

Banca Comercială Română S.A.

(Incorporated as a joint-stock corporation in Romania under registered number J40/90/1991 and sole registration code 361757)

This document constitutes a registration document, as supplemented from time to time (the "**Registration Document**") for the purpose of Article 8 of the Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**") in relation to Banca Comercială Română S.A. (the "**Issuer**" or "**BCR**") and has been drawn up in accordance with Annex 6 of the Commission Delegated Regulation (EU) 2019/980, as amended.

This Registration Document has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the "**FMA**") in its capacity as competent authority pursuant to Article 20 of the Prospectus Regulation in conjunction with the Austrian Capital Market Act 2019 (*Kapitalmarktgesetz 2019*) and, within its validity of 12 months after its approval, forms part of any base prospectus of the Issuer consisting of separate documents within the meaning of Article 8(6) of the Prospectus Regulation. The FMA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

Prospective investors should have regard to the risk factors described under the section headed "*1. Risk Factors*" in this Registration Document. This Registration Document does not describe all of the risks regarding the Issuer, but the Issuer believes that all material and specific risks relating to it have been described.

This Registration Document gives information with regard to the Issuer and its subsidiaries and participations taken as a whole (the "**BCR Group**") which, according to the particular nature of the Issuer, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.



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DOCUMENTS INCORPORATED BY REFERENCE

This Registration Document should be read and construed in conjunction with the following parts of the following documents which are incorporated by reference into this Registration Document and which have been filed with the FMA:

Document/Heading	Page reference in the relevant financial report
Romanian language version of the Banca Comerciala Romana S.A. Consolidated and Separate Financial Statements (The Group and the Parent Bank) Prepared in Accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") – being part of the annual report 2021 and further parts of the annual report 2021 (the "Audited IFRS-EU Financial Statements 2021")¹	
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Romanian language version of the Banca Comerciala Romana S.A. Consolidated and Separate Financial Statements (The Group and the Parent Bank) Prepared in Accordance with IFRS-EU – being part of the annual report 2022 and further parts of the annual report 2022 (the "Audited IFRS-EU Financial Statements 2022")¹	
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Romanian language version of the Independent Auditor's Report for the Audited IFRS-EU Financial Statements 2022 (Raportul Auditorului Independent) (the "Auditor's Report 2022")¹	3 - 15

¹ The officially signed Romanian language versions of the Issuer's Audited IFRS-EU Financial Statements 2021 and 2022 and Romanian language versions of the Auditor's Report 2021 and 2022 are solely legally binding and definitive.

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English language translation of the Banca Comerciala Romana S.A. Interim Condensed Financial Statements Consolidated and Separate – as at and for the six month period ended 30 June 2023 Prepared in Accordance with IAS 34 Interim Financial Reporting and unaudited (the "Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2023")

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² The English language translations of the Audited IFRS-EU Financial Statements 2021 and 2022 and the English language translations of the Auditor's Report 2021 and 2022 are not legally binding and are incorporated into this Registration Document by reference for convenience purposes only.

English language translation of the BCR Group Disclosure Report for the first half year of 2023 (the "Half Year 2023 Disclosure Report")

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Please note that the English language translations referred to above are translations from the originals, which were prepared in Romanian language. All possible care has been taken to ensure that the translations are accurate representation of the originals. However, in all matters of interpretation of information, views or opinions, the original language versions of all the documents above take precedence over translations.

For the avoidance of doubt, such parts of the annual reports 2021 and 2022 respectively, of the 2022 Disclosure Report and of the Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2023, of the Half Year 2023 Disclosure Report and of the press release dated 30 October 2023 relating to BCR's financial results for the first nine months of 2023 which are not explicitly listed in the tables above, are not incorporated by reference into this Registration Document as these parts are either not relevant for the investor or covered elsewhere in this Registration Document.

References in the independent auditor's reports to "other information" are references to the administrators' report and the non-financial statement. Such administrators' report and non-financial statement are not incorporated by reference into this Registration Document.

Any information not listed above but included in the documents incorporated by reference is given for information purposes only.

Such parts of the documents which are explicitly listed above shall be deemed to be incorporated in, and form part of this Registration Document, save that any statement contained in such a document shall be deemed to be modified or superseded for the purpose of this Registration Document to the extent that a statement contained in this Registration Document modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Document.

The indicated page references in the tables above regarding the Audited IFRS-EU Financial Statements 2021 and 2022 and the Auditor's Report 2021 and 2022 (in each case Romanian language versions and English language translations), the Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2023, the press release dated 30 October 2023, the 2022 Disclosure Report and the Half Year 2023 Disclosure Report correspond to the pdf page numbers of the relevant document. It is noted that the page references indicated above do not correspond to (i) the page references in the relevant table of contents and (ii) the page number indicated in the footer of the relevant document.

In relation to figures expressed in Romanian Leu ("**RON**") in this Registration Document, please see the following foreign exchange rates used for conversion of figures from RON into Euro ("**EUR**") as provided by the National Bank of Romania ("**NBR**") as of the specified dates:

31 December 2021: 4.9481 RON/EUR

30 June 2022: 4.9454 RON/EUR

30 September 2022: 4.949 RON/EUR

31 December 2022: 4.9474 RON/EUR

30 June 2023: 4.9634 RON/EUR

30 September 2023: 4.9746 RON/EUR

DOCUMENTS AVAILABLE FOR INSPECTION

For the term of this Registration Document electronic versions of the following documents will be available on the Issuer's website under "www .bcr.ro" (see also the links set out below in brackets):

- (i) the Audited IFRS-EU Financial Statements 2021 and the Auditor's Report 2021 incorporated by reference into this Registration Document
("https://cdn0.erstegroup.com/content/dam/ro/bcr/www_bcr_ro/Investitori/Rapoarte-financiare/2021/Situatii-financiare-anuale-consolidate-si-individuale-IFRS-pentru-2021.pdf?forceDownload=1");
- (ii) the English language translations of the Audited IFRS-EU Financial Statements 2021 and of the Auditor's Report 2021 incorporated by reference into this Registration Document
("https://cdn0.erstegroup.com/content/dam/ro/bcr/www_bcr_ro/Investitori/Rapoarte-financiare/2021/Consolidated-and-Separate-Financial-Statements-2021-IFRS.pdf?forceDownload=1");
- (iii) the Audited IFRS-EU Financial Statements 2022 and the Auditor's Report 2022 incorporated by reference into this Registration Document
("https://cdn0.erstegroup.com/content/dam/ro/bcr/www_bcr_ro/Investitori/Hotarari%20AGA/Convocatoare%20AGA/2023/BCR-Situatii-financiare-anuale-consolidate-si-individuale-2022.pdf?forceDownload=1");
- (iv) the English language translations of the Audited IFRS-EU Financial Statements 2022 and of the Auditor's Report 2022 incorporated by reference into this Registration Document
("https://cdn0.erstegroup.com/content/dam/ro/bcr/www_bcr_ro/Investitori/Hotarari%20AGA/Convocatoare%20AGA/2023/BCR-Consolidated-and-Separate-Financial-Statements-2022.pdf?forceDownload=1");
- (v) the Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2023 incorporated by reference into this Registration Document
("https://cdn0.erstegroup.com/content/dam/ro/bcr/www_bcr_ro/Investitori/Rapoarte-financiare/2023/Financial-statements-June-30th-2023.pdf?forceDownload=1");
- (vi) the English language translation of the 2022 Disclosure Report incorporated by reference into this Registration Document
("https://cdn0.erstegroup.com/content/dam/ro/bcr/www_bcr_ro/Investitori/Transparenta-si-publicare/Disclosure_Report_2022.pdf?forceDownload=1");
- (vii) the English language translation of the Half Year 2023 Disclosure Report incorporated by reference into this Registration Document
("https://cdn0.erstegroup.com/content/dam/ro/bcr/www_bcr_ro/Investitori/Transparenta-si-publicare/Disclosure-Report-H1-2023.pdf");
- (viii) the Press Release dated 30 October 2023 relating to BCR's financial results for the first nine months of 2023 incorporated by reference into this Registration Document
("https://cdn0.erstegroup.com/content/dam/ro/bcr/www_bcr_ro/Investitori/Informatii-financiare/2023/BCR-Financial-results-9M-2023.pdf?forceDownload=1");
- (ix) this Registration Document and any supplement to this Registration Document
("https://cdn0.erstegroup.com/content/dam/ro/bcr/www_bcr_ro/emisiuni_bcr/dec-2023/BCR-Registration-Document-04-12-2023.PDF?forceDownload=1");
("www .bcr.ro/en/investors/bcr-bond-issues");
- (x) (a) any securities note relating to securities issued or to be issued by the Issuer and any supplement thereto and (b) any summary of the individual issue annexed to the relevant final terms for the securities issued or to be issued by the Issuer
("www .bcr.ro/en/investors/bcr-bond-issues"); and
- (xi) the Issuer's articles of association

("https://cdn0.erstegroup.com/content/dam/ro/bcr/www_bcr_ro/EN/About-us/Corporate-Governance/BCR_Charter.pdf").

SUPPLEMENT TO THIS REGISTRATION DOCUMENT

The Issuer is obliged by the provisions of the Prospectus Regulation that if there is a significant new factor, material mistake or material inaccuracy relating to the information included in this Registration Document which may affect the assessment of the securities issued or to be issued and which arises or is noted between the time when this Registration Document is approved and the closing of the offer period or the time when trading on a regulated market begins, whichever occurs later, the Issuer shall prepare a supplement to this Registration Document or include a consolidated version of the Registration Document in an annex to the supplement (Article 23(6) of the Prospectus Regulation) for use in connection with any subsequent offering of the securities issued or to be issued and shall supply to the FMA and the stock exchange operating any markets such number of copies of this Registration Document or such consolidated Registration Document as relevant applicable legislation require.

SOURCES OF INFORMATION

Statistical and other data provided in this Registration Document has been extracted from the websites of Fitch Ratings Ireland Limited ("**Fitch**") and Moody's Deutschland GmbH ("**Moody's**"), from the Audited IFRS-EU Financial Statements 2021, the Audited IFRS-EU Financial Statements 2022 and the English language translations of the annual reports, the Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2023 and the Press Release dated 30 October 2023 relating to BCR's unaudited financial results for the first nine months of 2023 thereon and the 2022 Disclosure Report as well as from the Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2023. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

FORWARD-LOOKING STATEMENTS

This Registration Document contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements can be identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Registration Document containing information on future earning capacity, plans and expectations regarding the Issuer's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Registration Document are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including the Issuer's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. The Issuer's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Registration Document to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Registration Document: "1. Risk Factors" and "2. Banca Comercială Română S.A.". These sections include more detailed descriptions of factors that might have an impact on the Issuer's business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Registration Document may not occur.

RESPONSIBILITY STATEMENT

The Issuer, with its registered office at 15D Soseaua Orhideelor, The Bridge 1, 2nd Floor, 060071 Bucharest district 6, Romania, is responsible for the information given in this Registration Document.

The Issuer hereby declares that, to the best of the knowledge of the Issuer, the information contained in this Registration Document is in accordance with the facts and makes no omission likely to affect its import.

1. RISK FACTORS

Prospective investors should consider carefully the risks set forth below and the other information contained in this Registration Document prior to making any investment decision with respect to any securities issued or to be issued. Prospective investors should note that the risks described below are not the only risks the Issuer faces. The Issuer has described only those risks relating to its business, operations, financial condition or prospects that it considers to be material and specific and of which it is currently aware. There may be additional risks that the Issuer currently considers not to be material and specific or of which it is not currently aware, and any of these risks could have the effects set forth below.

Prospective investors should also read the detailed information set out elsewhere in this Registration Document and should consult with their own professional advisers (including their financial, accounting, legal and tax advisers) and reach their own views prior to making any investment decision.

Each of the Issuer related risks highlighted below could have a material adverse effect on the Issuer's business, operations, financial condition or prospects which, in turn, could have a material adverse effect on the amount of principal and interest (if applicable) which investors will receive in respect of any securities issued or to be issued. In addition, each of the Issuer related risks highlighted below could adversely affect the trading price of the securities issued or to be issued or the rights of investors under the securities issued or to be issued and, as a result, investors could lose some or all of their investment.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under securities issued or to be issued. Most of these factors are contingencies which may or may not occur. Below the Issuer expresses its view on the likelihood of any such contingency occurring as of the date of this Registration Document.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the securities issued or to be issued, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any securities issued or to be issued may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

The risk factors herein are organised into categories depending on their nature (with the most material risk factors mentioned first in each of the categories):

1.1 CREDIT RISKS

BCR may in the future experience deterioration in credit quality, particularly as a result of financial crises or economic downturns.

BCR may in the future continue to be exposed to the risk that its borrowers may not repay their loans according to their contractual terms, that the collateral or income stream securing the payment of these loans may be insufficient or that legislation is imposed setting fixed exchange rates for loans in foreign currencies.

Deterioration in credit quality in Romania could even intensify if economic conditions remain difficult or if improving business climates are temporary. In addition, unanticipated political events could result in credit losses which exceed the amount of BCR's loan loss provisions.

Macroeconomic events, such as recession or hyper-inflation, may lead to an increase in defaults by BCR's customers, which would adversely impact BCR's results of operations and financial condition. Political and economic instability resulting from, or causing, the occurrence of any of these risks would also adversely affect the market for BCR's products and services. Particularly noteworthy are the current developments in Russia and Ukraine. Sanctions against Russia may limit trade with Russia and negatively impact the business models of BCR's clients. All this could have a material negative impact on the business and the creditworthiness of BCR's clients and may result in higher risk costs for BCR.

In addition, sanctions may lead to a substantial increase in energy or commodity prices, which, if of longer duration, could result in a recession in BCR's markets. Particularly, in relation to gas, which is an important energy source for power generation, industries and households in all of BCR's markets, an embargo against Russia or a stop of Russian deliveries to Europe could have a negative economic impact on Romania.

Negative economic developments could have a negative effect on the credit quality of BCR's loan portfolio. This is particularly true for customer loans in currencies other than the local currency of the customer's jurisdiction (FX loans), with real estate as collateral or adjustments in asset prices in general,

a significant increase in unemployment rates and deteriorated financial conditions for BCR's corporate customers in Romania. Higher interest rates in Romania could result in more debtors under variable interest rate loan agreements to be unable to fulfill their repayment obligations according to their contractual terms and consequently lead to an increase of BCR's non-performing loans.

The real estate market prices have shown in general an upward trend in the last years. Collateral values, however, are strongly correlated to the real estate market price development. If the market conditions take a turn for the worse, BCR's collateral values may be negatively influenced, a development already experienced in the past.

The development of the commercial and residential real estate market highly depends on the economic progress of Romania. Market price reductions would lead to a decline of the collateralisation ratio of the existing loan portfolios of BCR and the affected local subsidiaries as well as to reduced collateral recoveries in case of default of its borrowers.

BCR is subject to counterparty risk, and defaults by counterparties may lead to losses that exceed BCR's provisions.

In the ordinary course of its business, BCR is exposed to the risk that third parties who owe BCR money, securities or other assets will not perform their obligations. This exposes BCR to the risk of counterparty defaults, which have historically been higher during periods of economic downturn.

Furthermore, BCR is exposed to a risk of non-performance by counterparties in the financial services industry. This exposure can arise through trading, lending, clearance and settlement. These counterparties include brokers and dealers, custodians, commercial credit institutions, investment banks, and other institutional clients. Many of these relationships expose BCR to credit risk in the event of counterparty default.

In addition, BCR's credit risk may be exacerbated when the collateral it holds cannot be realised or is liquidated at prices below the level necessary to recover the full amount of the loan or cover the full amount of derivative exposure. BCR will incur losses if its counterparties default on their obligations. If a higher than expected proportion of BCR's counterparties default, the actual losses due to counterparty defaults will exceed the amount of provisions already made. If losses due to counterparty defaults significantly exceed the amounts of BCR's provisions' stock or require an increase in provisions, this could have an adverse impact on BCR's business, financial condition and results of operations.

Concerns about potential default by a third-party financial institution can lead to significant liquidity problems, losses or defaults by other financial institutions (such as BCR), as the commercial and financial soundness of many financial institutions is interrelated due to credit or trading. Even a perceived lack of creditworthiness may lead to market-wide liquidity problems. This risk is often referred to as "systemic risk", and it affects credit institutions (such as BCR) and all other types of intermediaries in the financial services industry. Systemic risk could have a material adverse effect on BCR's business, financial condition, results of operations, deposit base, liquidity and/or prospects as it leads to a need for BCR to raise additional capital, while at the same time making it more difficult to do so.

1.2 BUSINESS RISKS

Global conditions may in different ways have a material adverse effect on BCR.

In particular Germany's recession in the winter period 2022/2023 weighed on the Eurozone economy. Due to the high importance of industry, especially Germany suffered notably from the global reduction in inventory capacities. As China is one of the most important foreign trade partners after the USA, China's economic weakness has a big impact on Germany. As soon as the destocking is over, industry should again provide a slight impetus for growth. Consumption should also be able to benefit gradually from the declining inflation momentum. In general, the economic outlook remains subdued for the time being. Nevertheless, the rebound might be uneven and slower than currently priced by the markets. This largely reflects the ongoing weakness in global trade in the context of prolonged global trade tensions and the corresponding uncertainty, which continues to weigh on already weak manufacturing activities around the world.

Economic growth amounted to +1.7% in the first half of 2023, with the forecast for year-end 2023 up to +2.1% according to the National Institute of Statistics / Eurostat / BCR research. Investments are expected to continue supporting the gross domestic product ("**GDP**") advance during the second half of 2023 significantly, while household consumption are expected to add less to growth relative to 2022. During the first half of 2023, the contribution to the yearly growth of investments versus private consumption was

almost even, with the latter posting a slightly higher contribution. The expectations are for a rebound in GDP expansion for 2024 to +3.3% year on year, driven by consumption, on the lagged impact from real wage growth and spillover effects from state investments.

Inflation rate peaked at 16.8% year on year in November 2022 according to the National Institute of Statistics and fell gradually afterwards to 9.4% year on year in August 2023 on easing energy prices and supportive base effect. The outlook for inflation is 7.5% year on year at the end of 2023 and 5.0% year on year at the end of 2024, based on BCR research estimates. While peak inflation is behind, core inflation lies ahead, with the core consumer price index is projected to remain in double-digit territory until the end of 2023 and to stay above headline inflation over the entire two-year-ahead forecast horizon. The fiscal outlook adds to the inflation forecast uncertainty.

Assuming no meaningful deviation from the latest NBR inflation outlook, the key rate outlook remains unchanged until at least the May 2024 meeting, given the tight labor market and strong real wage growth expected over the next couple of years. The relevant policy instrument in Romania as of September 2023 is the 6.00% deposit facility in the context of large surplus liquidity in the banking system not being sterilized by open market operations, which is likely to persist, keeping the monetary policy stance relatively loose.

If the overall economic climate deteriorates as a result of one or more departures from the Eurozone or even from the EU, BCR's ability to plan for such a contingency in a manner that would reduce its exposure to non-material levels is limited, given the highly interconnected nature of the financial system.

Variances in monetary policy may also result in increased volatility in debt and foreign exchange markets. Overvaluation in various asset classes such as equity, housing and bonds could correct swiftly and markedly, which would also indirectly affect BCR and its clients.

BCR is directly and through its clients connected to the global financial system and dependent on exchange rates, financial asset prices and liquidity flows.

The Romanian Government may react to financial and economic crises with increased protectionism, nationalisations or similar measures.

The Romanian Government could take various protectionist measures to protect its national economy, currency or fiscal income in response to financial and economic crises, e.g.:

- In December 2018, the Romanian Government issued the Emergency Ordinance 114/2018 on the establishment of certain measures in the public investments sector and of certain fiscal – budgetary measures, the amendment and the supplement of certain laws and the prolongation of certain terms ("**GEO 114/2018**") requiring banks, *inter alia* BCR, to pay a tax on financial assets linked to the level of the Romanian Interbank Offer Rate ("**ROBOR**"), with tax rates between 0.1% and 0.5%. This legal initiative came with no prior consultations with the business environment and the Romanian Government took a hard line immediately after, refusing discussions with local banks (such as BCR).
- In March 2019, GEO 114/2018 was watered down through the Government Emergency Ordinance no. 19/2019 on the amendment and supplement of certain laws and the link between the tax on financial assets and ROBOR was eliminated. This amendment was welcomed by the NBR because the previous regulation of the tax which was linked to ROBOR impeded the transmission mechanism of NBR's monetary policy. Tax rates were reduced to 0.4% *per annum* for banks with a market share above 1% (such as BCR) and 0.2% *per annum* for banks with a market share below 1%, a number of assets were exempted from this tax and new provisions were introduced according to which the tax rate can be further diminished if banks increase lending to non-financial companies and households or if the interest rate margin between local currency loans and deposits decreases. At the beginning of 2020, the Romanian Government adopted the Government Emergency Ordinance no. 1/2020 on certain fiscal – budgetary measures and the amendment and the supplement of certain laws ("**GEO 1/2020**") cancelling the banking tax for the future (2020 onwards). The legislative process in Romania requires that emergency ordinances be confirmed by the Romanian Parliament. On 10 February 2020, the Romanian Senate (as first chamber) rejected the draft law approving GEO 1/2020 and forwarded it for the final vote to the Chamber of Deputies. Before receiving the final vote, the initiative should receive the feedback of the relevant parliamentary commissions (the most important one being from the Budget Commission). If GEO 1/2020 is finally rejected by the Romanian Parliament, the tax on financial assets of banks under the provisions of the GEO 114/2018 will be reactivated and, most likely, such tax will be due also for 2020. As the

tax on banks' financial assets depends on the market share and BCR is one of the largest banks in Romania, further amendments of the law regarding the exempted assets may severely impact BCR's profitability.

- In February 2022, the Senate adopted a draft law introducing a cap on the effective annual interest for consumer loans and regulating certain aspects related to assignment of receivables. The draft law imposes a cap of 15% on the effective annual interest for consumer loans. As an exception, in the case of consumer loans with a maximum value of RON 15,000, the total amount payable by the consumer may not exceed the double of the total value of the loan. It also provides that, if the level of the effective annual interest rate is higher than the ceilings set, this level will be reduced accordingly at the request of the consumer, either amicably or by a court decision. With respect to assignment of receivables, the draft law provides that the entity carrying out the activity of debt recovery is prohibited from receiving from the debtor a total amount exceeding the amount of the claim, certified by the creditor at the time of concluding the assignment contract. The Chamber of Deputies is to vote on the draft law (PL-x. 18/2022) as the decisional chamber after the reports from the relevant committees on the draft law are available.
- Another bill offers debtors the opportunity to convert their foreign exchange loans into Lei-denominated loans or into loans denominated in other currency which is the currency for their main incomes, at the exchange rate from the origination of the loan plus maximum 20%. The bill is currently waiting for the final vote of the Romanian Parliament.
- Another bill removes the writ of execution feature of certain contracts concluded with consumers (such as credit agreements, mortgage agreements) used for foreclosure procedures by banks, *inter alia* BCR, with a view of protecting consumers against abusive actions. The house inhabited by the family of the debtor is protected by this bill because the senators consider this as an obligation of the state to protect the family. Foreclosure should be preceded by a rectification of the loan contract for easing the debt burden. The debtor has the right to inhabit the family house for another year after the end of the foreclosure process. The bill is currently waiting for the final vote of the Romanian Parliament.
- A separate bill limits the amounts recovered by debt recovery companies from banks' clients (*inter alia* BCR's clients) to the real price paid by the recovery company for the specific claim plus other expenses and the interest accrued from the payment by the debt recovery company (as assignee) of the assignment price. Debtors shall see their payment obligations erased if they pay this price to debt recovery companies. The bill is currently waiting for the final vote of the Romanian Parliament.
- Another bill (registration number with the Chamber of Deputies Senate: PL-x nr. 776/2022), regarding the protection of customers' rights, reiterates a series of existing legal provisions, introduces a series of new obligations for the economic operators, provides higher fine values than the ones already applicable from the current legal framework related to consumer protection and also a series of supplementary sanctions which can be issued by the National Authority for Consumer Protection ("ANPC"). Even if the Senate (as first chamber seized with the initiative) adopted the draft law in a version a lot more favorable than the one introduced by the initiators, there are still a few provisions with an impact on the banking system, such as: (i) the professional associations in the banking system will organize annually a financial education campaign in partnership with the ANPC (the terms of the partnership will be agreed by the parties at a later moment), (ii) the value of the fines for the companies with an annual turnover over RON 10 million can range up to RON 240,000 and (iii) in the case of breaches of the law, if they seriously and repeatedly affect the interests of more than 100 consumers, the sanctions may be fines ranging from RON 10,000 to RON 50,000.
- Another bill, which is meant to implement the Directive (EU) 2020/1828 on representative actions for the protection of the collective interests of consumers was adopted by the Senate, as the first seized chamber of the Romanian Parliament. The draft received and approved by the Senate is much more favorable than the previous versions which were put in public consultation, due to the negative feedback from the Romanian Ministry of Justice (which took into account most of the feedback sent by the impacted industries). The main provisions of the draft law are the following: (i) a new procedural mechanism for qualified entities (such as ANPC or consumer associations) is established to bring actions for both injunctions and/or damages regarding certain violations of the consumer legislation, (ii) the definitive decisions of the court based on this procedural mechanism are available for all the consumers described in the action as beneficiaries, (iii) the potential beneficiary consumers have to agree to be included in the action (opt-in mechanism), (iv) final court

decisions have res judicata effect and (v) the actions for damages can also be filed for closed contracts.

- Another bill is meant to extend the effects of the existing datio in solutum law also to "Prima Casa"/"Noua Casa" loans (this type of loans were excluded until now, as they benefit of state collateral). As the parties of the coalition did not come to an agreement regarding the specific way in which datio in solutum would work for this type of loans, the draft law was adopted by the Senate without these specific amendments, leaving therefore the Chamber of Deputies, as decisional chamber, to continue the negotiation on this topic. If passed, the law might have a strong impact on how banks are weighing the state guarantees issued for the "Prima Casa"/"Noua Casa" loan portfolio.
- On 29 September 2023, the Romanian Government assumed its responsibility before Romanian Parliament regarding a draft law which introduces a series of new fiscal measures. One of these measures is a tax of 2% for the turnover of the banks, in addition to the profit tax, for 2 years (2024 – 2025), followed by a tax of 1% from January 2026. The Romanian Constitutional Court rejected the challenge of the opposition parties and the Romanian President promulgated the law on 26 October 2023. The law will enter into force on 1 January 2024.

Any of these or similar state actions could have a material adverse effect on BCR's business, financial condition and results of operations through any individual or a combination of less income, higher risk costs or higher other costs.

Committed EU funds may not be released or further aid programmes may not be adopted by the EU, Romania and/or international credit institutions.

Romania is set to receive funds for infrastructure and other projects in substantial amounts by the EU through "Next Generation EU both for public and for private beneficiaries. If these funds are not released, are released only in part or with delay (including because of Romania's up to present not good track record of accessing such funds), or if no further aid will be made available by the EU and the international credit institutions, the Romanian economy could be adversely affected, which would, in turn, negatively affect BCR's business prospects. In the next EU programming period the disbursement of EU funds may be tied to the rule of law and/or the fulfilment of refugee quotas by recipient countries. Such measures could mean significantly lower EU funds for Romania. Lower EU funds mean less investments in sectors like infrastructure, research and development, small and medium sized enterprises ("**SME**"), health, education, etc., and cause financial stress for companies in these sectors which would, in turn, negatively affect BCR's business prospects.

BCR's business entails several forms of operational risks.

Operational risk to which BCR is exposed in several ways is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. It includes legal risk but excludes business and reputation risk and its main components are therefore:

- Legal risk: In case of BCR, such risk, as a secondary risk, may materialise in any of the above risk types, as BCR may be the subject of a claim or proceedings alleging non-compliance with contractual or other legal or statutory responsibilities. The increase in complexity and constant change in the regulatory environment imposing more and more obligations on credit institutions (including BCR) to be fulfilled towards clients in particular in retail business, is coupled with regulatory scrutiny and legal actions by consumer protection associations and agencies. This is expected to increase the level of uncertainty and sources of legal risks.
- Conduct risk: In case of BCR, such risk arises from inappropriate supply of financial services including cases of willful or negligent misconduct or not acting in the best interest of its clients. BCR faced litigations tied to violations or alleged violation of consumer protection or consumer rights during and after the financial crisis. Such litigation risk increased if and when several risk components were occurring simultaneously (e.g. foreign currency appreciation and downturn of asset prices) resulting in increasing political risks coupled with market-wide common market practices among credit institutions (including BCR).
- Execution risk: In case of BCR, such risk can materialise in deficiencies and/or errors in the origination of products and transactions, or failed execution or omission of contractual obligations and constitutes a major risk driver for BCR. The increasing number of outsourcings and the complexity of services can significantly alter its risk profile, for example increase the ICT (as defined below) risk resulting from significant usage of cloud service providers. BCR has currently

outsourced a wide range of activities, some of them including cloud components, with the tendency of increasing their usage, in line with international trend in banking industry. The outsourced services, products, activities executed wrongly or loss of internal management control over them or miscommunication for longer timespan with the retained organisation, can have an adverse impact on BCR. Its business continuity management plans might not be fully able to restore infrastructure or business, including third party vendors.

- Information and communication technology ("ICT") risk: BCR relies heavily on information systems to conduct its business. In case of BCR, ICT risk can lead to failure of hardware or software and processing which can compromise the availability, integrity, accessibility and security of such infrastructures and of data. ICT systems, the increasing usage of cloud services, project management and aging architecture have a potential impact from their failures on BCR and on the financial sector as a whole due to interlinkages between BCR and third party institutions, also in the cross-border context. It includes information security risk which could result in the compromise of assets, unauthorised use, loss, damage, disclosure or modification of IT-assets. ICT risk includes the increasing risk of cyber threats on BCR whereas the relevant corrective measures like improvement of technical security mechanisms, monitoring of cloud service usage, awareness campaign, customer authentication mechanism, disaster recovery plan might not be fully effective. As a result, the ability to serve some of its customers' needs on a timely basis could be negatively affected with potential impact on BCR's business relationships.
- Fraud risk: In case of BCR, if such risk materialises, this could be the result of intended acts to defraud, misappropriate property or circumvent regulations, the law or company policy, involving an internal or external party. Due to the constantly changing fraud schemes or internal frauds spanning for longer time or credit risk related external frauds due to increasing business activity, respective monitoring, reporting and screening activities might not be fully effective in certain cases for BCR.
- Compliance risk: In case of BCR, there is the possibility to incur legal or regulatory sanctions, including restrictions on business activities, fines or enhanced reporting requirements, in case of failure to comply with applicable laws, rules, regulations, related self-regulatory organisation standards and codes of conduct applicable to BCR's banking activities. Compliance risk materialises itself in fines imposed by the financial market authorities competent for BCR (i.e. NBR, the Romanian Financial Supervisory Authority (FSA)) where the amount of the monetary fines is on a record level in the industry and also BCR could be found liable to pay for damages and thus to lose civil law cases against its customers on the argument that it has not observed compliance rules. The regulatory scrutiny is not expected to decrease, neither in terms of additional duties BCR will have to observe nor in terms of the authorities' audit exercises. It is possible that the number of audits and subsequently also the number of audit findings and potential fines for BCR will increase.

The legal system and procedural safeguards in Romania are not yet fully developed.

BCR's operations in Romania are subject to, and BCR must comply with, a variety of Romanian laws and regulations governing a number of matters, including banking, data protection, labour relations, welfare, competition and tax. In Romania, primary legislation often takes effect immediately and before the preparation of secondary regulations. Any failure by BCR to comply with applicable laws and regulations may result in fines or other sanctions by the relevant regulator and may have negative reputation consequences for BCR.

The legal and judicial systems in Romania are not as developed as in some other European countries. Civil law, competition law, securities law, company law, insolvency law in Romania have been and continue to be subject to constant changes as new laws are being adopted in order to keep pace with the transition to market economies. Existing laws and regulations in Romania, including legislation existing at the level of the EU, may be implemented and/or applied inconsistently and it may not be possible, in certain circumstances, to obtain legal remedies in a reasonably timely manner in Romania. The relatively limited experience of a significant number of magistrates in Romania and the existence of a number of issues relating to the independence of the judiciary system may lead to ungrounded decisions or to decisions based on non-legal considerations. Because Romania is not a common law jurisdiction, but a civil one, judicial decisions under law generally have no precedential effect. For the same reason, courts themselves are generally not bound by earlier decisions taken under the same or similar circumstances, which can result in the inconsistent application of Romanian legislation to resolve the same or similar disputes. The Romanian judicial system may at times generate unjustified delays in the resolution of cases. The enforcement of judgments sometimes proves difficult which in the past meant that the enforcement of rights through the Romanian court systems may be laborious. This lack of legal certainty

and the inability to obtain effective legal remedies in a timely manner may adversely affect BCR's business by creating a higher legal risk for certain products.

Applicable insolvency laws and enforcement legal systems and procedural safeguards in Romania are not yet fully observed and are less efficient than their Western Europe counterparts, which may limit BCR's ability to obtain payments on defaulted loans and advances.

In Romania, while the laws offer protection for creditors comparable with Western Europe counterparts, insolvency laws and other laws and regulations are not always strictly observed and applied. Moreover, the procedural steps pertaining to insolvency proceedings result in material delays to recovery of defaulted loans and the success rate of debtor restructuring and turnaround is comparatively lower. In addition, it is often difficult to locate all of the assets of an insolvent debtor in Romania. BCR has at times had substantial difficulties receiving pay-outs on claims related to, or foreclosing on collateral that secures, extensions of credit that it has made to entities that have subsequently filed for insolvency protection or that have contested the enforcement thereof. In the event of further economic downturns, these problems could intensify, including as a result of changes in law or regulations intended to limit the impact of economic downturns on corporate and retail borrowers. These problems, if they were to persist or intensify, may have an adverse effect on BCR's business, results of operations and financial condition, by making collections and enforcement of collateral in Romania more difficult and time consuming, and in some cases, impossible.

In case of a reduction in profitability BCR's profit can be lower or even negative.

BCR's results of operations in the current financial year and in the future will depend in part on the economic climate, regulatory and legislative changes and competition. BCR may have higher than planned risk provisions for loans and advances, the profitability of its products may decrease over time due to the competitive landscape of credit institutions in Romania or legislative changes, and new taxes may be imposed. Depending on the size of the reduction in profitability, such a reduction could have a material adverse effect on BCR's results of operations in that period, on the reported amount of its assets and on its equity, and on BCR's ability to make payments on the securities issued or to be issued.

BCR Group operates in highly competitive markets and competes against both local and foreign owned financial institutions.

BCR Group faces significant competition in all aspects of its business, operating in dynamic markets where it must continually respond to the challenges of a changing competitive landscape. BCR Group competes with a material number of entities, both local and owned by large international financial institutions. If BCR Group is unable to properly respond to the competitive environment in Romania with product and service offerings that are profitable, it may lose market shares in important parts of its business or incur losses on its activities.

Loss of customer confidence in BCR's business or in banking businesses generally could result in unexpectedly high levels of customer deposit withdrawals which in turn may have a negative impact on BCR'S liquidity.

BCR relies on customer deposits to meet a substantial portion of its funding requirements. BCR's deposits are provided by both retail and corporate clients, a significant proportion of which are demand deposits. Such deposits are subject to fluctuation due to factors outside BCR's control. Because a significant portion of BCR's funding comes from its deposit base, any material decrease in deposits could have a negative impact on BCR's liquidity unless corresponding actions were taken to improve the liquidity profile of other deposits or to use its liquid assets, mainly sovereign bonds, which may not be possible on economically beneficial terms.

The availability of BCR's customer deposits to fund its loan portfolio and other financial assets is subject to potential changes in certain factors outside BCR's control, such as a loss of confidence of depositors in either the economy in general, the financial services industry or BCR specifically, credit ratings downgrades, low interest rates and significant deterioration in economic conditions. These factors could lead to a reduction in BCR's ability to access customer deposit funding on appropriate terms in the future and to sustained deposit outflows, both of which would adversely impact BCR's ability to fund its operations. Any loss in customer confidence in BCR's banking businesses, or in banking businesses generally, could significantly increase the amount of deposit withdrawals in a short period of time. Should BCR experience an unusually high level of withdrawals, this may have an adverse effect on BCR's results, financial condition and prospects and could, in extreme circumstances, prevent BCR from funding its operations. A change in the funding structure towards less stable and more expensive funding sources

would also result in higher liquidity buffer requirements and an adverse impact on net interest income for BCR.

As credit provider, BCR is exposed to market liquidity risk, which arises from an inability to easily sell an asset because there is inadequate market liquidity or market disruption. BCR is also exposed to funding liquidity risk, which is an exposure to losses arising out of a change in the cost of refinancing or from insolvency of counterparties, which may result in difficulties in meeting future payment obligations, either in full, on time or on economically beneficial terms.

Changes in interest rates are caused by many factors beyond BCR's control, and such changes can have a significant adverse effect on its financial results, including net interest income.

BCR derives the majority of its operating income from net interest income. Interest rates are sensitive to many factors beyond BCR's control, such as inflation, monetary policies set by NBR, the innovation of financial services and increased competition in Romania, domestic and international economic and political conditions. While the competitive pressure on the margins is a rather obvious factor, also changes in the absolute level of the interest rate environment can affect the spread between the rate of interest that BCR pays to borrow funds from its depositors and other lenders and the rate of interest that it charges on loans it extends to its customers. If the interest margin decreases, net interest income will also decrease unless BCR is able to compensate such decrease by increasing the total amount of funds it lends to its customers. A low interest rate environment could bring additional challenges for BCR to interest margin stability as the potential to re-price its customers' deposits, also due to their natural floor, might be exhausted while loan yields are mainly subject to the downward trend resulting in reduced net interest income. Additionally, in a very low or even negative interest rate environment, BCR could bear increased costs of maintaining the regulatory and prudential liquidity buffers held in cash and highly liquid assets. An increase in rates charged to its customers can also negatively impact interest income if it reduces the amount of customer borrowings. For competitive reasons, BCR may also choose to raise rates of interest it pays on deposits without being able to make a corresponding increase in the interest rates it charges to its customers. Finally, a mismatch in the maturity structure of interest-bearing assets and interest-bearing liabilities in any given period could, in the event of changes in interest rate curves, reduce BCR's net interest margin and have a material adverse effect on its net interest income.

Market fluctuations and volatility may adversely affect the value of BCR's assets, reduce profitability and make it more difficult to assess the fair value of certain of its assets.

Financial markets could face periods of significant stress conditions when steep falls in perceived or actual values of assets held by BCR and other credit/financial institutions could be accompanied by a severe reduction in market liquidity. Political tensions in Romania could lead to impairment charges or revaluation losses for BCR. The value of financial assets may start to fluctuate significantly and impact BCR's capital and comprehensive income.

Market volatility and illiquidity may make revaluation of certain exposures difficult, and the value ultimately realised by BCR may be different from the current or estimated fair value. In addition, BCR's estimates of fair value may differ both from similar estimates made by other financial institutions and from the values that would have been used if a market for these assets had been readily available. Any of these factors may adversely affect BCR's business, financial condition, results of operations, liquidity or prospects as they could require BCR to recognise further revaluation losses or realise impairment charges.

BCR's risk management strategies, techniques and internal control procedures may leave it exposed to unidentified or unanticipated risks.

BCR's risk management techniques may not be fully effective in mitigating BCR's risk exposure in all economic market environments or against all types of risks, including risks that it fails to identify or anticipate. Furthermore, regulatory audits or other regular reviews of BCR's risk management procedures and methods have in the past detected, and may in the future detect, weaknesses or deficiencies in BCR's risk management systems. Some of BCR's quantitative tools and metrics for managing risks are based upon its use of observed historical market behaviour. During the past global financial crisis as well as the recent pandemic crisis, the financial markets experienced unprecedented levels of volatility (rapid changes in price development) and the breakdown of historically observed correlations across asset classes, compounded by extremely limited liquidity. In the volatile market environment, BCR's risk management tools and metrics may fail to predict some of the losses to the full extent, and may only partially reflect future important risk exposures.

In addition, BCR's quantitative modelling does not necessarily take all risks into account and makes numerous assumptions regarding the overall environment and/or the implicit consideration of risks in the quantification approaches, which may or may not materialise. As a result, risk exposures could arise from factors not anticipated or correctly evaluated in BCR's risk estimation models thus potentially resulting in material adverse effect on its business, financial condition and results of operations, as losses greater than the maximum losses envisaged under its risk management system could occur.

1.3 LEGAL AND REGULATORY RISKS

Changes in consumer protection laws as well as the application or interpretation of such laws might limit the fees or interest and other pricing terms that BCR may charge for certain banking transactions and might allow consumers to claim back certain of those costs already paid in the past.

Changes in consumer protection laws or the interpretation of consumer protection laws by courts or governmental authorities could limit the fees or interest that BCR may charge for certain of its products and services and thereby result in lower interest and commission income. BCR has been named as defendant in a number of lawsuits and in regulatory proceedings filed by individual customers or consumer protection agency and consumer protection associations. Some of the lawsuits are class actions. The lawsuits mainly relate to allegations that certain contractual provisions, particularly in respect of consumer loans, violate mandatory consumer protection laws and regulations and the principles of general civil law. The allegations relate to the enforceability of certain fees as well as of contractual provisions for the adjustment of interest rates and currencies. Moreover, any such changes in consumer protection laws or the interpretation of such laws by courts or governmental authorities could impair BCR's ability to offer certain products and services or to enforce certain clauses and reduce BCR's interest and net commission income and have an adverse effect on its results of operations.

BCR's exposure to litigation and reputational risks is increased.

BCR is involved in a number of legal proceedings, among which a significant number of litigations have been commenced by BCR's customers and/or the Romanian National Authority for Consumer Protection claiming that the nature of the interest, fees and commissions imposed by BCR in the loan agreements are allegedly abusive in nature and hence null and void.

Apart from the legal proceedings described above, there is one significant dispute which can lead to material and reputational risks.

In connection with the audit mission of the Romanian Courts of Accounts ("**CoA**") in case of BCR Banca pentru Locuințe S.A. ("**BCR BpL**") over the way the government mortgage saving subsidies were disbursed: BCR BpL challenged in court the decision of the CoA. Whilst BCR BpL had won on the very large majority of the counts before the first court, the case was ultimately lost in the appeal stage, where the Romanian High Court of Cassation and Justice ("**HCCJ**") maintained the most relevant conclusions of the CoA's decision. BCR Group's profit or loss was negatively impacted as of 30 June 2019, due to booking of a provision in amount of RON 718 million. BCR BpL decided to challenge the decision of the HCCJ within the legal deadlines by the means of two extraordinary appeals: (a) a contestation for annulment, and (b) a revision - which were both irrevocably rejected, during 2021. On the other hand, BCR BpL filed at the beginning of 2020 a claim for damages before the European Court for Human Rights ("**ECHR**") – procedure is pending, no decision was provided by ECHR until the date of this Registration Document.

BCR BpL followed the process of implementing the measures imposed by the CoA's decision, in the sense of: (i) paying in September 2019 an amount of approximately EUR 11.7 million; (ii) paying in January 2022 towards the Romanian Ministry of Development, Public Work and Administration the amount of RON 432,698,573 (equivalent of approximately EUR 87,431,515) representing the principal of the reimbursement obligation resulting from the CoA's decision; (iii) performing the necessary formalities in order to obtain an amnesty decision for the related accessories (i.e. RON 388.9 million (equivalent of approximately EUR 78,585,321), under the conditions of the Emergency Government Ordinance no. 69/2020 on the amendment and supplement of Law no. 227/2015 on the Fiscal Code, as well as the establishment of fiscal measures ("**EGO 69/2020**"). In this respect, BCR BpL filed a corresponding exemption request with the Romanian Ministry of Development, Public Work and Administration. Since this request was denied, BCR BpL filed an administrative action with the Bucharest Court of Appeal asking the court to order the Romanian Ministry of Development, Public Work and Administration to issue a decision cancelling this payment obligation (this being an administrative action based on special legal provisions of EGO 69/2020, case file no. 6245/2/2022).

On 6 July 2023, BCR BpL received the court's decision partially admitting the BCR BpL's claim and obliging the Romanian Ministry of Development, Public Work and Administration to provide solution on the merits of the fiscal amnesty request. Briefly, the court considered that: (i) BCR BpL met the eligibility criteria regarding the claim; (ii) the Romanian Ministry of Development, Public Work and Administration wrongly assessed the eligibility criteria and therefore the amnesty rejection decision was incorrect; and (iii) the Romanian Ministry of Development, Public Work and Administration performed an abuse of power claiming that the claim eligibility criteria were not met. On 25 July 2023, the Romanian Ministry of Development, Public Work and Administration filed a recourse against this decision. Such recourse shall be judged at the High Court of Cassation and Justice – first hearing being set for 18 April 2024.

On 5 December 2022, BCR BpL received a decision issued by the Romanian Ministry of Development, Public Work and Administration asking the payment of the ancillary budgetary liabilities. BCR BpL filed a formal claim to suspend the execution of the aforementioned decision. The claim was rejected by the Court on 31 January 2023. On 13 March 2023, BCR BpL filed recourse against this first-court decision that rejected the suspension of the execution of the aforementioned decision. In this file, on 7 November 2023, BCR BpL submitted a request, which was admitted by the Romanian High Court of Cassation and Justice, to suspend the proceedings in this case until the final resolution of the file no. 4770/2/2023, in which the suspension of the execution of the ancillary decision has already been obtained, decision which is enforceable, but can still be appealed by the Romanian Ministry.

Also, BCR BpL filed a contestation against this decision with the Romanian Ministry of Development, Public Work and Administration, which was rejected on its administrative track. Therefore, BCR BpL filed a judicial claim with the Bucharest Court of Appeal asking the Court to annul the decision of Romanian Ministry of Development, Public Work and Administration on ancillary budgetary claims (file case no. 4758/2/2023) and to suspend its execution (file case no. 4770/2/2023). On 22 September 2023, BCR BpL obtained in front of Bucharest Court of Appeal the admission of its new application for the suspension of execution of the ancillary decision (file no. 4770/2/2023) – this decision being executory, but still subject to a possible recourse from the part of the Romanian Ministry of Development, Public Work and Administration.

The value of the tax obligation, communicated by the Romanian Ministry of Development, Public Work and Administration within this ancillary decision in the amount of RON 388.9 million was reflected in the accounting records of BCR BpL, as of 2022, as a definite liability.

Independently of the merits of information being disseminated, unfavourable opinions about BCR could have adverse effects on its business and competitive position. As BCR's integrity in the relationship with its customers is critical to its ability to attract and retain customers, should the outcome of the pieces of litigation filed by its customers and/or the Romanian National Authority for Consumer Protection (regarding the annulment of certain clauses included in the loan agreements as being abusive) be negative, it might harm BCR's reputation.

BCR is subject to the risk of changes in the tax framework, in particular regarding banking taxes.

The future development of the BCR's assets, financial and profit position, *inter alia*, depends on the tax framework. Every future change in legislation, case law and the tax authorities' administrative practice may negatively impact on the BCR's assets, financial and profit position, for example, as a result of the introduction of banking taxes (please also see the risk factor "*The Romanian Government may react to financial and economic crises with increased protectionism, nationalisations or similar measures.*" above), financial transaction taxes or other levies.

New governmental or regulatory requirements and changes in perceived levels of adequate capitalisation and leverage could subject BCR to increased capital and MREL requirements or standards and require it to obtain additional capital, liabilities eligible for MREL purposes or liquidity in the future.

There are numerous ongoing initiatives for developing new, implementing, amending and more strictly enforcing existing regulatory requirements applicable to European credit institutions, including BCR, at national and international levels. Such initiatives which aim to continuously enhance the banking regulatory framework, *inter alia*, include the following:

- **SREP Requirements**

BCR Group is subject to SREP requirements stipulated in the relevant Romanian laws, implementing Articles 97, 98, 104 (1) and 113 of the Directive 2013/36/EU, as amended ("**CRD**") and Article 16 of the Council Regulation (EU) No 1024/2013 as amended (*Single Supervisory Mechanism Regulation*) determined by the annual Supervisory Review and Evaluation Process

("SREP") based on the NBR/European Central Bank joint decision. According to the business model, governance and risk management, capital adequacy and the liquidity situation of BCR, each year the NBR as competent authority in case of BCR sets an individual additional own funds requirement for BCR Group and BCR itself. This requirement needs to be met by the sort of capital (Common Equity Tier 1 ("CET 1") capital, Additional Tier 1 (AT 1) capital or Tier 2 capital) set by the NBR. Depending on BCR Group's situation, SREP requirements may vary annually. Increasing requirements for BCR Group could trigger additional pressure on its capitalisation, requiring unplanned adaptations.

Together with the conclusions of the SREP, NBR provides BCR with the conclusions related to the risks, deficiencies and concerns relating to the internal assessment of its capital needs, respectively, if the methodologies used by BCR are appropriate to the nature, extent and complexity of its activities and if the results obtained in the Internal Capital Adequacy Assessment Process (ICAAP) reflects the unexpected losses associated with the significant risks to which BCR is exposed.

- *Capital buffers*

In line with CRD and as per NBR Regulation 5/2013, NBR requires institutions to maintain newly defined specific capital buffers in addition to CET 1 capital maintained to meet the own funds requirements imposed by the Regulation (EU) No 575/2013, as amended (*Capital Requirements Regulation – "CRR"*) and potentially any Pillar II additional own funds requirements.

Pursuant to the recommendation of the National Committee for Macroprudential Supervision, the following requirements on capital buffers are applied as of the date of this Registration Document:

- Capital conservation buffer: The capital conservation buffer is 2.5% of the total risk exposure amount in accordance with Article 92 (3) CRR;
- Countercyclical buffer: starting 17 October 2022 the countercyclical buffer rate for exposures situated in Romania is 0.5% of the total risk exposure amount in accordance with Article 92 (3) CRR. Pursuant to the recommendation of the National Committee for Macroprudential Supervision (subject to revision) issued in the meeting as of 20 October 2022, such countercyclical buffer is recommended to be set at 1.00% for the period starting 23 October 2023. The countercyclical buffer at BCR Group level will vary from period to period depending on the composition of underlying risk relevant exposures.
- Global systemically important institutions (G-SII) / Other systemically important institutions ("O-SII") buffer: BCR Group is classified as an O-SII in Romania and the applicable buffer stands at 1.5%. The O-SII buffer is revised annually.
- Systemic risk buffer: the systemic risk buffer is determined based on the methodology described in NBR Order no. 8 dated 21 November 2018, depending on the average values for the non-performing loan ratio and non-performing loan coverage ratio. As for BCR the non-performing loan ratio is below 5% and the non-performing loan coverage ratio is greater than 55%, the systemic risk buffer is 0%.

Increasing Pillar 2 requirements for BCR Group or its individual members could trigger additional pressure on the capitalisation of BCR Group and/or its individual entities requiring unplanned adaptations.

- *Bank Recovery and Resolution Legislation*

The provisions of the Directive 2014/59/EU (*Bank Recovery and Resolution Directive - "BRRD"*) and Directive (EU) 2019/879 ("**BRRD 2**") have been transposed into Romanian legislation by law no.312/2015 regarding the recovery and resolution of credit institutions and investment firms (published in the Official Gazette, Part I No. 920 of 12/11/2015), as amended and supplemented from time to time, including by the Law no. 320/2021 for the amendment and completion of regulations in the financial field, implementing the provisions of Directive 2019/879/EU Bank Recovery and Resolution II (the "**Recovery and Resolution Law**"). The Recovery and Resolution Law designates NBR as the resolution authority for the Romanian banking sector. Measures undertaken under the Recovery and Resolution Law may have a negative impact on debt instruments by allowing NBR as resolution authority to order the write-down of such instruments or convert them into instruments of ownership. BCR may be subject to resolution tools and other powers as set out under the Recovery and Resolution Law.

- *Single Resolution Mechanism for European Banks.*

As Romania is not a member of the Euro-zone, it has no obligation to participate in the Single Resolution Mechanism (SRM) or other pillar of the Banking Union.

As per the Recovery and Resolution Law, the NBR, as resolution authority at individual level, has national decision discretion and participates in the drawing up of the resolution plan of BCR Group and Erste Group (as defined in "2.2.1 BCR Group" below) in the respective resolution college with the Single Resolution Board and other national resolution authorities and in the approval of such resolution plan. The national decision discretion might translate into more rigid clauses for MREL (as defined below) eligible liabilities, potentially making these instruments less appealing for potential international investors compared with the same class of instruments issued under Banking Union standards. If this is the case, BCR may face competitive disadvantages when targeting investors from the Banking Union market with its MREL eligible securities.

- *EU Banking Reform Package*

The legislative package in relation to the Banking Union ("**EU Banking Package**") consisting of (i) CRD; (ii) CRR; (iii) BRRD; and (iv) Regulation (EU) 806/2014, as amended (*Single Resolution Mechanism Regulation – "SRMR"*) and implementing reforms agreed at international level following the 2007-2008 financial crisis to strengthen the banking sector as well as addressing outstanding challenges to financial stability, was published in the Official Journal of the EU on 7 June 2019.

All amendments to the CRR apply at least since 28 June 2021 or earlier, those to the SRMR since 28 December 2020. The EU member states should have implemented the amendments to the BRRD and the CRD into national legislation by 28 December 2020. The EU Banking Package has been transposed into Romanian legislation.

Furthermore, the EU Banking Package contains more than 100 new mandates for the European Banking Authority (EBA) to specify and further refine selected legal requirements.

The obligation to comply with, implement and monitor these new regulatory (capital) provisions and requirements, and the resulting uncertainty, may have a negative impact on BCR's business, financial condition, results of operations. The implementation of the amendments in national law bear risk to BCR insofar as it may be imposed to new/additional requirements which increase the unpredictability and makes the planning process more difficult. In addition, the substance and scope of any such (new or amended) laws and regulations as well as the manner in which they are (or will be) adopted, enforced or interpreted may increase BCR's financing costs.

The EU Banking Package, *inter alia*, implements "Resolution Group" levels which are relevant for determining the level of application of the rules on loss absorbing and recapitalisation capacity that financial institutions should comply with and defines the desired resolution strategy. The legislative framework allows for a multiple-point-of-entry ("**MPE**") or a single-point-of-entry ("**SPE**") resolution strategy. The minimum requirement for own funds and eligible liabilities ("**MREL**") should reflect the resolution strategy which is appropriate to a group in accordance with the resolution plan. Under the SPE strategy, only one group entity, usually the parent company, i.e. Erste Group, is resolved whereas other group entities, usually operating subsidiaries such as BCR, are not put in resolution, but upstream their losses and recapitalisation needs to the entity to be resolved. Under the MPE strategy, more than one group entity may be resolved.

BCR Group's resolution strategy is MPE, forming separate resolution groups with Erste Group but with SPE approaches on country level. Under the MPE strategy, the point of entry for resolution is BCR which means that the losses are recognised at BCR level and the bail-in takes place at BCR level. In this case BCR must issue external (extra group) MREL eligible liabilities. In January 2020, the NBR as national resolution authority joined the decision RC/JD/2020/05 of the Single Resolution Board and other relevant resolution authorities for Erste Group considering that the MPE approach is the appropriate resolution strategy for BCR (thus BCR forming a separate resolution group within Erste Group).

The resolution plans (including resolution strategy and MREL decisions) are assessed and approved in the resolution college which is held on a regular basis. The effect of the Ukraine war and the global economic situation has the potential to diminish the financial strength of banks in general, including BCR, and the ability of markets to absorb the future issues needed to meet MREL requirements.

On 27 October 2021, the European Commission adopted a further (draft) package of a review of the CRR and the CRD which is currently subject to further discussions on an EU level. These new rules are aimed to ensure that EU banks become more resilient to potential future economic shocks, while contributing to Europe's recovery from the COVID-19 pandemic and the transition to climate neutrality. This package is comprised of the following legislative elements:

- implementing the Basel III framework;
- sustainability; and
- stronger enforcement tools.

Additional, stricter and/or new regulatory requirements may be adopted in the future, and the existing regulatory environment for BCR in Romania continues to develop and change. The substance and scope of any such (new or amended) laws and regulations as well as the manner in which they are (or will be) adopted, enforced or interpreted may increase BCR's financing costs.

Further, any such regulatory development may expose BCR to additional costs and liabilities which may require BCR to change its business strategy or otherwise have a negative impact on its business, the offered products and services as well as the value of its assets. BCR may not be able to increase its eligible capital (or, thus, its capital ratios) sufficiently or on time. If BCR is unable to increase its capital ratios sufficiently and/or comply with (other) regulatory requirements, its credit ratings may drop and its cost of funding may increase, and/or the competent authorities may impose fines, penalties or other regulatory measures.

The Issuer is obliged to contribute to the bank resolution fund and to funds of the deposit guarantee schemes on an annual basis.

The bank resolution fund pools together regular (annual) contributions from credit institutions, whose level is set by NBR, as the resolution authority, in accordance with the provisions of the Recovery and Resolution Law and of the Commission Delegated Regulation (EU) 2015/63 so that the target level of 1.00% of the amount of covered deposits of all credit institutions (including the Issuer) authorised in Romania shall be reached by 31 December 2024.

Furthermore, Directive 2014/49/EU (*Directive on Deposit Guarantee Schemes – "DGSD"*) forms part of the measures adopted in the aftermath of the financial crisis in an effort to establish the Banking Union and aims to further strengthen the protection of depositors. In principle, the target level of *ex-ante* financed funds for Deposit Guarantee Schemes ("**DGS**") is 0.80% of covered deposits to be collected from credit institutions (including the Issuer) until 2024. In Romania, the DGSD has been implemented through the Deposit Guarantee Act no. 311/2015, as further amended (*Legea nr. 311/2015 privind schemele de garantare a depozitelor și Fondul de garantare a depozitelor bancare*). In addition to *ex-ante* contributions, if necessary, credit institutions (including the Issuer) will have to pay extraordinary (*ex post*) contributions to a certain extent, set by NBR, as well as a temporary special tax, if so requested by the DGS and approved by NBR.

The obligation to contribute amounts for the establishment of the Single Resolution Fund and the *ex ante* funds to the DGS and the temporary special tax could result in additional financial burdens for the Issuer and thus, could adversely affect its financial position.

1.4 FURTHER RISKS RELATING TO THE ISSUER

BCR's major shareholder may be able to control shareholder actions.

As of the date of this Registration Document, the majority of voting rights in BCR is held by Erste Group Bank AG ("**Erste Group Bank**") (99.8893%). Hence, Erste Group Bank exercises direct control over BCR through the majority of voting rights and, implicitly, through the right to appoint most of the members in BCR's supervisory board.

As a result, Erste Group Bank is able to control the outcome of most decisions requiring shareholder approval. Therefore, it is possible that Erste Group Bank may exercise or be expected to exercise control over BCR in ways that may not be in the interest of other shareholders and which may also affect BCR.

Failure to properly handle potential conflicts of interest of members of the Issuer's executive bodies could have negative effects on the Issuer.

Members of the Issuer's supervisory board (the "**Supervisory Board**") and management board (the "**Management Board**") may serve on management or supervisory boards of other companies (other than a member of Erste Group), including other banks, customers of and investors in the Issuer which may also compete directly or indirectly with the Issuer. Holding directorships of that kind may expose such persons to potential conflicts of interest if the Issuer maintains active business relations with said companies. Failure to properly manage potential conflicts of interest of such persons could have a material adverse effect on the Issuer's business, financial position and results of operations.

Credit rating agencies may suspend, downgrade or withdraw a credit rating of BCR and/or Erste Group Bank as parent company and/or Romania, and such action might negatively affect the refinancing conditions for BCR, in particular its access to debt capital markets.

BCR's credit ratings are important to its business. A credit rating is the opinion of a credit rating agency on the credit standing of an issuer, i.e., a forecast or an indicator of a possible credit loss due to insolvency, delay in payment or incomplete payment to the investors.

A credit rating agency may in particular suspend, downgrade or withdraw a credit rating of BCR. A credit rating may also be suspended or withdrawn if BCR were to terminate the agreement with the relevant credit rating agency or to determine that it would not be in its interest to continue to supply financial data to a credit rating agency. A downgrading of the credit rating may lead to a restriction of access to funds and, consequently, to higher refinancing costs. A credit rating could also be negatively affected by the soundness or perceived soundness of other financial institutions.

BCR's credit ratings are mainly sensitive to the sovereign long-term credit rating, however, are also sensitive to the credit rating agency's assessment of country risks facing Romanian banks, *inter alia* BCR, which can affect their ability to use parental support to service their obligations. They are also sensitive to a multi-notch downgrade of Erste Group Bank's credit ratings or a significant decrease in its strategic importance.

A credit rating agency may also suspend, downgrade or withdraw a credit rating or may publish unfavourable reports or outlooks on Romania which may lead to an increase of the funding costs of BCR.

Rating actions of credit rating agencies may also be triggered by changes in their respective rating methodology, their assessment of government support, as well as by regulatory activities (e.g. introduction of bail-in regimes).

Any downgrade of the credit rating of BCR and/or of Erste Group Bank as parent company or of Romania, could have a material adverse effect on BCR's liquidity and competitive position, undermine confidence in BCR, increase its borrowing costs, limit its access to funding and capital markets or limit the range of counterparties willing to enter into transactions with BCR.

2. BANCA COMERCIALĂ ROMÂNĂ S.A.

2.1 INTRODUCTION

The Issuer is registered as a joint-stock corporation (*societate pe acțiuni*) at the Bucharest Trade Register Office (*Oficiul Registrului Comerțului București*) and has the registration number J40/90/1991 and the sole registration code 361757. The Issuer is established for an indefinite period of time and operates under Romanian law. Its commercial name is "BCR". The registered office of the Issuer is 15D Soseaua Orhideelor The Bridge 1, 2nd Floor, 060071 Bucharest district 6, Romania. Its telephone number is +0800.801.227 and its website is "www.bcr.ro". The information on the Issuer's website does not form part of this Registration Document unless that information is incorporated by reference into this Registration Document (please see "*Documents Incorporated By Reference*" above). The Issuer's legal entity identifier (LEI) code is 549300ORLU6LN5YD8X90.

BCR was established on 1 December 1990 as a state-owned joint-stock company pursuant to Government Resolution no. 1195/1990 concerning the establishment of Banca Comercială Română S.A. (*Hotărârea Guvernului nr. 1195/1990 privind organizarea Băncii Comerciale Române -S.A.*).

In 1991, as part of the overall reform of the Romanian banking system, the commercial banking activities of NBR were transferred to BCR. On 10 September 1999, the Romanian Bank for Foreign Trade (*Banca Română de Comerț Exterior – Bancorex – S.A. - "Bancorex"*), which was placed under special administration, was merged by absorption into BCR. As part of the merger, Bancorex's liabilities and most of its assets (in each case, provided they satisfied BCR's risk management policies) were transferred to BCR, and the Romanian Government set up an indemnity scheme (subject to certain conditions) in respect of Bancorex's material liabilities, including those claims against Bancorex which were the subject of litigation. As part of the merger, BCR also took over many of Bancorex's employees.

In 2004, the length of the Issuer's life was amended from 99 years to an indefinite period of time.

In 2006, as a result of the privatisation process of BCR organised by the Romanian Government, Erste Bank der oesterreichischen Sparkassen AG ("**Erste Bank Oesterreich**") purchased 490,399,321 nominative shares with a face value of RON³ 1.3 per share or 61.8825% of the share capital of BCR from the Authority for State Assets Recovery (*Autoritatea pentru Valorificarea Activelor Statului - "AVAS"*), the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC), pursuant to a share purchase agreement dated 21 December 2005, for a total consideration of RON 13.16 billion (EUR 3.75 billion equivalent). On 14 October 2009, Erste Bank Oesterreich transferred its participation in BCR (i.e. 549,230,910 nominative shares representing 69.3063% of BCR's share capital) to EGB Ceps Holding GmbH, a wholly owned indirect subsidiary of Erste Bank Oesterreich.

In April 2011, BCR's general shareholders meeting approved the change of the face value of BCR shares from RON 1.3 to RON 0.1 per share. As a result of several subsequent share capital increases, BCR's share capital has been increased to RON 16,253,416,145.

In 2011, EGB Ceps Holding GmbH acquired shares from both, private individuals and specialised investment funds (SIFs; i.e. the Romanian special financial investment companies). As a result of this transaction and of the 2011 share capital increase operations, EGB Ceps Holding GmbH's participation in BCR increased to 89.1295%.

As a result of finalizing the two step merger process between (i) EGB Ceps Holding GmbH which merged into EGB Ceps Beteiligungen GmbH and (ii) EGB Ceps Beteiligungen GmbH which merged into Erste Group Bank, and following the fulfilment of the publication requirements in relation to the merger process on 25 March 2015 with the Austrian companies register, Erste Group Bank became a direct shareholder of BCR.

In November 2016, BCR's extraordinary general shareholders meeting approved the merger by absorption of BCR as an absorbing company with BCR Real Estate Management SRL and Bucharest Financial Plaza SRL as absorbed companies and the increase of the share capital of BCR with the amount of RON 10.9 by issuing 109 shares with a nominal value of RON 0.1 each. These shares were acquired by the minority shareholder of BCR Real Estate Management, respectively BCR Leasing IFN SA ("**BCR Leasing**"). As a

³ The foreign exchange rate used for conversion of figures into RON as provided by the NBR for 12 October 2006, the reference date for the transfer of the shares to Erste Group Bank, was of 3.5093 RON/EUR.

result, as at the date of this Registration Document, the subscribed and paid-up share capital of BCR is of RON 1,625,341,625.40 divided into 16,253,416,254 nominative shares each with a value of RON 0.1.

Until the date of this Registration Document, Erste Group Bank purchased further shares from employees and other shareholders of BCR, adding up to 99.8893%.

BCR is licensed by NBR to conduct banking activities.

2.2 BACKGROUND

2.2.1 BCR and BCR Group

As at 30 June 2023, BCR Group consists of the following companies: Banca Comercială Română S.A., BCR Leasing, BCR BpL, BCR Pensii Societate de Administrare a Fondurilor de Pensii Private S.A. ("**BCR Pensii**"), Suport Colect S.R.L. ("**Suport Colect**"), BCR Payments Services S.R.L. ("**BCR Payments Services**"), BCR Fleet Management S.R.L. ("**BCR Fleet Management**") (a direct subsidiary of BCR Leasing) and Banca Comercială Română Chişinău S.A. ("**BCR Chişinău**"). For further information on BCR Group, see section "2.2.2 Subsidiaries" below.

BCR and the other financial institutions in BCR Group provide primarily day-to-day banking services to governmental institutions, corporate and individual clients operating in Romania and abroad. These services include acceptance of deposits, lending, including mortgage credit, investment banking, securities trading and derivatives business (on its own account and for the account of customers), portfolio management, project finance, international trade finance, corporate finance, capital and money market services, foreign exchange, leasing, factoring, bank assurance and private pension fund management.

As at 31 December 2022, according to the Audited IFRS-EU Financial Statements 2022, BCR Group's assets totalled RON 98,850,060 thousands, compared to RON 90,255,119 thousands in 2021, with decisive contribution from BCR (RON 97,756,207 thousands as at 31 December 2022, compared with RON 89,090,498 thousands as at 31 December 2021). For the year ended 31 December 2022, according to the Audited IFRS-EU Financial Statements 2022 BCR Group achieved a net profit of RON 1,745,906 thousands, up by 23.8% against RON 1,409,771 thousands in 2021, driven by improved operating result underpinned by continued strong loan growth. As at 30 June 2023, according to the Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2023, BCR Group's assets totalled RON 105,072.2 million. BCR achieved a net profit of RON 1,110.8 million for the first six months of 2023, up by 6.6% against RON 1,042.1 million for the first six months of 2022, driven by improved operating result underpinned by advance in customer business.

BCR is not dependent on any other entities within BCR Group.

BCR is part of the wider Erste Group that consists of Erste Group Bank, together with its subsidiaries and participations, including Erste Bank Oesterreich in Austria, Česká spořitelna in the Czech Republic, BCR in Romania, Slovenská sporiteľňa in Slovakia, Erste Bank Hungary in Hungary, Erste Bank Croatia in Croatia, Erste Bank Serbia in Serbia and, furthermore, in Austria, Salzburger Sparkasse Bank AG, Tiroler Sparkasse Bankaktiengesellschaft Innsbruck, Bausparkasse der österreichischen Sparkassen Aktiengesellschaft, other savings banks of the Haftungsverbund, Erste Group Immorent GmbH, and others (the "**Erste Group**").

BCR has a good customer deposits base and also a good balance sheet structure which enables the Issuer to be independent from a liquidity perspective in both local and foreign currency, as the senior long-term intragroup funding is on a decreasing trend from several years already.

In order to fulfill the MREL requirements, BCR is considering using a mix of products which includes also capital instruments (e.g. AT 1, Tier 2 products) that can be provided by Erste Group Bank.

Selected historical key financial information as at and for the years then ended 31 December 2021 and 31 December 2022:

in RON thousands	BCR Group		BCR	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Total liabilities and equity	98,850,060	90,255,119	97,756,207	89,090,498
Total equity	11,054,799	9,720,442	10,906,421	9,486,855

in RON thousands	1 January 2022 to 31 December 2022	1 January 2021 to 31 December 2021	1 January 2022 to 31 December 2022	1 January 2021 to 31 December 2021
Net interest income	2,948,748	2,422,069	2,767,309	2,305,635
Net result for the period	1,745,919	1,409,778	1,830,016	1,377,917
Net result attributable to non-controlling interests	13	7	-	-
Net result attributable to owners of the parent	1,745,906	1,409,771	1,830,016	1,377,917

Source: Audited IFRS-EU Financial Statements 2021 and Audited IFRS-EU Financial Statements 2022

Selected historical key financial information as at and for the six months then ended 30 June 2022 and for the six months ended 30 June 2023:

in RON thousands	BCR Group		BCR	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Total liabilities and equity	105,072,219	98,850,060	104,081,119	97,756,207
Total equity	11,122,669	11,054,799	10,998,401	10,906,421
in RON thousands	1 January 2023 to 30 June 2023	1 January 2022 to 30 June 2022	1 January 2023 to 30 June 2023	1 January 2022 to 30 June 2022
Net interest income	1,770,090	1,362,474	1,673,093	1,287,072
Net result for the period	1,110,833	1,042,081	1,139,489	974,101
Net result attributable to non-controlling interests	7	11	-	-
Net result attributable to owners of the parent	1,110,826	1,042,070	1,139,489	974,101

Source: Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2023

Selected historical key financial information as at and for the nine months ended 30 September 2023 and for the nine months ended 30 September 2022:

in RON million	BCR Group	
	30 September 2023	31 December 2022
Total liabilities and equity	104,702.5	98,850.1
Total equity	11,742.2	11,054.8
in RON million	1 January 2023 to 30 September 2023	1 January 2022 to 30 September 2022
Net interest income	2,670.6	2,102.1
Operating income	3,838.6	3,324.5
Operating result	2,324.5	1,966.6
Net result attributable to owners of the parent	1,698.2	1,539.7

Source: Press Release dated 30 October 2023 relating to BCR's financial results for the first nine months of 2023 according to IFRS-EU (unaudited, not reviewed)

2.2.2 Subsidiaries

Group Structure as at 30 June 2023 and 31 December 2022

BCR has the following subsidiaries consolidated in the Audited IFRS-EU Financial Statements 2022 and Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2023:

Company's Name	Country of incorporation	Nature of the business	Shareholding (in %)	
			31.12.2022	30.06.2023
BCR Chişinău S.A.	Moldova	Banking	100.00	100.00
BCR Leasing IFN S.A.	Romania	Financial leasing	99.97	99.97
BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private S.A.	Romania	Pension fund	99.99	99.99
BCR Banca pentru Locuinţe S.A.	Romania	Housing loans	99.99	99.99
Suport Colect S.R.L.	Romania	Workout	99.99	99.99
BCR Fleet Management S.R.L.*	Romania	Operational leasing	99.97	99.97
BCR Payments Services S.R.L.	Romania	Cash processing and storing	99.99	99.99

* Company held indirectly by BCR through BCR Leasing

Source: Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2023

The developments highlighted below are the most significant ones at the level of the individual companies within BCR Group in 2022 and the first half of 2023.

Banca Comercială Română Chişinău S.A.

BCR Chişinău, a wholly owned subsidiary of BCR, was incorporated as a joint stock company in 1998. It is a medium-sized bank within the Moldavian banking system and is authorised to perform all banking activities.

For the six months ended 30 June 2023, BCR Chişinău registered a slight decrease in the operating result to RON 15.8 million compared to RON 16.53 million in the six months period ended 30 June 2022, mainly due to a slight decrease in trading result.

As of 30 June 2023, the total assets of BCR Chişinău amounted to RON 731 million, increasing by 8.1% as compared to 30 June 2022, mainly from financial assets. Loans to customers (gross amount) increased by 12.2% in the same period, to RON 319.12 million. The total equity of BCR Chişinău as of 30 June 2023 amounted to RON 172.6 million, 23.7% higher as compared with 30 June 2022.

Financial Summary based on IFRS-EU figures	1 January 2021 to	1 January 2022 to
	31 December 2021	31 December 2022
	(RON* thousands)	
Interest and similar income	21,874	57,944
Interest expense and similar charges	(7,094)	(12,366)
Net interest income	14,780	45,578
Net impairment loss on financial instruments	(2)	(4,811)
Operating results	8,578	43,854
Profit/(loss) before taxation	611	37,257
Profit After Tax	497	32,678
	31 December 2021	31 December 2022
Total Assets	668,554	754,800
Total Equity	124,325	155,891

Source: BCR internal data unaudited, not reviewed.

Financial Summary based on IFRS-EU figures	1 January 2022 to 30 June 2022	1 January 2023 to 30 June 2023
	<i>(RON* thousands)</i>	
Interest and similar income	20,849	34,375
Interest expense and similar charges	(3,819)	(11,774)
Net interest income	17,030	22,602
Net impairment loss on financial instruments	(417)	(986)
Operating results	16,539	15,806
Profit/(loss) before taxation	15,248	13,999
Profit After Tax	13,400	12,154
	30 June 2022	30 June 2023
Total Assets	676,390	731,449
Total Equity	139,547	172,605

Source: BCR internal data unaudited, not reviewed.

In March 2023, BCR, as seller, and Banca Comercială Victoriabank S.A., as buyer, entered into an agreement for the sale of all shares held by BCR in its subsidiary BCR Chişinău S.A. The completion of the transaction is subject to the fulfilment of several precedent conditions, including the approval of the National Bank of Moldova, the National Bank of Romania, the European Central Bank, the Competition Council of the Republic of Moldova, and the Romanian National Commission for Financial Markets. Until all approvals are received, BCR Chişinău S.A. and Banca Comercială Victoriabank S.A. will operate independently.

BCR Leasing IFN S.A.

BCR Leasing is a Romanian non-banking financial institution, incorporated in 2001, the main business of which is providing financial leasing services.

BCR Leasing continued to develop its business and increase business volumes, new sales continued to be boosted by both bank channel and partnerships with dealers / importers.

As of 30 June 2023, the total assets reached RON 3.91 billion, increasing by 24.9% as compared to 30 June 2022, sustained by enhanced new sales growth.

BCR Leasing profitability reached RON 25.3 million in the six months period ended 30 June 2023, increasing by 5.4% as compared to the six months period ended 30 June 2022, due to the growth of the business.

BCR Leasing is committed to continuing its development on key strategic pillars for a sustainable growth within current market context, such as processes improvement with the purpose to increase the customers' satisfaction, speeding up the digitalization of the company' business model and continue to invest in identifying new market opportunities.

Financial Summary based on the IFRS-EU figures	1 January 2021 to 31 December 2021	1 January 2022 to 31 December 2022
	<i>(RON thousand)</i>	
Lease income	12,978	4,101
Operating profit	80,643	87,782
Net profit for the year	33,852	39,848
	31 December 2021	31 December 2022
Total Assets	2,866,674	3,499,935
Total Equity	193,983	233,831

Source: BCR internal data, unaudited, not reviewed

Financial Summary based on the IFRS-EU figures	1 January 2022 to 30 June 2022	1 January 2023 to 30 June 2023
	<i>(RON thousand)</i>	
Lease income	2,054	2,028
Operating profit	37,395	39,824
Net profit for the period	23,790	25,338
	30 June 2022	30 June 2023
Total Assets	3,125,991	3,911,322
Total Equity	217,772	199,168

Source: BCR internal data, unaudited, not reviewed

BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private S.A.

BCR Pensii is a Romanian joint stock company incorporated in 2007, the main business of which is to manage pension funds.

BCR Pensii was authorised by the Romanian Financial Supervisory Authority to carry out management activities for private pension funds in Romania, including mandatory (Pillar II) and voluntary (Pillar III) private pension funds. Starting February 2022 BCR Pensii has obtained the authorization for Occupational Pension funds segment (Pillar IV). As at 30 November 2022, BCR Pensii is the sole pension administrator in Romania having the Pillar IV authorization in its product portfolio.

As of 31 August 2023, BCR Pensii ranked 6th in the top of mandatory private pension funds management companies active on the Romanian market⁴, in terms of total number of subscribers, with a market share of 9.45% and 763,709 subscribers with individual contributions.

In terms of total number of subscribers for voluntary pensions funds, as at 31 August 2023, BCR Pensii ranked 2nd, with a market share of 21.74%, corresponding to a number of 147,824 participants⁵.

The BCR Pensii strategy is to focus on increasing the number of participants to the voluntary pension fund BCR Plus improving the quality of the products and services offered to the participants, as well as gaining participants' loyalty through the continuous improvement of the communication channels. Also, BCR Pensii will continue and expand the digitization efforts, moving from pension visualization stage in the George group application, to the online adhesion stage starting with September 2023.

As of 30 June 2023, the total assets reached RON 217.9 million, increasing by 5.37% compared to 30 June 2022. Profitability reached RON 2 million in the first half of 2023, decreasing by 31.25% comparing to the same period in 2022, mainly due to lower fees.

Financial Summary based on IFRS-

EU figures	31 December 2021	31 December 2022
	<i>(RON thousand)</i>	
Total Assets	221,603	215,907
Total Equity	200,006	191,929
	1 January 2021 to 31 December 2021	1 January 2022 to 31 December 2022
Profit for the year	28,054	14,378

Source: BCR internal data, unaudited, not reviewed

⁴ Source: www.asfromania.ro/informatii-publice/statistici/statistici-pensii/evolutie-indicatori.

⁵ Source: www.asfromania.ro/informatii-publice/statistici/statistici-pensii/evolutie-indicatori.

Financial Summary based on IFRS-EU figures

	30 June 2022	30 June 2023
	<i>(RON thousand)</i>	
Total Assets	206,830	217,944
Total Equity	183,943	193,913
	1 January 2022 to	1 January 2023
	30 June 2022	to 30 June 2023
Profit for the period	6,392	1,984

Source: BCR internal data, unaudited, not reviewed

BCR Banca pentru Locuințe S.A.

BCR BpL, incorporated in April 2008, is a Romanian credit institution specialising in granting savings and loan products for housing purposes.

As at 31 August 2023, BCR BpL customers' savings amounted to RON 226 million and the loans portfolio to RON 18 million.

As of 30 June 2023, the total assets increased with 11% as compared with 30 June 2022, reaching RON 782.3 million. Profitability decreased to RON 3.9 million in the first half of 2023 comparing with the same period in 2022.

Financial Summary based on IFRS-EU figures

	31 December 2021	31 December 2022
	<i>(RON thousand)</i>	
Total Assets	1,306,972	729,328
Total Equity	91,260	45,800
	1 January 2021 to	1 January 2022 to 31
	31 December 2021	December 2022
Profit for the year	32,064	(212,961)

Source: BCR internal data, unaudited, not reviewed

Financial Summary based on IFRS-EU figures

	30 June 2022	30 June 2023
	<i>(RON thousand)</i>	
Total Assets	704,761	782,267
Total Equity	107,329	49,675
	1 January 2022 to	1 January 2023
	30 June 2022	to 30 June 2023
Profit for the period	16,069	3,875

Source: BCR internal data, unaudited, not reviewed

Suport Colect S.R.L.

Suport Colect is a Romanian limited liability company, incorporated in 2009, the main business of which is the collection of loans receivables, including cash collections from receivables, or through properties acquired as debt to asset swaps or sale of receivables.

As at 30 June 2023, Suport Colect's portfolio comprised around 219 clients.

As of 30 June 2023, the total assets increased with 15.67% as compared with 30 June 2022 reaching RON 104.8 million. Profitability decreased to RON 6.6 million in the first half of 2023 comparing with the same period in 2022.

Financial Summary based on IFRS-EU figures

	31 December 2021	31 December 2022
	<i>(RON thousand)</i>	
Total Assets	83,584	97,022

Total Equity	63,363	80,035
	1 January 2021 to 31 December 2021	1 January 2022 to 31 December 2022
Profit for the year	13,600	16,672

Source: BCR internal data unaudited, not reviewed

Financial Summary based on IFRS-EU figures	30 June 2022	30 June 2023
	<i>(RON thousand)</i>	
Total Assets	90,665	104,844
Total Equity	73,240	86,663
	1 January 2022 to 30 June 2022	1 January 2023 to 30 June 2023
Profit for the period	9,877	6,628

Source: BCR internal data unaudited, not reviewed

BCR Fleet Management S.R.L.

BCR Fleet Management is a Romanian limited liability company, set up in 2009, as a wholly owned subsidiary of BCR Leasing. BCR Fleet Management's main business is operational leasing and fleet management.

As of 30 June 2023, the total assets of BCR Fleet Management amounted to RON 189.7 million, decreasing by 43.18% as compared to 30 June 2022.

Financial Summary based on IFRS- EU figures	31 December 2021	31 December 2022
	<i>(RON thousand)</i>	
Total Assets	491,651	213,362
Total Equity	(1,405)	21,462
	1 January 2021 to 31 December 2021	1 January 2022 to 31 December 2022
Profit for the year	(15,155)	22,867

Source: BCR internal data unaudited, not reviewed

Financial Summary based on IFRS-EU figures	30 June 2022	30 June 2023
	<i>(RON thousand)</i>	
Total Assets	439,788	189,731
Total Equity	17,977	25,345
	1 January 2022 to 30 June 2022	1 January 2023 to 30 June 2023
Profit for the period	19,381	3,883

Source: BCR internal data unaudited, not reviewed

During 2019, the Issuer's management board approved the launching of the sale process of investment in shares in BCR Fleet Management as presented in the 2019 Financial Statements of BCR. According to the group strategy, the passenger car and light commercial vehicle assets were sold in fourth quarter of 2022. BCR Fleet Management's commercial activity will be focused on the remaining portfolio which will be kept until contracts maturity and there will be no new business subsequent to the sale.

BCR Payments Services S.R.L.

BCR Payments Services, a Romanian limited liability company, was incorporated in 2011 to take over from BCR a part of the payments processing activity previously performed by Sibiu Processing Centre, with the aim of increasing efficiency in payments processing by reducing related costs.

BCR Payments Services became operational after receiving NBR's authorisation at the beginning of 2012.

BCR Payments Services is responsible for centralised processing of payment transactions in local and foreign currency, debt instruments in local and foreign currency, liabilities operations (opening and lifecycle operations) for both legal entities and private individuals, as well as physical archive clean-up from BCR units.

BCR Payments is following three main directions for action: (i) the strategic objective to reduce the volume of paper payments by 52% in 2023 as compared with 2022. At the end of the third quarter of 2023, a reduction of 45% in domestic paper based reduction was achieved as compared with September 2022; (ii) digitalization of accounts opening and administration activities after launching various functionalities of George for private individuals and micro entities (digital onboarding of customers, customers updates in know your customer ("KYC"), other account maintenance functionalities), as well as (iii) redefining the Corporate Service Model and Digital Inbox input channel.

During 2022, 2.6 million transactions were processed by BCR Payments Services (domestic credit transfers, foreign credit transfers, debt instruments, customer onboarding and maintenance operations), with an average of 70 full time employees and a continuous focus on improvement, efficiency and contribution to the digitalization increase.

	31 December 2021	31 December 2022
Financial Summary based on IFRS-EU figures	1	2
	<i>(RON thousand)</i>	
Total Assets	4,953	5,002
Total Equity	2,773	3,403
	1 January 2021 to 31 December 2021	1 January 2022 to 31 December 2022
Profit for the year	658	1,239

Source: BCR internal data unaudited, not reviewed

	30 June 2022	30 June 2023
Financial Summary based on IFRS-EU figures		
	<i>(RON thousand)</i>	
Total Assets	5,085	4,813
Total Equity	3,237	3,386
	1 January 2022 to 30 June 2022	1 January 2023 to 30 June 2023
Profit for the period	1,073	959

Source: BCR internal data unaudited, not reviewed

2.3 SHARE CAPITAL OF BCR

As at the date of this Registration Document, the subscribed and paid-up share capital of BCR amounted to RON 1,625,341,625.40 divided into 16,253,416,254 nominative, ordinary shares, issued in book-entry form with a nominal value of RON 0.1 each.

The shares issued by BCR are not listed on any market.

2.4 ARTICLES OF ASSOCIATION

The core area of business activity (*principalul domeniu de activitate*) of BCR is monetary intermediation. BCR is licensed by NBR to carry out the following principal activities included in its articles of association:

- a) acceptance of deposits and other repayable funds;
- b) granting of credits including, among others: consumer loans, mortgage loans, factoring with or without recourse, financing of commercial transactions, including forfeiting;
- c) payment operations;
- d) issuance and management of payment instruments such as: debit and credit cards, traveller's cheques and alike, including the issuing of electronic money;
- e) issuance of guarantees and assuming commitments;
- f) trading for own account and/or for the account of customers, according to the law, in:
 - money market instruments such as cheques, bills of exchange, promissory notes, certificates of deposit,
 - foreign currency,
 - financial futures and options contracts,
 - exchange and interest-rate based instruments,
 - transferable securities and other financial instruments;
- g) participating in the issuance of securities and other financial instruments by underwriting and placement thereof or by placement and provision of ancillary services;
- h) advisory services on capital structure, business strategy and other issues related to commercial businesses, services related to mergers and acquisitions as well as other consultancy services;
- i) portfolio management for clients and consultancy related thereto;
- j) custody and management of financial instruments;
- k) interbank market brokerage;
- l) provision of services related to supply of data and credit reference services;
- m) rental of safe deposit boxes;
- n) operations with precious metals, precious stones and objects manufactured out of precious metals or stones;
- o) acquisition of participations in the share capital of other entities; and
- p) any other activities or services in so far as they fall within the scope of the financial sector, in compliance with the regulations of the special laws regulating such activities or services, as follows:
 - acting as depositary in relation of assets of investment funds and investment companies,
 - distribution of units and shares issued by investment funds and investment companies,
 - acting as authorised operator of the National Register for Publicity of Security Interests over Movable Property for the purpose of registration with the National Register for Publicity of Security Interests over Movable Property of security interests created in relation to the operations carried out by BCR and/or the operations of the companies belonging to the same group as BCR,
 - data processing services, database management or any other similar activities for third parties,
 - acting as depositary in relation to assets of privately managed pension funds,
 - acting as depositary in relation to financial assets of the optional pension funds,
 - acting as marketing agent in relation to privately managed pension funds and as marketing agent in connection with the prospectuses of the optional pension schemes,
 - acting on behalf and in the name of other credit/financial institutions in connection with crediting/lending financial operations or with other operations ancillary to credit /financial operations;

- acting in the name and on behalf of other entities to promote their services to BCR's clients, in subsidiary to services and products provided by BCR;
- acting for and on behalf of other financial entities for the sale/distribution of their products/financial services, as well as providing the necessary support services for the sale/distribution of these types of products/services;
- acting for and on behalf of other payment institutions/institutions issuing electronic currency as a paying agent/electronic currency payment agent;
- acting for and on behalf of trust services providers for electronic transactions, consisting of activities to identify persons to whom qualified certificates are issued by the trust services providers; and
- acting as depositary in relation to financial assets of occupational pension funds.

Operations referred to in paragraphs f), g), h), i) and j) may be performed in relation to all investment services regulated by the laws on the capital markets and the legal framework related thereto, to extent such operations relate to financial instruments regulated by it.

In addition to its full array of retail and corporate banking services, BCR is also active in the leasing, pension fund and brokerage business and maintains a private banking unit.

2.5 BORROWING AND FUNDING STRUCTURE

BCR continues to be self-funded in both, local currency and foreign currencies. The funding structure is centered on non-banking customer business. Nonetheless, over time BCR has developed a well-diversified funding structure (mix of short-term/long-term liabilities and capital instruments).

2.6 EXPECTED FINANCING OF THE ISSUER'S ACTIVITIES

BCR's funding and liquidity profile reflects and will reflect a business model that primarily focuses on retail and corporate customer business. Customer deposits represent BCR's main funding source, still BCR has in place the current medium term notes program, which offers the flexibility to tap the market anytime if opportunities appear.

2.7 BUSINESS OVERVIEW

Strategy

BCR continues to be a top bank in Romania with a loan book of RON 58.5 billion and about 2.8 million customers as of June 2023⁶. BCR provides financial products and services, through a network of 319 retail units as of June 2023 located in most cities across Romania which have more than 10,000 inhabitants.

BCR has a universal business model generating revenue through retail, corporate and capital markets segments. As of 30 June 2023 the lending portfolio is mainly represented by retail (RON 31 billion lending book, i.e. 53% of total exposure) and corporate presence in various industry sectors (RON 27 billion lending book, i.e. 47% of total exposure).

In terms of digitalisation in August 2023, BCR reached 1.7 million George active users with at least one login, out of which digital active customers reached 78%. Besides unsecured lending, credit cards, overdraft, insurance, Know Your Customer ("KYC"), BCR further enriched the digital functionalities for mortgage loans, investment and private pensions. Being part of Erste Group allowed BCR to benefit from the applications, software and know-how on George which was originated at group level.

BCR is now entering the 3rd large strategy cycle since it started its journey towards growth and financial health in 2017.

The previous 2 strategy cycles (seamless access to finance 2017-2020; and advisory for Financial Intelligence 2020-2023), have built strong foundations for our BCR 2026 Strategy, such as:

- A consistent omnichannel strategy, with a unique positioning around assisted digital channels sales, a new contact centre equipped with all latest technology, a more flexible information technology architecture and data strategy and a brand embedding trust and leadership in financial education.

⁶ Source: the Issuer's management report.

- Several specific initiatives were launched to build financial health, both for retail and corporate clients. For instance, Financial Coach, Pensions in George, George Investments, Bancassurance, ADA chatbot for EU funds, Corporate Rating transparency or environmental, social and governance (ESG) dialogues with large corporates.

In addition, BCR can look back on a track-record of strategy delivery, as the majority of its strategic ambitions were achieved during the current strategy cycle ending in December 2023:

- Engagement: 67.9 points⁷ on private individuals (1st place in Romania in the second quarter of 2023 vs. 5th place in 2019), 48.3 points on micro (3rd place in Romania in June 2023 vs. 4th place in 2019) and 57.2 points on corporate clients (3rd place in Romania in December 2022 vs. 2nd place in 2019). Good improvement on employee engagement increasing from 60% in 2019 to 82% at the end of 2022)
- Efficiency: improved to 39.5% at July 2023 (-9.3 p.p. vs. 48.8% in 2019)
- Client activation: + 230,000 on private individuals from 1.3 million in 2019 to 1.54 million in July 2023; positive trend on corporate (+1,800 vs. 2019 to around 6,400 in July 2023) and micro (+10,000 vs. 2019, to 85,000 in July 2023).

In the next three years (BCR 2026) BCR aims to focus on offering financial mentoring, tools and products at the right time, in the right context.

BCR aims to implement its long-term financial health architecture, which it started in 2020 and comprises 5 pillars: 1. Business architecture, 2. IT architecture, 3. Data architecture, 4. People architecture and 5. Brand architecture.

On top of that, the BCR 2026 strategy acts as a spearpoint, making 5 tangible strategic bets:

- Financial health: BCR aims to be the bank that genuinely wants to improve the financial health of its clients. BCR intends to scale up its financial dialogues with customers, from around 400.000 in 2023, to 1.5 million per year in 2026.
- Time: BCR aims to be the bank which offers more facing time with its customers and employees. BCR intends to double the amount of client facing, commercial time for its private individuals, micro and corporate front office staff.
- Bank on the app: BCR aims to be the bank that is digital, inside and outside. Digital sales (assisted and unassisted) shall reach 100% in 2026 and no maintenance activities shall be done manually in front office anymore.
- Society and Education: BCR aims to be the bank that cares about Romanian society. BCR aims to scale up the amount of Romanians reached through education, from 100,000 in 2023, to 500,000 per year in 2026 and aims to wider educational topics to financial, digital, environmental, social and governance (ESG), innovation, artificial intelligence and data.
- People: BCR aims to deliver personalized experiences equally to employees and customers focusing on rewards, benefits and work arrangements fit to employee's needs and aspirations.

The financial coach program is aimed to bring awareness among BCR customers and gradually foster financial wellbeing.

Financial health aims to a bank-wide priority and is equally important for corporate and retail clients. Complementary to this BCR aims to also focus on informing its clients about green transformation and digital transformation.

BCR delivered significant branch optimization in the past years as result of digitization of most important sales processes and fast adoption of digital sales, both assisted and unassisted in branch. BCR's aim is to reshape the business through ONE channel,

Environmental, social, governance (ESG) and sustainability aim to be fundamental principles at the core of BCR, further more aiming to become a green champion: 22% decrease own emissions, 100% green electricity for owned locations (72% from total energy consumption); 7% electric cars, 20% by the end of 2024 from total fleet; volunteering day (planting trees, cleaning up forests, supporting the most in need).

⁷ Customer Experience Index score has a range between -100% and +100% (CXI points) calculated based on a set of questions addressed to the main clients of the bank

BCR aims to focus next on: plastic free initiative for the headquarter; increase in green portfolio; 4,000 tons carbon dioxide emissions by 2030; 100% electric cars by 2030.

Capital Requirements

In order to ensure the effectiveness of bail-in and other resolution tools all institutions have to meet an individual MREL requirement, internal or external, depending on the applying resolution strategy (MPE or SPE), to be calculated (based on current legislation) as a percentage of total liabilities and own funds and set by the relevant resolution authorities. Under the new legislative framework of the EU Banking Package MREL shall be expressed as a percentage of the total risk exposure amount.

As of February 2022, the BRRD 2 and 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 (CRD V) have been fully implemented into national legislation in Romania. The national law provisions transposing BRRD 2 provide for a 180 days period as of the date of their entry into force (i.e. 3 January 2022) for the fulfilment of the intermediate target levels. In May 2023, NBR communicated to the Issuer a letter containing the MREL target set in the joint decision taken with the Single Resolution Board, the resolution authority for Erste Group Bank AG, and calibrated on balance sheet data as of 31 December 2021, according to BRRD 2 provisions. These MREL requirements will replace the MREL requirements published in June 2022.

Based on BRRD 2, the Issuer, as the resolution entity of the Romanian resolution group (i.e. the Issuer, as resolution entity together with its direct subsidiaries, as non-resolution entities, namely BCR Chisinau S.A., BCR Leasing IFN S.A., BCR Pensii Societate de Administrare a Fondurilor de Pensii Private S.A., BCR Banca pentru Locuinte S.A., Suport Colect S.R.L. and BCR Payment Services S.R.L., the "**Romanian Resolution Group**"), must comply with binding interim MREL requirements equivalent to 22.23% (excluding the Combined Buffer Requirement ("**CBR**") of the Total Risk Exposure Amount ("**TREA**") and 5.90% of the Leverage Ratio Exposure ("**LRE**") of the Romanian Resolution Group starting from 1 January 2023. The MREL requirements on fully loaded basis, effective from 1 January 2024, are equivalent to 26.95% of TREA (excluding CBR) and 5.90% of LRE of the Romanian Resolution Group, respectively. In addition, the minimum interim subordination requirements, effective from 1 January 2023, were set at a level of 20.48% of TREA (excluding CBR) and 5.90% of LRE, thereby specifying the amount of the total MREL requirements that must be met with subordinated instruments such as regulatory capital, subordinated debt and senior non-preferred debt. The final subordination requirements, effective from 1 January 2024, were set at a level of 23.45% of TREA (excluding CBR) and 5.90% of LRE.

BCR Segment Reporting

The segment reporting format is determined to be business segments as BCR Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

For management purposes, BCR is organised into the following two business segments:

A. Retail

BCR Group provides individuals and micro clients with a range of financial products and services, including lending (consumer loans, vehicles purchase, personal needs, mortgages, overdrafts, credit cards facilities and funds transfer facilities), savings and deposit taking business, payment services and securities business.

B. Corporate banking

Within corporate banking, BCR Group provides corporations, real estate and large corporate clients with a range of financial products and services, including lending and deposit taking, providing cash management, foreign commercial business, leasing, investment advices, financial planning, securities business, project and structured finance transactions, syndicated loans and asset backed transactions. Principal activity is granting loans, other credit facilities, deposits, and current accounts for corporate and institutional customers, investment banking services and financial products and services provided by the leasing, insurance, brokerage, asset management, real estate services and financial consultancy services operations of BCR Group.

The main corporate banking segment are:

- a. SME comprises:
- Companies having an annual turnover between EUR 1 to 50 million and a consolidated turnover of up to EUR 500 million;
 - Companies part of a domestic group with at least one company having an individual yearly turnover between EUR 1 million to EUR 50 million;
 - Companies part of an international group with at least one company having an individual yearly turnover between EUR 1 million to EUR 500 million;
 - Customers with real estate financing for which total project value (including land acquisition, excluding value added tax) is less than EUR 8 million; and
 - Companies having an individual/consolidated turnover below EUR 1 million.
- b. Public Sector ("**PS**")
- PS comprises public sector, public corporations clients and non profit sector.
- PS includes the following institutions:
- Central ministries and state funded funds and agencies;
 - Non-profit entities established by or under control of central government entities, state funded organizations, state universities or research & development institutions;
 - Regional governments and organizations funded by them;
 - State capitals including city halls, regional capitals and other municipals and organizations funded by them, Exceptions: elementary and primary schools, high schools, kindergartens, small hospitals and libraries, which are segmented as micro; and
 - Public health and social insurance companies.
- Public Corporations include:
- All non-financial state companies and corporations with more than 50% share of state or regional governments or municipals excluding stock exchange listed companies and state-owned companies acting in energy & utilities industry with turnover more than EUR 50 million.
- Non-profit sector includes the following private non-profit entities:
- Central authorities of churches (archbishops, bishops, patriarchs, etc.);
 - Country-wide labour unions;
 - Political parties;
 - Social banking customers who have social impact.
- c. Local Large Corporates ("**LLC**") includes:
- Companies/groups with an annual individual turnover above EUR 50 million;
 - Clients with operations in core markets where Erste Group operates or in extended core markets;
 - Companies that meet the above-described criteria regarding the turnover with real estate financing for which total Real Estate project value, including land acquisition, excluding value added tax, is less than EUR 8 million;
 - Financial sponsors (e.g. Private Equity Funds). The participations (in case of majority stake) of the financial sponsors will be grouped together with the financial sponsor;
 - International groups that have their headquarters outside the expanded Erste Group target market (target market where Erste Group is present plus Poland, Germany and Spain) with a consolidated annual turnover of over EUR 500 million are segmented by LLC only where Erste Group has a relationship with its headquarters.
- d. Commercial Real Estate ("**CRE**") includes:

- Companies which request financing of real estate projects with total project value of more than EUR 8 million (including land acquisition, excluding value added tax);
- Investors in real estate for the purpose of generating income from the rental of individual properties or portfolios of properties;
- Developers of individual properties or portfolios of properties for the purpose of generating capital gains through sale;
- Asset management services – Assets/Special Purpose Vehicles held (on balance) by an Erste Group entity in order to generate income from rental activities (third party tenants);
- Own property development – property developments done by an Erste Group entity in scope of this policy for the purpose of generating capital gains through sale or income from rental; and
- Clients using construction/technical advisory services of Erste Group Immorent.

Other banking segments are:

C. Asset and Liabilities Management ("ALM") & Local Corporate Center:

- Balance sheet management - principally providing assets and liabilities management, funding and derivative transactions, investments and issuance of bonds operations; and
- Local Corporate Center - unallocated items, items which do not belong to business lines and free capital.

D. Group Markets

- a. Group Markets Trading ("**GMT**"): principally providing money market and treasury operations, syndicated loans and structured financing transactions, foreign currency and derivative transactions, financial instruments trading; and
- b. Group Markets Financial Institutions ("**GMFI**"): companies that provide financial services for their clients or members and act as professional and active participants on financial markets for the purpose of proprietary trading or on behalf of their clients (banks, central banks, investment banks, investments funds, brokerages, insurance companies, pension funds, credit unions).

The business segment reporting format is BCR Group's basis of segment reporting. Transactions between business segments are conducted at arm's length.

In order to split BCR Group results on business lines the following subsidiaries are allocated entirely on the Retail segment: BCR Pensii, BCR BpL, Suport Colect and some of the consolidation adjustments; BCR Chisinau is allocated on the Corporate segment; starting 2023, BCR Leasing is mainly allocated on Retail and Corporate segments in accordance with clients' profit centers. Intragroup eliminations and the rest of the consolidation adjustments are allocated on the Corporate Center.

In geographical segmentation Erste Group shows BCR entirely under geographical area Romania. Furthermore, the only business done outside Romania is performed by BCR Chisinau, but the contribution to Balance Sheet and Profit and Loss is not material. There is no other geographical steering information used by BCR's management.

Additional information on segment reporting can be found in the Audited IFRS-EU Financial Statements 2021 and 2022 and in the Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2023.

2.8 CREDIT RATINGS

The Issuer is rated on its request by Fitch and, starting from 9 February 2023, by Moody's.

In March 2023, Fitch affirmed BCR's Issuer Default Rating (IDR) at BBB+ and revised the outlook to stable from negative following the revision of the outlook on the Romanian sovereign rating. BCR's long-term issuer default rating (IDR) is capped by the Romanian country ceiling and therefore linked to the Romanian sovereign long term issuer default rating (IDR). The affirmation of BCR's IDR reflects Fitch's view that the bank's shareholder, Erste Group Bank AG, will continue to have a strong propensity to provide support to its subsidiary bank.

Fitch assigned the following credit ratings:

Debt Type	Rating	Outlook
Long-term Issuer Default Rating Foreign Currency	BBB+	Stable
Short-term Issuer Default Rating Foreign Currency	F2	-

According to the rating definitions as published by Fitch ("www.fitchratings.com"), the above credit ratings have the following meanings:

"BBB" – Good credit quality. "BBB" ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

The modifiers "+" or "-" may be appended to a credit rating to denote relative status within major rating categories.

"F2" – Good short-term credit quality. Good intrinsic capacity for timely payment of financial commitments.

"Outlook" – Rating outlooks indicate the direction a rating is likely to move over a one- to two-year period. They reflect financial or other trends that have not yet reached the level that would trigger a rating action, but which may do so if such trends continue. The majority of outlooks are generally stable, which is consistent with the historical migration experience of ratings over a one- to two-year period. Positive or negative rating outlooks do not imply that a rating change is inevitable and, similarly, ratings with stable outlooks can be raised or lowered without a prior revision to the outlook, if circumstances warrant such an action. Occasionally, where the fundamental trend has strong, conflicting elements of both positive and negative, the rating outlook may be described as evolving.

In March 2023, Moody's assigned (P)Baa1 long-term domestic and foreign currency senior unsecured MTN program ratings and (P)Baa2 domestic and foreign currency junior senior unsecured MTN program ratings to BCR's multi-currency debt issuance program. At the same time, Moody's affirmed BCR's long term deposit rating at Baa1 and maintained the stable outlook. The stable outlook on BCR's long-term deposit ratings reflects Moody's expectation that BCR's financial performance will remain resilient despite macro-economic headwinds, as well as the assumption that its liability structure – and specifically the outstanding volumes of junior senior unsecured and subordinated debt instruments – will not materially change, such that the loss given failure results remain at current levels. Moreover, the outlook is aligned with the stable outlook on Romania's rating.

Long Term Local Currency Bank Deposit Rating	Short Term Local Currency Bank Deposit Rating	Outlook
Baa1	Prime-2	stable
Long Term Foreign Currency Bank Deposit Rating	Short Term Foreign Currency Bank Deposit Rating	Outlook
Baa1	Prime-2	stable

According to the rating symbols and definitions as published by Moody's (www.moody's.com) as at the date of this Prospectus, the above ratings have the following meanings:

"Bank deposit ratings" – opinions of a bank's ability to repay punctually its foreign and/or domestic currency deposit obligations and also reflect the expected financial loss of the default. Bank Deposit Ratings do not apply to deposits that are subject to a public or private insurance scheme; rather, the ratings apply to the most junior class of uninsured deposits, but they may in some cases incorporate the possibility that official support might in certain cases extend to the most junior class of uninsured as well as preferred and insured deposits. Foreign currency deposit ratings are subject to Moody's foreign currency country ceilings which may result in the assignment of a different (and typically lower) rating for the foreign currency deposits relative to the bank's rating for domestic currency deposits.

"Baa" – Obligations rated "Baa" are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Note: Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from "Aa" through "Caa". The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

"Prime-2" – Ratings of Prime-2 reflect a strong ability to repay short-term obligations.

"Prime-3" – Ratings of Prime-3 reflect an acceptable ability to repay short-term obligations.

A Moody's rating outlook is an opinion regarding the likely rating direction over the medium term. Rating outlooks fall into four categories: Positive (POS), Negative (NEG), Stable (STA), and Developing (DEV). Outlooks may be assigned at the issuer level or at the rating level. Where there is an outlook at the issuer level and the issuer has multiple ratings with differing outlooks, an "(m)" modifier to indicate multiple will be displayed and Moody's press releases will describe and provide the rationale for these differences. A designation of RUR (Rating(s) Under Review) is typically used when an issuer has one or more ratings under review, which overrides the outlook designation. A designation of RWR (Rating(s) Withdrawn) indicates that an issuer has no active ratings to which an outlook is applicable. Rating outlooks are not assigned to all rated entities. In some cases, this will be indicated by the display NOO (No Outlook). A stable outlook indicates a low likelihood of a rating change over the medium term. A negative, positive or developing outlook indicates a higher likelihood of a rating change over the medium term. A rating committee that assigns an outlook of stable, negative, positive, or developing to an issuer's rating is also indicating its belief that the issuer's credit profile is consistent with the relevant rating level at that point in time

More detailed information on the credit ratings can be retrieved on the Issuer's website ("[www .bcr.ro/en/investors/rating-bcr](http://www.bcr.ro/en/investors/rating-bcr)"). General information regarding the meaning of the credit rating and the qualifications which have to be observed in connection therewith can be found on the websites of Moody's ("[www .moody.com](http://www.moody.com)") and Fitch ("[www .fitchratings.com](http://www.fitchratings.com)").

Moody's has its registered office at An der Welle 5, D-60322 Frankfurt am Main in Germany. Fitch, with its seat in 39/40 Upper Mount Street Upper, Dublin, D02 PR89, Ireland is registered with the Companies Registration Office Ireland.

Moody's and Fitch are registered under the Regulation (EC) No 1060/2009, as amended ("**CRA Regulation**") as registered credit rating agencies. The European Securities and Markets Authority publishes on its website ("[www .esma.europa.eu](http://www.esma.europa.eu)") a list of credit rating agencies registered in accordance with the CRA Regulation. That list shall be updated within five working days following the adoption of a decision under Articles 16, 17 or 20 of the CRA Regulation. The European Commission publishes that updated list in the Official Journal of the EU within 30 days following the updates.

2.9 RECENT EVENTS

There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of its solvency.

2.10 TREND INFORMATION

Trends affecting the Issuer and the industries in which it operates are the difficult overall macroeconomic environment with higher energy prices, inflation, interest rates and slowdown in economic growth and the ongoing uncertain situation on the financial and capital markets which have had and may continue to have a negative impact on the Issuer's business activity and results of operations, as well as on the Issuer's refinancing costs. Inflation remained a key theme throughout the year 2022 further accelerated by the Ukraine war and related sanctions against Russia imposed by the United States and the European Union. Economic growth is expected to weaken to +2.1% in 2023 as compared with +4.7% in 2022, but 2024 could bring a rebound to +3.3% as households' consumption should benefit from falling inflation and wage increases, according to the National Institute of Statistics / Eurostat / BCR research. Inflation rate peaked at 16.8% year on year in November 2022 and fell gradually to 9.4% year on year in August 2023 on easing energy prices and supportive base effect, based on the data presented by the National Institute of Statistics. The inflation is expected at 7.5% year on year in December 2023 and 5.0% year on year in December 2024 according to BCR research estimates. Unemployment rate, currently at 5.5%, is expected to remain below the European Union average.

2.11 SIGNIFICANT CHANGES AND MATERIAL ADVERSE CHANGES

There has been no material adverse change in the prospects of the Issuer since 31 December 2022 and no significant change in the financial performance and in the financial position of BCR Group since 30 June 2023.

2.12 SELECTED FINANCIAL INFORMATION

Key profitability and efficiency indicators

	31 December 2019	31 December 2020	31 December 2021	31 December 2022	30 June 2023	30 September 2023
Net Interest Margin (NIM) (IBA) ratio, %	3.7%	3.6%	3.4%	3.8%	4.3%	4.2%
Cost/Income (C/I) ratio, %	48.8%	47.1%	44.1%	40.7%	39.7%	39.4%
Loan/deposit ratio net, %	69.3%	66.3%	66.1%	73.2%	70.6%	73.9%
Solvency ratio, %	20.2%	21.4%	20.4%	22.8%	21.9%	21.17%

Source: Information and calculation of the Issuer on the basis of the Audited IFRS-EU Financial Statements 2021, the Audited IFRS-EU Financial Statements 2022 and the Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2023 and internal management information (unaudited, unreviewed) as at 30 September 2023.

Key risk indicators

	31 December 2019	31 December 2020	31 December 2021	31 December 2022	30 June 2023	30 September 2023
Non-Performing Loan (NPL) ratio, %	4.1%	4.5%	3.9%	2.8%	2.7%	2.7%
Non-Performing Loan (NPL) coverage ratio, %	116.3%	122.4%	138.2%	171.7%	182.6%	187.8%

Source: Information and calculation of the Issuer on the basis of the Audited IFRS-EU Financial Statements 2021, the Audited IFRS-EU Financial Statements 2022 and the Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2023 and internal management information (unaudited, unreviewed) as at 30 September 2023.

Alternative Performance Measures

Alternative Measure	Performance	Description / Purpose	Calculation
Cost Income (C/I) ratio		C/I ratio is an efficiency ratio which assesses how many units of cost must be invested to generate one unit of revenue.	C/I ratio is expressed as: Operating expense (Personnel expenses, Other administrative expenses, Depreciation and amortization) / Operating income (Net interest income, Net fee and commission income, Dividend income, Net trading result, Foreign currency translation, Gain (losses) from non-trading financial instruments mandatorily measured at fair value through profit or loss, Net result from equity method investments, Rental

income from investment properties & other operating leases).

Example for the third quarter of 2023:

$$C/I \text{ ratio} = \frac{1514.1}{3,838.6} \times 100 = 39.4\%$$

Loan/Deposit net, ratio	The Loan/Deposit net ratio is used to assess a bank's liquidity by comparing a bank's customer loans, net to its customer deposits for the same period.	Loan/Deposit net ratio is expressed as: Net loans and advances to customers (Loans and advances to customers at amortized cost, Trade and other receivables, Finance lease receivables to customers) / Deposits from customers
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Example for the third quarter of 2023:

$$\text{Loan/Deposit ratio} = \frac{56,674}{76,708} \times 100 = 73.9\%$$

Net Interest Margin (NIM) (IBA) ratio	NIM ratio is a profitability ratio which assesses how profitable investment (asset) is when compared to expenses used to fund it.	Net interest margin (IBA) ratio is expressed as: Net interest income / simple average of quarter ends of interest-bearing assets (Trading, financial assets (Financial assets held for trading+Non-trading financial assets at fair value through profit or loss+Financial assets at fair value through other comprehensive income+Debt securities) + Loans and advances to banks + Loans and advances to customers) for the period
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Example for the third quarter of 2023:

Interest bearing assets for Q3 2023 = 88,790 RON million

$$\begin{aligned} \text{Interest bearing assets} &= 27,643.1(\text{Trading, financial assets}) \\ &+ 4,472.5(\text{Loans and advances to banks}) \\ &+ 56,674.3(\text{Loans and advances to customers}) \end{aligned}$$

NIM (IBA)ratio =

$$= \frac{2,670.6}{\text{Average}(82,639;85,312;88,790) \text{ (simple average of interest bearing assets for Q1 2023,Q2 2023 and Q3 2023)}} \times 100 \times \left(\frac{365}{31+28+31+30+31+30+31+31+30} \right)$$

= 4.2%

Note: formula for quarter includes day count factor e.g. for Q3 2023: 365 (number of days in year) divided by number of days in months (January, February, March, April, May, June, July, August, September)

Solvency ratio (Total Capital ratio), %	Solvency ratio represents bank's ability to absorb losses in going concern situation.	Solvency ratio is expressed as: Own funds / Total risk exposure amount
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Example for the third quarter of 2023:

$$\text{Solvency ratio} = 10,716.5 / (50,624.9) \times 100 = 21.17\%$$

Non-Performing Loan (NPL) ratio	The NPL ratio, is the ratio of the amount of non-performing loans in a bank's loan portfolio to the total amount of outstanding loans the bank holds.	NPL ratio is expressed as: Gross carrying amount of the non-performing loans and advances to customers / Total loans and receivables
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The NPL ratio is used by the bank to measure quality of the loan portfolio.

Example for the third quarter of 2023:

$$\text{NPL ratio} = 1597 / (59,678) \times 100 = 2.7\%$$

Non-Performing Loan (NPL) coverage ratio

The non-performing coverage ratio is computed by dividing total loss allowances (calculated for both performing and non-performing loans and advances to customers) by the gross carrying amount of the non-performing loans and advances to customers.

NPL coverage ratio is expressed as:

Total loss allowances (calculated for both performing and non-performing loans and advances to customers) / Gross carrying amount of the non-performing loans and advances to customers

The non-performing loan coverage ratio reflects the bank's ability to absorb future losses.

Example for the third quarter of 2023:

$$\text{NPL coverage ratio} = \frac{2,999}{1,597} \times 100 = 187,8\%$$

Sources: Information and calculation of the Issuer on the basis of the Audited IFRS-EU Financial Statements 2022 and the Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2023 and internal management information (unaudited, unreviewed) as at 30 September 2023.

Alternative Performance Measures were not audited, reviewed or otherwise reported on by independent auditors. All figures in the table above are rounded and shown in RON million.

All figures in the table above are rounded and shown in RON million.

3. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The management and administration of BCR is vested in the general meeting of shareholders ("GMS"), the Supervisory Board and the Management Board.

The carrying out of functions and duties by members of the Management Board and of the Supervisory Board within or outside BCR may generate conflicts of interest in the following circumstances:

- where members of the Supervisory Board and/or of the Management Board that are also members in the administrative or management bodies of other entities (as shown in subsections "3.1 Management Board" and "3.2 Supervisory Board" below) with whom BCR has business relations are called to take decisions on or endorse matters concerning the business relations between BCR and the respective entities;
- where BCR provides services or products to the members of the Supervisory Board and/or of the Management Board (e.g. loans).

As at the date of this Registration Document, there are no actual conflicts of interests between any duties to the Issuer of the members of the Management Board and of the Supervisory Board and their private duties or other duties.

Should any such conflict of interest arise, BCR has sufficient rules and procedures in place to properly deal with such conflicts of interest in accordance with applicable laws and industry standards.

General Meeting of Shareholders

The GMS is the ultimate governing body of BCR and represents all shareholders. The GMS convenes either in ordinary meetings or extraordinary meetings.

Among other matters, the ordinary GMS of BCR (the "**Ordinary GMS**") approves the statutory annual financial statements, the budget and programme for the following year, establishes the dividends, appoints and dismisses members of the Supervisory Board and determines their remuneration, assesses the activity of the members of the Supervisory Board and of the Management Board and decides their areas of responsibility. Among other matters, the extraordinary GMS of BCR approves any reductions in share capital, changes to BCR's business objects, merger or demerger of BCR, the dissolution or liquidation of BCR and the issuance of bonds. The financial statements prepared in accordance with IFRS-EU are reviewed by the Management Board, the Audit Committee and the Supervisory Board. Proposals for the level of dividends to be paid to shareholders are made by the Management Board, agreed by the Supervisory Board and approved by the Ordinary GMS.

Supervisory Board

The supervision and coordination of the Management Board's activities are performed by the Supervisory Board. The Supervisory Board is composed of minimum five members and maximum nine members appointed by the Ordinary GMS for a maximum of four-year term, with the possibility to be re-elected for subsequent maximum four-year mandates. The members of the Supervisory Board cannot be members of the Management Board or employees of BCR. Members of the Supervisory Board may not accept or take up any office, duty or position that would conflict with their responsibilities or duties towards BCR.

The Supervisory Board has wide-ranging powers and responsibilities covering strategic, operational and organisational matters. These include appointing and dismissing the chairman of the Management Board and the other members of the Management Board, supervising the activity carried out by the Management Board, approving and monitoring the implementation of BCR and BCR Group strategy and business plan, and reviewing the budget (including on a consolidated basis).

The following table sets out the members of the Supervisory Board together with the names of all companies and partnerships of which each member of the Supervisory Board is a member of the administrative, management or supervisory board or partner (as the case may be) as at the date of this Registration Document:

3.1 MANAGEMENT BOARD

Members of the Management Board

The current members of the Management Board listed below have extensive experience in the Romanian banking market and held the following additional supervisory board mandates or similar functions in various companies as of the date of this Registration Document.

Name and position	Name of relevant company	Position held
Sergiu Cristian Manea Executive President, CEO	BCR Chisinau S.A.	Chair of the Supervisory Board
	Suport Colect S.R.L.	Member of the Board of Directors
	BCR Asigurari de Viață VIG S.A.	Member of the Supervisory Board
	BCR Social Finance IFN S.A.	Member of the Supervisory Board
	BCR Leasing IFN S.A.	Member of the Supervisory Board
Elke Meier Executive Vice President, CFO	BCR Banca pentru Locuinte S.A.	Chair of the Supervisory Board
	BCR Pensii SAFPP S.A.	Member of the Supervisory Board
Dana Luciana Dima Executive Vice President, Retail and Private Banking	BCR Pensii SAFPP S.A.	Chair of the Supervisory Board
	BCR Payments Services S.R.L.	Member of the Board of Directors
	Biroul de Credit S.A.	Member of the Board of Directors
Thomas Kolarik Executive Vice President, Operations & IT, COO	CIT One S.A.	Member of the Supervisory Board
	BCR Payments Services S.R.L.	Chair of the Board of Directors
Ilinka Kajgana Executive Vice President, CRO	Suport Colect S.R.L.	Chair of the Board of Directors
	BCR Leasing IFN S.A.	Chair of the Supervisory Board
	BCR Fleet Management S.R.L.	Member of the Board of Directors
	BCR Pensii SAFPP S.A.	Member of the Supervisory Board

Source: Internal information of the Issuer

The members of the Management Board can be reached at the Issuer's business address 15D Soseaua Orhideelor, The Bridge 1, 2nd Floor, 060071 Bucharest district 6, Romania.

3.2 SUPERVISORY BOARD

Members of the Supervisory Board

Currently, the Supervisory Board consists of members elected by the shareholders of the Issuer and employee representatives. The following table sets out the current members of the Supervisory Board together with the mandates in supervisory boards or similar functions in other foreign and domestic companies for each supervisory board member as of the date of this Registration Document:

Name / position	Name of relevant company	Position held
Manfred Wimmer -	Erste Bank Hungary Zrt	Chair of the Supervisory Board

Chair		
	DIE ERSTE österreichische Sparkassen Privatstiftung	Deputy Chair of the Supervisory Board
	Salzburger Sparkasse Bank Aktiengesellschaft	Member of the Supervisory Board
Stefan Dörfler – Deputy Chair	Erste Group Bank AG	Member of the Executive Management/Board of Directors
	Ceska sporitelna, a.s.	Supervisory Board Member
	EB-Restaurantsbetriebe Ges.m.b.H.	Advisory Board Chairman
	Erste Bank der oesterreichischen Sparkassen AG	Member of the Board of Directors
	Erste Digital GmbH	Chair of the Supervisory Board
	Haftungsverbund GmbH	Member of the Advisory Board, Shareholder Committee, Member of the s-Steuerungsvorstand
	OM Objektmanagement GmbH	Chair of the Advisory Board
	Procurement Services GmbH	Deputy Chair of the Advisory Board
	Sparkassen-Haftungs GmbH	Member of the Supervisory Board
	Wiener Börse AG	Member of the Supervisory Board
Elisabeth Krainer Senger Weiss – Independent member	Erste Group Bank AG	Member of the Supervisory Board
	Gebrüder Weiss Holding AG	Deputy Chair of the Supervisory Board
	Gebrüder Weiss Gesellschaft GmbH	Deputy Chair of the Supervisory Board
	Krainer Senger-Weiss Rechtsanwalts GmbH	Attorney at Law
	GW Immobilien GmbH	Managing director
	Krainer & Co. Immobilienverwaltungs OG	Managing director
	Senger-Weiss GmbH	Managing director
Daniela Camelia Nemoianu –	Nemoianu Consulting (Law Firm)	Managing Partner

Independent member		
	Holde Agri Invest SA	Advisory Board member
Hildegard Gacek – Independent member	n/a	n/a
Iris Bujatti – Member	Erste Group Bank AG	Head of Group Compliance
	Erste Bank der oesterreichischen Sparkassen AG	Proxy holder
	s Wohnbaubank AG	Deputy chair of the Supervisory Board
Christine Catasta – Member	Erste Bank Group AG	Member of the Supervisory Board
	Erste Bank der österreichische Sparkassen AG	Member of the Supervisory Board
	Austrian Airlines AG	Member of the Supervisory Board
	Bundesimmobiliengesellschaft m.b.H.	Chair of the Supervisory Board
	ÖLH Österreichische Luftverkehrs-Holding-GmbH	Member of the Supervisory Board
	Telekom Austria Aktiengesellschaft	Member of the Supervisory Board
	VERBUND AG	Deputy Chair of the Supervisory Board

Source: Internal information of the Issuer.

The members of the Supervisory Board can be reached at the Issuer's business address 15D Soseaua Orhideelor, The Bridge 1, 2nd Floor, 060071 Bucharest, district 6, Romania.

3.3 POTENTIAL CONFLICTS OF INTEREST

Agreements (e.g. advisory contracts or loan agreements) of BCR with the members of its Management Board and its Supervisory Board may generate in certain circumstances conflicts of interest.

Furthermore, members of the Management and Supervisory Boards may serve on management or supervisory boards of various different companies (others than BCR), including customers of and investors in Erste Group Bank, which may also compete directly or indirectly with the Issuer. Directorships of that kind may expose them to potential conflicts of interest if the Issuer maintains active business relations with said companies.

Should any such conflict of interest arise, BCR has sufficient rules and procedures pursuant to NBR provisions compliance rules and industry standards in place regulating the management of conflicts of interest and the ongoing application of such guidelines and rules. Besides procedural framework BCR has in place preventive controls and if such situations breach the preventive barrier, detective controls are also established in order to avoid situations of potential or consumed conflict of interest. Special rules are in place for management bodies in order to facilitate voluntary disclosure. In addition, BCR's compliance department is conducting independent second level controls.

3.4 AUDIT AND AUDITORS' REPORTS

PricewaterhouseCoopers Audit S.R.L., member of the Chamber of Financial Auditors of Romania, with registered seat at 1A B-dul Poligrafiei, Ana Tower, floor 24/3, 013704 Bucharest district 1, Romania, have

audited and issued unqualified auditor's reports for the Audited IFRS-EU Financial Statements 2021 (dated 25 March 2021) and the Audited IFRS-EU Financial Statements 2022 (dated 24 March 2023). The financial year of BCR is the calendar year.

3.5 SHAREHOLDERS OF THE ISSUER

BCR's shareholding structure as at the date of this Registration Document is:

	<i>Number of shares</i>	<i>Percentage of the share capital and voting rights</i>
Erste Group Bank AG	16,235,419,285	99.8893 %
Other legal persons (including SIF Muntenia and SIF Banat-Crisana each of them with one share)	240,612	0.0015%
Individuals	17,756,357	0.1092 %
TOTAL	16,253,416,254	100%

Source: *Shareholders' Registry of BCR*

As seen in the shareholders' structure above, the majority voting rights in BCR is held by Erste Group Bank. Hence, Erste Group Bank exercises direct control over BCR through the majority of voting rights and, implicitly, through the right to appoint most of the members in the Supervisory Board.

Notwithstanding the control relationship between BCR and Erste Group Bank, the applicable Romanian legislation as well as the internal by-laws of BCR prevent the controlling shareholder from exercising its rights in an abusive manner; in particular: (i) the transactions and relationships in place between BCR and its controlling shareholder comply with the arm's length principle and are entered into on a normal commercial basis; (ii) the control is not exercised against the interests of BCR; (iii) each share issued by BCR grants equal rights to any holder thereof; and (iv) misuse of corporate assets is strictly prohibited under the applicable corporate laws and internal regulations.

To the best of the knowledge of the Issuer, there are measures, like applicable corporate governance regulations, to ensure that such control over the Issuer is not abused.

The Issuer is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Issuer.

4. LEGAL PROCEEDINGS

The Issuer and some of its subsidiaries are involved and have been involved in the twelve months preceding the date of this Registration Document in legal disputes, including governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), most of which have arisen or have been threatened in the course of ordinary banking business. These proceedings are not expected to have a significant negative impact on the financial position or profitability of BCR Group and/or the Issuer. BCR Group is also subject to the following ongoing proceedings, some of which, if adversely adjudicated, may have a significant impact on the financial position or profitability of BCR Group and/or the Issuer:

Arbitration proceedings

Apart from the proceedings described below, during the previous twelve months preceding the date of this Registration Document BCR has been involved in one case of arbitration proceedings in connection with the joint venture agreement concluded between Bucharest Financial Plaza S.R.L. ("**BFP**") and Bucharest Municipality having as object the construction and exploitation by BFP of a building on the land plot owned by Bucharest Municipality in Bucharest, 15 Calea Victoriei, 3rd District. As a direct consequence of the merger by absorption process between BCR as absorbing company and BCR Real Estate Management SRL and Bucharest Financial Plaza S.R.L. as absorbed companies, BCR became a part of the arbitration proceedings due to the fact that pursuant to the merger, all the rights and obligations of the absorbed companies were taken over by BCR.

In 1993, Bucharest Municipality and Bouygues Romania S.R.L. entered into a joint venture agreement having as object the construction and exploitation by Bouygues Romania S.R.L. of a building on the land plot owned by Bucharest Municipality in Bucharest, at 15 Calea Victoriei, 3rd District. In 1994, BFP took over all Bouygues Romania SRL's rights and duties arising from the joint venture agreement. BFP undertook the duty to pay Bucharest Municipality an annual quota from the total generated net income, which under any circumstances could be less than 1/25 out of the definitive value of the land plot. Starting with 2001, there have been some disagreements between BFP and Bucharest Municipality between the amounts due by BFP to Bucharest Municipality, which lead to several claims filed by Bucharest Municipality against BFP.

In order to settle all the existing litigations with Bucharest Municipality and to transfer of the ownership right over a building (the "**Lipscani Building**") located in Bucharest, 18-20 Lipscani street, Bucharest 3 to Bucharest Municipality, on 4 December 2013, BFP and Bucharest Municipality entered into:

- a settlement agreement involving, among others, the termination of the joint venture agreement concluded on 1 September 1993;
- an exchange agreement having as object the transfer of the ownership right over the land located in Bucharest, 15 Calea Victoriei (land under BFP Building) from Bucharest Municipality to BCR and the ownership right over Lipscani Building from BCR to Bucharest Municipality.

Pursuant to the settlement agreement, Bucharest Municipality waived all present and future claims against BFP under the joint venture agreement.

However, starting with an inspection performed by the CoA at Bucharest Municipality in 2014, followed by an inspection at BFP of the Romanian National Agency for Fiscal Administration notified by the CoA, related to the execution of the joint venture agreement, the issue was reopened.

In December 2016, BFP received an arbitration request submitted by Bucharest Municipality at the International Chamber of Commerce in Paris for a total value of RON 72.5 million, comprised of RON 15,458,507 representing the main debt and the difference of duly owed quota under the joint venture agreement for the period 2001 to 2013 and RON 57,029,409 representing surcharges for late payment related to the main claim, calculated until 5 September 2016.

In May 2017, Bucharest Municipality increased the initial claims based on different scenarios to be taken into consideration by the arbitration court depending on different legal grounds applicable for computing the interest, as follows:

- RON 78,718,187 – penalties and deferred interest according to the legal provisions of law no. 76/1992 on measures for repayment of credits resulting from the action of clearing, payments to businesses, preventing the failure of payment and financial deadlock; or
- RON 8,656,712 – legal interest calculated until 5 September 2016 under the Civil Code of 1864; or

- RON 8,656,712 – legal interest calculated until 5 September 2016 as per Decree no. 311/1954 regarding the legal interest set-up.

Through the closing statement, Bucharest Municipality has reduced the amount of claims as follows:

- RON 7,286,706 representing the main debt and the difference of duly owed quota under the joint venture agreement for the period 2001 to 2013;
- RON 21,100.859 representing the principal surcharges for late payment related to the main claim, calculated until 31 March 2018; and in subsidiary, depending on different legal grounds applicable for computing the interest, as follows:
 - RON 8,437,184 – legal interest calculated until 31 March 2018 under the Government Ordinance no. 9/2000 on the level of the legal interest for monetary obligations.
 - RON 7,286,706 – penalties and damages calculated until 31 March 2018 under the legal provisions of law no. 76/1992 on measures for repayment of credits resulting from the action of clearing, payments to businesses, preventing the failure of payment and financial deadlock;
 - RON 5,078,486 – legal interest calculated until 31 March 2018 under the Civil Code of 1864;
 - RON 5,078,486 – legal interest calculated until 31 March 2018 as per Decree no. 311/1954 regarding the legal interest set-up.

On 31 October 2019, the dispute was solved by the International Court of Arbitration in favour of BCR. Against this solution, the Bucharest Municipality filed a request for annulment. On 12 October 2020, the Bucharest Court of Appeal rejected the appeal. Against this decision the claimant filed a second appeal. On 18 January 2022, the Romanian High Court of Cassation and Justice suspended the hearing of the second appeal pending the resolution of the exception of unconstitutionality raised by the Bucharest Municipality, which concerns the fact that the old procedural rules (applicable to the plaintiff), in force at the time of the litigation was initiated, did not provide for the possibility to file a second appeal in such cases, unlike the new rules which provide for such a possibility.

Consumer protection claims

BCR is involved in legal disputes, most of which have arisen in the course of its ordinary banking business, including consumer protection claims filed by individual customers, regulatory authorities or consumer protection agencies and associations, mainly relating to allegations that certain contractual provisions, particularly in respect of consumer loans, violate mandatory consumer protection laws and regulations. The allegations relate to the enforceability of certain fees as well as of contractual provisions for the adjustment of interest rates and currencies.

These litigations concern the "abusive clauses" inserted in credit agreements, regarding both variable interest and fees charged. Even if each action refers either to all or only a part of the loan costs, BCR analyzed and set up a covering provision for the entire ongoing litigation portfolio, taking into account all the costs charged for all loans in dispute. As a result, there is no substantial adverse material risk that could influence BCR's business activity in connection with these cases. For individual cases, BCR set up a provision in the amount of RON 24.97 million equivalent as of 30 September 2023 (December 2022: RON 36.8 million) due to the decrease in number of the open cases and to the implementation of a new strategy for the amicable settlement of disputes concerning the alleged unfair terms. For the cases filed by the ANPC having as object to force BCR to eliminate the unfair terms from all ongoing contracts signed between 2007 – 2010, a provision was established in the amount of RON 288.3 million as of 30 June 2023 (December 2022: RON 309.35 million), available in the same amount as of 30 September 2023. The decrease recorded in 2022 compared to 2021 was mainly due to the fact that at the end of the first semester BCR proceeded to a significant release of RON 202.6 million of collective provisions for BCR active and closed loans as a result of the fulfilment of the statute of limitation period since the last partial unfavourable ruling. Also, the amount of the provisions for collective cases is continuously decreasing due to the fact that part of the relevant loans have been closed through full reimbursement and the related provisions have been released. In terms of provisions for individual cases, the decrease in provisions was mainly due to a decrease in number of the cases settled and unexecuted (through either the fulfilment of the statute of limitation period or execution) and to fewer new disputes arising. There were no major developments. However, the claims number seemed to have reached their all-time low in 2022.

Tax litigations - Transfer pricing

During the period 9 May 2016 to 9 June 2017, BCR was subject to a tax audit regarding corporate income tax and value added tax for the period 1 January 2012 to 31 December 2015. The main aspect verified by the Romanian tax authorities were the intragroup transactions performed by BCR with its related parties during the analysed period, mainly the financial transactions.

Based on the fiscal audit performed, the Romanian tax authorities established an additional corporate income tax expense of RON 101,822,490 as at 30 June 2017, for the entire audited period 2012 to 2015. The additional corporate income tax due was added to the existing amounts as at 30 June 2017.

BCR challenged the decision of the authority – file no. 6204/2/2018 – Bucharest Court of Appeal, next hearing being scheduled for 5 December 2023. Related to the same audit of the tax authority, BCR initiated a mutual agreement procedure ("**MAP**"), under the European Union Arbitration Convention, considering that the adjustment of transfer prices established by the National Agency 14 for Fiscal Administration ("**NAFA**") for 2012 to 2015 generated double taxation in Austria and in Romania. The objective is to obtain the solution in order to eliminate the double taxation related to: (i) the deposits and loans received by BCR from Erste Group Bank during 2012 to 2015, namely, certain expenses being considered as non-deductible from a fiscal point of view at BCR level, and at the same time considered as taxable at Erste Group Bank level and (ii) sale of participation titles held by BCR in business capital for Romania – Opportunity Fund Cooperatief UA (BOF) to Erste Group Bank in 2014, namely, the sale price has been increased, the related revenues being considered as taxable from a fiscal point of view at BCR level, while, at the same time it is not recognised as deductible expense at Erste Group Bank level. In August 2018, NAFA confirmed that it had notified in April the Austrian authorities regarding BCR's mutual agreement application and that 27 April 2018 was established as start date of the procedure.

After more than two years of discussions with the Austrian Tax Authority within the MAP framework, on 23 December 2020 NAFA issued a decision of rejecting the initiation of mutual agreement procedure, which was contested by BCR before NAFA.

As the answer of NAFA was negative, on 22 June 2021, BCR challenged the decision before the local court (file no. 4315/2/2021). The next hearing is scheduled for 6 December 2023.

On 15 May 2019, BCR received the tax audit report and the fiscal decision, issued based on the tax audit performed. Thus, the Romanian tax authorities established an additional withholding tax due in respect of RON 43,070,398, representing withholding tax on incomes obtained by non-residents in Romania, in relation to interest revenues of RON 226,119,588 paid by BCR to Erste Group Bank and considered by the Romanian tax authorities as being overpriced, according to the transfer pricing adjustments made by the Romanian tax authorities during the tax audit closed on 2017.

Following the assessment of the additional withholding tax of RON 43,070,398 mentioned in the above paragraph, in June 2019 BCR received an additional tax decision for additional late payment interest and penalties in total amount of RON 23,903,244. BCR paid all such additional tax liabilities of RON 23,903,244 within the legal deadline, but challenged this within the established legal deadlines (initially within the administrative procedure, and subsequently, in court). The next hearing is scheduled for 10 January 2024. The litigations initiated by BCR following the results of the tax audits mentioned above are still in progress (next hearing is on 10 January 2024), no decision being rendered on the merits neither in the trials before the Romanian courts of law, nor in the proceedings under the European Union Arbitration Convention. The litigations initiated by BCR following the results of the tax audits mentioned above are still in progress, no decision being rendered on the merits neither in the national suits nor in the EU European Union Arbitration Convention proceedings. BCR paid during 2022 an amount of RON 100.3 million representing additional corporate income tax and withholding taxes assessed in relation with the financial transactions between BCR and EGB from the period 2016 to 2022, by applying the Romanian Tax Authority approach as shown in the previous audit. BCR also applied for fiscal amnesty for the period which is qualifying, in accordance with the special legislation in force (GEO 69/2020) and it was obtained. However, after final resolution on the tax litigations, BCR will perform favourable adjustments if the case will be won by the Bank.

Legal claims and contingent liabilities - the audit mission of the CoA - BCR BpL

In 2015, the CoA conducted a control at the BCR BpL. Following the mission, the CoA claims that several deficiencies were identified, the vast majority grounded on a different interpretation of the applicable legal provisions. The conclusions of the audit were incorporated in a CoA's decision requesting BCR BpL to determine the exact amount of the prejudice and to settle it with the relevant state authorities.

BCR BpL challenged in court the decision of CoA. Whilst BCR BpL had won on the very large majority of the counts before the first court, the case was ultimately lost before in the appeal stage, where, on 21 June 2019, the Romanian High Court of Cassation and Justice maintained the most relevant conclusions of the CoA's decision (the "**HCCJ Decision dated 21 June 2019**").

BCR BpL decided to challenge within the legal deadline by the means of two extraordinary appeals: (a) a contestation for annulment which was irrevocably rejected on 27 May 2021; and (b) a revision which was irrevocably rejected on 9 November 2021. On the other hand, BCR BpL filed at the beginning of 2020 a claim for damages before the ECHR. On 21 September 2021 BCR was informed that the ECHR decided to communicate the complaint filed by BCR BpL to the Government of Romania and the Government of Romania was invited by the ECHR to submit a statement with its position (facts, admissibility and merits of the case) until 10 January 2022. The Romanian Government's statement of defence was submitted. ECHR notified BCR BpL thereof and asked BCR BpL to answer until 23 February 2022 to the observations delivered by the Romanian Government. Also, it requested BCR BpL to provide a detailed estimation of the incurred damage, altogether with the relevant proving documentation. BCR BpL asked for the prolongation and this was granted up to 14 April 2022. BCR BpL's response to the Romanian Government's statement and the appraisal of the damage (totally amounting approx. RON 1.06 billion) were submitted to ECHR on 12 April 2022. ECHR granted the Romanian Government a deadline to respond by 24 May 2022, which the Government duly complied with.

BCR BpL partially implemented the CoA's decision and paid in September 2019 an amount of approximately EUR 11.7 million. For the measures to be implemented according to the decision of the Romanian Court of Accounts that was maintained by the HCCJ Decision dated 21 June 2019, BCR BpL obtained several postponements for the decision implementation until 2 February 2021, after which the implementation deadline of the CoA's decision was no longer extended.

As a consequence, BCR BpL started the process for establishing all amounts (representing paid state premiums, interest and penalties) that should be part of a future potential outflow pursuant to the CoA's aforementioned decision, as such was upheld by the HCCJ Decision dated 24 June 2019. The assessment of the alleged damages was performed based on Romanian applicable civil and fiscal laws with the assistance of BCR BpL's internal legal department, qualified external legal advisers and tax consultants. Considering the high complexity of the issue, there is legal uncertainty mainly regarding the scope of the alleged damages.

The deadline for fulfilling the latter three measures was extended to 5 November 2021, pursuant to the Decision 17/2015 of the CoA ("**CoA Decision 17**") 17/8/2015 / 04.10.2021. On 21 January 2022, BCR BpL fully implemented the remaining measures II.2, II.5 and II.6, by paying the principal for the state premiums calculated as damage related to the above-mentioned measures, in amount of RON 432,698,572.80. On 28 January 2022, BCR BpL submitted to the Romanian Ministry of Development, Public Work and Administration the application for the exemption of the obligation to pay the accessories, pursuant to the special provisions of the EGO no. 69/2020. BCR BpL performed the above payments to comply with CoA Decision 17, however as it opposes to the CoA Decision 17, it continues the legal actions against the CoA Decision 17 before the ECHR.

Based on special provisions of EGO 69/2020, BCR BpL also filed the corresponding exemption request with the Romanian Ministry of Development, Public Work and Administration. Since this request was denied, BCR BpL filed an administrative action with the Bucharest Court of Appeals asking the court to order the Romanian Ministry of Development, Public Work and Administration to issue a decision cancelling this payment obligation (this being an *administrative action* based on special legal provisions of EGO 69/2020 - case file no. 6245/2/2022). On 6 July 2023, BCR BpL received the court's decision admitting BCR BpL's claim and obliging the Romanian Ministry of Development, Public Work and Administration to provide solution on the merits of the fiscal amnesty request. Briefly, the court considered that: (i) BCR BpL met the eligibility criteria regarding the claim; (ii) the Romanian Ministry of Development, Public Work and Administration wrongly assessed the eligibility criteria and therefore the amnesty rejection decision was incorrect; and (iii) the Romanian Ministry of Development, Public Work and Administration performed an abuse of power claiming that the claim eligibility criteria were not met. On 25 July 2023, the Romanian Ministry of Development, Public Work and Administration filed a recourse against this decision. Such recourse shall be judged at the Romanian High Court of Cassation and Justice – first hearing being set for 18 April 2024.

On 5 December 2022, BCR BpL received a decision issued by Romanian Ministry of Development, Public Work and Administration ("**MDPWA Decision**") asking the payment of the ancillary budgetary liabilities, which were set in the amount of RON 388.9 million. According to the MDPWA Decision, BpL has the obligation to pay this amount within 30 days of receipt of the MDPWA Decision, i.e. by 5 January 2023.

Failure to pay the amount within the deadline is likely to lead to the initiation of enforcement by ANAF - General Division for the Administration of Large Taxpayers. BpL filed a contestation to the the Romanian Ministry of Development, Public Work and Administration against the MDPWA Decision and submitted to the Bucharest Court of Appeal a formal application requesting the court to suspend the execution of the MDLPA Decision for the payment of the accessory budgetary obligations, calculated for the amount representing undue state premiums, which was paid to MDPWA by BpL. On 31 January 2023, the Bucharest Court of Appeal rejected BpL's request for suspension of execution. Therefore, the value of the tax obligation, communicated by the MDPWA Decision in the amount of RON 388.9 million is reflected in the accounting records of BpL as a definite liability. Regarding the legal proceedings generated by the MDPWA Decision:

(i) Since the Romanian Ministry of Development, Public Work and Administration rejected the contestation filed on the administrative procedure, BCR BpL filed a judicial claim with the Bucharest Court of Appeals asking the court to annul the decision of the Romanian Ministry of Development, Public Work and Administration on ancillary budgetary claims (file case No. 4758/2/2023) and to suspend its execution (file case No. 4770/2/2023). On 22 September 2023, BCR BpL obtained in front of the Bucharest Court of Appeal the admission of its new application for the suspension of execution of the ancillary decision (file No. 4770/2/2023) – this decision being executory, but still subject to a possible recourse from the part of the Romanian Ministry of Development, Public Work and Administration.

(ii) Taking into consideration the rejection of the BCR BpL' claim to suspend the execution of the aforementioned MDPWA Decision on 13 March 2023, BCR BpL filed recourse against this first-court decision. In this file, on 7 November 2023, BCR BpL submitted a request, which was admitted by the High Court of Cassation and Justice, to suspend the proceedings until the final resolution of the case in which the suspension of the execution of the ancillary decision (file no. 4770/2/2023) has already been obtained, decision which is enforceable, but can still be appealed by the Ministry.

The value of the tax obligation, communicated by the Romanian Ministry of Development, Public Work and Administration Decision in the amount of RON 388.9 million was reflected in 2022 in the accounting records of BCR BpL as a definite liability.

As an alternative for the situation in which BpL would not have obtained the suspension of the MDPWA Decision, the possibility of issuing a letter of guarantee in favour of the Romanian State was identified, during the initial analysis, as a solution for postponing the effective payment of the budgetary ancillary obligations. Such solution still remains valid alternative for the situation in which the suspension of the execution of the MDPWA Decision will cease following an unfavourable decision for the bank in the recourse that the Ministry may file against the suspension decision.

New claim – Stradal vs. BCR (EUR 33.7 million claim)

The claimant Stradal requested the BCR to be obliged to pay damages in amount of EUR 33.7 million. claiming that based on a suretyship clause, later annulled by the Bucharest Tribunal, BCR significantly influenced insolvency proceedings, deciding the sale of Stradal's assets at derisory prices and collecting undue amounts of money.

In 2008, Stradal guaranteed a EUR 34 million loan granted by BCR to Rotary, by creating a mortgage on a plot of land on which a real estate was to be developed in joint venture by Rotary and Stradal. Due to the default of Rotary, BCR initiated in 2013 the legal recovery procedures. In the same year both Rotary and Stradal entered into insolvency proceedings. In the insolvency proceedings of Stradal, based on the mortgage contract over the plot of land, which also contained a suretyship clause, BCR was included in the creditor's table with the right to recover the entire debt resulting from the credit contract, i.e. EUR 15.5 million by selling all the assets of Stradal. From the amounts collected in the insolvency proceedings from the sale of other assets of Stradal than the mortgaged property, BCR was to receive RON 24.5 million. Since in the meantime BCR had transferred the claim to a claim collection company – the assignee Tonescu Finance, this amount was transferred directly to the latter. After collecting this amount, Tonescu Finance transferred the remaining claim to the assignee Raniva, which purchased the mortgaged real estate for EUR 0.85 million, on account of its claim on the debtor. In 2020, the suretyship apparently entitling BCR to foreclose on all other assets of Stradal was annulled by the Bucharest Tribunal for lack of proper consent (no corporate decision in this respect was taken by Stradal).

Stradal claims that BCR approved the sale of Stradal's assets at a value below the market price, including the mortgaged property. Also, Stradal claims damages resulting from the impossibility of completing and selling the real estate complex which was to be built together with Rotary on the mortgaged plot.

According to BCR the high value of the claim may also relate to the fact that claims made by the judicial liquidator are exempt from legal fees, in which context it can ask the Bucharest Tribunal for any amount, even if the claim is not fully justified.

The statement of defense filed by BCR argues the dismissal of the claim as ungrounded, since BCR did not receive the money raised from the asset sale, BCR acted in accordance with provisions of the Romanian insolvency laws and even without the annulled suretyship clause BCR would have held the same position in the creditors' table (because debts undertaken by merchants are joint debts, as per provisions of the Romanian law, in force from 1 September 1887 until 1 October 2011, applicable to commercial acts and to commercial legal relations concluded/arising up to the date of its repeal (Commercial Code) and all secured receivables are registered as unsecured for the amounts which exceed the collateral's valuation), as well as for the fact that the real estate complex could have not been developed anyhow, since Rotary, which was a construction company, was also bankrupt. Also, Stradal itself refused to take over the project and requested its own insolvency. Furthermore, two procedural defences will be raised, i.e. the impossibility of challenging the validity of certain issues resolved within the insolvency proceedings and the statute of limitation of the claim.

The first hearing was scheduled for 10 October 2023. Stradal filed an amended application requesting that, together with BCR, the borrower and the assignees be obliged to pay its claims. The next hearing is set for 23 January 2024.

Subsequent to the first file, Stradal filed two other new claims, requesting in one of them, among other things, the annulment of the decision of its shareholders to sign the resizing of the loan, based on an alleged change in the shareholding, and consequently the annulment of the mortgage contract, or the finding that, by the addendum regarding the resizing of the loan, a new loan had in fact been granted and consequently the effects of the mortgage contract had ceased when the addendum to the loan contract was concluded. The first hearing before the Bucharest Tribunal is set for 19 March 2024.

In the last file, as a result of the annulment of the suretyship clause from the mortgage contract, Stradal requested BCR to be obliged, together with the borrower and the assignees, to refund the amount of RON 24.5 million, representing the value of the unmortgaged real estate assets sold in the insolvency proceedings of Stradal. The file is in the written phase before the Bucharest Tribunal.

Other litigations

As of 30 September 2023, BCR was involved in 2558 litigations (without seizures on the clients' accounts), out of which it was involved in 1766 litigation cases as defendant. BCR recorded provisions for litigations in a total amount of RON 71.4 million equivalent for various cases (including the individual consumer protection cases) and RON 288.3 million equivalent for cross-portfolio cases (including the provisions for closed loan agreements related claims) as of 30 September 2023. All litigations are monitored and all the cases with loss risk are evaluated and provisioned.

5. MATERIAL CONTRACTS

The Issuer and its subsidiaries have not entered into any material contracts, other than contracts entered into in the ordinary course of business, which could result in any member of BCR Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders in respect of the securities issued or to be issued.

GLOSSARY AND LIST OF ABBREVIATIONS

For ease of reference, the glossary below sets out certain abbreviations and meanings of certain terms used in this Registration Document. Readers of this Registration Document should always have regard to the full description of a term contained in this Registration Document.

2022 Disclosure Report	the English language translation of the BCR Group 2022 Disclosure Report
ANPC	National Authority for Consumer Protection
Audited IFRS-EU Financial Statements 2021	the Romanian language version of the Banca Comerciala Romana S.A. Consolidated and Separate Financial Statements (The Group and the Parent Bank) Prepared in Accordance with IFRS-EU – being part of the annual report 2021 and further parts of the annual report 2021
Audited IFRS-EU Financial Statements 2022	the Romanian language version of the Banca Comerciala Romana S.A. Consolidated and Separate Financial Statements (The Group and the Parent Bank) Prepared in Accordance with IFRS-EU – being part of the annual report 2022 and further parts of the annual report 2022
AVAS	Authority for State Assets Recovery (<i>Autoritatea pentru Valorificarea Activelor Statului</i>)
Bancorex	Romanian Bank for Foreign Trade (<i>Banca Română de Comerț Exterior – Bancorex – S.A.</i>)
Banking Union	an EU-level banking supervision and resolution system which operates on the basis of EU-wide rules. It consists of all Eurozone countries and those Member States that choose to participate.
BCR	Banca Comercială Română S.A.
BCR BpL	BCR Banca pentru Locuințe S.A.
BCR Chișinău	Banca Comercială Română Chișinău S.A.
BCR Fleet Management	BCR Fleet Management S.R.L.
BCR Group	the Issuer and its subsidiaries and participations taken as a whole
BCR Leasing	BCR Leasing IFN S.A.
BCR Payments Services	BCR Payments Services S.R.L.
BCR Pensii	BCR Pensii Societate de Administrare a Fondurilor de Pensii Private S.A.
BRRD	Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council, as amended (<i>Bank Recovery and Resolution Directive</i>)
BRRD 2	Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC
CET 1	own funds pursuant to Article 26 CRR (<i>Common Equity Tier 1</i>)
CoA	Romanian Court of Accounts (<i>Curtea de Conturi din România</i>)
CRD	Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential

	supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended (<i>Capital Requirements Directive IV</i>)
CRR	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended (<i>Capital Requirements Regulation</i>)
ECHR	European Court of Human Rights
EGO 69/2020	Emergency Government Ordinance no. 69/2020 on the amendment and supplement of Law no. 227/2015 on the Fiscal Code, as well as the establishment of fiscal measures
Erste Bank Oesterreich	Erste Bank der oesterreichischen Sparkassen AG
Erste Group	consists of Erste Group Bank, together with its subsidiaries and participations, including Erste Bank Oesterreich in Austria, Česká spořitelna in the Czech Republic, BCR in Romania, Slovenská sporiteľňa in Slovakia, Erste Bank Hungary in Hungary, Erste Bank Croatia in Croatia, Erste Bank Serbia in Serbia and, furthermore, in Austria, Salzburger Sparkasse Bank AG, Tiroler Sparkasse Bankaktiengesellschaft Innsbruck, Bausparkasse der österreichischen Sparkassen Aktiengesellschaft, other savings banks of the Haftungsverbund, Erste Group Immorent GmbH, and others
Erste Group Bank	Erste Group Bank AG
EU	European Union
EU Banking Package	a legislative package regarding a set of revised rules (comprising the CRD, the CRR, the BRRD and the SRMR) aimed at reducing risks in the EU banking sector published on 7 June 2019 in the Official Journal of the EU
EUR	Euro
Fitch	Fitch Ratings Ireland Limited
FMA	Austrian Financial Market Authority (<i>Finanzmarktaufsichtsbehörde</i>)
GDP	gross domestic product
Half Year 2023 Disclosure Report	the English language translation of the BCR Group Disclosure Report for the first half year of 2023
IAS	International Accounting Standard
ICT	information and communication technology
IFRS-EU	International Financial Reporting Standards as adopted by the European Union
Issuer	Banca Comercială Română S.A.
Management Board	the management board of the Issuer
Moody's	Moody's Deutschland GmbH
MPE	multiple-point-of-entry
MREL	minimum requirement for own funds and eligible liabilities
NBR	National Bank of Romania
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended

Recovery and Resolution Law	law no.312/2015 regarding the recovery and resolution of credit institutions and investment firms (published in the Official Gazette, Part I No. 920 of 12/11/2015)
Registration Document	this registration document, as supplemented from time to time
RON	Romanian Leu
SME	small and medium sized enterprises
SPE	single-point-of-entry
SREP	Supervisory Review and Evaluation Process
SRMR	Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as amended (<i>Single Resolution Mechanism Regulation</i>)
Supervisory Board	the supervisory board of the Issuer
Suport Colect	Suport Colect S.R.L.
Tier 2	own funds pursuant to Article 62 CRR (<i>Tier 2</i>)
Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2023	the English language translation of the Banca Comerciala Romana S.A. Interim Condensed Financial Statements Consolidated and Separate –for the six month period ended 30 June 2023 Prepared in Accordance with IAS 34 Interim Financial Reporting and unaudited

REGISTERED OFFICE OF THE ISSUER

15D Soseaua Orhideelor, The Bridge 1, 2nd Floor
 060071 Bucharest district 6
 Romania

AUDITORS**PricewaterhouseCoopers Audit S.R.L.**


1A B-dul Poligrafiei, Ana Tower, floor 24/3
 013704 Bucharest district 1
 Romania

LEGAL ADVISER**WOLF THEISS****Rechtsanwälte GmbH & Co KG**

Schubertring 6
 1010 Vienna
 Austria

Wolf Theiss Rechtsanwälte GmbH & Co KG

4 Vasile Alecsandri Street, The Landmark, Building A, 4th floor,
 010639 Bucharest, district 1
 Romania

Signaturwert	ptjz1JRdesAGpMit3Bjcxfef6Nj8I/35DXutekVdKoEc/TAHf7tNZvU9NI83Xl/9yM4TYpU62aeR7lWcIvZuEguoI+QA8pHv9SheDM9CV52cIEq4YTLLeZri+ZKI3QNXAh9Sgd1EkAHqm3OhZ2HBR6fzZmljKoxPcwVHIRUYqzopUJyONUMfhExT1sfWnskw8F5l+346+CU6b8gYxCMgY65MMharufYJ6BabcSm4Fxm0dRBAJlItIYuHjD9tFw0toI7iBDqV+u6xZKxPp0lp9OdLRnPN1jPz0yhtHwx5/aWP4+N+Uw0m3B7K8IQ4cOMyykrSyZmYPy1TYWF0K6IwFw==	
	Unterzeichner	Österreichische Finanzmarktaufsichtsbehörde
	Datum/Zeit-UTC	2023-12-04T06:19:56Z
	Aussteller-Zertifikat	CN=a-sign-corporate-07,OU=a-sign-corporate-07,O=A-Trust Ges. f. Sicherheitssysteme im elektr. Datenverkehr GmbH,C=AT
	Serien-Nr.	676111463
	Methode	urn:pdfsigfilter:bka.gv.at:binaer:v1.1.0
Prüfinformation	Informationen zur Prüfung des elektronischen Siegels bzw. der elektronischen Signatur finden Sie unter: https://www.signaturpruefung.gv.at Informationen zur Prüfung des Ausdrucks finden Sie unter: https://www.fma.gv.at/amtssignatur	
Hinweis	Dieses Dokument wurde amtssigniert. Auch ein Ausdruck dieses Dokuments hat gemäß § 20 E-Government-Gesetz die Beweiskraft einer öffentlichen Urkunde.	