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Romania

December 2020

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SOVEREIGN RATING	Initial rating	Review	Review	Review
Date of Rating Committee	13.01.2016	12.12.2019	11.06.2020	10.12.2020
Date of rating publication	15.01.2016	13.12.2019	12.06.2020	11.12.2020
Long-term rating	BBB- (ns)	BBB- (ns)	BBB- (ns)	BBB- (ns)
Outlook	Stable	Negative	Negative	Negative
Short-term rating	A-3 (ns)	A-3 (ns)	A-3 (ns)	A-3 (ns)

● (ns) – not solicited rating

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The report has been prepared and the rating – assigned, based on public information, made available by the National Institute of Statistics, National Bank of Romania, Ministry of Public Finance, the World Bank, the International Monetary Fund, the European Commission, BCRA's database etc. BCRA uses sources of information, which it considers reliable; however, it cannot guarantee the accuracy, adequacy and completeness of the information used.

BCRA - CREDIT RATING AGENCY AD **affirms** the **unsolicited** long-term and short-term sovereign rating of Romania and **maintains** the outlook related to them:

Long-term rating: **BBB- (ns)**
Short-term rating: **A-3 (ns)**
Outlook: **Negative**

BCRA's officially adopted **Sovereign Rating Methodology has been applied:**
https://www.bcra-bg.com/files/Sovereign_Methodology_2019_en.pdf

Notes:

1) Prior to the present publication the credit rating and the rating outlook were disclosed to the rated entity. Following that disclosure amendments in the credit rating and rating outlook have not been executed;
2) During the last two years, BCRA Credit Rating Agency AD has not provided ancillary services to the rated entity or a related third party;
3) The users of the rating can find information on the meaning of each rating category in the Global Scale (https://www.bcra-bg.com/files/global_scale_en.pdf). The definition of default can be found in the Sovereign rating Methodology (https://www.bcra-bg.com/files/Sovereign_Methodology_2019_en.pdf)

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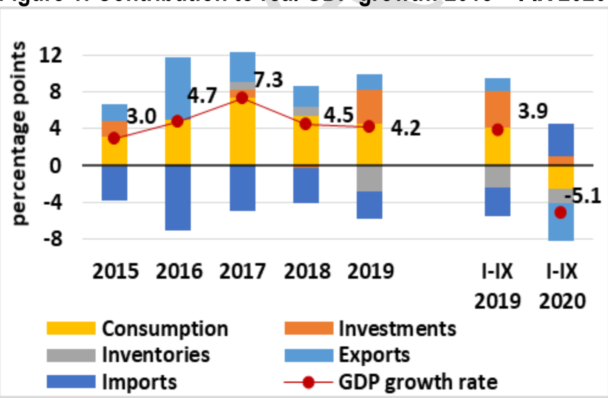
Overview

Romanian **politics** had a dynamic 2019 marked by ambiguous legislative initiatives of the ruling PSD (concerning justice system, pension system, administrative code, etc.). The current 2020 has also been a troubling year. Along with political instability, associated with changes in the political balance and ruling by the opposition PNL through ad-hoc coalitions and emergency ordinances to pass legislation, came the spread of the coronavirus and a state of emergency declared on the 16th of March 2020.

As a result, Romanian authorities got their election calendar rescheduled, and institutional uncertainty was prolonged. The local elections were held on the 27th of September 2020, with the PNL being the leading party, followed by PSD. The results from the parliamentary elections, held on the 6th of December 2020, however, indicated a win for the PSD, and a second position for PNL, both beneath 30% of the votes. The following USR-PLUS and AUR (Alliance for the Union of Romanians, founded in 2019 far-right party) have been largely supported by the Romanian diaspora. Given the lack of a pronounced winner, a coalition cabinet should be constituted, thus, maintaining the political uncertainty in the country for a while.

Alongside, in its new Rule of Law Report, the European Commission reaffirmed their concerns about the advance of judicial reform and the fight against corruption, which remain challenging for the future government, especially under the extraordinary circumstances in the short run.

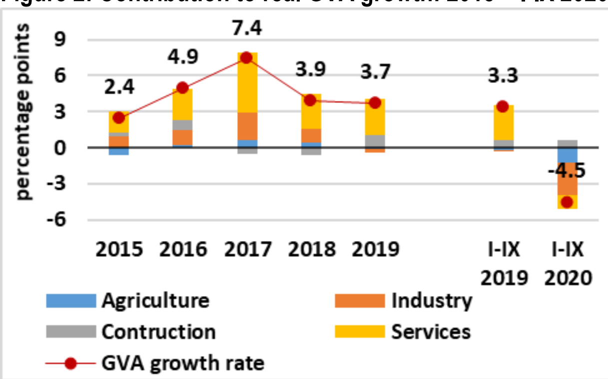
Figure 1: Contribution to real GDP growth: 2015 – I-IX 2020



Source: National Institute of Statistics

Romania has been among the fastest-growing economies in the EU with real **GDP** growth averaging 4.7% for the past 5 years. However, the COVID-19 pandemic and measures taken to limit its spread have caused a sharp slump in both domestic and external demand. In the first nine months of 2020, Romania's GDP contracted by 5.1% as against the corresponding prior-year period, driven by the large negative contribution from final consumption as well as from net exports. Governmental support is found in the slight positive influence of government consumption on the output, but private consumption, which has been the main growth driver over the past years, annually fell by 4.5% YoY, being affected by lockdown restrictions, the rise in unemployment, and decline in confidence. Investments proved more resilient as gross fixed capital formation recorded a positive, albeit a decelerating, growth rate of 4.2%. Sustained investment expansion was backed by the construction activity, which was largely unaffected by containment measures, but high uncertainty and shrinking demand weighted on private investment decisions. Concurrently, the international trade dynamics were strongly hampered by the pandemic. Romanian exports of goods and services annually decreased by 12.8% in real terms reflecting weak external demand and supply chain disruptions, while imports also decreased but at a somewhat slower rate of 7.5%, thus, net exports dragged down the GDP growth.

Figure 2: Contribution to real GVA growth: 2015 – I-IX 2020



Source: National Institute of Statistics

Gross value added (GVA) declined by 4.5% on average in the first nine months of 2020 as the spread of COVID-19 took its toll on almost all economic activities. The sluggish external demand had an adverse effect on the local industry, whose activity volume dropped by 11.1% YoY and had the

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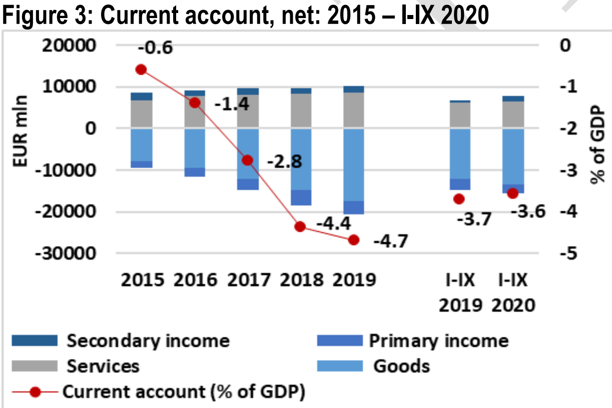
most significant negative contribution. Despite the much smaller relative share of agriculture in total output, it also provided a large negative contribution due to the strong drop of activity (-23.2%) in the sector, resulting mainly from drought. Many services were put at a standstill during the lockdown but arts and entertainment, as well as trade, transportation, restaurants and hotels, were the most affected while information and communication services limited the output drop within the sector. Besides, construction retained its strong performance, recording annual GVA growth of 12.6%.

The economic activity has begun to revive as the lockdown measures were eased in the summer but the strong second wave of infections with restrictions being reinstated will inevitably interrupt the recovery in Q4 2020 and the first months of 2021. According to the EC[1], Romania's GDP is forecast to contract by 5¼% in 2020 and to rebound by around 3¼% in 2021 but the real output is not set to return to precrisis levels before the end of 2022. However, the recession magnitude and the recovery speed are yet uncertain to predict, as they will be shaped by the pandemic evolution and the timelines of the associated containment in the country, as well as by the dynamics of the recovery in its main trading partners – the other Member States. The economic recovery will receive backing from monetary easing, EU funding, and targeted fiscal support, but the prospects for a swift rebound may be muted by the aftershocks of the crisis.

Figure 3: Current account, net: 2015 – I-IX 2020

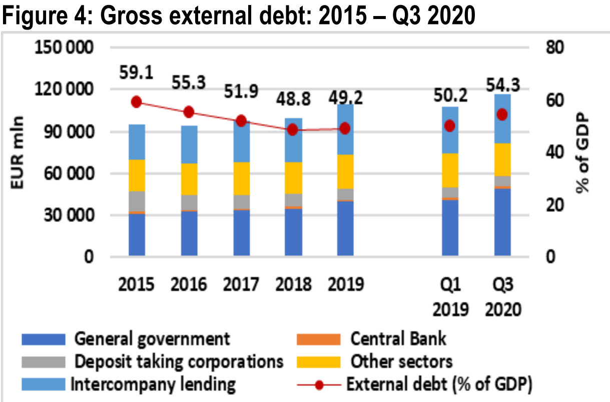


Source: National Bank of Romania

External imbalances have become increasingly evident over the past years. In 2019, the **current account** deficit deteriorated further to 4.7% of GDP due to the fiscal-led consumption boom, which fuelled imports. In January – September 2020, the current account deficit slightly declined to EUR 7 737 mln, from EUR 7 942 mln in the same prior-year period. The lower gap reflected improved primary and secondary income balances, while the trade balance continued to deteriorate. The deficit on trade in goods annually increased by 12.7% as exports declined somewhat faster than imports. Concurrently, the surplus on services picked up by 6.4%, the primary income balance saw its deficit narrowing by 15.6%, and the surplus of the secondary income balance rose by 82.1%.

Romania's current account balance is seen as strongly unfavourable compared to other CEE peers while its **financing sources** raise concerns as well due to increasing reliance on debt-creating capital inflows. Net foreign direct investments in Romania plunged by 56.5% YoY in the first nine months of 2020, to EUR 1 905 mln, covering less than a third of the current account deficit in the same period. The slump in FDI inflows caused by the coronavirus crisis was only partly compensated by a higher inflow of EU funds, pushing the capital account surplus to EUR 2 570 mln, from EUR 1 718 mln in the like period of 2019. Romania benefitted from support funding from the EU in addition to larger inflows of structural and investment funds at the end of the EU budget period.

Figure 4: Gross external debt: 2015 – Q3 2020



Source: National Bank of Romania

In January - September 2020, gross external debt rose by EUR 7 441 mln, reaching EUR 117 224 mln (54.3% of GDP). The increase was prompted by the general government debt, which picked up by EUR 9 886 mln against end-2019. In contrast, the banking sector deleveraged, and intercompany

[1] European Commission, Autumn 2020 Economic Forecast.

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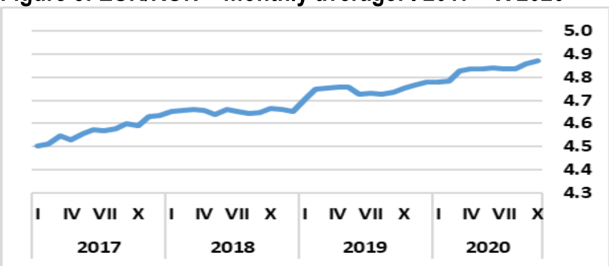
lending decreased. The relative share of short-term external debt decreased to 28.7% of total, from 32.3% at the end of 2019.

The NBR's **international reserves** amounted to EUR 37 954 mln as of end-September 2020, down by EUR 2 009 mln against their value in the same prior-year period. Despite the annual decrease, reserves coverage remains broadly adequate by various metrics. Goods and services import cover stood at 5.2 months, while the ratio of the reserves to short-term external debt by remaining maturity came in at 71.7%

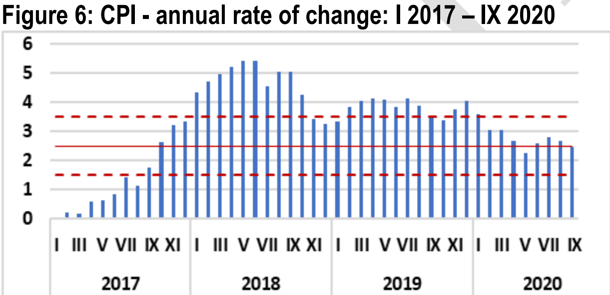
Figure 5: EUR/RON – monthly average: I 2017 – X 2020



Source: National Bank of Romania

The Romanian **currency** has been gradually depreciating against the euro over the past two years, reflecting worries about the large twin deficits, as well as uncertainties in domestic politics. The outbreak of the coronavirus in Europe exacerbated this trend, thus, foreign exchange intervention has been undertaken by the central bank to smooth the excessive volatility.

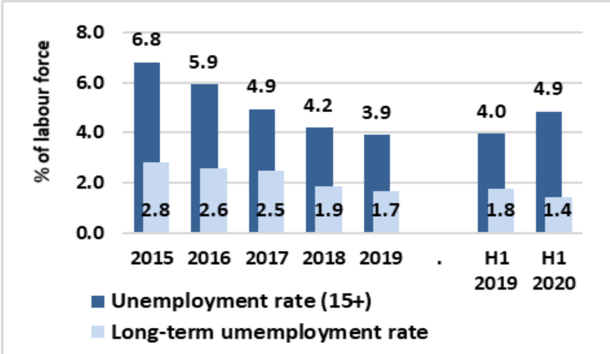
Figure 6: CPI - annual rate of change: I 2017 – IX 2020



Source: National Bank of Romania

Annual CPI **inflation** has moved above the upper limit of NBR's target band (2.5% ± 1 pp.) in 2018 and most of 2019, but the plunge in global fuel prices and the coronavirus crisis have moderated the overall price dynamics since the beginning of 2020. As a result, annual inflation eased to 2.5% in September and we see it hovering around the central bank's target in the coming months. Fuel (energy) prices were the main downward driver of inflation, while food prices and leu weakening supported the CPI growth.

Figure 7: Unemployment rate (15+): 2015 – H1 2020



Source: National Institute of Statistics

The **labour market** in Romania remained tight and productive in 2019. In the first half of 2020, however, the unemployment started increasing on an annual basis being boosted by an upsurge in the short-term component, while the long-term further shrank. The LFS unemployment rate in Q2 2020 was 5.4% as compared to 3.8% a year earlier while the employment rate lost 1.6 pp. as the most affected economic sectors were agriculture and manufacturing. In regard to the corona-crisis, the state has launched targeted measures to support the employment throughout the year including partial coverage of wages of different categories of employed, re-employed, or in technical unemployment. Data for Q3 2020 from the National Agency for Employment indicated a rise in registered unemployment by 8.7% YoY to a total of 285 thousand people.

Following robust growth over the past 5 years, the average net wages remained on the rise in 2020 across all the economic sectors except for the accommodation and food service activities. The average nominal rise was slowing down to April-May and accelerated afterward to 7.8% YoY as of September, which corresponded to a monthly wage of EUR 675. It is planned that starting in 2021, the minimum wage should be set conditional on the value of a minimum consumption basket.

The **GDP per capita** preserved its high growth (9.8% in nominal terms) elevating to EUR 11 530 in 2019. As a result, Romania remained at the second to last position in terms of income within the European Union, yet, the country advanced in the

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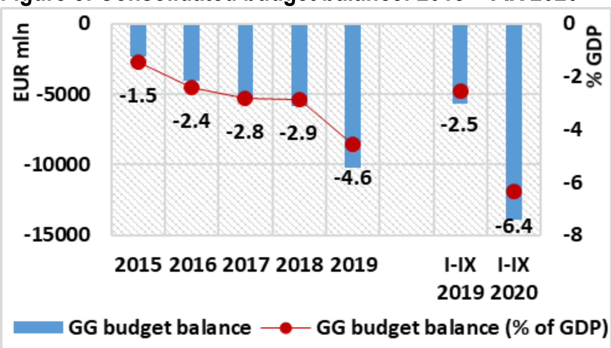
positioning when measured by PPS (with 69.0% of the EU average).

Romania's **public finances** are deteriorating since 2016 driven by tax cuts and significant increases in social and other expenditures. As a result, the general government budget deficit peaked at 4.6% of GDP in 2019, while the gap calculated in ESA terms reached 4.3% of GDP – well above the upper limit of the Maastricht Treaty. Arguing that Romania's violation of fiscal rules precedes the onset of the COVID-19 pandemic, in April 2020, the EU Council approved the start of Excessive Deficit Procedure (EDP). Meanwhile, the special circumstances led to the activation of the general derogation clause of the SGP by the EC, by which the fiscal rules of the EU budgetary framework were temporarily suspended in 2020, with an extension in 2021.

Figure 8: Consolidated budget balance: 2015 – I-IX 2020



Source: Ministry of Public Finance

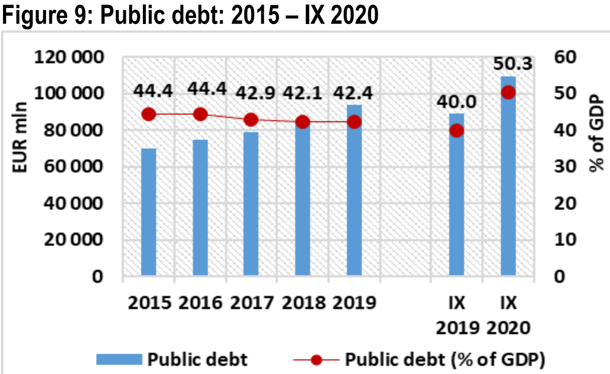
The pre-existing expansionary trend in Romania is set to be reinforced by the impact of the pandemic. To mitigate the economic fallout, the government has announced a package of measures, so far amounting to about 2% of GDP. Direct budgetary measures include payroll subsidies, support granted to parents staying at home with children, additional funds for the healthcare system, and tax deferrals. Also, the government has provided guarantees for working capital and investment of SMEs equivalent to 1.5% of GDP.

However, the fiscal deficit in 2020 was projected to deteriorate due to policy decisions adopted even before the COVID-19 outbreak. In particular, the Parliament doubled the child allowance from February 2020, while expenditures on old-age pensions are set to rise considerably, driven by the full-year effect of a 15% pension increase that came into effect in September 2019 and a further increase of 40% which was scheduled for September 2020. The government has proposed to reduce this year's pension increase to 14% and to stagger the increase in child allowances over time, but the amendments have been rejected by the Parliament. The parliamentary decisions have been challenged at the Constitutional Court, whose final conclusion is pending.

The third budget revision increases the 2020 budget deficit projection to 9.1% of GDP, from 3.6% originally planned. Revenue shortfalls are visible in the general government budget execution. In the first nine months of the year, total revenues annually decreased by 2.2%, driven by significant falls in proceeds from VAT and income taxes, while higher amounts received from the EU, somehow limited the overall decline. Concurrently, public expenditures rose by 13.3%, triggered by the increase in current expenditure, especially in social transfers, but also in capital expenditures. As a result, the execution of the consolidated general budget ended with a deficit of EUR 13 939 mln (6.4% of GDP projected) as of end-September 2020, which represented a major slippage compared to the negative balance of EUR 5 693 mln (2.5% of GDP) recorded in the same prior-year period.

In the absence of a budget plan for 2021, the fiscal stance beyond 2020 largely depends on the general election outcome. To prevent growing deficits from threatening fiscal sustainability, medium-term consolidation should be considered, backed by broad structural reforms to enhance tax compliance and public sector effectiveness. Besides, a rebalancing of the budget structure is needed to reduce the share of rigid spending.

Figure 9: Public debt: 2015 – IX 2020



Source: Ministry of Public Finance

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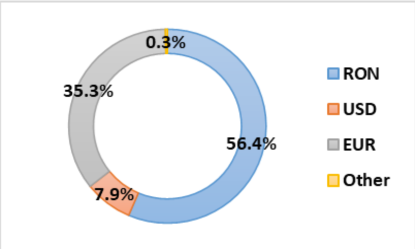
The large widening of the budget deficit will lead to a strong corresponding increase in public debt level. In January-September 2020, Romania's public debt picked up by EUR 15 261 mln (+16.2%), reaching EUR 109 211 mln (50.3% of GDP projected) as against EUR 93 950 mln at the end of 2019. In order to cover growing financing needs, the country has successfully tapped the foreign markets this year, proving that it is still enjoying the trust of international investors. A total amount of EUR 6.3 bln was raised through Eurobond issues in January and May, while favourable market conditions enabled a third sale in November. The total value of the last issue was EUR 2.5 bln, of which EUR 1 bln with a maturity of 9 years, yielding at 1.468%, and EUR 1.5 bln with a maturity of 20 years, yielding at 2.650%.

Figure 10: Currency structure of public debt: IX 2020



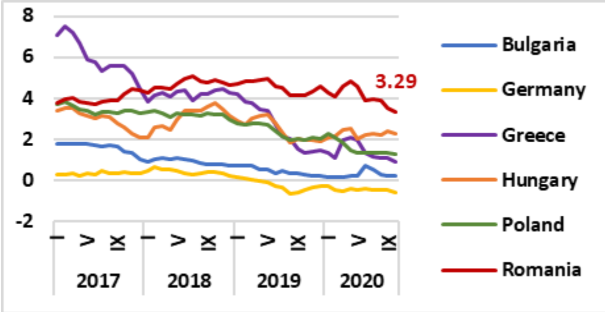
Source: Ministry of Public Finance

In recent years, the public debt structure has improved, but it remains vulnerable to exchange rate movements with foreign currency-denominated debt accounting for 43.6% of total debt at the end of September 2020. Given the relative share (20.1%) of the debt contracted at floating rates, the exposure to interest rate risk is moderate.

Romania's gross government debt to GDP ratio is still well below the Maastricht Treaty ceiling and compares favourably with EU-peer countries. However, the ratio is set on a steep upward path and may reach close to 60% GDP in the next 2 years, driven by the economic fallout from the coronavirus pandemic as well as the significant planned increase in old-age pensions, if implemented.

Long-term interest rates in Romania decreased from 4.8% in April 2020 to 3.3% in October 2020 supported by monetary easing. Since April 2020, the NBR has initiated government bond purchases to dampen the high volatility and risk aversion in the market for government securities induced by the pandemic.

Figure 11: Long-term interest rates in Romania and selected EU countries: 2017 – IX 2020



Source: Eurostat

Despite the recent reduction, Romania's local currency 10-year government bond yields remain the highest within the EU, owing to concerns about sizeable twin deficits and political instability.

The Romanian **banking system** has entered the crisis in a relatively sound condition as the favourable results from 2019 were continued in the first quarter of 2020. However, serious risks facing the system have elevated at the prolongation of the crisis. The deterioration of macroeconomic conditions, the fiscal and legislative uncertainty are expected to negatively impact the operating income and asset quality through a potential decline in lending and enhanced default risk.

For the nine months of 2020, the growth of the non-financial sector loans decelerated to 5.4% YoY in the household segment and to 2.8% in NFC as the credits denominated in the local currency remained the most preferred in the currency structure. Concurrently, the deposit from households and non-financial companies kept expanding at high annual rates (15.8% as of September 2020), thus ensuring liquidity resources with domestic origin counter to the process of foreign deleveraging.

The Romanian banks imposed a loan moratorium for households and businesses affected by COVID-19 initially by the end of the year and it is expected to be extended. As of end-September, the liquidity remained appropriate, with a high LCR at the value of 283.4%. The other key prudential indicators of the system remained broadly adequate including those of profitability although the ROA reduced to

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1.2% and ROE to 10.5%. The capital adequacy stood at 22.8% while the NPL ratio - at 4.1%.

The NBR has loosened its **monetary policy.** Measures aimed at mitigating the economic impact of the pandemic include policy rate cuts (by 1 pp.) down to 1.50%; continuing purchase of RON denominated government securities on the secondary market; a repo line for euro liquidity (up to EUR 4.5 billion) agreed between ECB and the NBR. In addition, a temporary release of capital buffers was decided as well as liquidity coverage ratio could fall below the required minimum.

Outlook:

The **negative** outlook of the Sovereign Rating of Romania reflects number of vulnerabilities, ranging from macroeconomic imbalances to complex political situation. After several years of strong expansion, the COVID-19 pandemic and measures taken to limit its spread have caused a sharp slump in Romanian's economic output, while the recovery is expected to be gradual. Concurrently, external dynamics, namely widening current account deficit, and rising reliance on hot money, expose the country to a higher risk of sudden capital flow reversals. The pandemic aggravates Romania's already weak fiscal position while policy design in the next years is yet uncertain, depending on the incoming ruling coalition. Public debt level is still moderate but is set on a steep upward path and exposed to market risk in case of an elevated exchange rate volatility.

Positive rating factors would be considered:
- Better predictability about policymaking;
- Swift recovery of economic activity, once the COVID-19 outbreak is contained;
- Reversing the structural deterioration in public finances;
- Sustained improvement in external metrics.

Negative rating factors would be considered:
- Continued fiscal loosening, leading to a rapid increase of public debt;
- Stronger deterioration of external imbalances;
- Sudden capital outflows and higher exchange rate volatility amid shift in investors' sentiments;
- Diminishing foreign reserve buffer.

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Regulatory announcements:

Rating initiative:

This rating is unsolicited

Unsolicited sovereign rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

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https://www.bcra-bg.com/files/policy_unsolicited_rating_en.pdf

Clarifying Notes:

There may be some differences in the stated values and changes in the analysed indicators due to the conversion of those values in another currency (namely in EUR). The used exchange rate is the publically announced by the National Bank of Romania for the corresponding period (i.e. yearly, quarterly, and monthly). There may also be some differences stemming from using average values for the period rather than end-period values. The cited growth rates in the current report are based on changes in national currency, with the exception of data recorded in EUR (i.e. Balance of payments, External debt, Net international investment position). The data on which the current report is based includes the public data available until December 2020, with some exceptions, for which data is released more frequently.

Summary of the minutes of the Rating Committee:

On the 10th of December 2020, Rating Committee of BCRA – CREDIT RATING AGENCY (BCRA) had a session, on which the Report regarding the affirmation of an **unsolicited sovereign rating** of **Romania** was discussed. The session was headed by Dr Kiril Grigorov - chairmen of the Rating Committee.

The members of the Rating Committee reviewed numerous qualitative and quantitative risk factors included in the **Sovereign Rating Model** and analysed in the **Credit Rating Report** in accordance with our **Sovereign Rating Methodology**.

Key points discussed included: 1) domestic politics and general election results; 2) macroeconomic fundamentals and growth outlook; 3) external vulnerabilities; 4) fiscal and monetary measures in respond to the coronavirus crisis; 5) public debt dynamics and sustainability analysis; 6) banking sector developments.

The current sovereign rating affirmation and the related outlook have been determined based on the above discussion.

Tables:

Country	Development classification
Romania	Emerging and Developing Europe (IMF classification)

MAIN MACROECONOMIC INDICATORS							
	I-IX 2020	I-IX 2019	2019	2018	2017	2016	2015
Gross domestic product (EUR mln):	148 842	155 850	223 342	204 519	187 801	170 048	160 164
Final consumption	123 791	126 979	180 744	164 916	148 443	132 014	121 226
Gross fixed capital formation	38 554	37 014	52 783	43 055	42 083	39 021	39 707
Change in inventories	-6 665	-2 165	-1 570	3 528	1 913	789	549
External balance of goods and services	-6 838	-5 977	-8 615	-6 981	-4 637	-1 775	-1 318
Exports of goods and services	58 202	66 919	90 121	85 615	78 923	71 040	66 284
Imports of goods and services	65 041	72 896	98 736	92 596	83 560	72 815	67 602
GDP - real growth rate (%)	-5.1	3.9	4.2	4.5	7.3	4.8	3.0
GDP per capita[1] (EUR, current prices)	-	-	11 530	10 500	9 580	8 630	8 080
Unemployment rate[2] (%)	4.9	4.0	3.9	4.2	4.9	5.9	6.8
Average net monthly wage (EUR)	673	630	666	579	522	465	416
CPI - annual average rate of change (%)	2.8	3.9	3.8	4.6	1.3	-1.5	-0.6
RON/EUR - period average	4.83	4.74	4.75	4.65	4.57	4.49	4.45
RON/USD - period average	4.30	4.22	4.24	3.94	4.05	4.06	4.01
EXTERNAL SECTOR							
EUR mln	Q3 2020	Q3 2019	2019	2018	2017	2016	2015
Current account	-7 737	-7 942	-10 480	-8 960	-5 218	-2 353	-944
Goods	-13 375	-12 211	-17 424	-14 805	-12 207	-9 318	-7 794
Services	6 533	6 141	8 652	8 360	8 187	7 882	6 821
Primary income	-2 168	-2 569	-3 192	-3 767	-2 668	-2 257	-1 684
Secondary income	1 271	698	1 485	1 252	1 469	1 340	1 712
Capital account	2 570	1 718	2 850	2 514	2 217	4 261	3 901
Net FDI inflows	1 905	4 377	4 849	4 945	4 882	4 514	2 954
Official reserves assets	37 954	39 963	37 450	36 800	37 107	37 905	35 485
Gross external debt	117 224	107 637	109 783	99 841	97 445	94 273	94 709
Net international investment position	-97 351	-95 002	-96 555	-89 301	-87 349	-82 802	-86 113
% of GDP[3]							
Current account	-3.6	-3.7	-4.7	-4.4	-2.8	-1.4	-0.6
Goods	-6.2	-5.7	-7.8	-7.2	-6.5	-5.5	-4.9
Services	3.0	2.9	3.9	4.1	4.4	4.6	4.3
Primary income	-1.0	-1.2	-1.4	-1.8	-1.4	-1.3	-1.1
Secondary income	0.6	0.3	0.7	0.6	0.8	0.8	1.1
Capital account	1.2	0.8	1.3	1.2	1.2	2.5	2.4
Net FDI inflows	0.9	2.0	2.2	2.4	2.6	2.6	1.8
Official reserves assets	17.6	18.7	16.8	18.0	19.8	22.2	22.1
Gross external debt	54.3	50.2	49.2	48.8	51.9	55.3	59.1
Net international investment position	-45.1	-44.3	-43.2	-43.6	-46.5	-48.6	-53.7

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PUBLIC FINANCE							
EUR mln	IX 2020	IX 2019	2019	2018	2017	2016	2015
General government revenues	47 189	48 260	67 675	63 419	55 126	49 818	52 543
General government expenditures	61 128	53 953	77 854	69 293	60 437	53 892	54 874
Interest payments	2 532	2 050	2 561	2 781	2 216	2 229	2 153
General government budget balance	-13 939	-5 693	-10 179	-5 874	-5 311	-4 074	-2 331
Public debt	109 211	89 200	93 950	85 963	79 071	74 669	69 827
Government consolidated gross debt (ESA 2010)	92 642	75 951	78 176	70 882	64 630	62 882	59 488
% of GDP[4]							
General government revenues	21.5	21.6	30.3	31.0	29.4	29.3	32.8
General government expenditures	27.9	24.1	34.9	33.9	32.2	31.7	34.3
Interest payments	1.2	0.9	1.1	1.4	1.2	1.3	1.3
General government budget balance	-6.4	-2.5	-4.6	-2.9	-2.8	-2.4	-1.5
Public debt	50.3	40.0	42.4	42.1	42.9	44.4	44.4
Government consolidated gross debt (ESA 2010)	42.6	34.0	35.3	34.7	35.1	37.4	37.8

BANKING SYSTEM							
	Q3 2020	Q3 2019	2019	2018	2017	2016	2015
Assets (EUR mln)	128 653	99 527	103 616	96 737	91 807	86 686	83 365
Asset-to-GDP (%)	-	-	46.7	47.4	49.9	51.5	53.0
Deposits of non-financial sector (EUR mln)	78 071	69 125	73 296	66 685	61 117	56 955	52 650
Loans to non-financial sector (EUR mln)	55 271	54 376	54 570	52 264	48 496	47 274	47 030
Non-performing loans ratio (%)	4.1	4.6	4.1	5.0	6.4	9.6	13.5
Capital adequacy (%)	22.8	19.7	22.0	20.7	20.0	19.7	19.2
Liquidity Coverage Ratio (%)	283.4	223.7	242.6	237.8	239.2	229.4	n/a

[1] Data from Eurostat;
[2] Unemployment rate of population aged 15 years and over, Labour Force Survey. Data in the first two columns are average for the first half of the respective year, unlike in the other rows;
[3] The GDP ratios for I-IX 2019 and I-IX 2020 are calculated using the sum of GDP for the four preceding quarters;
[4] The GDP ratios for I-IX 2019 and I-IX 2020 are calculated on the basis of GDP amounting to RON 1 057 970 mln (Ministry of Public Finance projection).

Source: National Institute of Statistics, National Bank of Romania, Ministry of Public Finance, Eurostat, the International Monetary Fund, BCRA's database