	2.54	2.57	2.45
Hungary	2.68	2.65	2.89	2.85	2.48	2.30
Other	4.61	4.44	3.64	3.92	3.51	3.79

Source: National Bank of Romania

The last paragraph and accompanying table on page 50 of Third Supplement beginning with "The share in total equity capital held by banks with majority foreign capital" is hereby replaced by the following:

The share in total equity capital held by banks with majority foreign capital was 58.5 per cent. at June 2024, lower than 66.8 per cent. in 2019. Banks with majority Austrian capital held the largest share in 2023 (14.0 per cent.).

Banking System Ownership by Total Equity Capital

	2019	**2020**	**2021**	**2022**	**2023**	**Jan.-Jun. 2024**
			(per cent. market share)			
Romania	33.17	38.14	39.58	39.40	41.57	41.52
Austria	17.83	15.16	14.86	15.25	14.05	14.03
France	10.10	10.46	9.26	9.27	9.05	9.00
Italy	8.05	8.16	7.84	8.07	7.92	7.91
Hungary	6.35	6.43	7.66	7.70	7.55	7.54
Netherlands	7.31	7.41	7.11	7.20	7.07	7.05
Luxemburg	5.07	4.28	4.11	4.13	4.06	4.05
Cyprus	3.43	3.47	4.15	3.35	3.29	3.45
Other	8.69	6.49	5.43	5.63	5.44	5.45

Source: National Bank of Romania

The second paragraph on page 51 of the Third Supplement beginning with "At the end of 2023, the Romanian banking system had 32 credit institutions" in the section entitled "*Monetary Policy and Financial Policy – Banking System – Structure of the Banking sector*" is hereby replaced by the following:

As at 30 June 2024, 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 third paragraph and accompanying table on page 51 of the Third Supplement beginning with "The following table shows the composition of the Romanian" in the section entitled *"Monetary Policy and Financial Policy – Banking System – Structure of the Banking sector"* is hereby delated and replaced by the following:

The following table shows the composition of the Romanian banking sector as of 30 June 2024:

Type of capital	**Number of banks**	**Total loans**	**Total deposits**	**Total balance sheet**
		(per cent. market share)		
State-owned	1	7.4	12.3	11.2
Majority state-owned	1	3.3	2.9	3.2
Majority privately owned, of which	22	77.5	72.2	73.6
- majority domestic capital	4	18.4	20.9	20.7
- majority foreign capital	18	59.1	51.3	52.9
Branches of foreign banks	8	11.8	12.6	12.0

Source: National Bank of Romania

The first paragraph on page 165 of the Base Information Memorandum beginning with "Cross-border activity remained small" in the section entitled "*Monetary Policy and Financial Policy – Banking System – Current Condition of Banking Sector"* is hereby replaced by the following:

Cross-border activity remained small, with a share of foreign assets of 9.3 per cent. of the aggregate balance sheet, and of 7.5 per cent. in the case of foreign liabilities, respectively, in June 2024. Investments in foreign markets are mainly in the form of short-term loans to credit institutions in the Eurozone and are concentrated in the balance sheets of a few large banks. Exposures to the external public sector are minor (2.1 per cent. of total assets as of June 2024). External financing has been fully replaced by local deposits. The share of such funding has gradually decreased to an annual average of 7.3 per cent. of total liabilities in the last year , from an annual average of 23 per cent. from 2010 to 2014. Financial intermediation remained low (the non-government credit-to-GDP ratio was 24.1 per cent. and the gross assets-to-GDP was 53.1 per cent. in December 2023), against the background of persistent structural vulnerabilities in the domestic economy.

The last paragraph on page 51 and continuing onto page 52 of the Third Supplement beginning with "As of 31 December 2023, in the case of non-financial companies, the NPL ratio" is hereby replaced by the following:

At the end of the second quarter of 2024, the non-financial companies' NPL ratio decreased (according to the methodology developed by the European Banking Authority), by 0.2 percentage points year-on-year, to 3.9 per cent. compared to 4.1 per cent. as at June 2023. This improvement came as a result of a boost in the volume of total exposures (an increase of 4.5 per cent. annually) and a slight decline in the non-performing loan volume of non-financial companies (a decrease of 0.3 per cent. annually). For the household sector, the NPL ratio (according to the methodology developed by the European Banking Authority) marginally increased to 3.2 per cent. in June 2024, and increase of 0.05 percentage points in annual terms. By loan type, the NPL ratio for consumer loans was 5.6 per cent. in June 2024, slightly decreasing by 0.18 percentage points compared to the corresponding period in 2023, while the NPL ratio for mortgage loans stood at 1.65 per cent., an increase of 0.05 percentage points compared to the previous year. The total volume of household exposures rose by 6 per cent. in annual terms and the non-performing exposures increased by 7 per cent. in June 2024 compared to June 2023. 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 13.4 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 (6.9 per cent. for foreign currency loans compared to 2.8 per cent. for domestic currency loans by June 2024).

The first paragraph on page 52 of the Third Supplement beginning with "As if 31 December 2023, the annual default rate" in the section entitled is hereby replaced by the following:

The default rate of non-financial companies has reached 3.2 percent in March 2024, up 0.9 percentage points compared to March 2023. The average probability of default estimated for the March 2024-March 2025 period is 4.4 percent according to the baseline macroeconomic scenario. As of 31 March 2024, the annual default rate for housing loans was 0.24 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.

The third paragraph on page 52 of the Third Supplement beginning with "According to the latest NBR Bank Lending Survey" is hereby replaced by the following:

According to the latest NBR Bank Lending Survey (May 2024), in the first quarter of 2024, credit institutions in Romania reported that credit standards for loans and credit lines to non-financial corporations held steady for the third quarter in a row. Conversely, in the case of loans to households, banks cited an easing of credit standards, on the account of the change in competition across the banking sector, the expectations regarding general economic activity and those regarding households' financial situation. As for the real sector's demand for loans, banks reported an increase in the first quarter of 2024, particularly in the case of households. For the upcoming quarter, credit institutions' expectations point to a further rise in loan demand from both non-financial corporations and households for all types of loans and maturities considered.

The fourth paragraph on page 52 of the Third Supplement beginning with "The prudential and financial position of the Romanian banking sector has remained adequate" is hereby replaced by the following:

The prudential and financial position of the Romanian banking sector has remained adequate, despite the persistence of the economic and geopolitical uncertainties. New challenges arise from the need to adapt to climate change, the increase in cyber risks also fostered by the geopolitical context and the need to adapt the business models to the rapid pace of digitalisation. The impact of disruptive events in recent years was limited, given: (i) the specificity of banking activity in Romania, oriented predominantly towards resident customers (the share of foreign assets is just 9.3 per cent. of the total assets as of 30 June 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 exposure to potential losses stemming from financial derivatives). So far, there have been no bank failures/defaults in Romania after the 2008 Financial Crisis 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 35 per cent. of total bank assets, 34 per cent. of private sector deposits and currently have the largest contribution to financial intermediation (29 per cent. of total loans as of 30 June 2024). The consolidation of the Romanian banking sector is expected to continue via the mergers and acquisitions announced in 2023.

The fifth paragraph on page 52 of the Third Supplement beginning with "The total capital ratio (22.5 per cent. as of 31 December 2023), Tier 1 capital ratio" is hereby replaced by the following:

The total capital ratio (20.7 per cent., 22.0 per cent., 25.1 per cent., 23.3 per cent.,23.4 per cent, 23.6 per cent. and 24.1 per cent. in December 2018, 2019, 2020, 2021, 2022, 2023 and June 2024, respectively), Tier 1 capital ratio (18.6 per cent., 20.0 per cent., 23.2 per cent., 20.9 per cent., 20.5 per cent., 20.7 per cent. and 21.1 per cent, in December 2018, 2019, 2020, 2021, 2022, 2023 and June 2024, respectively) and the liquidity coverage ratio (237.8 per cent., 242.6 per cent., 265.9 per cent., 238.8 per cent., 209.2 per cent., 280.6 per cent, and 243.0 per cent. in December 2018, 2019, 2020, 2021, 2022, 2023 and June 2024, respectively) continue to exceed the EU average, giving stability to credit institutions facing the effects of the current crises. The decline of the loan-to-deposit ratio since December 2018 (76.2 per cent., 72.8 per cent. and 67.1 per cent. in December 2018, 2019, 2020, respectively) ended in the last quarter of 2021 when it increased slightly, year on year, in December 2021 (67.7 per cent.) and December 2022 (70.9 per cent.) amid increased lending, after which, it resumed the decrease in 2023 (67.6 per cent. in December 2023) due to the faster growth of deposits compared to loans. The financing is dispersed and comes mainly from the domestic capital. The relatively high share of claims on the government sector in the balance sheet (24.0 per cent. in June 2024) supports liquidity but can contribute to the amplification of shocks to the banking sector in the event of a significant increase in risk aversion, manifested in the form of higher government bond yields.

The total capital ratio (24.1 per cent. as of 30 June 2024), Tier 1 capital ratio (21.1 per cent. as of 30 June 2024) and the liquidity coverage ratio ("**LCR**") (243.0 per cent. as of 30 June 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 potential losses from the materialisation of the main regulated risks, without significantly affecting capital.

The last paragraph on page 52 continuing onto page 53 of the Third Supplement beginning with "Asset quality has remained inside the European Banking Association ("**EBA**")" is hereby replaced by the following:

Asset quality has remained inside the European Banking Association ("**EBA**") low-risk bucket (with an NPL ratio of 2.5 per cent. as of 30 June 2024). The NPL coverage ratio remains adequate (67.0 per cent. as of 30 June 2024) and significantly higher than the EU average (41.8 per cent. as of 31March 2024). The share of stage 2 loans in total loans continued to decrease (to 12.4 per cent.as of 30 June 2024 from 14.9 per cent. in December 2022) but remained above pre-pandemic levels (12.0 per cent. as of 31 December 2019).

The first and second paragraph on page 53 of the Third Supplement beginning with "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" is hereby replaced by the following:

As of 31 December 2023, net profit from the Romanian banking sector was RON 13.5 billion (RON 10.1 billion as of 31 December 2022) due to the operating profit growth and a low level of loan losses, given the still limited materialisation of credit risk. 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 20.1 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 30 June 2024, net profit was RON 7.5 billion, representing an annualised ROE of 20.1 per cent. and a ROA of 1.8 per cent. respectively.

The banking sector's total assets continued to strengthen posting a 10.6 per cent. annual rise as of 30 June 2024, up to RON 867.2 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 30 June 2024). Households remain the main funding provider for the banking sector accounting for 40.8 per cent. in total liabilities and 60.4 per cent. of all deposits from residents

The last sentence of the first paragraph on page 54 of the Third Supplement beginning with "In its capacity as resolution authority, the NBR carries" in the section entitled "*Monetary Policy and Financial Policy – Banking System – Bank Resolution Framework"* is hereby replaced by the following:

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 Own Funds and Eligible Liabilities ("**MREL**").

The third paragraph on page 54 of the Third Supplement beginning with "In 2023, the level three legislation was extended also with Guidelines" in the section entitled "*Monetary Policy and Financial Policy – Banking System – Bank Resolution Framework"* is hereby replaced by the following:

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) and Guidelines on the overall recovery capacity in recovery planning (EBA/GL/2023/06).

On 15 December 2023, in line with the provisions of the Guidelines to resolution authorities on the publication of the write down and conversion and bail-in exchange mechanic (EBA/GL/2023/01), the NBR as resolution authority published its approach in this respect.

At the same time, the legal framework was improved through the publication in the Official Gazette of the NBR Regulation no. 4/2024 on the authorisation of the bridge credit institution. This Regulation establishes not only the conditions for authorisation, but also the documentation accompanying the application for authorisation under which the National Bank of Romania, as the competent authority, authorises a bridge credit institution.

Having in view that the process of authorising a bridge credit institution shall be carried out in a single step, the Regulation ensures the application of this resolution instrument with the necessary expedience.

The fourth paragraph on page 54 of the Third Supplement beginning with "The end of 2024, the available financial means of the Bank Resolution Fund" in the section entitled "*Monetary Policy and Financial Policy – Banking System – Bank Resolution Framework"* is hereby replaced by the following:

At the end of June 2024, the available financial means of the Bank Resolution Fund ("**BRF**") reached 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 no bank resolution action was required in Romania, the BRF has not been tapped.

The third sentence of the fifth paragraph on page 54 of the Third Supplement beginning with "The NBR in its capacity as resolution authority" in the section entitled *"Monetary Policy and Financial Policy – Banking System – Bank Resolution Framework"* is hereby replaced by the following:

As of 31st of March 2024, the average MREL final target for resolution banks under the NBR remit amounted to 24.61 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 29.60 per cent.

The sixth paragraph on page 54 of the Third Supplement beginning with "In 2023, the level three legislation was extended also with Guidelines" in the section entitled "*Monetary Policy and Financial Policy – Banking System – Bank Resolution Framework"* is hereby replaced by the following:

Based on the 31st of March 2024 figures, all banks comply with the applicable MREL final target and are expected to comply with it on a continuous basis.

The first sentence of the seventh paragraph on page 54 and continuing onto page 55 of the Third Supplement beginning with "In order to achieve compliance with the applicable MREL target," in the section entitled "*Monetary Policy and Financial Policy – Banking System – Banking Resolution Framework"* is hereby replaced by the following:

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 as of 2023, while the Romanian banks subject to internal MREL raised new subordinated funding from their parent entities, with an aggregated contracted value exceeding RON 12 billion for the period between December 2020 to June 2024.

The following is inserted after the third paragraph on page 55 of the Third Supplement beginning with "The provision of article 45d alin (4) and article 45h alin (2) of Directive 2014/59/EU" in the section entitled "*Monetary Policy and Financial Policy – Romanian Banking Regulation and Business Standards – Banking Regulation and Supervision"*:

On 11 April 2024 Directive (EU) 2024/1174 of the European Parliament and of the Council amending Directive 2014/59/EU and Regulation (EU) No 806/2014 as regards certain aspects of the minimum requirement for own funds and eligible liabilities (Daisy Chains Directive), was published in the Official Journal.

This directive is part of the EC proposal which aims to amend the bank crisis management and deposit insurance (CMDI package). Its main provisions:

- give the resolution authorities the power of setting internal MREL on a consolidated basis subject to certain conditions. Where the resolution authority allows a banking group to apply such consolidated treatment, the intermediate subsidiaries will not be obliged to deduct their individual holdings of internal MREL.

- introduce a specific MREL treatment for 'liquidation entities'. Those are defined as entities within a banking group earmarked for winding-up in accordance with insolvency laws, which would, therefore, not be subject to resolution action (conversion or write-down of MREL instruments). On this basis and as a rule, liquidation entities will not be obliged to comply with an MREL requirement, unless the resolution authority decides otherwise on a case-by-case basis for financial stability protection reasons. The own funds of these liquidation entities issued to the intermediate entities will not need to be deducted except when they represent a material share of the own funds and eligible liabilities of the intermediate entity.

Member states should adopt and publish measures implementing the Directive by 13 November 2024.

In Romania, the transposition of the Daisy Chains Directive will be achieved by amending Law no.312/2015.

The first bullet on page 55 of the Third Supplement beginning with "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" 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, replaced by Regulation (EU) No. 451/2021, 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 significantly updated by NBR Order No. 8/2020. 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 significantly updated by NBR Order No. 8/2020.

Sub-paragraph (ii) of the fifth paragraph on page 194 of the First Supplement beginning with "harmonisation with guidelines/recommendations issued by European Banking Authority" is hereby replaced with the following:

(ii) harmonisation with guidelines/recommendations issued by European Banking Authority; areas in which the EBA guidelines/recommendations were transposed into Romanian regulations refer to equivalents of the confidentiality regime; COVID-19 measures reporting and disclosure in compliance with CRR "quick fix"; governance arrangements; assessment of the suitability of members of the management body and key function holders; remuneration policies, credit risk management practices and accounting for expected credit losses; prudential treatment of legislative and non-legislative moratoria on loan payments introduced in response to COVID-19; management of non-performing and forborne exposures; specification of types of exposures to be associated with high risk under the CRR; internal capital and liquidity adequacy assessment process and management of significant risks; liquidity cost benefit allocation; conditions for outsourcing of activities;

assessment and validation of using advanced approaches for calculating capital requirements for credit and operational risks; retention requirements in securitisation transactions; clarifications regarding the revised large exposures regime and clarifications regarding the exemption of some short-term exposures from the application of the large exposures regime; specifying the conditions for the application of the alternative treatment of institutions' exposures related to 'tri-party repurchase agreements' for large exposures purposes; the eligibility criteria for capital instruments to be recognised as original own funds; recovery and resolution of credit institutions; liquidity coverage ratio ("**LCR**") disclosure; disclosure requirements under Part eight of the CRR; implicit support for securitisation transactions; modified duration for debt instruments; acquisitions and qualifying holdings; connected clients; definition of default; funding plans; ICT risk; determining the weighted average maturity of a tranche in securitisation transactions; treatment of structural FX; criteria to assess the exceptional cases when institutions exceed the large exposure limits; and specifying criteria for the use of data inputs in the risk-measurement model used for calculating the own funds requirements for market risk; monitoring of the threshold and other procedural aspects on the establishment of an intermediate EU parent; identification, evaluation and management of the interest rate risk arising from the non-trading book (banking book) activities (IRRBB), internal governance arrangements in relation to the management of IRRBB, criteria to assess the sudden and unexpected changes in the interest rate for the purposes of the review and evaluation performed by competent authorities; identification and management of credit spread risk in the non-trading book (CSRBB); loan origination and monitoring; improving resolvability for institutions and resolution authorities under articles 15 and 16 BRRD including in case of transfer strategies; publication of the write-down and conversion and bail-in exchange mechanic; common procedure and methodologies for the supervisory review and evaluation process (SREP); and supervisory stress testing, benchmarking exercises on remuneration practices, the gender pay gap and approved higher ratios, data collection exercises regarding high earners, outsourcing, benchmarking of diversity practices including diversity policies and gender pay gap.

The following is inserted before the first paragraph on page 194 of the First Supplement beginning with "On 18 December 2019, in the Official Journal of the EU was published the Covered bonds":

On 19 June 2024 in the Official Journal of the European Union was published the Basel III package, respectively:

- Directive (EU) 2024/1619 of the European Parliament and of the Council, of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks (CRD VI); and
- Regulation (EU) 2024/1623 of the European Parliament and of the Council, of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (CRR III).

According to Article 2 of CRD VI, the member states have the obligation to adopt and publish the necessary normative acts to transpose the directive into national legislation by 10 January 2026.

In Romania, the transposition of the CRD VI will be achieved by amending both the primary and secondary legal framework.

The main areas where changes are necessary to be made to the existing legal framework, as a result of the elements introduced by CRD VI, the following: a) independence of the competent authorities; b) strengthening supervisory powers in relation to certain operations carried out by supervised entities (respectively direct or indirect acquisitions of significant participations in financial or non-financial entities, significant transfer of assets or liabilities and mergers or divisions); c) the regime of third country branches (minimum authorisation requirements, prudential requirements, internal governance, supervision and reporting); d) environmental, social and governance (ESG) risks; e) strengthening the sanctioning regime.

The following is inserted before the first paragraph on page 170 of the Base Information Memorandum beginning with "In 2022, two laws which ensure the transposition and implementation of European legislative acts" in the section entitled *"Monetary and Financial System – Romanian Banking Regulation and Business Standards -Bank Regulation and Supervision"*:

In August 2024, the NBR issued Regulation No. 8/2024 on amending and supplementing NBR Regulation No. 5/2013 on prudential requirements for credit institutions, in the area of outsourcing. The Regulation also ensures the transposition of some of the provisions of the Corrigendum to Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures. The Regulation was published in the Official Journal Part 1 No. 809/14.08.2024.

The following is inserted after the third paragraph on page 171 of the Base Information Memorandum beginning with "In February 2023, NBR adopted the NBR Order no.1/2023 supplementing the NBR Order" in the section entitled " *Monetary and Financial System – Romanian Banking Regulation and Business Standards -Bank Regulation and Supervision"*:

In order to transpose the provisions of the European Directive regarding corporate sustainability reporting (Directive (EU) 2022/2464 - CSRD) into the accounting regulations applicable to entities that fall within the central bank's accounting regulatory area in May 2024 was issued the *NBR Order No.1/16.05.2024 amending and supplementing the NBR Order no. 27/2010 approving the Accounting regulations according to the IFRS and the NBR Order no. 6/2015 approving the Accounting regulations according to the European directives*.

The fifth and sixth sentences of the fourth paragraph on page 56 of the Third Supplement beginning with "In order to identify systemic risk, the NBR continues to monitor signals" in the section entitled "*Monetary Policy and Financial Policy – Banking System –Capital Buffers"* are hereby replaced by the following:

Considering international and also national uncertainties, in the meetings of the NCMO held on 14 Dec 2023, on 28 Mar 2024, and on 18 June 2024, the General Board decided to approve the NCMO Recommendations No. R/5/2023, No. R/1/2024, and No. R/2/2024 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 following is inserted after the second paragraph on page 57 of the Third Supplement beginning with "Moreover, in the meeting of the NCMO held on 15 December 2022" in the section entitled "*"Monetary Policy and Financial Policy – Banking System –Capital Buffers"*:

In the meeting of the NCMO held on 18 June 2024, the members of the NCMO General Board also decided on the compliance with the provisions of the European Banking Authority Guideline EBA/GL/2023/10 amending Guideline EBA/GL/2020/14 on the specification and disclosure of systemic importance indicators.

The second to last paragraph on page 176 of the Base Information Memorandum beginning with "As of 31 December 2022, there were 177 non-bank financial institutions" in the section entitled "*Monetary and Financial System – Romanian Banking Regulation and Business Standards – Non-Bank Financial Institutions Sectors"* is hereby replaced by the following:

As of 31 December 2023, there were 184 non-bank financial institutions registered in the General Register under the NBR oversight, out of which 81 are listed in the Special Register and are under NBR prudential supervision. During 2023, there were 12 deletions from the General Register, following requests from non-bank institutions (eight cases) or as a result of other causes provided by law (four cases). As of 31 December 2022, the financial aggregate indicators of non-bank financial institutions were as follows: a total share capital of

RON 3.5 billion; total assets of RON 50.3 billion; loans and commitments granted of RON 52.1 billion and non-performing loans (including commitments) of RON 2.8 billion.

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 System – 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, as subsequently amended, in compliance with the EU's legislative requirements.

The first sentence of the third paragraph on page 178 of the Base Information Memorandum beginning with "As of 31 December 2022, there were 10 payment institutions" in the section entitled "*Monetary and Financial System—Romanian Banking Regulation and Business Standards—Payment Services Sector"* is hereby replaced by the following

As of 31 December 2023, there were 11 payment institutions registered in the Register of Payment Institutions and 17 agents through which they provide payment services in Romania and Moldova.

The third, fourth, fifth, sixth and seventh paragraphs on page 58 of the Third Supplement beginning with "The fourth paragraph on page 178 of the Base Information Memorandum beginning with "NBR Regulation No. 4/2019 on payment institutions" are hereby replaced by the following:

The last 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 Financial System—Romanian Banking Regulation and Business Standards—Payment Services Sector"* are hereby replaced by the following:

As of 31 July 2024, there were 11 payment institutions registered in the Register of Payment Institutions and 17 agents through which they provide payment services in Romania and Moldova. Among authorised payment institutions, five also hold the quality of non-banking financial institution and are registered in the General Register.

The first sentence of the eleventh paragraph on page 58 of the Third Supplement beginning with "As of 31 January 2024, there were two authorised" is hereby replaced by the following:

As of 31 July 2024, there were three authorised electronic money institutions registered in the Register of Electronic Money Institutions.

The following is added to immediately follow the paragraph and related bullet points on page 197 of the Base Information Memorandum beginning with "In order to enhance budgetary income collection, as to increase the efficiency of the fiscal administration authorities" in the section entitled "*Monetary and Financial System—Public Finance—Taxation System—Budgetary Income Collection*":

Additionally, the Government has recently undertaken several reforms intended to streamline the tax collection process. This includes, for example, the e-VAT system, which was introduced in August 2024 and pre-fills VAT returns, sending completed returns through an automated system to VAT registered taxable persons. This also includes the e-invoicing regime, which is being phased in during 2024 and 2025 and requires businesses to issue and transmit electronic invoices using a new national system.

The fourth, fifth and sixth paragraphs on page 59 of the Third Supplement beginning with "The execution of the general consolidated budget in the first three months" are hereby replaced by the following:

The execution of the general consolidated budget in the first seven months of 2024 ended with a deficit of RON 71.04 billion or 4.02 per cent. of GDP as compared to the deficit of RON 38.60 billion, or 2.40 per cent. of GDP related to the same period of 2023.

Total revenues amounted to RON 331.56 billion in the first seven months of 2024, growing by 15.1 per cent. year-on-year due to an increase in current income receipts such as insurance contributions, wage income tax, VAT, corporate income tax and non-tax revenues.

Expenditures during the first seven months of 2024 amounted to RON 402.60 billion, an increase of 23.2 per cent. compared to the same period in 2023. Expressed as a percentage of GDP, expenditures for the first seven months of 2024 registered an increase of 2.44 percentage points compared to the same period in 2023, growing from 20.34 per cent. of GDP to 22.78 per cent. of GDP.

As of 19 September 2024, a draft budget revision was under consideration by the Government and will be made available for public comment on the Ministry of Finance website, with the date of the Government's formal vote to be decided. The draft budget revision envisaged in September 2024 will highlight a significant deviation from the 5 per cent. budget deficit target initially forecast for 2024. According to EC projections, Romania's budget deficit is forecast to increase to 6.9 per cent. of its GDP by the end of 2024.

The following paragraph is hereby added to immediately follow the second paragraph on page 207 of the Base Information Memorandum beginning with "According to the funding plan for 2022, the gross financing needs at government level" in the section entitled "*Monetary and Financial System—Public Debt—Overview*":

On 2 September 2024, the financing plan for 2024 was revised from RON 181 billion to RON 217 billion. This revision was made to finance the current 2024 budget deficit, to finance the volume of the debt to be refinanced by the end of 2024 and to ensure coverage for the partial pre-financing of 2025 financing requirements (in accordance with the 2024-2026 Government Public Debt Management Strategy).

In connection with the EC, Romania has been preparing its medium-term fiscal structure plan ("**MTP**"), which considers the indicative reference trajectory provided by the EC in 2024 and aims to bring Romania's budget deficit, over a seven-year period, within the bounds of EU targets. In the second half of 2024, Romania will submit its MTP to the EC so that the EC can provide an updated reference trajectory.

The eighth paragraph on page 59 of the Third Supplement beginning with "According to the EU methodology, as of 31 January 2024" is hereby replaced by the following:

According to the EU methodology, as of 30 June 2024, the government debt was 51.4 per cent. of GDP.

The second paragraph on page 31 of the First Supplement beginning with "The level of general government debt according to EU methodology" is hereby replaced by the following:

The level of general government debt according to EU methodology increased from 48.8 per cent. of GDP as at 31 December 2023 to 51.4 per cent. of GDP as at 30 June 2024, out of which the external general government debt represented 26.6 per cent. of GDP and domestic general government debt represented 24.8 per cent. of GDP.

The first paragraph on page 213 of the Base Information Memorandum beginning with "In terms of debt structure, the central government indebtedness increased to 47.2" in the section entitled "*Monetary and Financial System – Public Debt according to EU Methodology*" is hereby replaced by the following:

In terms of debt structure, the central government indebtedness increased to 51.4 per cent. of GDP as at 30 June 2024 from 48.8 per cent. of GDP as at 31 December 2023, and the level of local government indebtedness has remained unchanged at 1.3 per cent. over the same period. By initial maturity the government debt was 5.9 per cent. short-term debt, by currency 53.2 per cent. of the government debt was denominated in foreign currency, out of which 81.2 per cent. was denominated in Euro.

GENERAL INFORMATION

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 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.