



## **Banca Comercială Română S.A.**

*(Incorporated in Romania under registration number J40/90/1991)*

# **Base Prospectus for the Issuance of Equity Linked Notes and Index Linked Notes**

This Prospectus (the "**Prospectus**") constitutes the base prospectus of Banca Comercială Română S.A. (the "**Issuer**") within the meaning of Article 5.4 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended. It is dated 24 February 2017 (the "**Date of Approval**") and shall be valid for twelve months following its Date of Approval. Pursuant to this Prospectus, the Issuer may issue equity linked notes and index linked notes in bearer form (the "**Bearer Notes**") or in registered form (the "**Registered Notes**" and, together with the Bearer Notes, the "**Notes**"). Any Notes to be issued pursuant to this Prospectus on or after the Date of Approval will be issued subject to the provisions described herein.

A general application has been made to list Notes to be issued under this Prospectus on the official list of the Luxembourg Stock Exchange and to admit them to trading on the regulated market "*Bourse de Luxembourg*" of the Luxembourg Stock Exchange (the "**Luxembourg Market**"). This does not however mean that all Notes to be issued under this Prospectus will be listed on the official list of and admitted to trading on the Luxembourg Market. Further application may be made, during the period of twelve months after the date hereof, for the Notes to be admitted to trading on the Spot Regulated Market (the "**Romanian Market**") of the Bucharest Stock Exchange (*Piața reglementată la vedere administrată de Bursa de Valori București S.A.*, the "**BVB**") and to the "*Amtlicher Handel*" (Official Market) and the "*Geregelter Freiverkehr*" (Second Regulated Market) (together, the "**Austrian Markets**") of the *Wiener Börse* (the "**Vienna Stock Exchange**") (the Luxembourg Market, the Romanian Market and the Austrian Markets together, the "**Markets**"). The regulated markets of the Luxembourg Stock Exchange, the Bucharest Stock Exchange and the Vienna Stock Exchange are regulated markets for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC. The Notes to be issued pursuant to this Prospectus may also be listed on any other regulated market or on a multilateral trading facility or on an alternative stock exchange or may not be listed at all.

This Prospectus is to be read and construed in conjunction with any supplement hereto and all documents which are incorporated by reference herein (see the section entitled "*Documents Incorporated by Reference*") and, in relation to any Tranches (as defined herein) of Notes, together with the relevant Final Terms (the "**Final Terms**"). This Prospectus shall be read and construed on the basis that such documents are incorporated by reference into and form part of this Prospectus.

The binding language of this Prospectus is English. The sections entitled "*Form of Final Terms*" and "*Terms and Conditions of the Notes*", respectively, contain German language translations of those provisions which are applicable to Notes governed by German law (the "**German Law Governed Notes**"). The binding language of the Final Terms and the Terms and Conditions (as defined herein) prepared in relation to Notes to be issued pursuant to this Prospectus may be German or English as set out in the relevant Final Terms and the relevant Terms and Conditions.

**An investment in any Notes to be issued pursuant to this Prospectus involves certain risks which should be considered by prospective investors. A discussion of these risks is set out in the section entitled "*Risk Factors*".**

Prospectus dated 24 February 2017

## RESPONSIBILITY STATEMENT

Banca Comercială Română S.A., with its registered office at 5 Regina Elisabeta Boulevard, 030016 Bucharest 3, Romania, accepts responsibility for the information contained in, or incorporated by reference into, this Prospectus and for the information which will be contained in the Final Terms.

The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in, or incorporated by reference into, this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

## IMPORTANT NOTICE

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Law on Prospectuses for Securities (*Loi relative aux prospectus pour valeurs mobilières*) of 10 July 2005, as amended (the "**Prospectus Act**"), transforming Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, as amended (the "**Prospectus Directive**") into law in the Grand Duchy of Luxembourg ("**Luxembourg**") pursuant to Part II Chapter 1 of the Prospectus Act. Such approval requires the scrutiny by the CSSF of the completeness of this Prospectus including the consistency of the information given and its comprehensibility. **Pursuant to Article 7(7) of the Prospectus Act, the CSSF gives no undertaking as to the economic or financial opportuneness of any transactions under this Prospectus or the quality and solvency of the Issuer by approving this Prospectus.**

In addition, the Issuer has requested the CSSF to provide (i) the *Finanzmarktaufsicht* in its capacity as competent authority in the Republic of Austria under the Austrian Capital Market Act (*Kapitalmarktgesetz*) dated 6 December 1991 (BGBl 625/1991) as lastly amended on 28 December 2015 (BGBl 150/2015), transforming the Prospectus Directive and the PD Amending Directive into Austrian law, and (ii) the *Autoritatea de Supraveghere Financiară – Sectorul Instrumentelor și Investițiilor Financiare* (the "**Romanian Financial Supervisory Authority**"), in its capacity as competent authority in Romania under the Romanian Capital Markets Law (*Legea nr. 297/2004 privind piata de capital*) dated 28 June 2004 and the Romanian Emergency Government Ordinance no. 93/2012 on the establishment, organisation and functioning of the Romanian Financial Supervisory Authority, as amended, transforming the Prospectus Directive into law in Romania with certificates of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Act (each, a "**Notification**"). The Issuer may request the CSSF to provide competent authorities in additional member states (the "**Member States**") of the European Economic Area (the "**EEA**") with similar Notifications.

Notes may, after such Notification, be admitted to trading on the regulated market of any stock exchange or on a multilateral trading facility located in a Member State of the EEA and/or may be publicly offered in a Member State within the EEA. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market and/or Notes not publicly offered.

The Notes may be issued on a continuous basis and placed either directly by the Issuer or by one or more dealers appointed from time to time by the Issuer in connection with a specific issue of Notes (each a "**Dealer**" and, together, the "**Dealers**"). References in this Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by one Dealer only, refer to such Dealer and, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, to all Dealers agreeing to subscribe such Notes.

Such Dealers have not independently verified the information contained in this Prospectus. Accordingly, such Dealers make no representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. None of such Dealers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any Dealers.

Neither this Prospectus nor any Final Terms nor any financial statements nor any other information supplied in connection with this Prospectus or any Notes constitutes an offer or an invitation to subscribe for or purchase any Notes or is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or any Dealer that any recipient of this Prospectus or any Final Terms or any financial statements or any other information supplied in connection with this Prospectus

or the Notes should subscribe for or purchase any of the Notes. Each investor contemplating subscribing for or purchasing Notes should make its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer and each recipient of this Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

Investors should review, *inter alia*, the most recently published financial statements of the Issuer when deciding whether or not to subscribe for or purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale, issue or delivery of any Notes shall, in any circumstances, imply that the information contained herein is correct at any time subsequent to the date hereof or that any other information supplied in connection with this Prospectus is correct as of any time subsequent to the date indicated in the document containing the same.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any Dealers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with this Prospectus is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may include Notes in bearer form that are subject to US tax law requirements. The Notes may not be offered, sold or delivered within the United States or to US persons except in certain transactions permitted by US tax regulations and the Securities Act. For a description of certain restrictions on offers and sales of Notes and on the distribution of this Prospectus, see the section entitled "*Subscription and Sale*".

This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will only be made in accordance with prospectus requirements applicable under the Prospectus Directive, as implemented in that Relevant Member State, or according to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so (i) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by Final Terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or Final Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of such offer or (ii) in circumstances in which no obligation arises to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Except to the extent sub-paragraph (i) above may apply, the Issuer has not authorised and will not authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer to publish or supplement a prospectus for such offer.

A Dealer and/or further financial intermediary subsequently reselling or finally placing Notes to be issued under this Prospectus may be entitled to use this Prospectus as set out in the section entitled "*Consent to the Use of this Prospectus*".

**In connection with the issue of any Tranche of Notes, a Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake**

**stabilisation action. Any stabilisation action may begin at any time after the adequate public disclosure of the terms of the offer of the relevant Tranche of Notes and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

This Prospectus contains certain forward-looking statements. Forward-looking statements are statements that do not relate to historical facts and events. They are based on the analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are 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 Prospectus containing information on future earnings capacity, plans and expectations regarding each of 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 Prospectus 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 Prospectus to become inaccurate. Accordingly, potential investors are strongly advised to read the following sections of this Prospectus: "*Summary*", "*Risk Factors*", "*Banca Comercială Română S.A.*" and "*The Romanian Banking System*". These sections include more detailed descriptions of factors that might have an impact on each of the Issuer's business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur. In addition, the Issuer does not assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

Any websites referred to in this Prospectus are for information purposes only and do not form part of this Prospectus.

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**[to be deleted in case of a summary prepared for an individual issue of Notes:** The following Summary contains options, characterised by square brackets or typesetting in bold, and placeholders regarding the Notes to be issued under the Programme. The summary of the individual issue of Notes will include the options relevant to such issue of Notes as determined by the applicable Final Terms and will contain the information, which had been left blank, as completed by the applicable Final Terms.]

## SUMMARY

This summary (the "**Summary**") is made up of disclosure requirements known as elements (the "**Elements**"). These Elements are numbered in sections A – E (A.1 – E.7).

This Summary contains all the Elements required to be included in a summary for this type of securities and issuer. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in this Summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in this Summary with the specification of "Not applicable".

### A. Introduction and Warnings

<b>A.1</b>	Warnings.	<p>This summary (the "<b>Summary</b>") should be read as an introduction to the prospectus (the "<b>Prospectus</b>").</p> <p>Any decision by an investor to invest in the notes to be issued under the Prospectus (the "<b>Notes</b>") should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the European Economic Area, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to Banca Comercială Română S.A. ("<b>BCR</b>" or the "<b>Bank</b>"), 5 Regina Elisabeta Boulevard, 030016 Bucharest 3, Romania (in its capacity as issuer, the "<b>Issuer</b>") that tabled this Summary including any translation hereof, but only if this Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</p>
<b>A.2</b>	<p>Consent by the Issuer or person responsible for drawing up the Prospectus to the use of the Prospectus for subsequent resale or final placement of the Notes by financial intermediaries.</p> <p>Indication of the offer period within which subsequent resale or final placement of the Notes by financial intermediaries can be made and for which consent to use the Prospectus is given.</p>	<p><b>[in case no consent is given, insert:</b> Not applicable. The Issuer does not give consent to the use of the Prospectus for the subsequent resale or final placement of the Notes to any dealer or financial intermediary.]</p> <p><b>[[in case a general consent is given, insert:</b> Each dealer and/or each further financial intermediary] <b>[in case an individual consent is given, insert:</b> [insert name(s) and address(es) of relevant Dealer(s) and/or financial intermediary/intermediaries] (the "<b>Relevant Dealer[s] [and [Intermediary] [Intermediaries]]</b>") subsequently reselling or finally placing the Notes [is] [are] entitled to use the Prospectus in [the Republic of Austria] [,] [and] [the Grand Duchy of Luxembourg] [and] [Romania] for the subsequent resale or final placement of the Notes during the offer period for the subsequent resale or final placement of the Notes from, and including, [●] to, but excluding, [●], provided however, that the Prospectus is still</p>

		<p>valid in accordance with Article 11 of the Luxembourg Law relating to prospectuses for securities (<i>Loi relative aux prospectus pour valeurs mobilières</i>) which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended.</p> <p>The Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to the Prospectus is available for viewing in electronic form on the website of the Luxembourg Stock Exchange (<a href="http://www.bourse.lu">www.bourse.lu</a>).]</p> <p><b>[in case an individual consent is given, insert:</b> Any new information with respect to any dealers and/or financial intermediaries unknown at the time the Prospectus was approved or the final terms applicable to the Notes (the "<b>Final Terms</b>") were filed with the relevant competent authority/authorities will be published on the website of the Issuer under <a href="http://www.bcr.ro">www.bcr.ro</a>.]</p>
	<p>Any other clear and objective conditions attached to the consent which are relevant for the use of the Prospectus.</p>	<p>[Not applicable. The Issuer does not give consent to the use of the Prospectus for the subsequent resale or final placement of the Notes to any dealer or financial intermediary.]</p> <p>[When using the Prospectus, [each dealer and/or relevant further financial intermediary] [the Relevant Dealer[s] [and [Intermediary] [Intermediaries]] must make certain that [it complies] [they comply] with all applicable laws and regulations in force in the respective jurisdictions.]</p> <p>[In the [Final Terms] [final terms applicable to the Notes (the "<b>Final Terms</b>")], the Issuer has attached the following additional conditions to the consent which are relevant for the use of the Prospectus: <b>[insert conditions]</b>. The Issuer reserves the right to withdraw its consent to use the Prospectus at any time, which withdrawal will be (i) published on the website of the Issuer under <a href="http://www.bcr.ro">www.bcr.ro</a> and (ii) communicated to the [relevant Dealers[s] [and [Intermediary] [Intermediaries]].]</p>
	<p>Notice informing investors that information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer by the financial intermediary.</p>	<p>[Not applicable. The Issuer does not give consent to the use of the Prospectus for the subsequent resale or final placement of the Notes to any dealer or financial intermediary.]</p> <p><b>[In the event of an offer being made by a dealer and/or a further financial intermediary the dealer and/or the further financial intermediary shall provide information to investors on the terms and conditions of the offer at the time of that offer.]</b></p>

## B. The Issuer

<b>B.1</b>	The legal and commercial name of the Issuer.	The legal name of the Issuer is "Banca Comercială Română S.A.", its commercial name is "BCR".
<b>B.2</b>	The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation.	BCR is a joint stock corporation ( <i>societate pe acțiuni</i> ) with a two-tier board system, incorporated and domiciled in Romania and operating under Romanian law.
<b>B.4b</b>	Any known trends affecting the Issuer and the industries in which it operates.	<p>The financial crisis has made Romanian banks turn towards local resources, while the National Bank of Romania ("<b>NBR</b>") encouraged the shift to RON lending. In response, the banks focused on raising customer deposits and issuing bonds in local currency. However, interest rates on deposits followed the downward trend of NBR policy rate, reflecting the slow growth of banking assets. Following a trend of gradual decrease in the monetary policy rate from 5.25 per cent. per annum in 2013 to 1.75 per cent. per annum in 2015, the NBR kept unchanged the monetary policy in 2016 to 1.75 per cent., taking into account <i>inter alia</i> risks induced by the potential fiscal and income policy stance, changes to financial legislation, and by the uncertainty about global economic growth and the recovery of the euro area economy.</p> <p>In the banking sector, during the past few years a series of legislative proposals aimed at consumer protection in financial and banking transactions were submitted to the Parliament for adoption or are at date already enacted and applicable. In May 2016, the controversial law on debt discharge (Law 77/2016) allowing mortgage debtors that are consumers to write off their unpaid loans by handing over their household property to the banks was enacted. As a result Romanian credit institutions, including the Issuer, decided to increase the financial deposits required to secure a mortgage. However, because a more reduced number of clients than initially forecasted made use of the provisions of the law, BCR decided to re-adjust lending conditions closer to their initial levels. Adverse impacts on mortgage loan volumes could be partly offset by growth in consumer loans, following recent real wage hikes and tax cuts. Other legislative initiatives that may affect the banking sector in general, such as the draft new National Consumer Protection By-Law and the law implementing the Payment Accounts Directive are currently under parliamentary debate at various stages or with their initiator (e.g. National Consumer Protection Authority).</p> <p>Furthermore, starting with 2014 and reaching a peak in 2015, the non-performing loans ("<b>NPLs</b>") portfolio sale, particularly corporate loans, by credit institutions in Romania significantly improved the banks' balance sheets. Starting 2014, BCR accelerated the resolution of the NPLs book and as a result, both the NPL volume and NPL ratio of the Bank came down significantly as reflected in the Unaudited Interim IFRS-EU Financial Statements as at 30 June 2016 as well as BCR's financial results for the first nine months of 2016.</p>
<b>B.5</b>	If the Issuer is part of a group, a description of the group and the Issuer's position within the group.	BCR Group (the " <b>Group</b> ") consists of the following companies: Banca Comercială Română S.A., BCR Leasing IFN S.A., BCR Banca pentru Locuințe S.A., BCR Pensii Societate de Administrare a Fondurilor de Pensii Private S.A., Suport Colect S.R.L., CIT One S.R.L., BCR Real Estate Management S.R.L. (" <b>BCR REM</b> "), Financiera S.A. (liquidated in September 2016), BCR Payments



		<p>Services S.R.L., Bucharest Financial Plaza S.R.L. (a direct subsidiary of BCR Real Estate Management S.R.L.) ("<b>BFP</b>"), BCR Fleet Management S.R.L. (a direct subsidiary of BCR Leasing IFN S.A.) and Banca Comercială Română Chişinău S.A. Starting with 31 December 2016, the merger by absorption was authorized between BCR, as absorbing company with BCR REM and BFP by the Bucharest Court.</p> <p>BCR is part of the wider Erste Group (the "<b>Erste Group</b>") that consists of Erste Group Bank AG, together with its subsidiaries and participations, including Erste Bank der oesterreichischen Sparkassen 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, in Austria, Salzburger Sparkasse, Tiroler Sparkasse, sBausparkasse, other savings banks of the Haftungsverbund, Immorent, and others. BCR is a majority owned direct subsidiary of Erste Group Bank AG.</p>																																																																																
<b>B.9</b>	Where a profit forecast or estimate is made, state the figure.	Not applicable; no profit forecast or estimate has been made.																																																																																
<b>B.10</b>	A description of the nature of any qualifications in the audit report on the historical financial information.	Not applicable; there are no qualifications.																																																																																
<b>B.12</b>	Selected historical key financial information.	<p>Selected historical key financial information as at 31 December 2015:</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">Group</th> <th colspan="2">Bank</th> </tr> <tr> <th>in RON thousands</th> <th>31.12.2014</th> <th>31.12.2015</th> <th>31.12.2014</th> <th>31.12.2015</th> </tr> </thead> <tbody> <tr> <td>Total liabilities and equity</td> <td>61,624,614</td> <td>62,360,016</td> <td>59,037,134</td> <td>59,460,913</td> </tr> <tr> <td>Total equity</td> <td>4,910,155</td> <td>5,875,285</td> <td>5,110,897</td> <td>6,142,989</td> </tr> <tr> <th>in RON thousands</th> <th>1 January 2014 to 31 December 2014</th> <th>1 January 2015 to 31 December 2015</th> <th>1 January 2014 to 31 December 2014</th> <th>1 January 2015 to 31 December 2015</th> </tr> <tr> <td>Net interest income</td> <td>2,289,419</td> <td>1,992,595</td> <td>2,215,176</td> <td>1,925,963</td> </tr> <tr> <td><b>NET PROFIT OF THE YEAR</b></td> <td><b>(2,794,017)</b></td> <td><b>922,022</b></td> <td>(2,629,568)</td> <td>963,427</td> </tr> <tr> <td>Attributable to non-controlling interests</td> <td>5,849</td> <td>3,072</td> <td>-</td> <td>-</td> </tr> <tr> <td>Attributable to owners of the parent</td> <td>(2,799,866)</td> <td>918,950</td> <td>(2,629,568)</td> <td>963,427</td> </tr> </tbody> </table> <p>Source: Audited IFRS-EU Financial Statements 2015</p> <p>Selected historical key financial information as at 30 June 2016:</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">Group</th> <th colspan="2">Bank</th> </tr> <tr> <th>in RON million</th> <th>31.12.2015</th> <th>30.06.2016</th> <th>31.12.2015</th> <th>30.06.2016</th> </tr> </thead> <tbody> <tr> <td>Total liabilities and equity</td> <td>62,360</td> <td>63,944.7</td> <td>59,460</td> <td>60,941</td> </tr> <tr> <td>Total equity</td> <td>5,875.2</td> <td>6,388.8</td> <td>4,142.9</td> <td>6,604</td> </tr> <tr> <th>in RON million</th> <th>1 January 2015 to 30 June 2015</th> <th>1 January 2016 to 30 June 2016</th> <th>1 January 2015 to 30 June 2015</th> <th>1 January 2016 to 30 June 2016</th> </tr> <tr> <td>Net interest income</td> <td>1,013.6</td> <td>934.7</td> <td>983.2</td> <td>904.2</td> </tr> <tr> <td><b>NET PROFIT OF SIX MONTHS</b></td> <td><b>605.2</b></td> <td><b>636.1</b></td> <td>581.5</td> <td>574.6</td> </tr> </tbody> </table>		Group		Bank		in RON thousands	31.12.2014	31.12.2015	31.12.2014	31.12.2015	Total liabilities and equity	61,624,614	62,360,016	59,037,134	59,460,913	Total equity	4,910,155	5,875,285	5,110,897	6,142,989	in RON thousands	1 January 2014 to 31 December 2014	1 January 2015 to 31 December 2015	1 January 2014 to 31 December 2014	1 January 2015 to 31 December 2015	Net interest income	2,289,419	1,992,595	2,215,176	1,925,963	<b>NET PROFIT OF THE YEAR</b>	<b>(2,794,017)</b>	<b>922,022</b>	(2,629,568)	963,427	Attributable to non-controlling interests	5,849	3,072	-	-	Attributable to owners of the parent	(2,799,866)	918,950	(2,629,568)	963,427		Group		Bank		in RON million	31.12.2015	30.06.2016	31.12.2015	30.06.2016	Total liabilities and equity	62,360	63,944.7	59,460	60,941	Total equity	5,875.2	6,388.8	4,142.9	6,604	in RON million	1 January 2015 to 30 June 2015	1 January 2016 to 30 June 2016	1 January 2015 to 30 June 2015	1 January 2016 to 30 June 2016	Net interest income	1,013.6	934.7	983.2	904.2	<b>NET PROFIT OF SIX MONTHS</b>	<b>605.2</b>	<b>636.1</b>	581.5	574.6
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	Statement with regard to no material adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change.	Since 31 December 2015, the date of its last published audited financial statements, there has been no material adverse change in the prospects of the Issuer.																																					
	Description of significant changes in the financial or trading position subsequent to the period covered by the historical financial information.	Not applicable. Since 30 September 2016, the end of the last financial period for which interim financial information has been published, there has been no significant change in the financial or trading position of the Group.																																					
<b>B.13</b>	Description of any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.	Not applicable. There are no recent events particular to the Issuer that are to a material extent relevant to the evaluation of the Issuer's solvency.																																					
<b>B.14</b>	If the Issuer is part of a group, any dependency upon other entities within the group.	See Element B.5.  The parent company of the Issuer is Erste Group Bank AG and, thus, the Issuer is dependent on Erste Group Bank AG, since the funding from the parent company represents a significant portion of the Issuer's EUR funding. The Issuer is not dependent on any entities within the Group.																																					
<b>B.15</b>	A description of the Issuer's principal activities.	The Issuer provides a wide range of financial products and services, including acceptance of deposits, lending, payment services, issuance and management of payment instruments, guarantees and commitments, trading for own account and/or for the account of customers, brokerage, investment advice, portfolio																																					

		management, safekeeping and management of financial instruments, credit reference services, rental of safe deposit boxes, and other principal and ancillary activities.
<b>B.16</b>	To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control.	As at the date of the Prospectus, 93.5783 per cent. of the shares and voting rights in BCR are held by Erste Group Bank AG. Hence, Erste Group Bank AG 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 of BCR.

## C. Securities

C.1	Description of the type and the class of the Notes being offered and/or admitted to trading, including any security identification number.	<p><b>Class and Type</b></p> <p>The [Garant Index] [Garant Share] [Index] [Share] [Altiplano] Notes are unsecured and unsubordinated debt instruments.</p> <p><b>Issuance in Series</b></p> <p>The Notes are issued as Series number [●], Tranche number [●].</p> <p><b>Security Identification Numbers</b></p> <p>[ISIN: [●]]</p> <p>[Common Code: [●]]</p> <p>[WKN: [●]]</p> <p>[other: [insert other Security Identification Number]]</p>
C.2	Currency of the Notes.	The Notes are issued in [insert specified currency].
C.5	Description of any restrictions on the free transferability of the Notes.	Not applicable. The Notes are freely transferable.
C.8	Description of the rights attached to the Notes.	<p>[The interest payments under the Notes are [not] linked to the performance of the underlying [basket of shares] [basket of indices] [share] [index].]</p> <p>The redemption amount payable under the Notes is [not] linked to the performance of the underlying [basket of shares] [basket of indices] [share] [index].</p> <p><b>Acceleration</b></p> <p>In case of an event of default as provided for in the terms and conditions, each holder shall be entitled to declare its Notes due and demand immediate redemption thereof at their Early Redemption Amount [together with accrued interest (if any) to (but excluding) the date of repayment.]</p> <p>"<b>Early Redemption Amount</b>" per Note shall be the amount determined in good faith and in a commercially reasonable manner by the calculation agent to be the fair market value of the Notes immediately prior to (and ignoring the circumstances leading to) such early redemption, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps or other securities of any type whatsoever hedging the Issuer's obligations under the Notes).</p> <p><b>[[In case of German Law Governed Notes insert: Amendment of the Terms and Conditions, Joint Representative] [In case of Romanian Law Governed Notes insert: Amendment of the Terms and Conditions, Meeting of Holders]</b></p> <p>Holders may agree with the Issuer on amendments of the terms and conditions with regard to [matters permitted by the German Act on Debt Securities (<i>Gesetz über Schuldverschreibungen aus Gesamtemissionen</i>)] [insert matters] by resolution with [insert majority]. Majority resolutions of the holders shall be binding on all holders alike. A majority resolution of the holders which does not provide for identical conditions for all holders is void, unless holders who are disadvantaged have expressly consented to their</p>

		<p>being treated disadvantageously.</p> <p>[The holders may by majority resolution appoint a joint representative for all holders (the "<b>Joint Representative</b>") to exercise the holders' rights on behalf of each holder.] [A joint representative for all holders (the "<b>Joint Representative</b>") has been appointed in the terms and conditions. The duties, rights and functions of the Joint Representative are determined by the terms and conditions.] [The holders may with the majority of not less than one third of the total Notes issued and outstanding appoint a joint representative (the "<b>Joint Representative</b>") to represent the holders in relation to the Issuer and in court. The Joint Representative shall have the duties and powers granted by resolution of the holders.]]</p> <p><b>[In case of Romanian Law Governed Notes insert: Limitations to Trade</b></p> <p>No holder may transfer its Note(s) during the period from, and including, [the second business day prior to] the Payment Reference Date (as defined under Element C. 17 below) immediately preceding the Maturity Date (as defined under Element C. 16 below) up to, and including the Maturity Date.</p> <p>A holder may not transfer its Note(s) in relation to which it has given notice of acceleration.</p> <p>[No holder may transfer its Note(s) in relation to which the Issuer has given a notice of early redemption during the period from, and including, [the second business day prior to] the Payment Reference Date and up to, and including, the relevant date of early redemption at the option of the Issuer.]</p> <p>[A holder may not transfer its Note(s) in relation to which it has given a notice of early redemption during the period from, and including, the date when the notice was given and until, and including, the relevant early redemption date at the option of the holder.]]</p>
	Including ranking of the Notes.	<p><b>Status</b></p> <p>The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank <i>pari passu</i> among themselves and (subject to any applicable statutory exceptions and without prejudice to the aforesaid) the payment obligations of the Issuer under the Notes rank <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer, present and future.</p>
	Including limitations to those rights.	<p><b>[In case of German Law Governed Notes insert: Early Redemption for Taxation Reasons</b></p> <p>The Notes may be redeemed at the option of the Issuer before their stated maturity upon giving notice of redemption to the fiscal agent and to the holders (which notice shall be irrevocable) within the specified notice period in whole, but not in part, at their Early Redemption Amount, if as a result of any change in, or amendment to, the laws or regulations of Romania or of any political subdivision or taxing authority thereof or therein, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes is issued, the Issuer will become obliged to pay additional amounts (save for certain exemptions pursuant to</p>

		<p>which the Issuer will not be obliged to pay additional amounts).]</p> <p>In case of certain events, such as a change in law, hedging disruption, merger event or delisting, the Issuer, acting in its reasonable discretion, may repay the Notes by giving notice to the holders.</p>
<b>C.11</b>	<p>Indication as to whether the Notes offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question.</p>	<p>[Not applicable. The Notes will not be admitted to trading on a regulated market.]</p> <p>[Application [has been made] [will be made] for the Notes to be admitted to trading [on the regulated market of the Luxembourg Stock Exchange (<i>Bourse de Luxembourg</i>)] [,] [and] [on the spot regulated market of the Bucharest Stock Exchange (<i>Piața reglementată la vedere administrată de Bursa de Valori București S.A.</i>)] [,] [and] [[to the "Amtlicher Handel" (Official Market)] [,] [and] [to the "Geregelter Freiverkehr" (Second Regulated Market)] of the <i>Wiener Börse (Vienna Stock Exchange)</i>] [,] [and] <b>[insert other stock exchange].]</b></p>
<b>C.15</b>	<p>A description of how the value of the investment is affected by the value of the underlying instrument(s).</p>	<p><b>[in case of Garant Index Notes, Index Notes, Garant Share Notes and Share Notes, insert:</b></p> <p><b>[in case of Garant Index Notes, Garant Share Notes, Index Notes and Share Notes with periodic interest, insert:</b></p> <p>The Notes shall bear interest on their outstanding aggregate principal amount at the rate of [●] per cent. <i>per annum</i> from, and including, <b>[insert Interest Commencement Date]</b> to, but excluding, the Maturity Date.]</p> <p><b>[in case of Garant Index Notes, Garant Share Notes, Index Notes and Share Notes without periodic interest, insert:</b></p> <p>Not applicable. The Notes do not accrue interest.]</p> <p>The redemption amount of the Notes is linked to the performance of the underlying [share] [index].</p> <p>Each Note will be redeemed by the Issuer by payment of an amount on the Maturity Date, which equals the product of (i) the specified denomination per Note and (ii) the sum of (A) 100 per cent. and (B) the product of (x) <b>[insert percentage rate]</b> per cent. and (y) the performance of the [share] [index] which <b>[in case of a cap, insert: is limited by the cap and]</b> equals at least the floor, i.e. the redemption price is at least <b>[insert minimum redemption percentage rate]</b> per cent. of the specified denomination per Note <b>[in case of a cap, insert: and no more than [insert maximum redemption percentage rate] per cent. of the principal amount per Note.]</b></p> <p>The performance of the underlying [share] [index] reflects the performance of the underlying [share] [index] between the strike price (being [●] per cent. of the closing price on the Strike Fixing Date) and the closing price of the underlying [share] [index] on the relevant Valuation Date[s].</p> <p>The "Strike Fixing Date" is <b>[insert Strike Fixing Date]</b>.</p> <p>"Valuation Date[s]" means [●] if <b>[in the case of more than one Valuation Date, insert: any]</b> such day is not an exchange business day, the next exchange business day.]</p> <p><b>[In case of Altiplano Notes, insert:</b></p> <p>The interest paid under the Notes is linked to the performance of the underlying [basket of shares] [basket of indices].</p>

		<p>The interest rate paid under the Notes is the sum of (i) <b>[insert base interest rate]</b> and (ii) the Bonus Interest Rate.</p> <p><b>[in case of several Interest Payment Dates and in case of a single Interest Payment Date with a single Observation Period, insert:</b> The "Bonus Interest Rate" equals <b>[insert Bonus Interest Rate]</b> per cent., in each case reduced by <b>[insert in the case of one percentage point: one percentage point] [insert in the case of several percentage points: [insert number] percentage points]</b> per <b>[share] [index]</b>, the closing price of which has been equal to or below <b>[[insert percentage rate] per cent.] [up to [insert percentage rate] per cent.<sup>[*]</sup>]</b> of the closing price of the respective underlying <b>[share] [index]</b> on the Strike Fixing Date (the "Barrier") on at least one Valuation Date within the <b>[in case of several Interest Payment Dates insert: relevant Observation Period preceding the relevant Interest Payment Date.] [in case of a single Interest Payment Date insert: Observation Period.]</b> The Bonus Interest Rate shall never be less than zero, i.e. it shall not have a negative value.]</p> <p><b>[In case of a single Interest Payment Date with several Observation Periods, insert:</b> The "Bonus Interest Rate" equals the sum of all Period Interest Rates of all Observation Periods where each "Period Interest Rate" for an Observation Period is equal to <b>[insert Bonus Interest Rate]</b> per cent., in each case reduced by <b>[insert in the case of one percentage point: one percentage point] [insert in the case of several percentage points: [insert number] percentage points]</b> per <b>[share] [index]</b>, the closing price of which has been equal to or below <b>[[insert percentage rate] per cent.] [up to [insert percentage rate] per cent.<sup>[*]</sup>]</b> of the closing price of the respective underlying <b>[share] [index]</b> on the Strike Fixing Date (the "Barrier") on at least one Valuation Date within the relevant Observation Period. The Period Interest Rate shall never be less than zero, i.e. it shall not have a negative value.]</p> <p><b>"Interest Payment Date[s]"</b> means <b>[insert Interest Payment Date(s)]</b>.</p> <p>The <b>"Strike Fixing Date"</b> is <b>[insert Strike Fixing Date]</b>.</p> <p><b>"Valuation Dates"</b> are <b>[all exchange business days (save for all days which are disrupted days) within the relevant Observation Period (daily observation).] [any [insert day of week] within the relevant Observation Period (weekly observation), or if any such day is not an exchange business day, the next exchange business day.] [any [insert calendar day of month] of each calendar month within the relevant Observation Period (monthly observation), or if any such day is not an exchange business day, the next exchange business day.] [any [insert calendar days of month and months] of each year within the relevant Observation Period (annual observation), or if any such day is not an exchange business day, the next exchange business day.] [any [insert calendar day of month and month] of each year within the relevant Observation Period (annual observation), or if any such day is not an exchange business day, the next exchange business day.]</b></p>
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\* The final percentage rate will be determined by the Issuer on **[insert date of determination]** and published without undue delay in accordance with § 7 of the General Conditions.

		<p><b>[in case of several Interest Payment Dates insert: "Observation Periods"</b> are the periods respectively prior to an Interest Payment Date. The first Observation Period means the period from, but excluding, the Strike Fixing Date to, and including, the <b>[insert number of Business Days]</b> business day prior to the first Interest Payment Date. Any further Observation Period means the period from, but excluding, the previous Interest Payment Date to, and including, the <b>[insert number of Business Days]</b> business day prior to the following Interest Payment Date.]</p> <p><b>[in case of a single Interest Payment Date and/or a single Observation Period insert: "Observation Period"</b> is the period prior to the Interest Payment Date, as defined below. The Observation Period means the period from, but excluding, the Strike Fixing Date to, and including the <b>[insert number of Business Days]</b> business day prior to the Interest Payment Date.]</p> <p><b>[in case of several Observation Periods insert: "Observation Periods"</b> are the periods defined below:</p> <table border="1" data-bbox="651 790 1423 994"> <thead> <tr> <th data-bbox="651 790 1046 869">Beginning of the Observation Period</th> <th data-bbox="1046 790 1423 869">End of the Observation Period</th> </tr> </thead> <tbody> <tr> <td data-bbox="651 869 1046 947"><b>[insert start date of Observation Period]</b></td> <td data-bbox="1046 869 1423 947"><b>[insert end date of Observation Period]</b></td> </tr> <tr> <td data-bbox="651 947 1046 994">[(inclusive)] [(exclusive)]</td> <td data-bbox="1046 947 1423 994">[(inclusive)] [(exclusive)]</td> </tr> </tbody> </table> <p>The redemption amount of the Notes is not linked to the performance of the underlying <b>[basket of shares]</b> <b>[basket of indices]</b> and equals <b>[insert percentage rate which shall always be less than 100 per cent.]</b> per cent. of the specified denomination per Note.]</p>	Beginning of the Observation Period	End of the Observation Period	<b>[insert start date of Observation Period]</b>	<b>[insert end date of Observation Period]</b>	[(inclusive)] [(exclusive)]	[(inclusive)] [(exclusive)]
Beginning of the Observation Period	End of the Observation Period							
<b>[insert start date of Observation Period]</b>	<b>[insert end date of Observation Period]</b>							
[(inclusive)] [(exclusive)]	[(inclusive)] [(exclusive)]							
C.16	The expiration or maturity date of the derivative Notes - the exercise date or final reference date.	<p><b>Maturity Date</b></p> <p>The Maturity Date of the Notes is <b>[insert relevant Maturity Date]</b>.</p> <p><b>Exercise Date</b></p> <p>Not applicable. The Notes do not need to be exercised by the holders.</p> <p><b>Valuation Date (Final Reference Date)</b></p> <p>[Not applicable. There is no final reference price of the underlying.] [The Valuation Date of the Notes is <b>[insert relevant Valuation Date]</b>.]</p>						
C.17	A description of the settlement procedure of the Notes.	<p><b>[In case of German Law Governed Notes insert:</b> Payment of principal in respect of the Notes shall be made to the clearing system or to its order for credit to the accounts of the relevant account holders of the clearing system.] <b>[In case of Romanian Law Governed Notes insert:</b> Payment of principal in respect of the Notes shall be made to the <b>[paying agent or to its order for credit to the]</b> accounts of the Holders shown in the holders' registry on the payment reference date (the "<b>Payment Reference Date</b>") determined as follows: (i) in relation to payments made by the <b>[Issuer]</b> <b>[Paying Agent]</b> in relation to a notice given by a Holder declaring Notes due, the date when such notice declaring Notes due is given by that Holder and (ii) in relation to any other payments on the Notes at the close of business on the 15th calendar day before the due date for payment thereof (including</p>						



		<p>the Maturity Date).</p> <p>Each Holder must specify its account details at least 5 calendar days prior to the relevant due date and ensure that the [Issuer has] [the paying agent[s] [has] [have] all the details necessary for processing the payments.]</p>																												
<b>C.18</b>	A description of how the return on the Notes takes place.	<p>Each Holder will receive a payment of a cash amount on the Maturity Date.</p> <p>For information on how the return is calculated, see Element C.15.</p> <p>For information on how payments on the Notes shall be made, see Element C. 17.</p>																												
<b>C.19</b>	The exercise price or the final reference price of the underlying.	<p><b>[in case of Garant Index Notes, Index Notes, Garant Share Notes and Share Notes, insert:</b></p> <p>The closing price of the [share] [index] on the Valuation Date.]</p> <p><b>[in case of Altiplano Notes insert:</b></p> <p>Not applicable. There is no exercise price or final reference price of the underlying.]</p>																												
<b>C.20</b>	A description of the type of the underlying and where the information on the underlying can be found.	<p><b>Type:</b> [Share][Index][Basket of Shares][Basket of Indices]</p> <table border="1"> <thead> <tr> <th>[Share issuer</th> <th>ISIN</th> <th>Type</th> </tr> </thead> <tbody> <tr> <td>[●]</td> <td>[●]</td> <td>[●]</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Share issuer</th> <th>Exchange</th> <th>Screen Page</th> <th>Weighting</th> </tr> </thead> <tbody> <tr> <td>[●]</td> <td>[●]</td> <td>[●]</td> <td>[●]</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>[Name of the Index</th> <th>Index Sponsor</th> <th>Single Exchange or Multi Exchange Index</th> </tr> </thead> <tbody> <tr> <td>[●]</td> <td>[●]</td> <td>[●]</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Name of the Index</th> <th>Exchange</th> <th>Screen Page</th> <th>Weighting</th> </tr> </thead> <tbody> <tr> <td>[●]</td> <td>[●]</td> <td>[●]</td> <td>[●]</td> </tr> </tbody> </table> <p>Information on the underlying [share] [index] [basket of shares] [basket of indices] can be obtained on the screen page[s] indicated above.</p>	[Share issuer	ISIN	Type	[●]	[●]	[●]	Share issuer	Exchange	Screen Page	Weighting	[●]	[●]	[●]	[●]	[Name of the Index	Index Sponsor	Single Exchange or Multi Exchange Index	[●]	[●]	[●]	Name of the Index	Exchange	Screen Page	Weighting	[●]	[●]	[●]	[●]
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## D. Risks

<p><b>D.2</b></p>	<p>Key information on the key risks that are specific to the Issuer.</p>	<p><b>Risks related to the Issuer and its business</b></p> <ul style="list-style-type: none"> <li>- BCR operates in markets that are highly competitive and its business and results of operations may be adversely affected.</li> <li>- Difficult macroeconomic and financial market conditions may have a material adverse effect on BCR's business, financial condition, results of operations and prospects.</li> <li>- BCR has been and may continue to be affected by the European sovereign debt crisis, and it may be required to take impairments on its exposures to the sovereign debt of certain countries.</li> <li>- BCR is subject to significant counterparty risk, and defaults by counterparties may lead to losses that exceed BCR's provisions.</li> <li>- Changes in interest rates are caused by many factors beyond BCR's control, and such changes can have significant adverse effects on its financial results, including net interest income.</li> <li>- Changes in monetary policy are beyond BCR's control and difficult to predict.</li> <li>- Since the majority of BCR's operations, assets and customers are located in Romania which is not part of the Eurozone, BCR and its customers are exposed to currency risks.</li> <li>- BCR has experienced and may in the future continue to experience deterioration in credit quality, particularly as a result of financial crises or economic downturns.</li> <li>- BCR is exposed to declining values of the collateral supporting commercial and residential real estate loans.</li> <li>- 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.</li> <li>- BCR's hedging strategies may prove to be ineffective.</li> <li>- BCR's business entails operational risks.</li> <li>- Any failure or interruption in or breach of BCR's information systems, and any failure to update such systems, may result in lost business and other losses.</li> <li>- Changes in consumer protection laws as well as the application or interpretation of such laws might limit the fees and other pricing terms that BCR may charge for certain banking transactions and might allow consumers to claim back certain of those fees already paid in the past.</li> <li>- BCR's exposure to litigation and reputational risks is increased.</li> <li>- BCR's risk management strategies and internal control procedures may leave it exposed to unidentified or unanticipated risks.</li> <li>- New governmental or regulatory requirements and changes in perceived levels of adequate capitalisation and leverage</li> </ul>
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		<p>could subject BCR to increased capital requirements or standards and require it to obtain additional capital or liquidity in the future.</p> <ul style="list-style-type: none"> <li>- The Issuer is obliged to contribute amounts to the Single Resolution Fund and to ex-ante financed funds of the deposit guarantee schemes; this results in additional financial burdens for the Issuer and thus, adversely affects the financial position of the Issuer and the results of its business, financial condition and results of operations.</li> <li>- Rating agencies may suspend, downgrade or withdraw a rating of BCR or of Romania, and such action might negatively affect the refinancing conditions for BCR, in particular its access to debt capital markets.</li> <li>- BCR is subject to the risk that liquidity may not be readily available.</li> <li>- BCR may have difficulty recruiting new talent or retaining qualified employees.</li> <li>- BCR's major shareholder is able to control shareholder actions.</li> <li>- Compliance with anti-money laundering, anti-corruption and anti-terrorism financing rules involves significant costs and efforts and non-compliance may have severe legal and reputational consequences.</li> </ul> <p><b>Risks relating to investments in Romania as emerging market</b></p> <ul style="list-style-type: none"> <li>- Romania is still an emerging market and may pose higher risks than developed markets.</li> <li>- Romania may face difficulties related to its post-accession process to the European Union.</li> <li>- The Romanian legal system and procedural safeguards are not yet fully developed.</li> <li>- Recently there have been an increasing number of legislative initiatives on consumer protection focused on financial and banking regulation that entail retroactive changes to bank-customer contracts or supporting borrowers.</li> <li>- Applicable Romanian bankruptcy law and other laws and regulations governing creditors' rights may limit BCR's ability to obtain payments on defaulted loans and advances.</li> <li>- Committed EU funds may not be released or further aid programmes may not be adopted by the EU.</li> <li>- Loss of customer confidence in BCR's business or in banking businesses generally could result in unexpectedly high levels of customer deposit withdrawals, which could have a material adverse effect on BCR's results, financial condition and liquidity.</li> <li>- Liquidity problems experienced by certain Central and Eastern Europe ("<b>CEE</b>") countries may adversely affect Romania and the broader CEE region and could negatively impact BCR's business results and financial condition.</li> <li>- Governments in CEE countries, including Romania, may react to financial and economic crises with increased</li> </ul>
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		<p>protectionism, nationalisations or similar measures.</p> <ul style="list-style-type: none"> <li>- BCR may be adversely affected by slower growth or recession in the banking sector.</li> </ul>
<p><b>D.6</b></p>	<p>Key information on the key risks that are specific to the Notes and Risk Warning.</p>	<p><b>Factors which are material for the purpose of assessing the market risks associated with the Notes</b></p> <ul style="list-style-type: none"> <li>- The Notes may not be a suitable investment for all investors if they do not have sufficient knowledge and/or experience in the financial markets and/or access to information and/or financial resources and liquidity to bear all the risks of an investment and/or a thorough understanding of the terms of the Notes and/or the ability to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment.</li> <li>- Investors should be aware that they may lose the value of their entire investment or part of it, as the case may be. However, each investor's liability is limited to the value of his investment (including incidental costs).</li> </ul> <p><b>[Risk factors relating to an index or index basket as reference asset</b></p> <ul style="list-style-type: none"> <li>- Factors having a negative effect on the performance of the Index may also affect the value and the [Interest] [Redemption] Amount of the Notes.</li> </ul> <p><b>[In case the underlying Index is a price Index, insert:</b></p> <ul style="list-style-type: none"> <li>- The Notes do not take into account dividends and other distributions, since they are not reflected in the price of the Index.]</li> <li>- The Issuer has no influence on the existence, composition and calculation of the Index.</li> <li>- Certain events in relation to the Index may result in an adjustment or early redemption of the Notes.</li> <li>- The sponsor of the Index does not carry out any activity which affects the value of the Index and does not issue investment recommendations regarding the Index.</li> </ul> <p><b>[In case one or several components of the underlying Index are linked with emerging markets, insert:</b></p> <ul style="list-style-type: none"> <li>- Since [one] [several] component[s] of the Index underlying the Notes [is] [are] linked with emerging markets, a Holder must expect considerable political and economic uncertainty, which may considerably affect the price development of the Notes.]</li> <li>- Holders do not have any rights to the components of the shares underlying the Index.]</li> </ul> <p><b>[Risk factors relating to Shares or a Share Basket as reference asset</b></p> <ul style="list-style-type: none"> <li>- Factors having a negative effect on the performance of the Shares may also affect the value and [Interest] [Redemption] Amount of the Notes.</li> <li>- The Notes do not take into account any dividends and other distributions.</li> <li>- Holders do not have any claims against the Share issuer.</li> </ul>

		<ul style="list-style-type: none"> <li>- Certain events in relation to the Share may result in an adjustment or early redemption of the Notes.]</li> </ul> <p><b>Risks related to the trading of the Notes</b></p> <ul style="list-style-type: none"> <li>- There is no active trading market for the Notes.</li> <li>- The Issuer may be unable to have the Notes admitted to trading on any stock exchange.</li> <li>- [There is a lack of liquidity on the Bucharest Stock Exchange for the corporate bond market.]</li> <li>- [There is a risk that the Notes or underlyings will be suspended or excluded from trading, which may have an adverse effect on the price of the Notes.]</li> </ul> <p><b>Risks related to the pricing of the Notes</b></p> <ul style="list-style-type: none"> <li>- [The issue price of the Notes includes a margin on the mathematical (fair) value of the Notes.]</li> <li>- Since the Issuer will, when determining the price of the Notes on the secondary market, also take into account, in particular, the subscription fee (agio), the spread between bid and ask prices as well as commission and other fees in addition to the mathematical (fair) value of the Notes, the prices quoted by the Issuer may considerably deviate from the fair market value of the Notes.</li> </ul> <p><b>Risks related to the Notes generally</b></p> <ul style="list-style-type: none"> <li>- [Investors are exposed to the risk of a partial loss of their investment.]</li> <li>- The interest payments on the Notes may not be made free and clear of Romanian withholding tax.</li> <li>- [Credit ratings of the Notes may not adequately reflect all risks of the investment in the Notes and may be suspended, downgraded or withdrawn which could have an adverse effect on the market value and trading price of the Notes.]</li> <li>- The Notes are governed by [German law] [Romanian law], and changes in applicable laws, regulations or regulatory policies may have an adverse effect on BCR, the Notes and the Holders.</li> <li>- <b>[In case of German Law Governed Notes insert:</b> The statutory presentation period provided under German law and relating to redemption payments has been reduced under the Terms and Conditions applicable to the Notes so that the Holders have less time to assert claims under the Notes.]</li> <li>- In the event that any Notes are redeemed prior to their maturity, a Holder of such Notes may be exposed to the risk that it will only receive the fair market value of the Notes adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arranging <b>[In case of Altiplano Notes insert:</b> and his investment will have a lower than expected yield] (risk of early redemption).</li> <li>- <b>[In case of a maximum redemption price insert:</b> A Holder will not be able to benefit from any actual favourable development beyond the cap.]</li> </ul>
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		<ul style="list-style-type: none"> <li>- <b>[In case the Terms and Conditions provide for Resolutions of Holders insert:</b> Certain rights of a Holder may be amended or reduced or even cancelled by way of resolutions, which could affect the Holder negatively.]</li> <li>- <b>[In case the Terms and Conditions provide for the appointment of a Joint Representative insert:</b> Since a Joint Representative has been appointed in the Terms and Conditions, a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions of the Notes against the Issuer.]</li> <li>- The Notes may be subject to write down or conversion to equity upon the occurrence of a certain trigger event, which may result in Holders losing some or all of their investment in the Notes (statutory loss absorption).</li> <li>- The Notes may be subject to other resolution powers which may result in the Issuer not making payments due under the Notes.</li> <li>- The Holders of the Notes are exposed to the risk that the Issuer is not prohibited from issuing further debt instruments or incurring further liabilities.</li> <li>- Under the European Union Savings Directive, if a payment were to be made or collected through a paying agent in a state which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax (No gross-up).</li> <li>- On 14 February 2013, the European Commission published a proposal (the "<b>Commission's Proposal</b>") for a Directive for a common financial transactions tax in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "<b>Participating Member States</b>"). However, Estonia has since stated that it will not participate.</li> </ul> <p>The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the Notes should, however, be exempt.</p> <p>However, the Commission's Proposal remains subject to negotiation between Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear.</p> <p><b>Risks related to the market generally</b></p> <ul style="list-style-type: none"> <li>- Holders are exposed to the risk of partial or total failure of the Issuer to make payments under the Notes.</li> <li>- Holders assume the risk that the credit spread of the Issuer widens, resulting in a decrease in the price of the Notes.</li> <li>- The Holder may be exposed to the risk that due to future money depreciation (inflation), the real yield of an investment may be reduced.</li> <li>- Holders are exposed to the risk of an unfavourable development of market prices of their Notes which</li> </ul>
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		<p>materialises if the Holder sells the Notes prior to the final maturity of such Notes.</p> <ul style="list-style-type: none"> <li>- Exchange rate risks may occur, if a Holder's financial activities are denominated in a currency or currency unit other than the specified currency in which BCR will make principal and interest payments. Furthermore, government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate.</li> <li>- If a loan or credit is used to finance the acquisition of the Notes, the loan or credit may significantly increase the amount of a loss.</li> <li>- Incidental costs related in particular to the purchase and sale of the Notes may have a significant impact on the profit potential of the Notes.</li> <li>- Holders have to rely on the functionality of the relevant clearing system.</li> <li>- Holders should note that the applicable tax regime may change to the disadvantage of the Holders and, therefore, the tax impact of an investment in the Notes should be carefully considered.</li> <li>- Legal investment considerations may restrict certain investments.</li> </ul> <p><b>Risks related to potential conflicts of interest</b></p> <ul style="list-style-type: none"> <li>- BCR is exposed to potential conflicts of interest which might adversely affect the Holders.</li> </ul> <p>[The Dealers appointed in connection with this issue of Notes pursuant to the Prospectus may be involved in conflicts of interest which may adversely affect future trading prices of the Notes.]</p>
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## E. Offer

E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks.	<p>[The net proceeds from the issue of the Notes will be used by the Issuer [for its general funding purposes] [and/or] [to enter into hedging transactions.]]</p> <p><b>[insert other reasons for the offer and use of proceeds]</b></p>
E.3	Description of the terms and conditions of the offer.	<p>Aggregate principal amount</p> <p><b>[up to] [insert aggregate principal amount of the Notes]</b></p> <p>Issue price [plus an issue charge]</p> <p><b>[insert Issue Price of the Notes plus the issue charge, if any]</b></p> <p>Minimum/Maximum amount of application</p> <p><b>[insert minimum/maximum amount of application]</b></p> <p>Type of distribution</p> <p><b>[insert type of distribution of the Notes]</b></p> <p>[Start and end of [marketing] [subscription] period]</p> <p><b>[insert start and end of marketing or subscription period (if any) of the Notes]</b></p> <p><b>[insert any underwriting or distribution by dealers or distributors]</b></p> <p>[Other or further conditions]</p> <p><b>[insert other or further conditions to which the offer is subject]]</b></p>
E.4	Description of any interest that is material to the issue/offer including conflicting interest.	<p>[Not applicable; there are no such interests.]</p> <p>[The Issuer may from time to time act in other capacities with regard to the Notes, such as calculation agent, which allows the Issuer to make calculations in respect of the Notes (e.g. the amount of interest to be paid) which are binding for the Holders. This fact could generate conflicts of interest and may affect the value of the Notes.]</p> <p>[The Issuer may use all or some of the proceeds received from the sale of the Notes to enter into hedging transactions which may affect the value of the Notes. It cannot be assured that the Issuer's hedging activities will not affect such value.]</p> <p>[It is usual for employees of financial institutions such as the Issuer to undertake deals on their own behalf subject to securities laws on personal transactions and market abuse as well as statutory or internal compliance standards. The Issuer's sales employees may be motivated to sell the Notes, due to the value of incentives received by them (in case the sale is successful) subject to securities and banking laws applicable to any such incentives. Despite measures taken by the Issuer to ensure compliance with applicable laws and internal procedures, this could create a conflict with the duties owed to the Holders.]</p> <p>[Members of the Issuer's Management and Supervisory Boards may serve on management or supervisory boards of various different companies (others than the Issuer), including customers of and investors in the Issuer, which may also compete directly or indirectly with the Issuer. Directorships of that kind may expose such persons to potential conflicts of interest if the Issuer</p>



		<p>maintains active business relations with said companies.]</p> <p><b>[insert description of any such further interests]</b></p> <p>[[Certain of the][The] Dealer[s] and [its][their] affiliates may in the future engage in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer in the ordinary course of business and may make or hold a broad array of investments and actively trade debt and equity for their own account and for the accounts of their customers. The Dealer[s] may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.]</p>
<b>E.7</b>	Estimated expenses charged to the investor by the Issuer or the offeror.	[Not applicable as no such expenses will be charged to the investor by the Issuer[ or the offeror/s].] <b>[insert description of any such costs]</b>

## RISK FACTORS

*Prospective investors should consider carefully the risks set forth below and the other information contained in this Prospectus prior to making any investment decision with respect to the Notes. 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 of which it is currently aware. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware, and any of these risks could have the effects set forth above.*

*Prospective investors should also read the detailed information set out elsewhere in this Prospectus 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.*

*Words and expressions defined in the sections entitled "Terms and Conditions of the Notes" or elsewhere in this Prospectus shall have the same meanings in this section "Risk Factors".*

### **Factors that may affect the Issuer's ability to fulfil its obligations under Notes to be issued pursuant to this Prospectus**

*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 which investors will receive in respect of the Notes. In addition, each of the Issuer related risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes 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 Notes to be issued pursuant to this Prospectus. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purposes of assessing the market risks associated with Notes to be issued pursuant to this Prospectus are described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes to be issued pursuant to this Prospectus, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes 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.*

### **Risks related to the Issuer and its business**

***BCR operates in markets that are highly competitive and its business and results of operations may be adversely affected.***

BCR competes with a number of large international financial institutions and local competitors and it faces significant competition in all aspect of its business.

The competitive landscape of banks and other financial institutions in Romania and throughout the rest of Europe is subject to rapid change and recent regulatory and legal changes are likely to result in changed competitive dynamics in certain key areas, such as retail banking.

Certain competitors of BCR may have access to lower cost funding and/or be able to attract deposits on more favourable terms than BCR and may have stronger and more efficient operations. Furthermore, BCR's competitors may be better in attracting and retaining clients and key employees, which may have a negative impact on BCR's performance and future prospects.

The trend towards consolidation in the global financial services industry, which has increased due to the financial and economic crisis, is creating competitors with large financial, technical and operating resources as well as extensive ranges of product and service offerings, increased access to capital and greater efficiency and pricing power. These global financial institutions may be more appealing to customers, especially large corporate customers, because of their larger international presence or financial resources.

If BCR is unable to respond to the competitive environment with products and service offerings that are profitable, it may lose market shares in important parts of its business or incur losses on some or all of its activities.

***Difficult macroeconomic and financial market conditions may have a material adverse effect on BCR's business, financial condition, results of operations and prospects.***

From the second half of 2007 through 2009, disruptions in global capital and credit markets, coupled with the repricing of credit risk, created difficult conditions in financial markets and continue to have considerable effects on these markets. These conditions resulted in historically high levels of volatility across many markets (including capital markets), volatile commodity prices, decreased or no liquidity, widening of credit spreads and lack of price transparency in certain markets. These conditions also significantly reduced the availability of private financing for both financial institutions and their customers, compelling many financial institutions and industrial companies to turn to governments and central banks to provide liquidity. Among other factors, significant write-downs of asset values by financial institutions on mortgage-backed securities and other financial instruments, combined with the imposition of higher capital and other regulatory requirements, have led many financial institutions to seek additional capital, to merge or be merged with larger and stronger institutions, to be nationalised and, in some cases, to fail. Although the global economy recovered slightly throughout 2013, widespread concerns with levels of public sector debt around the world, and with the stability of numerous banks in certain European countries, including, in particular Spain, Greece, Portugal, Italy, Ireland, Cyprus and Slovenia and - in addition to the Eurozone - Ukraine and Russia, had a negative impact on macroeconomic conditions. By the end of 2014, the Eurozone was close to stagnation with weaknesses apparent also in the core Euro area countries. Many European economies continued to face structural challenges as unemployment and structural debt levels remained high. With inflation expectations potentially falling further, the risk of Euro area deflation remains present. Since 2014, geopolitical threats, such as events in the wake of the Crimean crisis, as well as risks arising from diverging monetary policy objectives across regions and a sharp drop in oil prices, added uncertainty to the global outlook. Furthermore, the unparalleled devaluation of the Chinese Renminbi has caused volatility and uncertainty in markets and may affect the competitiveness as well as profitability of export-oriented European companies, thus, further dampening the economic recovery.

Since September 2012, there has been an increase in the scale of global central bank intervention in an attempt to prevent further deterioration of economic growth and to respond to concerns about the effects of the European sovereign debt crisis. In 2012, the European Central Bank ("**ECB**") announced a plan to buy unlimited amounts of government bonds of distressed countries, such as Spain and Italy, partially in exchange for their request for and acceptance of a formal programme including certain austerity reforms. Since then, monetary policy objectives have decoupled significantly across countries: while the U.S. Federal Reserve Bank ("**FED**") gradually reduced its bond-buying programme (referred to as "tapering") and ceased its programme in October 2014, it is set to further increase interest rates in the near-term. On the contrary, the ECB commenced the broad-based asset purchase programme in March 2015, which is currently intended to last until March 2017. The current ultra-low interest environment creates further pressure on the financial sectors globally. The impact of the ECB's or any other entity's actions in the future is currently unknown and these actions may or may not result in the expected benefits for the relevant economies. Variances in monetary policy may result in increased volatility in debt and foreign exchange markets.

During 2015, the Eurozone economy recovered moderately, accompanied by a positive trend of leading indicators for inflation and a steadily declining unemployment rate within the Eurozone. The major pillar for growth in the Eurozone remained private consumption, also benefiting from low energy prices. The positive development in the Eurozone is expected to continue, however, the volatility of the financial markets due to the drop in oil prices, geopolitical uncertainties over Greece, Russia, Ukraine and Syria, the geopolitical situation in Middle East, which triggered the refugee crisis, with possible consequences on the European single market and the economic downturn in China, pose a downside risk. Together with Greece, China's economic transformation shapes the global economy in terms of increased volatility and a downturn in share prices on the stock markets, as well as declining commodity prices and global foreign exchange reserves. This global economic situation leads to corresponding opportunities and risks within the Eurozone.

With respect to the European integration, as recent as on 23 June 2016, the British people decided, by way of referendum, that the UK should leave the European Union. To initiate proceedings for an actual withdrawal from the EU, the UK has to invoke Article 50 of the Lisbon Treaty and notify the European Council of its intention. After the notification is made, the UK will have to negotiate and conclude an agreement with the EU, setting out the arrangements for its withdrawal. The EU Treaties shall cease to apply to the UK from the date of entry into force of the withdrawal agreement or, failing that, two years after the notification, unless the European Council, in agreement with the Member State concerned, unanimously decides to extend this period. Consequently, the medium and long term effects of the UK's withdrawal from the EU on the financial stability of the European Union with indirect impact on Romania will greatly depend on the outcome of the negotiations and arrangements reached in the withdrawal agreement. The immediate

reaction to the announcement was the sharp drop in the global financial markets in London and around the world. At the moment, there is great uncertainty about the future financial and social impact and integrity of the EU as the UK withdrawal from the EU questions the functioning of the EU in its current form, already weakened by recent economic and social unrest.

BCR's performance will continue to be influenced by conditions in the global, and especially European, economy. The outlook for the European and global economy over the near to medium term remains challenging, which also impacts prospects for stabilisation and improvement of economic and financial conditions in Romania and throughout Central and Eastern Europe.

***BCR has been and may continue to be affected by the European sovereign debt crisis, and it may be required to take impairments on its exposures to the sovereign debt of certain countries.***

In recent years, the sovereign debt markets in the Eurozone have experienced substantial stress as the financial markets have begun to perceive a number of countries as presenting an increased credit risk.

These concerns have been particularly prominent with respect to Greece, Ireland, Italy, Portugal and Spain, and more recently Cyprus, Slovenia and – in addition to the Eurozone – Ukraine and Russia, and were threatening the recovery from the global financial and economic crisis. These concerns have persisted in light of increasing public debt loads and stagnating economic growth in these and other European countries both within and outside the Eurozone, including Romania and other countries in Central and Eastern Europe. Despite a number of measures taken by European governments, the ECB and European regulators to control and mitigate the negative effects of the crisis, the business environment in general, and the financial markets in particular, weakened as the uncertainty surrounding the sovereign debt crisis and EU efforts to resolve the crisis continued to intensify.

The effects of the sovereign debt crisis have especially impacted the financial sector as a large portion of the sovereign debt of Eurozone countries is held by financial institutions, including BCR. Concerns over the ability of highly indebted Eurozone sovereigns to manage their debt levels could continue to intensify, debt restructuring negotiations similar to those with Greece could take place with respect to the sovereign debt of other affected countries, and the outcome of any negotiation regarding changed terms (including reduced principal amounts or extended maturities) of such sovereign debt may result in BCR suffering additional impairments. Any such negotiations are highly likely to be subject to political and economic pressures beyond BCR's control.

According to Eurostat, the Euro Area recorded a government debt to gross domestic product of 90.70 per cent. of the Euro Area's gross domestic product in 2015. Government debt to gross domestic product in the Euro Area averaged 75.12 per cent. from 1995 until 2015, reaching an all time high of 92 per cent., in 2014 and a record low of 64.90 per cent. in 2007. Global market turmoil since the start of 2016 has helped set warning lights flashing in Eurozone sovereign bond markets. In early February 2016, the premium that investors charged to hold Portuguese, Spanish and Italian government debt rather than German bonds hit some of the highest levels since the Eurozone crisis that peaked in the years 2011 and 2012. According to the Eurostat newsletter published on 24 October 2016, at the end of the second quarter of 2016, the government debt to gross domestic product ratio in the Euro Area (EA19) stood at 91.2 per cent., while in the EU28, the ratio decreased from 84.5 per cent. in the first quarter of 2016 to 84.3 per cent. in the second quarter of 2016.

BCR is also exposed to the credit risk of financial institutions which may be dependent on governmental support to continue their operations. The availability of government funds or the willingness of governments for such support is unclear given current levels of public debt in several Eurozone countries. In addition, hedging instruments, including credit default swaps, could prove ineffective if restructurings of outstanding sovereign debt avoid credit events that would trigger payment under such instruments or if the amounts ultimately paid under such instruments do not correspond to the full amount of net exposure after hedging. Any restructuring of outstanding sovereign debt may result in potential losses for BCR and other participants in transactions that are not covered by payouts on hedging instruments that BCR has entered or may enter into to protect against the risk of default.

***BCR is subject to significant 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 it 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.

In the ordinary course of its business, BCR is exposed to a risk of non-performance by counterparties in the financial services industry. This exposure can arise through trading, lending, deposit-taking, clearance and settlement and many other activities and relationships. These counterparties include brokers and dealers, custodians, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. Many of these relationships expose BCR to credit risk in the event of a 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. Many of the hedging and other risk management strategies utilised by BCR also involve transactions with financial services counterparties. A weakness or insolvency of these counterparties may impair the effectiveness of BCR's hedging and other risk management strategies. BCR will incur losses if its counterparties default on their obligations. If a higher than expected proportion of BCR's counterparties default, or if the average amount lost as a result of defaults is higher than expected, actual losses due to counterparty defaults will exceed the amount of provisions already taken and results of operation will be adversely affected. If losses due to counterparty defaults significantly exceed the amounts of BCR's provisions or require an increase in provisions, this could have a material adverse effect on BCR's business, financial condition and results of operations.

Counterparty risk between financial institutions has increased from time to time in recent years as a result of volatility in the financial markets. Concerns about potential defaults by one financial institution can lead to significant liquidity problems, losses or defaults by other financial institutions as the commercial and financial soundness of many financial institutions is interrelated due to credit, trading and other relationships. 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 banks and all different types of intermediaries in the financial services industry. Systemic risk could lead to a need for BCR as well as other banks in the markets in which BCR operates to raise additional capital while at the same time making it more difficult to do so. Systemic risk could therefore have a material adverse effect on BCR's business, financial condition, results of operations, liquidity or prospects.

***Changes in interest rates are caused by many factors beyond BCR's control, and such changes can have significant adverse effects 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 the National Bank of Romania ("**NBR**") and the Romanian government, the liberalisation of financial services and increased competition in the market in which BCR operates, domestic and international economic and political conditions, as well as other factors. Changes in interest rates can affect the spread between the rate of interest that a bank 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. 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 a credit institution 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. Ultra-low interest rate monetary policy accompanied by quantitative easing brings additional challenge to interest margin stability as the potential to re-price customers' deposits might be exhausted sooner than lending rates find their new equilibrium. Additionally, in a very low or negative interest rate environment, BCR will have increased costs of maintaining the regulatory and prudential liquidity buffers held in cash and low yield highly liquid assets. An increase in rates charged to customers can also negatively impact interest income if it reduces the amount of customer borrowings. For competitive reasons, BCR may 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 structure of interest-bearing assets and interest-bearing liabilities in any given period could, in the event of changes in interest rates, reduce BCR's net interest margin and have a material adverse effect on its net interest income and, thereby, its business, financial condition, results of operations liquidity or prospects.

***Changes in monetary policy are beyond BCR's control and difficult to predict.***

BCR is affected by the monetary policies adopted by the NBR. The actions of NBR directly impact BCR's costs of funds for lending, capital raising and investment activities and may impact the value of financial instruments BCR holds and the competitive and operating environment for the financial services industry. BCR cannot predict whether these actions will have a material adverse effect on the Bank and its operations. In addition, changes in monetary policy may affect the credit quality of BCR's customers. Any changes in monetary policy are beyond BCR's control and difficult to predict.

***Since the majority of BCR's operations, assets and customers are located in Romania which is not part of the Eurozone, BCR and its customers are exposed to currency risks.***

The majority of BCR's operations, assets and customers are located in Romania which is not part of the Eurozone (i.e. it does not use the Euro as its legal tender), and financial transactions in currencies other than local currency (RON) give rise to foreign currency risks. In addition to loans denominated in RON, many of BCR's retail and corporate customers in Romania have taken out loans which are denominated in currencies other than their local currency (primarily in EUR). To the extent that the local currency (RON) will decline in value in the future relative to the currency in which such loans were made, borrowers will need to convert a larger amount of local currency (RON) into the currency in which the loan is denominated in order to make payments of principal and interest on the loan. In this scenario, BCR anticipates a higher number of loan defaults. Alternatively, the local government may undertake measures that affect currency levels and exchange rates and impact BCR's credit exposure to such currencies.

These and other effects of currency devaluation could have a material adverse effect on BCR's business, financial condition, results of operations, liquidity or prospects.

***BCR has experienced and may in the future continue to experience deterioration in credit quality, particularly as a result of financial crises or economic downturns.***

BCR is, and may in the future continue to be, exposed to the risk that 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.

In 2011, an increasing percentage of these exposures deteriorated in quality as a result of the unfavourable economic environment and a considerable number of these exposures continued to deteriorate. This is particularly true for customer loans in currencies other than the local currency (RON). As the value of the local currency (RON) declines versus the foreign currencies of such loans, as occurred in Romania during the economic downturn, the effective cost of the foreign currency denominated loan to the local customer may increase substantially, which can lead to delinquent payments on customer loans, migration of previously highly rated loans into lower rated categories and, ultimately, increases in non-performing loans and impairment charges.

The effects of the global economic and financial crisis, such as stagnating or declining growth rates or negative gross domestic product ("GDP") development, significantly reduced private consumption and corporate investment, rising unemployment rates and decreasing private and commercial property values in certain regions, have had in recent years a particularly negative effect on the credit quality of BCR's loan portfolio.

Deterioration in BCR's credit quality and increases in non-performing loans may result in increased risk costs for BCR. BCR's risk costs are based on, among other things, its analysis of current and historical probabilities of default and loan management methods and the valuation of underlying assets and expected available income of clients, as well as other management assumptions. BCR's analyses and assumptions may prove to be inadequate and might result in inaccurate predictions of credit performance.

BCR assesses the need and allocates credit risk provisions on its balance sheet to cover credit losses incurred on its loan portfolio or which may be incurred in the future. Credit risk provisions are calculated for financial assets carried at amortized costs (loans and advances, financial assets held to maturity) in accordance with IAS 39 and for contingent liabilities (financial guarantees, loan commitments) in accordance with IAS 37.

Credit loss provisioning is done at customer level. The process includes the default and impairment identification. Customer level means, if one of the customer's exposures is classified as defaulted then, normally, all of that customer's exposure is classified as defaulted.

These provisions reflect BCR's estimates of losses on its loan portfolio. If a higher than expected proportion of BCR's customers default or if the average amount lost as a result of defaults is higher than expected or if individual corporate customers unexpectedly default, actual losses due to customer defaults will exceed the amount of provisions already taken and BCR's operating result will be adversely affected.

As a result of trying to achieve a lower credit risk profile and maintaining a prudent course of action, the Group's non-performing loans ("NPLs") coverage ratio (which refers to risk provisions for loans and advances to customers as a percentage of non-performing loans and advances to customers) of the Group has improved throughout the year 2015, reaching the value of 77.4 per cent. as of December 2015 (compared to 75.8 per cent. as of December 2014), after taking into account all the portfolio clean-up

actions. Furthermore, as of September 2016, the NPL coverage ratio improved to 79.7 per cent. (compared to 79.1 per cent. as of September 2015). Although it entered a downward trend, the relatively high non-performing loan ratio contributes further to a great extent to maintaining a fragile pace of lending to customers. Deterioration in credit quality may continue in Romania and could even intensify if economic conditions remain difficult or if improving business climates are temporary. In addition, unanticipated political events or a continued lack of liquidity could result in credit losses which exceed the amount of BCR's loan loss provisions.

Each of the above factors has had in the past and could have in future periods a material adverse effect on BCR's business, financial condition, results of operations, liquidity or prospects.

***BCR is exposed to declining values of the collateral supporting commercial and residential real estate loans.***

BCR has significant exposure to commercial and residential real estate loans. Commercial and residential real property prices in Romania declined in recent years, reflecting economic uncertainty. Commercial and residential property developers were forced to cease or delay construction of planned projects due to lack of customers or, as a result of declining values of the collateral supporting the projects, their inability to finance construction. This led to reductions in prices of residential and commercial real estate and contractions in the residential mortgage and commercial lending markets in many countries. BCR's commercial property and residential real estate loan portfolios may suffer additional impairment losses if property values decline further in the future particularly in the context of the newly enforced law in Romania on discharge of debt obligations arising from credit agreements by "payment in kind" providing for the right of the debtors that have contracted loans secured with a mortgage over at least one immovable asset for housing purposes, to extinguish all the obligations generated by that loan, in full, with no additional costs, by transferring the ownership of the immovable(s) securing the loan to the creditor, regardless of the value of the immovable at the moment when the transfer is made, at the sole discretion of a debtor. Additional risks include: collateral cannot be enforced or, as a result of weaknesses in BCR's collateral management or work-out processes, collateral values prove to be insufficient. Increasing unemployment rates could also lead to higher default rates and impairment losses on non-property commercial and consumer loans. If either of these risks were to materialise, it could have a material adverse effect on BCR's business, financial condition, results of operations, liquidity or prospects.

***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 have been subject to significant stress conditions since mid-2007, when steep falls in perceived or actual values of assets held by banks and other financial institutions have been accompanied by a severe reduction in market liquidity. These events have negatively affected the value of the financial assets available for sale and the financial assets held-to-maturity particularly in 2011, adversely affecting BCR's results of operations for that period. Future deteriorations in economic and financial market conditions could lead to additional impairment charges or revaluation losses in future periods. Despite a recovery in economic and financial market conditions over the last four years in Romania, the value of financial assets may continue to fluctuate significantly or materially impact BCR's capital and comprehensive income if the fair value of financial assets declines.

Market volatility and illiquidity may make revaluation of certain exposures difficult, and the value ultimately realised by BCR may be materially different from the current or estimated fair value. In addition, BCR's estimates of fair value may differ materially 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 could require BCR to recognise further revaluation losses or realise impairment charges, any of which may adversely affect its business, financial condition, results of operations, liquidity or prospects.

***BCR's hedging strategies may prove to be ineffective.***

BCR utilises a range of instruments and strategies to hedge risks. Unforeseen market developments may have a significant impact on the effectiveness of hedging measures. Instruments used to hedge interest and currency risks can result in losses if the underlying financial instruments are sold or if valuation adjustments must be undertaken. Gains and losses from ineffective risk-hedging measures can increase the volatility of the results generated by BCR, which could have a material adverse effect on BCR's business, financial condition, results of operations, liquidity or prospects.

***BCR's business entails operational risks.***

BCR is exposed to operational risk, which is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including in particular legal, regulatory, compliance and outsourcing risk. BCR is susceptible to, among other things, fraud by employees or outsiders, including unauthorised transactions and operational errors, clerical or record-keeping errors and errors resulting from faulty computer or telecommunication systems. Given BCR's high volume of transactions, fraud or errors may be repeated or compounded before they are discovered and rectified. Consequently, any inadequacy of BCR's internal processes or systems in detecting or containing such risks could result in unauthorised transactions and errors, which may have a material adverse effect on BCR's business, financial condition, results of operations, liquidity or prospects. BCR may also suffer service interruptions from time to time due to failures by third-party service providers and natural disasters, which are beyond its control. Such interruptions may result in interruptions in services to BCR's branches and may impact customer service.

***Any failure or interruption in or breach of BCR's information systems, and any failure to update such systems, may result in lost business and other losses.***

BCR relies heavily on information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in its risk management, general ledger, deposit servicing or loan origination systems. If BCR's information systems, including its back-up systems, were to fail, even for a short period of time, or its business continuity plans for cases of emergency would prove ineffective, it could be unable to serve customers' needs on a timely basis and could thus lose their business.

Likewise, a temporary shutdown of BCR's information systems could result in costs that are required for information retrieval and verification. There can be no assurances that such failures or interruptions will not occur or that BCR can adequately address them if they do occur. In addition, there can be no assurances that the rollout or implementation of any new systems or processes will provide the desired benefit to BCR's business, or will not involve failures or business interruptions that could have a material adverse effect on its business, financial condition, results of operations, liquidity or prospects.

***Changes in consumer protection laws as well as the application or interpretation of such laws might limit the fees and other pricing terms that BCR may charge for certain banking transactions and might allow consumers to claim back certain of those fees 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 and/or interest that BCR may charge for certain of its products and services and thereby result in lower commission and/or interest income. Moreover, as new laws and amendments to existing laws are adopted in order to keep pace with the continuing transition, existing laws and regulations as well as amendments to such laws and regulations may be applied inconsistently or interpreted in a manner that is more restrictive. BCR stands as defendant in a number of lawsuits and in regulatory proceedings filed by individual customers, consumer protection regulatory authorities or consumer protection agencies and associations in Romania. Some of the lawsuits are (similar to) 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. 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 net commission and/or interest income and have an adverse effect on its results of operations. In particular, according to a legal provision of the Romanian consumer protection law, if the court finds that a contract between a consumer and a professional (such as BCR) contains unfair terms from a consumer protection perspective, the court may oblige the professional to amend all of its pending contracts concluded with consumers that contain such unfair terms. This may have an adverse effect on BCR's results of operations that is more rapid and severe than expected under the previous civil procedure framework when a court ruling declaring a clause in a consumer contract as unfair applied only to the claimant(s) in the respective court file.

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

BCR is involved in a number of legal proceedings (see the subsection entitled "*Banca Comercială Română S.A. – Legal Proceedings*"), among which a significant number of litigations have been commenced by BCR's customers claiming that the nature of fees and commissions imposed by BCR in the loan agreements are allegedly abusive in nature and hence null and void.



Generally, 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 customers (regarding the annulment of certain clauses included in the loan agreements as being abusive) be negative, it might harm BCR's reputation.

The negative impact of the litigations above could impact BCR's business, financial position, results of operations, liquidity or prospects.

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

Many quantitative tools and metrics for managing risks used world-wide are based on observed historical market behaviour. BCR applies statistical and other tools to these observations to arrive at quantifications of risk exposures. During the financial crisis, the financial markets experienced unprecedented levels of volatility (rapid changes in price direction) and the breakdown of historically observed correlations (the extent to which prices move in tandem) across asset classes, compounded by extremely limited liquidity. In this volatile market environment, some risk management tools and metrics failed to predict some of the losses the banks experienced. In addition, quantitative modelling does not take all risks into account and makes numerous assumptions regarding the overall environment, which may or may not materialise. As a result, risk exposures have arisen and could continue to arise from factors not anticipated or correctly evaluated in statistical models.

If circumstances arise that BCR did not identify, anticipate or correctly evaluate in developing its statistical models, losses could be greater than the maximum losses envisaged under its risk management system. Furthermore, the quantifications do not take all risks or market conditions into account. If the measures used to assess and mitigate risks prove insufficient, BCR may experience material unanticipated losses, which could have a material adverse effect on its business, financial condition, results of operations liquidity or prospects.

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

In response to the global financial crisis and the European sovereign debt crisis, a number of initiatives relating to the regulatory requirements applicable to European credit institutions, including BCR, have been (and are currently being) implemented, adopted or developed. These include the following:

- *Basel III and CRD IV-Package.* In June 2011 and January 2013, the Basel Committee on Banking Supervision ("**BCBS**") published its (final) international regulatory framework for credit institutions (known as "**Basel III**"), which is a comprehensive set of reform measures to strengthen the regulation, supervision and risk management of the banking sector. On 27 June 2013, the final versions adopted by the European Parliament and the Council on the 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 ("**CRD IV**") and the 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 ("**CRR**") were published in the Official Journal of the European Union.

The CRD IV-Package in particular (further) increased the qualitative and quantitative requirements for regulatory capital (own funds) and the required capital for derivative positions and introduced new requirements for liquidity standards and a leverage ratio.

In December 2013, NBR issued Regulation no. 5/2013 to transpose CRD IV. The Regulation stipulates that the main local prudential filter will be phased out during a transitional period from 2014 to 2017, with a yearly decrease of 20 per cent. For other prudential filters/deductions NBR established also transitional provisions which should be applied gradually during a period from 2014 to 2018.

The CRR (an EU regulation which directly applies in all EU Member States without any national implementation) is applicable since 1 January 2014 subject to certain transitional provisions.

- *Changes in Recognition of Own Funds.* Due to regulatory changes implemented by CRD IV, certain existing capital instruments (issued in the past) will be subject to (gradual) exclusion from own funds (grandfathering) or reclassification as a lower category of own funds.
- *Capital buffers.* NBR Regulation 5/2013 requires institutions to maintain newly defined specific capital buffers in addition to the CET 1 capital maintained to meet the own funds requirements imposed by the CRR and potentially any Pillar II additional own funds requirements. Most of these buffer requirements will be gradually phased in starting from 2016 until 2018/2019.

Pursuant to recommendation no. 1/2015 of the National Committee for Financial Stability\*, the following requirements on capital buffers are applied starting 1 January 2016:

- Capital conservation buffer: The buffer is being phased in from 2016 in steps of 0.625 per cent. p.a., reaching its final level of 1.875 per cent. as of 1 January 2018;
- Countercyclical buffer: until further notice from the NBR, the countercyclical buffer rate for exposures situated in Romania is 0 per cent.. At this stage, while some jurisdictions have already implemented the countercyclical buffer in their respective legislation, the buffer rates are set to zero in all cases relevant for BCR. The countercyclical buffer at 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: the Group is classified as an O-SII in Romania and the applicable buffer stands at 1 per cent. for 2016. The buffer will be revised annually.

For BCR, the cumulative capital requirements applicable as of 1 January 2016 (Common Equity Tier 1) amounts to 6.125 per cent. as compared to 4.50 per cent. in 2015.

- *Basel RWA Reviews.* The BCBS is currently working on the review of the standardised approaches of the capital requirement frameworks for credit risk and market risks as well as for operational risks. These reviews cover the standardised as well as the internal model approaches for all risk types. While standards for a revised market risk framework were finalised in January 2016, proposals for revisions to the credit and operational risk frameworks are still in a consultative phase. The BCBS has also issued a consultative document on the design of a capital floor framework based on the revised standardised approaches for all risk types. This framework will replace the current capital floor for banks using internal models, which is based on the Basel I standard. The consultation covers plans to institute a capital floor framework but the calibration of the floor is outside the scope of this consultation. The BCBS will consider the calibration alongside its other work on revising the risk-based capital framework. There is a high degree of uncertainty with regards to the BCBS' final calibration of the proposed new frameworks, and subsequently how and when this will be implemented in the EU. It is thus too early to draw firm conclusions regarding the impact of the potential future capital requirements, and consequently how this will affect the capital requirements.
- *Stricter and Changing Accounting Standards.* Prospective changes in accounting standards as well as those imposing stricter or more extensive requirements to carry assets at fair value, could also impact BCR's capital needs.

BCR expects that prospective changes in accounting standards due to IFRS 9 (this standard is expected to become effective for annual periods / beginning on or after 1 January 2018) will have a significant effect on balance sheet items and measurement methods for financial instruments. Thus, in the area of classification and measurement, BCR identified a risk that part of its loan portfolio will have to be re-measured at fair value through profit or loss, due to the contractual cash flow characteristics. On the other hand, some debt securities currently measured at fair value through other comprehensive income may be measured at amortised cost due to the "held-to-collect contractual cash" flows business model applied to them. In the area of impairment loss, allowances are expected to increase more than insignificantly for some non-defaulted exposures.

- *EU Bank Recovery and Resolution Directive.* Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms ("**BRRD**") institutes a single EU framework for the resolution of failing credit institutions and large investment firms, as well as cross-

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\* The National Committee for Financial Stability is a forum consisting of the Minister of Public Finance, the Governor of the NBR, the Chairman of the FSA the objective of which is to coordinate tasks related to the financial stability and management of financial crises in Romania;

border cooperation arrangements for the resolution of financial holding companies. The BRRD provides the resolution authorities with a set of instruments for intervening in all stages of a banking crisis, namely prevention, early intervention and resolution measures. Credit institutions should draw up recovery plans in case of financial distress. The BRRD has been implemented in Romania into national law by Law no. 312/2015 (the "**Recovery and Resolution Act**") on recovery and resolution of credit institutions, which entered into force in December 2015. The BRRD as implemented through the Recovery and Resolution Act requires, inter alia, that credit institutions draw up "recovery plans" in case of financial distress, which set out certain arrangements and measures that may be taken to restore the long-term viability of the financial institution in the event of a material deterioration of its financial position. The recovery plans are submitted for review by the competent authorities who will assess the appropriateness of the plans, taking into consideration the appropriateness of the institution's capital and funding structure to the level of complexity of the organisational structure and the risk profile of the institution. When insolvency occurs, resolution authorities have a set of instruments and measures for the orderly restructuring of those credit institutions, which ensure that shareholders and creditors bear losses, in line with a previously established resolution plan, thereby ensuring the continuity of critical functions. In addition, institutions have to meet, at all times, minimum requirements of own funds and of eligible liabilities ("**MREL**") set by the resolution authority on a case-by-case basis and shall be calculated as the amount of own funds and eligible liabilities expressed as a percentage of the total liabilities and own funds of the institution. There is a risk that the Issuer may not be able to meet these minimum requirements for own funds and eligible liabilities which could materially adversely affect the Issuer's ability to make payments on the Notes. Measures undertaken under the Recovery and Resolution Act may also have a negative impact on debt instruments (in particular subordinated notes, but under certain circumstances also senior notes) by allowing resolution authorities to order the write-down of such instruments or convert them into CET 1 instruments (see also the risk factor "*The Notes may be subject to write down or conversion to equity upon the occurrence of a certain trigger event, which may result in Holders losing some or all of their investment in the Notes (statutory loss absorption).*"). Apart from potentially being subject to resolution tools and exercise of other powers as set out under the Recovery and Resolution Act, the Issuer may also be subject to the regime instituted by the general national insolvency proceedings.

- *Single Resolution Mechanism for European Banks.* The Single Resolution Mechanism ("**SRM**") which became operational in January 2016 is, alongside the Single Supervisory Mechanism ("**SSM**") and a common deposit guarantee scheme, one of the components of the Banking Union, created, based on a set of legislative measures, to ensure that banks are stronger and better supervised and, should problems arise in the financial sector, they can be resolved more easily and without using taxpayers' money. The SRM is set to centralise key competences and resources to manage failure of any credit institution in the participating Member States. The SRM complements the SSM and aims to ensure that if a credit institution subject to the SSM faces serious difficulties, its resolution can be managed efficiently with minimal costs to taxpayers and to the real economy. The interaction and cooperation among resolution and supervisory authorities is a key element of the SRM. The SSM will assist the SRM in reviewing the resolution plans, with a view to avoiding a duplication of tasks.

The SRM shall be governed by (i) a SRM regulation covering the main aspects of the mechanism and (ii) an intergovernmental agreement related to some specific aspects of the Single Resolution Fund ("**SRF**"). The SRF shall be constituted by contributions of all credit institutions in the participating EU-Member States. The SRF has a target level of at least 1 per cent. of covered deposits over an eight-year period. During this transitional period, the SRF comprises national compartments corresponding to each participating EU Member State. The resources accumulated in those compartments are progressively mutualised over a period of eight years, starting with 40 per cent. of these resources in the first year (i.e. 2016).

- *MREL.* On 3 July 2015, the European Banking Authority ("**EBA**") submitted its "Final draft regulatory technical standards on criteria for determining the minimum requirement for own funds and eligible liabilities under Directive 2014/59/EU" (EBA/RTS/2015/05) ("**RTS on MREL**") which included specific provisions for setting the MREL requirements for systemic institutions, and an option to set a limited compliance transition period. In order to ensure the effectiveness of bail-in and other resolution tools introduced by the BRRD, the BRRD requires that all institutions must meet an individual MREL requirement, calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities, with effect from 1 January 2016. The RTS on MREL provide for resolution authorities to allow institutions a transitional period of up to four years to reach the applicable MREL

requirements. Each resolution authority is required to make a separate determination of the appropriate MREL requirement for each group or institution within its jurisdiction, depending on the resolvability, risk profile, systemic importance and other characteristics of each institution. Items eligible for inclusion in MREL include an institution's own funds (within the meaning of CRR), along with "eligible liabilities", meaning liabilities which do not qualify as own funds and are not excluded from bail-in and which may comprise instruments which, *inter alia*, are issued and fully paid up, have a maturity of at least one year (or do not give the investor a right to repayment within one year) and do not arise from derivatives.

On 17 December 2015, the European Commission proposed a number of amendments to the RTS on MREL, in particular, to amend the reference to the burden-sharing requirement by shareholders and creditors of institutions of significant importance. On 9 February 2016, the EBA has issued a legal opinion on the amendments proposed by the European Commission to the RTS on MREL (EBA/Op/2016/02). Although the EBA agreed with a large part of the proposed amendments, including with the European Commission's argument that the RTS cannot set a harmonised level of MREL, it dissented from others as it believes legal clarity and certainty is needed when setting MREL for a systemic institution which may need to access resolution funds. In addition, the European Commission proposed to remove several specific provisions relating to the criteria for setting MREL for systemic institutions, to the consultation between competent and resolution authorities on specific matters and the upper limit on the transitional compliance period. The EBA dissents from these amendments as it believes they would reduce the effectiveness of the RTS on MREL in promoting smooth cooperation and convergence when setting MRELS. With this opinion the EBA also calls on the Commission to promptly adopt these important RTS on MREL. Based on the draft RTS submitted by the EBA to the European Commission, the European Commission has adopted a Delegated Regulation (EU) no. 2016/1450 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodology for setting the minimum requirement for own funds and eligible liabilities in order to meet the additional capital requirements.

- *TLAC*. On 9 November 2015, the Financial Stability Board ("**FSB**") issued the final Total Loss-Absorbing Capacity ("**TLAC**") standard for global systemically important banks ("**G-SIBs**"). The TLAC standard has been designed so that failing G-SIBs will have sufficient loss-absorbing and recapitalisation capacity available in resolution for authorities to implement an orderly resolution that minimises impacts on financial stability, maintains the continuity of critical functions, and avoids exposing public funds to loss. The TLAC standard defines a minimum requirement for the instruments and liabilities that should be readily available for bail-in within resolution at G-SIBs, but does not limit authorities' powers under the applicable resolution law to expose other liabilities to loss through bail-in or the application of other resolution tools. G-SIBs will be required to meet the TLAC requirement alongside the minimum regulatory requirements set out in the Basel III framework from 1 January 2019 on. In the most recent list of G-SIBs updated by the FSB and the BCBS on 3 November 2015 BCR is not included and therefore, currently would not be subject to the TLAC standard. Whilst there are a number of similarities between the MREL requirements and the TLAC standard, there are also certain differences in the requirements and the timescales for implementation. It remains to be seen whether there will be any further convergence which may have impact on BCR through MREL or any additional or amended requirements in the future within the EU applicable to BCR.
- *European Banking Authority's 2016 EU-wide Stress Test*. One of EBA's responsibilities is to ensure the orderly functioning and integrity of financial markets and the stability of the financial system in the EU. To this end, the EBA is mandated to monitor and assess market developments as well as to identify trends, potential risks and vulnerabilities stemming from the micro-prudential level. One of the primary supervisory tools to conduct such an analysis is the EU-wide stress test exercise. The EBA's EU-wide stress tests are conducted in a bottom-up fashion, using consistent methodologies, scenarios and key assumptions developed in cooperation with the European Systemic Risk Board ("**ESRB**"), the ECB and the European Commission.

On 24 February 2016, the EBA launched the 2016 EU-wide stress test designed to provide supervisors, credit institutions and other market participants with a common analytical framework to consistently compare and assess the resilience of EU credit institutions to economic shocks. The 2016 EU-wide stress test was conducted on a sample of 51 EU credit institutions from 15 EU and EEA countries covering 70 per cent. of the banking sector in the EU and was run at the highest level

of consolidation. The adverse stress test scenario was set by the ECB/ESRB and covers a three-year time horizon (2016-2018). The test does not contain a pass fail threshold and instead is designed to be used as an essential piece of information for the supervisory review process in 2016. The results allow competent authorities to assess the banks' ability to meet applicable minimum and additional own funds requirements under stressed scenarios based on a common methodology and assumptions. On 29 July 2016, EBA published the results of the 2016 EU-wide stress test. From a starting point of 13.2 per cent. CET1, the stress test revealed the resilience of the EU banking sector to an adverse scenario with an impact of 380 bps CET1 on average. Although none of the Romanian banks were assessed directly, BCR's parent company Erste Group Bank AG was among the banks that were subject to the test. The application of the adverse scenario resulted in a phased-in CET 1 ratio of 8.2 per cent. (year-end 2018) in the case of Erste Group Bank AG versus a starting point of 12.3 per cent. at the end of 2015. In total, the stress-induced change amounted to -416 bps. This compares to a change of -233bps in the 2014 EBA stress test and resulted in a higher phased-in CET1 ratio of 8.9 per cent. at the end of the forecast period.

- *Structural Reform of the European Banking Sector.* On 29 January 2014, the European Commission proposed new rules on structural measures to improve the resilience of EU credit institutions. The proposal aims at further strengthening the stability and resilience of the EU banking system and shall complete the financial regulatory reforms undertaken over the last few years by setting out rules on structural changes for "too-big-to-fail banks". Therefore, the proposal focuses mainly on credit institutions with significant trading activities, whose failure could have a detrimental impact on the rest of the financial system and the whole economy.

The proposal foresees the following structural changes:

- i. banning proprietary trading in financial instruments and commodities (i.e. trading on own account for the sole purpose of making profit for the credit institution);
- ii. granting supervisors the power and, in certain instances, the obligation to require the transfer of other high-risk trading activities (such as market-making, complex derivatives and securitisation operations) to separate legal trading entities within the group; credit institutions shall have the possibility of not separating activities if they can show to the satisfaction of their supervisor that the risks generated are mitigated by other means; and
- iii. providing rules on the economic, legal, governance, and operational links between the separated trading entity and the rest of the banking group.

These proposed structural separation measures shall be accompanied by provisions improving the transparency of shadow banking and foresee respective transition periods: the proprietary trading ban would apply as of 1 January 2017 and the effective separation of other trading activities as of 1 July 2018.

For the time being, it remains unclear whether the Issuer would be subject to the proposal once implemented.

- *MiFID II / MiFIR.* One of the current regulatory initiatives relates to the EU regulatory framework set by Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (*Markets in Financial Instruments Directive II - "MiFID II"*) and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (*Markets in Financial Instruments Regulation - "MiFIR"*) which will effect regulatory changes affecting derivatives and other financial instruments. As a result, there will be increased costs and increased regulatory requirements. As such changes are still in the process of being implemented, the full impact of MiFID II and MiFIR remains to be clarified. According to a press release dated 10 February 2016, the European Commission has proposed a one year extension to the entry into application of MiFID II (from 3 January 2017 to 3 January 2018).

Additional, stricter and/or new regulatory requirements may be adopted in the future, and the regulatory environment in many markets in which BCR operates continues to develop and change, including, for example, the SSM and the Banking Union within the EU. BCR is subject to ECB banking supervision via Erste Group Bank AG. The substance and scope of any such new laws and regulations as well as the manner in which they will be adopted, enforced or interpreted may increase BCR's financing costs and could have an adverse effect on BCR's business, financial condition, results of operations, liquidity or prospects.

Legislative and/or regulatory changes in the current definitions of what is deemed to qualify as own funds could reduce BCR's eligible capital and/or require reducing the risk-weighted assets of BCR. There can be no assurance that, in the event of any further changes of the applicable rules, adequate grandfathering or transition periods will be implemented to allow BCR to repay or replace such derecognised own funds instruments in a timely fashion or on favourable terms.

BCR may therefore need to obtain additional capital in the future. Such capital, whether in the form of ordinary shares or other instruments recognised as own funds, may not be available on attractive terms or at all. Further, any such regulatory development may expose BCR to additional costs and liabilities, may require BCR to change how it conducts its business or otherwise have a negative impact on its business, the products and services it offers and the value of its assets. There can be no assurance that BCR would be able to increase its capital ratios sufficiently or on time. If BCR is unable to increase its capital ratios sufficiently, its ratings may drop and its cost of funding may increase, the occurrence of which could have a material adverse effect on its business, financial condition and results of operations.

***The Issuer is obliged to contribute amounts to the Single Resolution Fund and to ex-ante financed funds of the deposit guarantee schemes; this results in additional financial burdens for the Issuer and thus, adversely affects the financial position of the Issuer and the results of its business, financial condition and results of operations.***

Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (the "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. The DGSD is a recast of the previous system resulting from the original Directive on Deposit Guarantee Schemes 94/19/EC. In principle, the target level of *ex-ante* financed funds for Deposit Guarantee Schemes ("DGS") is 0.8 per cent. of covered deposits to be collected from credit institutions until the final date (3 July 2024). In Romania the DGSD has been implemented through the Deposit Guarantee Act no. 311/2015 ("*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 will have to pay additional (*ex-post*) contributions to a certain extent, which will be limited in order to avoid pro-cyclicality and worsening the financial situation of healthy credit institutions.

The obligation to contribute amounts for the establishment of the SRF and the *ex-ante* funds to the DGS could result in additional financial burdens for the Issuer and thus, could adversely affect the financial position of the Issuer and the results of its business, financial condition, results of operations liquidity or prospects.

***Rating agencies may suspend, downgrade or withdraw a rating of BCR or of 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 rating is the opinion of a 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. It is not a recommendation to buy, sell or hold securities.

Such credit ratings have been issued, at the request of the Issuer, by Fitch Ratings Ltd ("**Fitch**"), a credit rating agency established in the European Community and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009, as amended. BCR's current long-term credit rating assigned by Fitch is BBB, its short-term rating is F2 and its outlook is stable.

BCR has also been rated by Moody's Deutschland GmbH ("**Moody's**") on an unsolicited basis, i.e. exclusively based on publicly available information. Thus, the rating assigned by Moody's to BCR was not performed at the request or with the co-operation of BCR in the rating process. In September 2016, Moody's affirmed the ratings and changed the outlook to positive. BCR's current long-term credit rating assigned by Moody's is Ba1, its short-term rating is NP (not prime) and its outlook is positive.

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

A rating agency may also suspend, downgrade or withdraw a 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 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 a credit rating of BCR 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 and would as a consequence have a material adverse effect on its business, financial condition, results of operations, liquidity or prospects.

***BCR is subject to the risk that liquidity may not be readily available***

BCR, like many other banks, relies on customer deposits (corporate and individuals) to meet a substantial portion of its funding requirements. The majority of BCR's deposits are retail deposits, a significant proportion of which are demand deposits. Such deposits are subject to fluctuation due to factors outside BCR's control, and BCR can provide no assurances that it will not experience a significant outflow of deposits within a short period of time. 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 reduce liquid assets, which may not be possible on economically beneficial terms, if at all. At the same time, funding from the parent company could be limited in case the Austrian financial market regulator will consider changing or implementing stricter rules on funding by the Erste Group Bank AG of its subsidiaries (which include BCR).

As credit providers, BCR and its subsidiaries are exposed to market liquidity risk, which arises from an inability to easily sell an asset because there is inadequate market liquidity or market disruption. They are also exposed to funding liquidity risk, which is an exposure to losses arising out of a change in the cost of refinancing, or from a spread over a certain horizon and confidence level, 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.

Credit and money markets worldwide have experienced a reluctance of banks to lend to each other because of uncertainty as to the creditworthiness of the borrowing bank. Even a perception among market participants that a financial institution is experiencing greater liquidity risk may cause significant damage to the institution, since potential lenders may require additional collateral or other measures that further reduce the financial institution's ability to secure funding. This increase in perceived counterparty risk has led to further reductions in the access of BCR, along with other banks, to traditional sources of liquidity, and may be compounded by further regulatory restrictions on capital structures and calculation of regulatory capital ratios.

If BCR has difficulty in securing adequate sources of short- and long-term liquidity or if there were material deposit outflows this would have a material adverse effect on its business, financial condition, results of operations, liquidity or prospects.

***BCR may have difficulty recruiting new talent or retaining qualified employees.***

BCR's existing operations and ability to offer new products depend on its ability to retain existing employees and to identify and recruit additional talents with the necessary qualifications and level of experience in banking. In Romania, as in many of the other Central and Eastern Europe markets, the pool of individuals with the required set of skills is smaller than in most Western European countries. If hiring should not be the outcome of a qualitative staff plan but happen more on an ad hoc or short term basis, the risk of high staff turnover or not creating a valid succession pool would be high. Missing leadership responsibility in setting the respective development measures or not promoting high-performers which may then leave BCR would not decrease. Furthermore, nominations of employees as talents without overall valid high quality criteria may prove wrong and cause the risk of false investments and higher costs.

Increasing competition for labour in Romania from other international financial institutions may also make it more difficult for BCR to attract and retain qualified employees and may lead to rising labour costs in the future. Moreover, if caps or further restrictions under CRD III or CRD IV were to be imposed on salaries or bonuses paid to executives of BCR or its subsidiaries, BCR's ability to attract and retain high-quality personnel could be limited and could result in losses of qualified personnel. If BCR is unable to attract and retain new talent or if competition for qualified employees increases its labour costs, this could have a material adverse effect on BCR's business, financial condition, results of operations, liquidity or prospects.

***BCR's major shareholder is able to control shareholder actions.***

As of the date of this Prospectus, the majority of voting rights in BCR is held by Erste Group Bank AG (93.5783 per cent.). Hence, Erste Group Bank AG 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 of BCR.

As a result, Erste Group Bank AG is able to control the outcome of most decisions requiring shareholder approval. Therefore, it is possible that Erste Group Bank AG 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.

***Compliance with anti-money laundering, anti-corruption and anti-terrorism financing rules involves significant costs and efforts and non-compliance may have severe legal and reputational consequences.***

BCR is subject to rules and regulations regarding money laundering, corruption and the financing of terrorism. These rules and regulations have been tightened in recent years and may be further tightened and more strictly enforced in the future in particular by implementing the fourth anti-money laundering directive (Directive (EU) 2015/849 of the European Parliament and of the Council). Monitoring compliance with anti-money laundering, anti-corruption and anti-terrorism financing rules can result in a significant financial burden on banks and other financial institutions and can pose significant technical problems. BCR cannot guarantee that it is in compliance with all applicable anti-money laundering, anti-corruption and anti-terrorism financing rules at all times or that its Group-wide anti-money laundering, anti-corruption and anti-terrorism financing standards are being consistently applied by its employees in all circumstances. Any violation of anti-money laundering, anti-corruption or anti-terrorism financing rules, or even alleged violations, may have severe legal, monetary and reputational consequences and could have a material adverse effect on BCR's business, financial condition, results of operations, liquidity or prospects.

***Risks relating to investments in Romania as emerging market***

***Romania is still an emerging market and may pose higher risks than developed markets.***

Investors in companies operating in emerging markets such as Romania should be aware that these markets pose higher risks than developed markets. Romania may be subject to rapid and sometimes unpredictable political, legal, social and economic changes, including economic recessions, high inflation rates, fluctuations of the exchange rate, material market disruptions and significant and frequent changes in legislation and that the information included in this section may become outdated relatively quickly. At the same time, Romania may be subject to spill-over effects radiating from political, legal, social and economic changes occurring in the European Union or in neighboring countries.

Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved, and investors are urged to consult their own legal and financial advisers before making an investment in the Notes.

Furthermore, Romania's economy is vulnerable to market downturns and economic slowdowns elsewhere in the world. The impact of global economic developments is often felt more strongly in emerging markets such as Romania than it is in more mature markets. As it has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Romania and its economy could face severe liquidity constraints, with a significant impact on BCR's activities. In particular, BCR's business activities are dependent on the level of banking, finance and financial services required by its customers. Levels of borrowing are dependent on customer confidence, employment trends, the state of the economy, the housing market and market interest rates at the time. As BCR currently conducts almost all of its business in Romania, its performance is influenced by the level and cyclical nature of business activity in Romania, which is in turn affected by both domestic and international economic and political events. The deterioration of the general economic situation in Romania or of the global economy may have a material adverse effect on BCR's business, financial condition, results of operations, liquidity or prospects.

***Romania may face difficulties related to its post-accession process to the European Union.***

Romania joined the European Union in January 2007. During the post-accession process, to smoothen the entry of Romania, the European Union decided to establish a special "cooperation and verification mechanism" to help Romania address certain outstanding shortcomings in various fields such as judicial



reform and the fight against corruption<sup>\*</sup>. For Romania, the European Commission has established the following four benchmarks on which the Commission regularly verifies progress:

- ensuring a more transparent and efficient judicial process notably by enhancing the capacity and accountability of the Superior Council of Magistracy; reporting and monitoring the impact of the new civil and criminal procedures codes; and
- establishing an integrity agency with responsibilities for verifying assets, incompatibilities and potential conflicts of interest, and for issuing mandatory decisions on the basis of which dissuasive sanctions can be taken; and
- continuing to conduct professional, non-partisan investigations into allegations of high level corruption; and
- taking further measures to prevent and fight against corruption, in particular within the local government.

Failure by Romania to address these benchmarks adequately entitles the European Commission to apply safeguard measures based on the acts for admission of Romania to the European Union, including the suspension of Member States' obligation to recognise and execute, under the conditions laid down in Community law, Romanian judgments and judicial decisions, such as European arrest warrants.

The latest European Commission progress report on the Co-operation and Verification Mechanism<sup>†</sup> with Romania approved and published by the European Commission on 27 January 2016 pointed to the steps taken by Romania to pursue judicial reform and fight corruption, topics which remain important issues for Romanian society. The same report also noted that further support to the consolidation of reform is needed to ensure the irreversibility of progress.

Although Romania has registered a certain progress in the achievement of the objectives set out by the European Commission, the risk of having safeguard measures imposed upon it may not be excluded. Applying any safeguard measures according to the above may result in a loss of investor confidence in the Romanian economical and financial climate which could have a material adverse effect on BCR's business, financial conditions, results of operations, liquidity or prospects.

***The Romanian legal system and procedural safeguards are not yet fully developed.***

BCR's operations in Romania are subject to, and 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 to comply with applicable laws and regulations may result in fines or other sanctions by the relevant regulator and may have negative reputation consequences.

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, bankruptcy law and other areas of law in these countries 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, 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. The relatively limited experience of a significant number of the magistrates 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 a civil law jurisdiction, 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.

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<sup>\*</sup> Source: Commission Decision 2006/928/EC of 13 December 2006 establishing a mechanism for cooperation and verification of progress in Romania to address specific benchmarks in the areas of judicial reform and the fight against corruption (OJ L 354, 14.12.2006, p. 56).

<sup>†</sup> Report from the Commission to the European Parliament and the Council - On Progress in Romania under the Co-operation and Verification Mechanism, Brussels, 27.01.2016 COM(2016) 41 final (ec.europa.eu/cvm/docs/com\_2016\_4\_en.pdf).

***Recently there have been an increasing number of legislative initiatives on consumer protection focused on financial and banking regulation that entail retroactive changes to bank-customer contracts or supporting borrowers***

On 25 November 2015 a draft law on the discharge of debt obligations arising from credit agreements by "payment in kind" through the transfer of mortgaged property to the creditor was adopted by the Chamber of Deputies of the Romanian Parliament, and on 9 December 2015 was submitted for promulgation to the President of Romania. After initially the Presidency sent it back for re-examination and was re-debated by members of the Chamber of Deputies, it finally came into force on 13 May 2016 in a slightly amended form as compared to the initial draft.

The law allows for the discharge in full of any loans contracted by a natural person and secured by a mortgage arrangement, including any accessories in connection therewith. It applies to credit agreements concluded both after its entry into force as well as to all outstanding credit agreements, regardless if the collateral was enforced in full or not. Also, it applies to both performing and non-performing loans, but exempts the loans granted under the governmental backed programme "Prima Casa" and loans exceeding EUR 250,000. Before coming into force, all international financial institutions and particularly the NBR advised the Romanian authorities to carefully consider the impact of the law in order to ensure legal certainty and avoid undue interference with the contractual and property rights of credit institutions. The ECB issued an opinion in December 2015 on the initial draft of the law, underlining the potential adverse effects on the banking sector, on the financial stability and on the Romanian economy overall: "The draft legislative provisions may have negative implications for credit institutions, with a potential impact on profitability, capitalisation and future lending capacity, the functioning of the financial system, as well as on the overall cost and conditions of credit. In a worst case scenario, such implications could lead to capital shortfalls, potentially requiring prudential measures. It is noted that, should the draft legislative provisions enter into force, Romanian credit institutions would need to engage in the business of managing the real estate assets tendered to them in discharge of debts due to them under credit agreements". In March 2016, all credit rating agencies warned that passing this law would have an impact on Romania's sovereign rating. The EC mentioned on several occasions that the implementation of the law on debt discharge represents a major downward risk for macroeconomic developments, the main concerns being the retroactive and wide applicability, as well as the fact that the law applies independently of the financial status of the debtors. However, the warnings were based on the bill of law and not the actual law enacted, which includes significant improvements as compared to the initial drafts, such as above referred and other exemptions. To date, no rating agency has changed the outlook or downgraded Romania's current long-term foreign currency ratings (in July 2016 Fitch affirmed Romania's long-term foreign currency rating at 'BBB-' with stable outlook, while it downgraded the long-term local currency rating to 'BBB-' from 'BBB', stressing the negative pressures on medium-term fiscal sustainability as a result of sizable tax cuts under the Fiscal Code. On 8 April 2016 Standard & Poor's affirmed Romania at 'BBB-' with stable outlook and on 10 June 2016 Moody's semi-annual update on Romania maintained a 'Baa3' rating with positive outlook). In case of a change in the outlook or a downgrade in Romania's rating, the public debt financing cost will go up, triggering direct effects on the general government budget.

Other legislative initiatives that may affect financial stability, such as the draft law on converting CHF-denominated loans based on historical exchange rates, are currently under parliamentary debate at various stages or up for promulgation by the president.

Some of these initiatives may result in significant losses for creditors, affecting profitability and solvency, and may lead to systemic risks becoming manifest. The legislative uncertainty associated with the banking sector also leads to tighter credit standards and lower financial intermediation.

**Applicable Romanian bankruptcy law and other laws and regulations governing creditors' rights may limit BCR's ability to obtain payments on defaulted loans and advances.**

Romanian bankruptcy and enforcement laws may not offer in all respect the same level of rights, remedies and protections that creditors enjoy under the legal regimes in other EU jurisdictions. In particular, Romanian bankruptcy and enforcement laws and practice may make it comparatively more difficult and time-consuming for BCR to recover amounts in respect of its secured and unsecured claims before the Romanian courts. In 2015, insolvency in Romania witnessed mixed dynamics, i.e. the number of companies having declared themselves insolvent shrank by half, yet this favourable evolution was offset by a larger incidence of such cases among large companies. At the same time, the volume of major payment incidents generated by non-financial corporations continued to contract, especially in the second part of 2015. Insolvent companies, as well as the companies reporting net losses, have largely been responsible for the worsening payment discipline across the economy. Considering that a significant part of BCR's assets are due from debtors

and/or secured by assets that are or are likely to be in the future subject to Romanian bankruptcy and enforcement laws, the above could adversely affect BCR's business, financial condition, results of operations, liquidity or prospects and its ability to make payment under the Notes.

Inability to obtain effective legal remedies in a reasonably timely manner may adversely affect BCR's business, financial condition, results of operations, liquidity or prospects and the trading price of the Notes.

***Committed EU funds may not be released or further aid programmes may not be adopted by the EU.***

Romania has been promised funds for infrastructure and other projects in substantial amounts by the EU and international credit institutions, including the European Bank for Reconstruction and Development ("EBRD"), the International Monetary Fund ("IMF") and the European Investment Bank ("EIB"). If these funds are not released, are released only in part or with delay (including because of Romania's up to present very poor 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 national economy could be adversely affected, which would, in turn, negatively affect BCR's business.

***Loss of customer confidence in BCR's business or in banking businesses generally could result in unexpectedly high levels of customer deposit withdrawals, which could have a material adverse effect on BCR's results, financial condition and liquidity.***

The availability of BCR's customer deposits to fund its loan portfolio 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, ratings downgrades and significant further 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. In such extreme circumstances BCR may not be in a position to continue to operate without additional funding support, which it may be unable to access. A change in the funding structure towards less stable and more expensive funding sources would also result in higher liquidity buffer requirements.

***Liquidity problems experienced by certain Central and Eastern Europe ("CEE") countries may adversely affect Romania and the broader CEE region and could negatively impact BCR's business results and financial condition.***

In the past, Romania (like other countries in the CEE) turned to international institutions for assistance with liquidity problems, and other countries in the CEE may be forced to do the same. If such liquidity problems should occur (again), this could have significant consequences throughout the region, including foreign banks withdrawing funds from their CEE subsidiaries (including their Romanian subsidiaries), thereby weakening local economies and affecting customers of BCR who borrow from a number of different banks. This could also lead to an increase of defaults throughout the economy or by BCR customers and, accordingly, could have a material adverse effect on BCR's business, financial condition, results of operations, liquidity or prospects.

***Governments in CEE countries, including Romania, may react to financial and economic crises with increased protectionism, nationalisations or similar measures.***

Governments in CEE countries, including Romania, could take various protectionist measures to protect their national economies, currencies or fiscal income in response to financial and economic crises, including among other things:

- order loans denominated in foreign currencies like EUR, USD or CHF to be converted into local currencies at set interest and/or exchange rates, in some cases below market rates, such as the law recently adopted by the Romanian Parliament and which is currently with the Romanian President for promulgation, or allow loans to be assumed by government entities, potentially resulting in a reduction in value of such loans;
- set limitations on the repatriation of profits (either through payment of dividends to their parent companies or otherwise) or export of foreign currency;
- set out regulations limiting interest rates and fees for services that can be charged and other terms and conditions;

- prohibit money transfers abroad by banks receiving state support measures (e.g., loans granted to banks from sovereigns or covered by sovereign deposit guarantees);
- introduce or increase banking taxes or legislation imposing levies on financial transactions or income generated through banking services or extend such measures previously introduced on a temporary basis; and
- nationalise local banks, with or without compensation, in order to stabilise the banking sector and the economy.

Any of these or similar state actions could have a material adverse effect on BCR's business, financial condition, results of operations, liquidity or prospects.

**BCR may be adversely affected by slower growth or recession in the banking sector.**

Banking sector growth in Romania has significantly declined compared to years prior to 2008. Economic growth in Romania and the region may be further constrained in the coming years by continuing effects of the last financial crisis and recession, as well as a slowing expansion of the Eurozone and the EU and increasing constraints on the EU budget, which may reduce various subsidies to CEE countries. In addition, EU legal, fiscal and monetary regulations may limit a country's ability to respond to local economic conditions.

## **Factors which are material for the purpose of assessing the market risks associated with Notes to be issued pursuant to this Prospectus**

***The Notes may not be a suitable investment for all investors if they do not have sufficient knowledge and/or experience in the financial markets and/or access to information and/or financial resources and liquidity to bear all the risks of an investment and/or a thorough understanding of the terms of the Notes and/or the ability to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment.***

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement hereto;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

**Investors should be aware that they may lose the value of their entire investment or part of it, as the case may be. However, each investor's liability is limited to the value of his investment (including incidental costs).**

### **Risks relating to an Index or Index basket as reference asset**

***Factors having a negative effect on the Performance of the Index may also affect the value and the Interest or Redemption Amount of the Notes.***

The development of the value of the Notes and the amount of interest or redemption payments are dependent on the development of the price of the Index (the "**Index**") underlying the Notes. The performance of the Index in turn depends on the individual components of the Index of which the relevant Index is comprised. Equity indices are comprised of a synthetic portfolio of shares. Therefore, the performance of an Index is dependent on the macroeconomic factors that underlie the Index, such as interest and price levels on the capital markets, currency developments, political factors as well as company-specific factors such as the earnings position, market position, risk situation, shareholder structure and distribution policy. During the term of the Notes, the market price of the Notes may deviate from the performance of the Index or the components of the Index, since in addition to other factors, for example the correlations, volatilities, interest rate level etc. may also influence the development of the price of the Notes.

***Notes relating to a price Index do not take into account dividends and other distributions, since they are not reflected in the price of such an Index.***

The applicable rules for the composition and calculation of the underlying Index may provide for, e.g., in the case of a so-called price Index, that dividends paid on its components are not taken into account and, therefore, do not lead to an increased level of the Index, which may in turn lead to a decline of the level of the Index, although all other circumstances remain unchanged. As a result, in cases where a reference asset is such type of Index, the purchasers of Notes will not participate in dividends or other distributions paid on the components contained in the Index. Even if the rules of the relevant underlying Index provide for that distributed dividends or other distributions of the components of the Index are generally reinvested in the Index, in some circumstances the dividends or other distributions may not be fully reinvested in the Index.

***The Issuer has no influence on the existence, composition and calculation of the Index.***

The Issuer has no influence on the existence, composition, calculation and the rules of the Index. For example, the sponsor of the Index can add, delete or substitute the components of the Index or make other methodological changes that could change the weighting of one or more components of the Index. The changing of components of any Index may affect the level of such Index, as a newly added company may perform significantly worse or better than the company it replaces, which in turn may affect the payments made by the Issuer to the Holders. The Index sponsor of any such Index may also alter, discontinue or suspend the calculation or dissemination of the Index.

***Certain events in relation to the Index may result in an adjustment or early redemption of the Notes.***

Holders bear the risk that the Notes may be adjusted or terminated early by the Issuer if other Index-relevant events occur.

If a valuation date is a disrupted day or if it is not an index business day, the original valuation date will be postponed. If the valuation date, due to the postponement, falls on the reference cut-off date, the calculation agent will, irrespective of whether it is a disrupted day, determine the level of the Index in line with the formula and method of calculation for the Index, which were last applicable prior to the reference date, by using the stock exchange price of the components of the Index. In this respect, it will estimate the stock exchange price in its good faith, if the reference date for the respective component of the Index is a disrupted day.

If the Index sponsor is replaced by a successor index sponsor or the Index is replaced by a successor index, the calculation agent may adjust the Notes appropriately.

If the calculation agent determines that an index adjustment event has a material effect on the Notes, it may either adjust the level of the Index in line with the composition, formula and method for the calculation of the Index, which were last applicable prior to the occurrence of the index adjustment event or, if such an adjustment is not possible or unreasonable for the Issuer, terminate the Notes early.

The occurrence of these events in relation to the Index as well as adjustments and early redemption, may adversely affect the value of the Notes or the amount of redemption of the Notes.

***The sponsor of the Index does not carry out any activity which affects the value of the Index and does not issue investment recommendations regarding the Index.***

The sponsor of the Index or licensor does not carry out sales or promotional or marketing activities for the Notes. It does not give investment advice for the Notes. In particular, the Index is determined, comprised and calculated by the sponsor of the Index or licensor without consideration of the Issuer and the Notes.

The sponsor of the Index will have no involvement in the offer and sale of the Notes and will have no obligation to any purchaser of such Notes. The sponsor of the Index may take any actions in respect of such an Index without regard to the interests of the purchasers of the Notes, and any of these actions could adversely affect the market value of the Notes.

Neither the sponsor of the Index nor the licensor assume any responsibility or liability for the marketing or trading of the Notes.

***If one or several components of the Index underlying the Notes are linked with emerging markets, a Holder must expect considerable political and economic uncertainty, which may considerably affect the price development of the Notes.***

If one or several components of the Index underlying the Notes are linked with emerging markets (e.g. shares listed in emerging markets), an investor must expect considerable political and economic insecurity. On the one hand, this leads to a high volatility of the value of an investment in these markets and, on the other hand, to a higher risk that this investment will be entirely lost. The political, social and economic situation of an emerging market is not comparable to that of Western Europe. Even small setbacks may weaken the economic situation to a greater extent. In the case of an investment in the Notes, it should always be taken into account that they are also considerably dependent on the political and economic instability of the relevant emerging market. This includes, *inter alia*, the risk of a higher market volatility on the stock and foreign exchange market and higher government restrictions. There is the risk that restrictions for investors (e.g. foreign exchange restrictions), expropriation, punitive taxation, nationalisation or negative social or political measures or events (e.g. political upheaval) are introduced. Legal changes are not unusual and the outcome is often not foreseeable. Even existing laws and claims are not enforceable or only

enforceable with difficulties due to the deficient legal system. In addition, investments relating to an emerging market bear the risk that the markets have a low capitalisation. In the case of a low market capitalisation, there is the risk that an investment cannot be sold at a fair market price or not in the required time frame. Markets in emerging markets are not regulated or poorly regulated (e.g. stock exchanges). Therefore, there is an increased risk to suffer losses due to corruption, fraud or organised crime. All of these factors may have a significant influence on the performance of the Notes.

***Holders do not have any rights to the components of the Shares underlying the Index***

Even if the amount of the payment to be made on the Notes is entirely dependent on the performance of the underlying Index, the Notes do not give a right to assert claims against the issuer of the shares underlying the Index.

**Risks relating to Shares or a Share basket as reference asset**

***Factors having a negative effect on the performance of the Shares may also affect the value and Interest or Redemption Amount of the Notes.***

The development of the value of the Notes and the amount of interest or redemption payments are dependent on the development of the price of the Shares underlying the Notes (the "**Shares**"). The development of the Share price cannot be predicted and is determined by macroeconomic factors, e.g. the interest rate or price level on capital markets, currency developments, political circumstances, as well as company-specific factors such as the earnings situation, market position, risk situation, shareholder structure, and distribution policy.

***Notes relating to Shares do not take into account any dividends and other distributions.***

Purchasers of the Notes do not receive dividends or other distributions, which are paid on Shares serving as reference asset, and dividends or other distributions will also not be reflected in the price of the shares or the Notes, which may lead to a declining price of the Notes, although all other circumstances remain unchanged. Therefore, the return on the Notes will not reflect the return a purchaser would have realised had he or she actually acquired such shares and received the dividends on them. The Holders also do not have voting rights regarding the share.

***Holders do not have any claims against the Share issuer.***

Even if redemption of the Notes is significantly dependent on the performance of the underlying share, the Notes do not give any recourse rights or other claims against the issuer of the shares underlying the Notes.

***Certain events in relation to the Share may result in an adjustment or early redemption of the Notes.***

A Holder bears the risk that the Notes may be adjusted or terminated early by the Issuer if the Share-relevant events occur.

If a valuation date is a disrupted day or if it is not an exchange business day, the original valuation date will be postponed. If the valuation date, due to the postponement, falls on the reference cut-off date, the calculation agent will determine the relevant share price at its reasonable discretion, irrespective of whether it is a disrupted day.

If the calculation agent determines that a potential adjustment event has occurred which has a dilutive or concentrative effect on the theoretical value of the Shares, it will (i) if applicable, appropriately adjust the redemption amount and/or any other value, which is suitable, at the reasonable discretion of the calculation agent, to account for the dilutive or concentrative effect, and (ii) determine the effective date of that adjustment. Potential adjustment events are, *inter alia*, (a) a subdivision, consolidation or reclassification of the Shares, (b) a distribution/dividend against payment below the market price, (c) an extraordinary dividend, (d) a call on Shares, which have not been paid in full, (e) a repurchase of Shares by their issuer or one of its subsidiaries, (f) an event resulting in a distribution or separation of shareholders' rights from the capital and which occurs based on a plan against hostile takeovers to distribute capital below the market price or (g) any other event, which has a dilutive or concentrative effect on the theoretical value of the shares.

If the calculation agent determines that a change in law, hedging disruption, increased cost of hedging and/or insolvency filing has occurred, it has reasonable discretion to (i) make certain adjustments to the payment and other conditions to account for the economic consequences of the relevant event or (ii) to terminate the Notes extraordinarily. If a merger event, tender offer, delisting, nationalisation, or insolvency

occurs in relation to any Share, the Issuer in its reasonable discretion, may require the Calculation Agent make certain adjustments or terminate the Notes extraordinarily.

The occurrence of these events in relation to the reference asset as well as adjustments and early redemption may adversely affect the value of the Notes or the redemption amount of the Notes.

### **Risks related to the trading of the Notes**

#### ***There is no active trading market for Notes.***

Notes to be issued pursuant to this Prospectus will be new securities which may not be widely distributed and for which there is currently no active trading market, and one may never develop. The development of a market for the Notes will depend on factors such as prevailing interest rates, the market for similar securities, general economic conditions and financial condition of BCR. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Lack of liquidity may have a severely adverse effect on the market value of Notes.

#### ***The Issuer may be unable to have the Notes admitted to trading on the Luxembourg Stock Exchange, the Bucharest Stock Exchange, the Vienna Stock Exchange and/or any other stock exchange.***

The admission of the German Law Governed Notes to trading on the Luxembourg Stock Exchange requires that this Prospectus is approved by the CSSF as the competent authority in Luxembourg under the Prospectus Directive and that the Luxembourg Stock Exchange approves the listing and trading of the German Law Governed Notes. Admission to trading on the Luxembourg Stock Exchange is subject to certain requirements. The admission of the Romanian Law Governed Notes to trading on the BVB requires that this Prospectus is approved by the CSSF and that the Romanian Financial Supervisory Authority receives a certificate from the CSSF confirming that this Prospectus has been approved by it (fulfilling the European passporting formalities), and that the BVB approves the listing and trading of the Romanian Law Governed Notes. Admission to trading on the BVB is subject to certain requirements. The admission of the German Law Governed Notes to trading on the Vienna Stock Exchange requires that this Prospectus is approved by the CSSF and that the Austrian Financial Supervisory Authority receives a certificate from the CSSF confirming that this Prospectus has been approved by it (fulfilling the European passporting formalities), and that the Vienna Stock Exchange approves the listing and trading of the German Law Governed Notes. Admission to trading on the Vienna Stock Exchange is subject to certain requirements. BCR intends to take all necessary steps to ensure that all German Law Governed Notes are admitted to trading on the Luxembourg Stock Exchange and, if applicable, the Vienna Stock Exchange and that all Romanian Law Governed Notes are admitted to trading on the BVB as soon as possible after the issuance of the Notes, if they shall be admitted to trading at all. However, there is no guarantee that, should the admission conditions change, all of such listing conditions will be met. Consequently, should the applicable admission conditions change, there is no assurance that the German Law Governed Notes will be admitted to trading on the Luxembourg Stock Exchange or the Vienna Stock Exchange and that the Romanian Law Governed Notes will be admitted to trading on the BVB on the estimated dates or at all.

If the Notes are not listed on any stock exchange, pricing information for such Notes may, however, be more difficult to obtain, which may adversely affect the liquidity of the Notes. In an illiquid market, an investor might not be able to sell its Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country-specific reasons.

#### ***There is a lack of liquidity on the Bucharest Stock Exchange for the corporate bond market.***

As of January 2017, six corporate bond issues were registered for trading on the spot regulated market operated by BVB. A very small number of debt securities represent the gross majority of the debt trading volumes of BVB. There is no guarantee that the Romanian Law Governed Notes, even though expected to be listed on the spot regulated market operated by the BVB, will be actively traded, and if they are not, this is likely to increase their price volatility and/or adversely affect the price of the Romanian Law Governed Notes.



***There is a risk that the Notes or underlyings will be suspended or excluded from trading, which may have an adverse effect on the price of such Notes.***

The Luxembourg Stock Exchange or, if applicable, the Vienna Stock Exchange and the BVB have the right to suspend trading in listed bonds if BCR fails to comply with the regulations of the exchange (such as, for example, specific disclosure requirements) or if such suspension is necessary to protect the interests of market participants or the orderly functioning of the market is temporarily endangered. There can be no assurance that trading in the Notes will not be suspended. Any suspension of trading could adversely affect the trading price of the Notes. Moreover, if BCR fails to fulfil certain requirements or obligations under the applicable laws and regulations relevant to companies whose securities are listed on the Luxembourg Stock Exchange or, if applicable, the Vienna Stock Exchange or the BVB, or if the orderly stock exchange trading, the safety of trading thereon or investors' interests are endangered, the Notes can be excluded from trading on the respective stock exchange. There can be no assurance that such a situation will not occur in relation to the Romanian Law Governed Notes and/or the German Law Governed Notes. Where trading in an underlying of the Notes is suspended, interrupted or terminated, trading in the respective Notes will usually also be suspended, interrupted or terminated and existing orders for the sale or purchase of such Notes will usually be cancelled. Holders should note that the Issuer has no influence on trading suspension or interruptions (other than where trading in the Notes is terminated upon the Issuer's decision) and that Holders in any event must bear the risks connected therewith. In particular, Holders may not be able to sell their Notes where trading is suspended and the stock exchange quotations of such Notes may not adequately reflect the price of such Notes. Finally, even if trading in Notes is suspended or the Notes are excluded from trading, Holders should note that such measures may neither be sufficient nor adequate nor in time to prevent price disruptions or to safeguard the Holders' interests; for example, where trading in Notes is suspended after price-sensitive information relating to such Notes has been published, the price of such Notes may already have been adversely affected. All these risks would, if they materialise, have a material adverse effect on the Holders.

### **Risks related to the pricing of the Notes**

***The issue price of the Notes may include a margin on the mathematical (fair) value of the Notes.***

The sales price of the Notes may include a margin on the mathematical ("fair") value of the Notes, which cannot be identified by an investor ("**Margin**"). The Margin will be determined at the reasonable discretion of the Issuer and may differ from margins charged by other issuers for comparable notes. This Margin may be used e.g. for commission payments made by the Issuer to its distributors as remuneration.

***Since the Issuer will, when determining the price of the Notes on the secondary market, also take into account, in particular, the subscription fee (agio), the spread between bid and ask prices as well as commission and other fees in addition to the mathematical (fair) value of the Notes, the prices quoted by the Issuer may considerably deviate from the fair market value of the Notes.***

Prices quoted by the Issuer are determined by the Issuer itself based on internal pricing models. The Issuer is generally the only person quoting a price for the Notes.

The Issuer determines the prices based on factors such as, in particular, the fair value of the Notes, which *inter alia* depends on the index level, and, if the Issuer provides bid and ask prices, the spread between the bid and ask prices desired by the Issuer. In addition to this, a subscription fee (*agio*) initially charged for the Notes is regularly included as well as any fees or costs (*inter alia*, administrative, transaction or comparable fees according to the Final Terms) which are to be deducted upon maturity or settlement of the Notes from any payments to be made. The quotation of prices on the secondary market is also dependent e.g. on costs associated with the initial issue of the Notes on the primary market, such as distribution fees paid to third parties. Furthermore, the Issuer will include its own profit margin.

The bid-ask spread will be fixed by the Issuer based on supply and demand for the Notes and certain revenue considerations.

Certain costs, which were associated with the initial issue of the Notes on the primary market, such as the *agio* or distribution fees paid to third parties and/or trailer fees will first be added to the fair value of the Notes and increase their price, but will then often not be divided equally over the term of the Notes and deducted from the price when prices are quoted, instead they are deducted entirely from the fair value of the Notes at an earlier date at the reasonable discretion of the Issuer.

The prices quoted by the Issuer can, therefore, substantially differ from the fair value of the Notes, or the value of the Notes to be expected economically on the basis of the factors mentioned above, at the relevant time.

### **Risks related to the Notes generally**

**A wide range of Notes may be issued under this Prospectus. A number of these Notes may have features which contain particular risks for prospective investors. Set out below is a description of the most common such features.**

***Investors may be exposed to the risk of a partial loss of their investment.***

The return on the Notes depends on the performance of the underlying Share, Index, basket of Shares or basket of Indices. Investors may be exposed to the risk of a partial loss of their investment.

***The interest payments on the Notes may not be made free and clear of Romanian withholding tax.***

Under Romanian tax law, the Issuer is required to withhold 16 per cent. tax on interest paid to the following categories of Holders:

- Resident individuals;
- Non-resident individuals and non-resident legal entities

(without prejudice to the applicability of any treaties for avoidance of double taxation in force between Romania and the state of tax residency of a Holder, subject to the conditions set out in § 6 (*Taxation*) of the respective set of Issue Specific Conditions).

If the applicable Terms and Conditions of the Notes specify that no withholding tax gross-up is applicable, the Issuer is not obliged to gross up any payments in respect of the Notes and will not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Notes and all payments made by the Issuer will be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

Even if BCR chooses generally to pay additional amounts with respect to any Notes as a result of the imposition of withholding tax on interest payments on the Notes in accordance with Romanian tax law, Holders should note that in accordance with the Terms and Conditions of the Notes, certain exemptions may apply pursuant to which BCR will be exempt from paying such additional amounts.

Consequently, with respect to the non-resident Holder, payment of interest on the Notes shall be made to the paying agent, if one were to be appointed, net of the tax withholding applied in accordance with the Romanian law (without prejudice to the applicability of any treaties for avoidance of double taxation in force between Romania and the state of tax residency of a Holder providing for no deduction or withholding in Romania, or for a lower rate of deduction or withholding in Romania than the rate imposed under Romanian law for such income payment).

***Credit ratings of Notes may not adequately reflect all risks of the investment in such Notes and may be suspended, downgraded or withdrawn which could have an adverse effect on the market value and trading price of the Notes.***

A rating of Notes may not adequately reflect all risks of the investment in such Notes. Equally, ratings may be suspended, downgraded or withdrawn. Such suspension, downgrading or withdrawal may have an adverse effect on the market value and trading price of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

***The Notes are governed by German law or Romanian law, and changes in applicable laws, regulations or regulatory policies may have an adverse effect on BCR, the Notes and the Holders.***

The Terms and Conditions of the Notes will be governed either by German or Romanian law. Holders should thus note that the governing law may not be the law of their own home jurisdiction and that the law applicable to the Notes may not provide them with similar protection as their own law. Furthermore, no assurance can be given as to the impact of any possible judicial decision or change to German or Romanian law, or administrative practice after the date of this Prospectus.

***The statutory presentation period provided under German law and relating to redemption payments will be reduced under the Terms and Conditions applicable to the Notes in which case Holders may have less time to assert claims under the Notes.***

Pursuant to the Terms and Conditions of the Notes the regular presentation period of 30 years (as provided in § 801 (1) sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*)) will be reduced to ten years. In case of partial or total non-payment of capital due under the Notes the Holder will have to arrange for the presentation of the relevant Global Note to the Issuer. Due to the abbreviation of the presentation period the likelihood that the Holder will not receive the amounts due to him increases since the Holder will have less time to assert his claims under the Notes in comparison to holders of debt instruments the terms and conditions of which do not shorten the statutory presentation period at all or to a lesser degree than the Terms and Conditions of the Notes.

***In the event that any Notes are redeemed prior to their maturity, a Holder may be exposed to the risks that, depending on the structure of the Notes, the Notes will be redeemed at their fair market value and that his investment will have a lower than expected yield (risk of early redemption).***

The Issuer will always have the right to redeem the Notes if the Issuer is required to make additional (gross-up) payments for reasons of taxation. If the Issuer redeems the Notes prior to maturity, a Holder of Garant Index Notes, Index Notes, Garant Share Notes, Share Notes and Altiplano Notes will only receive the fair market value of the Notes adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arranging. In the case of Altiplano Notes, a Holder is exposed to the risk that its investment will have a lower than expected yield. Furthermore, the investor may only be able to reinvest the redemption proceeds in Notes with a lower yield or with a similar yield but a higher risk.

***In the case of a cap, a Holder will not be able to benefit from any actual favourable development beyond the cap.***

If the redemption amount of an issue of Notes is not fixed but will be determined according to the structure of Notes as set out in the relevant Final Terms of the Notes, such an issue may also incorporate a cap. The effect of a cap is that the redemption amount will never rise above the predetermined cap, so that the Holder will not be able to benefit from any actual favourable development beyond the cap. The yield could therefore be considerably lower than that of similarly structured Notes without a cap.

***If the relevant Terms and Conditions of the Notes provide for resolutions of Holders, certain rights of a Holder may be amended or reduced or even cancelled by way of resolutions, which could affect the Holder negatively.***

If the relevant Terms and Conditions of the Notes provide for resolutions of Holders, either to be passed in a meeting of Holders or by vote taken without a meeting, a Holder is subject to the risk of being outvoted by a majority resolution of the Holders. As such majority resolution properly adopted is binding on all Holders, certain rights of such Holder against the Issuer under the relevant Terms and Conditions of the Notes may be amended or reduced or even cancelled.

***If the relevant Terms and Conditions of the Notes provide for the appointment of a Joint Representative, a Holder may be deprived of its individual right to pursue and enforce its rights under the relevant Terms and Conditions of the Notes against the Issuer.***

If the relevant Terms and Conditions of the Notes provide for the appointment of a Joint Representative, either in the relevant Terms and Conditions of the Notes or by a majority resolution of the Holders, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the relevant Terms and Conditions of the Notes against the Issuer, such right passing to the Joint Representative who is then exclusively responsible to claim and enforce the rights of all Holders.

***The Notes may be subject to write down or conversion to equity upon the occurrence of a certain trigger event, which may result in Holders losing some or all of their investment in the Notes (statutory loss absorption).***

The powers provided to "resolution authorities" (in Romania, a separate division within the NBR) under the BRRD and the Resolution and Recovery Act include write-down and conversion to ensure that, *inter alia*, relevant capital instruments fully absorb losses at the point of non-viability (defined below) of the issuing institution and applying the bail-in tool with the objective of restoring the capital of the failing institution to enable it to continue to operate as a going concern. Accordingly, resolution authorities will be required to

order the write-down of such capital instruments on a permanent basis, or convert them into Common Equity Tier 1 items ("**CET 1**") (such as ordinary shares or other instruments of ownership), at the point of non-viability and before any other resolution tool (except the resolution authority decides to apply the bail-in tool) is made use of (statutory loss absorption). Resolution authorities shall exercise the write-down in relation to statutory loss absorption in a way that results in: (i) CET 1 items being reduced first in proportion to the relevant losses; and (ii) thereafter, if CET 1 is not sufficient to cover the relevant losses, the principal amount of Additional Tier 1 instruments ("**AT 1**") being reduced; and (iii) thereafter, if CET 1 and AT 1 are not sufficient to cover the relevant losses, the principal amount of Tier 2 instruments ("**Tier 2**") being reduced; and in case of a bail-in tool also: (iv) thereafter, if CET 1, AT 1 and Tier 2 are not sufficient to cover the relevant losses, other subordinated debt (in accordance with the hierarchy of claims in the normal insolvency proceedings); and (v) if still insufficient, the rest of eligible liabilities including certain senior debt (such as the Notes) (in accordance with the hierarchy of claims in the normal insolvency proceedings) being reduced down to zero on a permanent basis. When the bail-in tool is applied for the purpose of restoring the capital of the institution, conversion of non-equity instruments into CET 1 items is to be made in the same order. Public financial support would only be used as a last resort after having exploited the resolution tools, including the conversion and reduction of claims, to the maximum extent practicable.

As a safeguard, no creditor shall by use of these measures (either the bail-in tool or the write-down and conversion powers) be in a worse position than it would be in ordinary insolvency proceedings ("no creditor worse off principle").

For the purposes of the statutory loss absorption, the "point of non-viability" is the point at which the following conditions are met:

1. the competent authority or the resolution authority determines that the institution is failing or likely to fail, i.e.:
  - (a) the conditions for the withdrawal of the authorisation by the competent authority are met or there are objective elements to support a determination that this will be the case in the near future, including but not limited to because the institution has incurred or is likely to incur losses that will deplete all or a significant amount of its own funds;
  - (b) the assets of the institution are or there are objective elements to support a determination that the assets of the institution will, in the near future, be less than its liabilities;
  - (c) the institution is or there are objective elements to support a determination that the institution will, in the near future, be unable to pay its debts or other liabilities as they fall due;
  - (d) extraordinary public financial support is required except when the extraordinary public financial support takes certain forms in order to remedy a serious disturbance in the economy of a Member State and preserve financial stability; and
2. having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures, including measures by an institutional protection scheme, or supervisory action, including early intervention measures or the write-down or conversion of relevant capital instruments pursuant to Section 1, Chapter VI, Title IV of Law 312/2015 under Romanian law, taken in respect of the institution, would prevent the failure of the institution within a reasonable timeframe; and
3. in case of the application of the bail-in tool, a resolution action is necessary in the public interest.

Any write-down or conversion of all or part of the principal amount of any instrument, including accrued but unpaid interest in respect thereof, in accordance with the bail-in tool respectively the write-down and conversion powers would not constitute an event of default under the terms of the relevant instruments. Consequently, any amounts so written down or converted would be irrevocably lost and the holders of such instruments would cease to have any claims thereunder, regardless whether or not the institution's financial position is restored.

Hence, the Notes may be subject to write-down or conversion into CET 1 upon the occurrence of the relevant trigger event, which may result in Holders losing some or all of their investment in the Notes. The

exercise of any such power or any suggestion or anticipation of such exercise could, therefore, materially adversely affect the market price of the Notes.

Apart from potentially being subject to resolution tools and powers as set out above, the Issuer may also be subject to national insolvency proceedings.

**The Notes may be subject to other resolution powers which may result in the Issuer not making payments due under the Notes.**

The resolution authorities may amend or alter the maturity of certain instruments (including the Notes) or the amount of interest payable under such instruments, or the date on which the interest becomes payable, including by suspending payment for a temporary period.

**The Holders of the Notes are exposed to the risk that the Issuer is not prohibited from issuing further debt instruments or incurring further liabilities.**

The Terms and Conditions of the Notes place no restriction on the amount of debt that the Issuer may issue, incur and/or guarantee. Furthermore, the Issuer is not obliged to inform Holders about issuing further debt. Issuing or incurring further debt may have a negative impact on the market price of the Notes and the Issuer's ability to meet all obligations under the issued Notes and may also reduce the amount recoverable by Holders upon the Issuer's insolvency. If the Issuer's financial situation were to deteriorate, the Holders could suffer direct and materially adverse consequences, including cancellation of interest payments and reduction of the principal amount of the Notes and, in case of the Issuer's liquidation, loss of their entire investment. All of these factors may have a negative impact on the Holders.

**Under the EU Savings Directive, if a payment were to be made or collected through a paying agent in a state which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax (no gross-up).**

Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, as amended (the "**EU Savings Directive**") obliges EU Member States to provide to the tax authorities of other EU Member States details of payments of interest or similar income paid by a paying agent within its jurisdiction to an individual resident in that other EU Member State, except that originally Austria, Belgium and Luxembourg had instead imposed a withholding system for a transitional period (the ending of such transitional period being dependent upon the conclusion of agreements relating to information exchange with certain other countries). Belgium and Luxembourg in the meantime switched from the withholding system to the exchange of information system. A number of other non-EU countries and territories, including Switzerland, have agreed to adopt measures similar to those contained in the EU Savings Directive (a withholding system in the case of Switzerland) with effect from the adoption of the EU Savings Directive. Pursuant to Council Directive (EU) 2015/2060 of 10 November 2015 repealing Council Directive 2003/48/EC, the EU Savings Directive was in general repealed with effect from 1 January 2016 (with certain exceptions being applicable). However, pursuant to detailed grandfathering provisions, Austria shall in general continue to apply it until 31 December 2016. Romania also implemented the concepts of the European Union Savings Directive as concerns the exchange of information, however the exemption from withholding at source the tax on interest income in case of resident individuals in other EU member states was cancelled in the middle of 2010. Moreover, the Council Directive (EU) 2015/2060 repealing Directive 2003/48/EC on taxation of savings income in the form of interest payments was implemented in the Romanian legislation. Currently, domestic legislation does not provide such exemption and withholding tax imposed by Romanian domestic tax legislation should apply to interest payments made to non-resident individuals.

If a payment were to be made or collected through a paying agent in a state which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax.

#### ***The proposed financial transactions tax***

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax ("**FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**Participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the Commission's Proposal remains subject to negotiation between Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

### **Risks related to the market generally**

***Holders are exposed to the risk of partial or total failure of the Issuer to make interest and/or redemption payments under the Notes.***

Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. The worse the creditworthiness of the Issuer, the higher the risk of loss (see also "*Factors that may affect the Issuer's ability to fulfil its obligations under Notes to be issued pursuant to this Prospectus*" above). A materialisation of the credit risk may result in partial or total failure of the Issuer to make interest and/or redemption payments.

***Holders assume the risk that the credit spread of the Issuer widens resulting in a decrease in the price of the Notes.***

A credit spread is the margin payable by the issuer to the holder of an instrument as a premium for the assumed credit risk. Credit spreads are offered and sold as premiums on current risk-free interest rates or as discounts on the price.

Factors influencing the credit spread include, among other things, the creditworthiness and rating of the Issuer, probability of default, recovery rate, remaining term to maturity of the Notes and obligations under any collateralisation or guarantee and declarations as to any preferred payment or subordination. The liquidity situation of the market, the general level of interest rates, overall economic developments, and the currency, in which the relevant obligation is denominated may also have a positive or negative effect.

Holders are exposed to the risk that the credit spread of the Issuer widens resulting in a decrease in the price of the Notes.

***The Holder may be exposed to the risk that due to future money depreciation (inflation), the real yield of an investment may be reduced.***

Inflation risk describes the possibility that the value of assets such as the Notes or income therefrom will decrease as inflation shrinks the purchasing power of a currency. Inflation causes the rate of return to decrease in value. If the inflation rate exceeds the interest, if any, paid on any Notes the yield on such Notes may become negative.

***Holders are exposed to the risk of an unfavourable development of market prices of their Notes which materialises if the Holder sells the Notes prior to the final maturity of such Notes.***

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the relevant type of Notes. The Holder is therefore exposed to the risk of an unfavourable development of market prices of its Notes which materialises if the Holder sells the Notes prior to the final maturity of such Notes. Holders should also be aware that Notes may be issued at a price higher than the market price at issue and/or the redemption amount. This will increase the impact that unfavourable market price developments may have on the Notes. If the Holder decides to hold the Notes until final maturity the Notes will be redeemed at the amount set out in the relevant Final Terms.

***Exchange rate risks may occur, if a Holder's financial activities are denominated in a currency or currency unit other than the Specified Currency in which BCR will make payments of principal and interest (if any). Furthermore, government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate.***

BCR will pay principal and interest (if any) on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if a Holder's financial activities are denominated principally in a currency or currency unit (the "**Holder's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Holder's Currency) and the risk that authorities with jurisdiction over the Holder's Currency may impose or modify exchange controls. An appreciation in the value of the Holder's Currency relative to the Specified Currency would decrease (i) the Holder's Currency-equivalent yield on the Notes, (ii) the Holder's Currency-equivalent value of the principal payable on the Notes, and (iii) the Holder's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Holders may receive less interest (if any) or principal than expected, or no interest or principal.

***If a loan or credit is used to finance the acquisition of the Notes, the loan or credit may significantly increase the amount of a loss.***

If a loan is used to finance the acquisition of the Notes by a Holder and the Issuer is subsequently unable to repay any or all of the principal and interest otherwise payable under the Notes, or if the trading price diminishes significantly, the Holder may not only have to face a potential loss on its investment, but it will also have to repay the loan and pay interest thereon. A loan may therefore significantly increase the amount of a potential loss. Holders should not assume that they will be able to repay the loan or pay interest thereon from the profits of a transaction. Instead, Holders should assess their financial situation prior to an investment, as to whether they are able to pay interest on the loan, repay the loan on demand, and that they may suffer losses instead of realising gains.

***Incidental costs related in particular to the purchase and sale of the Notes may have a significant impact on the profit potential of the Notes.***

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) may be incurred in addition to the purchase or sale price of the Notes. These incidental costs may significantly reduce or eliminate any profit from holding the Notes. Credit institutions as a rule charge commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value. To the extent that additional - domestic or foreign - parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Holders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of Notes (direct costs), investors must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

Potential investors should note that the purchase price applicable to the Notes on a given day will often include a bid-ask spread so that the purchase price will be higher than the price at which Holders are able to sell any such Notes on that given day.

***Holders have to rely on the functionality of the relevant clearing system.***

The Notes are purchased and sold through different clearing systems, such as Clearstream Banking S.A., Euroclear Bank SA/NV or the Romanian Central Depository. BCR does not assume any responsibility as to whether the Notes are actually transferred to the securities portfolio of the relevant investor. Holders have to rely on the functionality of the relevant clearing system.

***Holders should note that the applicable tax regime may change to the disadvantage of the Holders and, therefore, the tax impact of an investment in the Notes should be carefully considered.***

Interest payments on Notes, or profits realised by a Holder upon the sale or repayment of Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax consequences for Holders generally are described in the section entitled "*Taxation*". The tax impact on an individual Holder may differ from the situation described for Holders generally in this Prospectus. Prospective

investors, therefore, should contact their own tax advisors for advice on the tax impact of an investment in the Notes. Furthermore, the applicable tax regime may change to the disadvantage of the investors in the future.

***Legal investment considerations may restrict certain investments.***

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Furthermore, the Terms and Conditions of the Notes may contain certain exclusions or restrictions of certain parties' liability for negligent acts or omissions in connection with the Notes, which could result in the Holders not being able to claim (or only to claim partial) indemnification for damage that has been caused to them. Holders should therefore inform themselves about such exclusions or restrictions of liability and consider whether these are acceptable for them.

**Risks related to potential conflicts of interest**

***BCR is exposed to potential conflicts of interest which might adversely affect the Holders.***

BCR may act in other capacities with regard to the Notes, such as calculation agent. Such functions may allow BCR to calculate the value of the reference asset or (where the reference asset is a basket) to determine the composition of the reference asset, which could raise conflicts of interest where securities or other assets issued by BCR itself or a group company can be chosen to be part of the reference asset, or where the Issuer maintains a business relationship with the issuer or obligor of such securities or other assets.

BCR may from time to time engage in transactions involving the reference asset for its proprietary accounts and for accounts under its management. Such transactions may have a negative effect on the value of the reference asset and consequently upon the value of the Notes. References in this section to the reference asset shall be deemed to include any of its components of the Index, if applicable.

BCR may issue other derivative instruments in respect of the relevant reference asset and the introduction of such competing products into the marketplace may affect the value of the Notes.

BCR may use all or some of the proceeds received from the sale of the Notes to enter into hedging transactions. It cannot be assured that BCR's hedging activities will not affect such value. The value of the Notes might in particular be affected by the liquidation of all or a portion of the hedging positions at or about the time of the maturity or expiration of the Notes.

BCR may acquire non-public information with respect to the reference asset, and BCR does not undertake to disclose any such information other than those required by law, such as price sensitive information, to any Holder. In addition, BCR may publish research reports with respect to the reference asset. Such activities could involve certain conflicts of interest and may affect the value of the Notes.

It is usual for employees of financial institutions such as BCR to undertake deals on their own behalf subject to securities laws on personal transactions and market abuse as well as statutory or internal compliance standards. BCR's sales employees may be motivated to sell Notes, due to the value of incentives received by them (in case the sale is successful) subject to securities and banking laws applicable to any such incentives. Despite measures taken by BCR to ensure compliance with applicable laws and internal procedures, this could create a conflict with the duties owed to the Holders.

Furthermore, members of the Issuer's Management and Supervisory Boards may serve on management or supervisory boards of various different companies (others than BCR), including customers of and investors in BCR, which may also compete directly or indirectly with the Issuer. Directorships of that kind may expose such persons to potential conflicts of interest if the Issuer maintains active business relations with said companies, which could have a material adverse effect on the Issuer's business, financial position and results of operations.



***The Dealers to be appointed in connection with an issue of Notes pursuant to this Prospectus may be involved in conflicts of interest which may adversely affect future trading prices of the Notes.***

Certain of the Dealers to be appointed in connection with an issue of Notes pursuant to this Prospectus and their affiliates may in the future engage in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer in the ordinary course of business. In addition, in the ordinary course of their business activities, these Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer. Certain of the Dealers which are appointed in connection with an issue of Notes pursuant to this Prospectus or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued pursuant to this Prospectus. Any such short positions could adversely affect future trading prices of Notes issued pursuant to this Prospectus. The Dealers which may be appointed in connection with an issue of Notes pursuant to this Prospectus and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## GENERAL DESCRIPTION OF THE PROGRAMME

The following description provides an overview of certain terms and conditions of the Notes and possible features of the Notes. Potential investors should note that information relating to a specific issue of Notes **that is not yet known at the date of this Prospectus**, including, but not limited to, the issue price, the date of the issue, the level of the interest rate (if any), the type of interest payable (if any), the maturity date and other details significantly affecting the economic assessment of the Notes is not contained in this section of the Prospectus but in the relevant Final Terms. **Consequently, the following description does not contain all information relating to the Notes. Any investment decision by an investor should therefore be made only on the basis of full information on the Issuer and on the Notes to be offered which is set out in this Prospectus, any supplement hereto and the relevant Final Terms for such Notes, which have to be read together with this Prospectus (including the relevant terms and conditions of the Notes).**

**Capitalised terms used and not otherwise defined in this section "General Description of the Programme" shall have the respective meanings assigned to such terms in the section entitled "Terms and Conditions of the Notes".**

### Specified Denomination

The Notes will be issued in any denomination, save that the minimum denomination of any Notes will be Euro 1,000 or its foreign currency equivalent on the relevant date of issue or such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. The Notes may be offered to qualified and/or retail investors.

### Governing Law

The Notes may be governed by German law (the "**German Law Governed Notes**") or by Romanian law (the "**Romanian Law Governed Notes**").

### Form of the Notes

German Law Governed Notes will be issued in bearer form and Romanian Law Governed Notes will be issued in registered form. All Notes will be issued in unsubordinated form.

German Law Governed Notes will and Romanian Law Governed Notes may be issued in tranches (each a "**Tranche**"), each Tranche consisting of Notes which are identical in all respects. One or more Tranches, which are expressed to be consolidated and form a single series and are identical in all respects except that (i) German Law Governed Notes may have different issue dates, issue prices, interest commencement dates and dates for first interest payments (if any) and (ii) Romanian Law Governed Notes may have different issue dates only, shall form a series (the "**Series**") of Notes. Further tranches of Notes may be issued as part of existing Series of Notes.

The terms and conditions applicable to each Tranche of Notes (the "**Conditions**") will be set out in a document specific to such Tranche referred to as final terms (the "**Final Terms**"), a form of which is set out in this Prospectus. Each set of Final Terms prepared in connection with Notes that are publicly offered or admitted to trading on a Market or on any other market or stock exchange will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the registered office of the Issuer and the specified offices of the Fiscal Agent and Principal Paying Agent.

### **German Law Governed Notes**

Each Tranche of Notes will initially be in the form of either a temporary global note (the "**Temporary Global Note**"), without interest coupons, or a permanent global note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**"), without interest coupons, in each case as specified in the relevant Final Terms, which will be delivered on or prior to the issue date of the Tranche:

- (i) if the Global Notes are intended to be issued in new global note ("**NGN**") form, to a (common) safekeeper for Clearstream Banking, S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear**"); or
- (ii) if the Global Notes are not intended to be issued in NGN form, to OeKB CSD GmbH ("**OeKB**" and, together with CBL and Euroclear, the "**Clearing Systems**" and, each, a "**Clearing System**") or a (common) depositary of the Clearing Systems; or

- (iii) if the Global Notes are intended to be cleared through a clearing system other than OeKB, CBL and/or Euroclear, as set out in the relevant Final Terms.

The relevant Final Terms will also specify whether United States Treasury Regulation § 1.163-5(c)(2)(i)(C) (or any successor United States Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA C Rules**" or "**TEFRA C**") or United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (or any successor United States Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA D Rules**" or "**TEFRA D**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable. Each Tranche of Notes for which the relevant Final Terms specify TEFRA C will be represented by a TEFRA C Permanent Global Note and each Tranche of Notes for which the relevant Final Terms specify TEFRA D will initially be represented by a TEFRA D Temporary Global Note.

*TEFRA D Temporary Global Note exchangeable for TEFRA D Permanent Global Note*

If the relevant Final Terms specify the form of the Notes as being "Temporary Global Note exchangeable for Permanent Global Note" and also specify that the TEFRA D Rules are applicable, the Notes will initially be in the form of a Temporary Global Note, without interest coupons, which will be exchangeable for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes (the "**Exchange Date**") upon certification as to non-U.S. beneficial ownership. No payments of principal, interest (if any) or any other amounts will be made under the Temporary Global Note prior to such certification of non-U.S. beneficial ownership having been received by the relevant Clearing System and such Clearing System having given a like certification (based on the certifications it has received) to the Fiscal Agent.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; provided, however, that in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note. Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through the relevant Clearing System without any requirement for certification.

*Terms and Conditions of the Notes applicable to the Notes*

The Terms and Conditions of the Notes applicable to any Global Note will be attached to such Global Note, all as more fully described in the section entitled "*Issue Procedures*".

*Legend concerning United States Persons*

In the case of any Tranche of Notes issued in accordance with TEFRA C or TEFRA D, any Global Note will bear a legend to the following effect:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States Holders, with certain exceptions, will not be entitled to deduct any loss on a Note and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes.

**Romanian Law Governed Notes**

The Notes of each Tranche shall be issued in registered, book-entry form. The records of the Notes of each Tranche shall be kept by the Romanian Central Depository based on an agreement concluded between the Issuer and the Romanian Central Depository in accordance with the Terms and Conditions of the Notes (the "**Holders' Registry**").

Payments of principal, interest (if any) and any other amount in respect of the Notes will be made to the persons shown on the Holders' Registry at the Payment Reference Date (as defined in the Terms and Conditions of the Notes) as the registered holder of the Notes.

## Clearing System

Notes will be accepted for clearing through one or more Clearing Systems as specified in the applicable Final Terms. The Clearing System for Romanian Law Governed Notes is operated by Depozitarul Central S.A. (the "**Romanian Central Depository**"). For German Law Governed Notes, the Clearing Systems will comprise those operated by OeKB, CBL and/or Euroclear (together with CBL, the "**ICSDs**") and any other clearing system. If the Notes are intended to be held in a manner which would allow Eurosystem eligibility, the German Law Governed Notes will be deposited upon issue in the case of (i) a new global note with either CBL or Euroclear as common safekeeper of the ICSDs or, (ii) a classical global note with OeKB. Depositing the Notes in a manner which would allow Eurosystem eligibility does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Notes will be freely transferable in accordance with the applicable provisions of the relevant Clearing System.

In general, and unless specified otherwise in the relevant Final Terms, BNP Paribas Securities Services, Luxembourg Branch, 60, avenue J.F. Kennedy, L-1855 Luxembourg (Postal Address: L-2085 Luxembourg) will act as fiscal agent and principal paying agent (the "**Fiscal Agent**") in relation to German Law Governed Notes and Banca Comercială Română S.A., 5 Regina Elisabeta Blvd, 030016 Bucharest 3, Romania will act as principal paying agent (the "**Principal Paying Agent**") in relation to Romanian Law Governed Notes.

## Currency

Under this Prospectus, and subject to any applicable legal or regulatory restrictions and requirements of relevant central banks, monetary or other authorities, the Issuer may from time to time issue Notes denominated in Euro ("**EUR**") or Romanian Leu ("**RON**", which term refers to the legal currency of Romania) (each, a "**Specified Currency**").

## Status of the Notes

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves and (subject to any applicable statutory exceptions and without prejudice to the aforesaid) the payment obligations of the Issuer under the Notes rank *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, present and future.

## Economic Structure of the Notes

Under this Prospectus, the Issuer may issue garant index Notes (the "**Garant Index Notes**"), index Notes (the "**Index Notes**"), garant share Notes (the "**Garant Share Notes**"), share Notes (the "**Share Notes**") and Altiplano Notes (the "**Altiplano Notes**").

### **Garant Index Notes, Index Notes, Garant Share Notes and Share Notes**

#### *Interest*

The Final Terms will determine if the Notes bear a fixed rate of interest payable on every Interest Payment Date or if no interest will be paid on the Notes.

#### *Redemption*

Each Note will be redeemed by the Issuer by payment of an amount on the Maturity Date, which equals the product of (i) the Principal Amount per Note and (ii) the Redemption Price. The Redemption Price is the sum of (a) 100 per cent. and (b) the product of (x) the Participation and (y) the performance of the Reference Asset during the term of the Notes, which is limited by the Cap (if any) and is equal to at least the Floor, i.e. the Redemption Price equals at least the Minimum Redemption Price of the Principal Amount per Note and is no more than the Maximum Redemption Price of the Principal Amount per Note (if any). The performance of the Reference Asset reflects the performance of the Reference Asset between the Strike Price and - in case of a final Valuation Date - the Closing Price of the Reference Asset on the Valuation Date or - in case of several Valuation Dates - the Averaged Final Price of the Reference Asset.

The Cap (if any), the Floor, the Interest Payment Dates (if any), the Participation, the Strike Price, the Minimum Redemption Price, the Maximum Redemption Price (if any), the Averaged Final Price (if any), the Valuation Dates and the Maturity Date will be determined in the Terms and Conditions of the Notes as set out in Final Terms for the Notes.

### **Altiplano Notes**

#### *Interest*

The interest paid under the Altiplano Notes is linked to the performance of the underlying basket of Shares or Indices.

The interest rate paid under the Notes is the sum of (i) the fixed Base Interest Rate and (ii) the variable Bonus Interest Rate.

In case the Reference Asset is a basket of Shares or a basket of Indices and in case of several Interest Payment Dates and in case of a single Interest Payment Date with a single Observation Period the Bonus Interest Rate will be reduced by the number of percentage points per Reference Asset, the closing price of which has been equal to or below the Barrier on at least one Valuation Date within the (relevant) Observation Period.

In case the Reference Asset is a basket of Shares or a basket of Indices and in case of a single Interest Payment Date with several Observation Periods the Bonus Interest Rate equals the sum of all period interest rates each of which is equal to the Bonus Interest Rate which will be reduced by the Reduction Percentage Rate per Reference Asset, the closing price of which has been equal to or below the Barrier on at least one Valuation Date within the relevant Observation Period.

#### *Redemption*

The Notes shall be redeemed on the Maturity Date at the percentage (the "**Percentage**") of the Principal Amount per Note as specified in the applicable Final Terms.

The Percentage, the Base Interest Rate, the Bonus Interest Rate, the Reduction Percentage Rate, the Barrier, the Interest Payment Dates, the Valuation Date, the Maturity Date and the Observation Period(s) will be determined in the terms and conditions of the Notes as set out in the Final Terms for the Notes.

### **Underlyings**

The amount of interest or redemption payments on the Notes are linked to underlyings, which may be Shares, Indices or a basket of Shares or Indices. None of the Indices shall be composed by the Issuer or by any legal entity belonging to its Group or provided by a legal entity or natural person acting in association with, or on behalf of, the Issuer.

### **Early Redemption of the Notes**

#### **Tax Call**

In case of German Law Governed Notes and in case the Issuer will pay additional amounts in case of a tax withholding or deduction, the Notes may be subject to an early redemption by the Issuer due to a change in tax laws as further set out in the terms and conditions of the Notes.

#### **Events of Default**

In case an event of default occurs (see § 5 of the General Conditions), each Holder has the right to declare the Notes due and demand immediate redemption thereof at the Early Redemption Amount, which will be the fair market value of the Notes immediately prior to (and ignoring the circumstances leading to) such early redemption, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arrangements.

### **Listing and Trading**

A general application has been made to list Notes to be issued under this Prospectus on the official list of the Luxembourg Stock Exchange and to admit them to trading on the regulated market "*Bourse de Luxembourg*" of the Luxembourg Stock Exchange (the "**Luxembourg Market**"). This does not however mean that all Notes to be issued under this Prospectus will be listed on the official list of and admitted to trading on the Luxembourg Market. Further application may be made, during the period of twelve months after the date of

this Prospectus, for the Notes to be admitted to trading on the Spot Regulated Market (the "**Romanian Market**") of the Bucharest Stock Exchange (*Piața reglementată la vedere administrată de Bursa de Valori București S.A.*, the "**BVB**") and to the "*Amtlicher Handel*" (Official Market) and the "*Geregelter Freiverkehr*" (Second Regulated Market) (together, the "**Austrian Markets**") of the *Wiener Börse* (the "**Vienna Stock Exchange**") (the Luxembourg Market, the Romanian Market and the Austrian Markets together, the "**Markets**"). Notes to be issued pursuant to this Prospectus may be listed on any other regulated market or on a multilateral trading facility, on an alternative stock exchange or may not be listed at all.

### **Rating of the Notes**

Notes to be issued pursuant to this Prospectus may be rated or unrated. A note rating is not a recommendation to buy, sell or hold notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The relevant Final Terms will state whether the Notes are rated or not and, if rated, specify the rating.

### **Distribution of the Notes**

Notes may, subject to certain selling restrictions, be distributed by way of public offers or private placements and, in each case, either directly by the Issuer or on a syndicated or non-syndicated basis. The Notes may be offered to qualified and retail investors in any jurisdiction where the legal and further requirements for offering securities are fulfilled. If offers are being made simultaneously in the markets of two or more countries, the Issuer generally does not reserve any tranches of Notes for certain of these.

### **Issue Price**

Notes may be issued at an issue price which is at par or at a discount to, or premium over, par (as specified in the relevant Final Terms). The issue price and the amount of the relevant Notes will be determined before filing of the relevant Final Terms of each Tranche, based on then prevailing market conditions. Where for a particular Tranche the issue price or aggregate principal amount are not fixed at the time of issue, the Final Terms shall describe the procedures for calculation and publication of such information.

### **Application Process and Process for Notification in connection with the Placement and Distribution of the Notes**

The application process and the procedure in connection with a subscription of the Notes, if applicable, will be specified in the relevant Final Terms. Furthermore, the relevant Final Terms will specify the process for notification to applicants of the amount allotted and an indication whether dealing may begin before notification is made.

### **Minimum and/or Maximum Amount of Application**

The relevant Final Terms will specify any minimum and/or maximum amount of application concerning the subscription of the Notes.

### **Expenses and Taxes Specifically Charged to the Subscriber or Purchaser**

The relevant Final Terms will specify any expenses and taxes specifically charged to the subscriber or purchaser of the Notes.

### **Commissions**

The relevant Final Terms will specify any management and underwriting commission, selling concession or other commissions in connection with the purchase of the Notes.

### **Manner in which and Date on which Results of the Offer Are to be Made Public**

The relevant Final Terms will specify the manner in which and date on which results of the offer will be made public in connection with the subscription of the Notes, if applicable.

### **Method and Time Limits for Paying up the Notes and for Delivery of the Notes.**

The relevant Final Terms will specify the method and time limits for paying up the Notes and for delivery of the Notes.

**Coordinators of the Offer**

The relevant Final Terms will specify any coordinators of the offer of the Notes.

**Underwriting**

The relevant Final Terms will specify the name(s) and address(es) of the entity/entities agreeing to underwrite the issue on a firm commitment basis, the name(s) and address(es) of the entity/entities agreeing to place the issue without a firm commitment or under 'best efforts' arrangements, and the date of the subscription agreement, if applicable.

**Market Making**

The relevant Final Terms will specify the name(s) and address(es) of the entity/entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and will include a description of the main terms of its/their commitments, if applicable.

**Past and Future Performance of the Underlying and its Volatility**

The relevant Final Terms will specify any details about the past and future performance of the underlying and its volatility and the source from where such information may be obtained, if applicable.

**Post-issuance Information**

The Issuer does not intend to provide any post-issuance information in relation to the underlying(s) except if required by any applicable laws and regulations.

## CONSENT TO THE USE OF THIS PROSPECTUS

The Final Terms will specify that either (i) none of the Dealers and/or financial intermediaries, or (ii) only one Dealer or financial intermediary or several Dealers and/or financial intermediaries named in the relevant Final Terms ("**Individual Consent**"), or (iii) each of the Dealers and/or financial intermediaries ("**General Consent**") subsequently reselling or finally placing Notes issued under this Prospectus is/are entitled to use this Prospectus and the relevant Final Terms in connection with the subsequent resale or final placement of the relevant Notes.

In case the Issuer has given its Individual Consent or General Consent to the use of this Prospectus and the relevant Final Terms, the following shall apply:

The Final Terms will specify that (in the case of the Issuer's Individual Consent) only one or several Dealers and/or financial intermediaries named in the relevant Final Terms or (in the case of the Issuer's General Consent) each of the Dealers and/or financial intermediaries subsequently reselling or finally placing the Notes issued under this Prospectus is/are entitled to use this Prospectus in Austria, the Grand Duchy of Luxembourg, Romania and/or such other member state of the European Economic Area whose competent authorities have been notified of the approval of this Prospectus for the subsequent resale or final placement of the relevant Notes during the respective offer period (all as determined in the relevant Final Terms) during which subsequent resale or final placement of the relevant Notes can be made, provided however, that this Prospectus is still valid in accordance with Article 11 (2) of the Prospectus Act. This Prospectus shall be valid for a period of twelve months following its Date of Approval. The Issuer accepts responsibility for the information given in this Prospectus also with respect to such subsequent resale or final placement of the relevant Notes for which it has given its Individual Consent or General Consent.

This Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to this Prospectus is available for viewing in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

In the relevant Final Terms, the Issuer can determine further conditions attached to its consent which are relevant for the use of this Prospectus. The Issuer reserves the right to withdraw its consent to use this Prospectus at any time, which withdrawal will be (i) published on the website of the Issuer ([www.bcr.ro](http://www.bcr.ro)) and (ii) communicated to the relevant Dealers and/or relevant further financial intermediaries.

When using this Prospectus and the relevant Final Terms, each Dealer and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

**In the event of an offer being made by a Dealer and/or a further financial intermediary the Dealer and/or the further financial intermediary shall provide information to investors on the terms and conditions of the offer at the time of that offer.**

In case the Issuer has given its Individual Consent to the use of this Prospectus and the relevant Final Terms any new information with respect to any Dealers and/or financial intermediaries unknown at the time this Prospectus was approved or the relevant Final Terms were filed with the relevant competent authority/authorities will be published on the website of the Issuer under [www.bcr.ro](http://www.bcr.ro).

**In case the Issuer has given its General Consent to the use of this Prospectus and the relevant Final Terms any Dealer and/or further financial intermediary using this Prospectus and the relevant Final Terms shall state on its website that it uses this Prospectus in accordance with this consent and the conditions attached to this consent.**



# ISSUE PROCEDURES

## General

The terms and conditions applicable to each particular Tranche of Notes (the "**Conditions**") will be constituted by the general conditions for German law governed Notes (in case of German law governed Notes) or the general conditions for Romanian law governed Notes (in case of Romanian law governed Notes) (each, the "**General Conditions**") as well as the issue specific conditions (the "**Issue Specific Conditions**"). For the avoidance of doubt, the term Issue Specific Conditions shall include the terms and conditions contained in the subsection entitled "*§§ 7-9 of the Issue Specific Conditions Applying to Option I and Option II*". The General Conditions and the Issue Specific Conditions collectively form the "**Terms and Conditions**" of the respective issue. The General Conditions and the unconsolidated Issue Specific Conditions, which are subject to completion in the relevant Final Terms, are set out in the section entitled "*Terms and Conditions of the Notes (German and English Language Versions)*".

A separate set of Terms and Conditions shall apply to each type of Notes, as set out below. The General Conditions apply to all issues. In relation to the Issue Specific Conditions the Issuer may choose among the following Options:

Option I - Terms and Conditions for Garant Index Notes, Garant Share Notes, Index Notes and Share Notes; and

Option II - Terms and Conditions for Altiplano Notes.

The Issuer will determine in the Final Terms (the "**Final Terms**") which options or variables of the Issue Specific Conditions (including all suboptions) shall apply to the respective issue.

## Documentation of the Conditions

The Final Terms shall determine whether Option I or Option II and whether certain further options contained in Option I or Option II shall be applicable to the individual issue of Notes by replicating the relevant provisions of, and completing the relevant placeholders set out in Option I or Option II in the Final Terms. The replicated and completed provisions of the set of Terms and Conditions alone shall constitute the Conditions (the "**Integrated Conditions**"). In case of German Law Governed Notes, the Integrated Conditions together with the General Conditions shall be attached to each global note representing the Notes of the relevant Tranche. In case of Romanian Law Governed Notes, the Final Terms containing the Integrated Conditions will be made available by publication on the website of the Bucharest Stock Exchange ([www.bvb.ro](http://www.bvb.ro)) and on the website of the Issuer ([www.bcr.ro](http://www.bcr.ro)) and will be obtainable free of charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer.

## Language of the Terms and Conditions and of the Conditions

The Terms and Conditions have been prepared in the German and the English language. The following shall apply with regard to the language in which the Conditions shall be prepared:

- The Conditions may be prepared either in the German language (with or without a non-binding English language translation) or in the English language (with or without a non-binding German language translation).
- In the case of German Law Governed Notes which shall be (a) publicly offered, in whole or in part, in a country where German is the primary language or (b) initially distributed, in whole or in part, to retail investors in a country where German is the primary language, the Conditions will, in general, be prepared in the German language. If, in the event of such public offer or distribution to retail investors, however, the Conditions will be prepared in the English language, a non-binding German language translation of the Terms and Conditions shall be available from the principal offices of the Fiscal Agent and the Issuer as specified at the back of this Prospectus.
- In the case of Romanian Law Governed Notes, English will be the binding language.
- In the section entitled "*Terms and Conditions of the Notes*" (*German and English Language Versions*), no German language translation is provided for those provisions of the Terms and Conditions which are governed by Romanian law.

## TERMS AND CONDITIONS OF THE NOTES (GERMAN AND ENGLISH LANGUAGE VERSIONS)

### TERMS AND CONDITIONS OF THE NOTES GERMAN LANGUAGE VERSION (DEUTSCHSPRACHIGE FASSUNG DER EMISSIONSBEDINGUNGEN)

Die folgenden Emissionsbedingungen enthalten in den allgemeinen Bedingungen für Schuldverschreibungen, die deutschem Recht unterliegen, die für alle deutschem Recht unterliegenden Emissionen Anwendung findenden Bedingungen, und in den allgemeinen Bedingungen für Schuldverschreibungen, die rumänischem Recht unterliegen, die für alle rumänischem Recht unterliegenden Emissionen Anwendung findenden Bedingungen.

Die allgemeinen Bedingungen für Schuldverschreibungen, die deutschem Recht unterliegen, und die allgemeinen Bedingungen für Schuldverschreibungen, die rumänischem Recht unterliegen sind jeweils „**Allgemeine Bedingungen**“.

Ferner enthalten die folgenden Emissionsbedingungen in den emissionsspezifischen Bedingungen (die „**Emissionsspezifischen Bedingungen**“) alle variablen bzw. optionalen Bedingungen, die im Rahmen einer spezifischen Emission Anwendung finden können. Die Emissionsspezifischen Bedingungen und die Allgemeinen Bedingungen bilden zusammen die „**Emissionsbedingungen**“ der jeweiligen Emission. Jeder Satz an Emissionsspezifischen Bedingungen enthält bestimmte weitere Optionen, die durch Instruktionen und Erklärungen in eckigen Klammern gekennzeichnet sind. Die Emittentin wird in den Endgültigen Bedingungen festlegen, ob Option I oder Option II der Emissionsspezifischen Bedingungen (einschließlich der jeweils in diesen Optionen enthaltenen weiteren Optionen) für die jeweilige Emission von Schuldverschreibungen Anwendung findet, indem die maßgeblichen Bestimmungen der maßgeblichen Option wiederholt werden.

„**Option I**“ umfasst den Satz an Emissionsspezifischen Bedingungen, der auf Garant Index Schuldverschreibungen, Garant Aktien Schuldverschreibungen, Index Schuldverschreibungen und Aktien Schuldverschreibungen Anwendung findet.

„**Option II**“ umfasst den Satz an Emissionsspezifischen Bedingungen, der auf Altiplano Schuldverschreibungen Anwendung findet.

### TERMS AND CONDITIONS OF THE NOTES ENGLISH LANGUAGE VERSION

The following terms and conditions contain in the general conditions of German law governed Notes the conditions which apply to all issues of Notes which are governed by German law and in the general conditions of Romanian law governed Notes the conditions which apply to all issues of Notes which are governed by Romanian law.

The general conditions of German law governed Notes and the general conditions of Romanian law governed Notes are each "**General Conditions**".

The following terms and conditions contain furthermore in the issue specific conditions (the "**Issue Specific Conditions**") all variables or options which may apply to a specific issue. The Issue Specific Conditions and the General Conditions together form the "**Terms and Conditions**" of the respective issue. Each set of Issue Specific Conditions contains certain further options, which have been marked by instructions and explanatory notes set out in square brackets. The Issuer will determine in the Final Terms whether Option I or Option II of the Issue Specific Conditions (including the further options contained therein) shall apply to an individual issue of Notes, by replicating the relevant provisions of the relevant Option.

"**Option I**" comprises the set of Issue Specific Conditions that shall apply to Garant Index Notes, Garant Share Notes, Index Notes and Share Notes.

"**Option II**" comprises the set of Issue Specific Conditions that shall apply to Altiplano Notes.

*Die sowohl für Option I als auch Option II anwendbaren Emissionsspezifischen Bedingungen §§ 7 – 9 sind nachfolgend nach Option II aufgeführt.*

***Soweit die Emittentin zum Zeitpunkt der Billigung dieses Prospekts keine Kenntnis von bestimmten Angaben hatte, die auf eine einzelne Emission von Schuldverschreibungen anwendbar sind, enthält dieser Prospekt Platzhalter in eckigen Klammern, die die maßgeblichen durch die Endgültigen Bedingungen zu vervollständigenden Angaben enthalten.***

*The Issue Specific Conditions §§ 7 – 9 which shall apply to both Option I and Option II are set forth below after Option II.*

***To the extent that upon the approval of this Prospectus the Issuer had no knowledge of certain items which are applicable to an individual issue of Notes, this Prospectus contains placeholders set out in square brackets which include the relevant items that will be completed by the Final Terms.***

## General Conditions of German Law Governed Notes

### A. ALLGEMEINE BEDINGUNGEN

#### § 1 FORM

Die Schuldverschreibungen lauten auf den Inhaber.

#### § 2 DEFINITIONEN

(1) *Gläubiger von Schuldverschreibungen.* "**Gläubiger**" bezeichnet jeden Inhaber von Miteigentumsanteilen oder anderen vergleichbaren Rechten an der Globalurkunde, die in Übereinstimmung mit den Bestimmungen des Clearingsystems auf einen neuen Gläubiger übertragen werden können.

(2) *Vorzeitiger Rückzahlungsbetrag.* Der "**vorzeitige Rückzahlungsbetrag**" einer Schuldverschreibung entspricht dem von der Berechnungsstelle nach Treu und Glauben und auf wirtschaftlich vernünftige Weise bestimmten fairen Marktwert der Schuldverschreibungen unmittelbar vor (und ohne Berücksichtigung der dazu führenden Umstände) der vorzeitigen Rückzahlung, angepasst um die angemessenen Kosten und Aufwendungen der Emittentin und/oder ihrer verbundenen Unternehmen für die Abwicklung von zugrunde liegenden und/oder damit im Zusammenhang stehenden Absicherungs- und Finanzierungsvereinbarungen (einschließlich jedoch nicht beschränkt auf Aktienoptionen, Aktienswaps oder andere Wertpapiere egal welcher Art, die die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen absichern).

(3) *Vereinigte Staaten.* "**Vereinigte Staaten**" bezeichnet die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

#### § 3 STATUS

Die Schuldverschreibungen begründen direkte, unbedingte, unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin und haben den gleichen Rang untereinander, und (soweit nicht gesetzliche Ausnahmen anwendbar sind und ohne das Vorgenannte einzuschränken) die Zahlungspflichten der Emittentin gemäß den Schuldverschreibungen haben den gleichen

### A. GENERAL CONDITIONS

#### § 1 FORM

The Notes are being issued in bearer form.

#### § 2 CERTAIN DEFINITIONS

(1) *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other comparable right in the Global Note which may be transferred to a new Holder in accordance with the provisions of the Clearing System.

(2) *Early Redemption Amount.* The "**Early Redemption Amount**" of a Note shall be the amount determined in good faith and in a commercially reasonable manner by the Calculation Agent to be the fair market value of the Notes immediately prior to (and ignoring the circumstances leading to) the early redemption, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps or other securities of any type whatsoever hedging the Issuer's obligations under the Notes).

(3) *United States.* "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

#### § 3 STATUS

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves and (subject to any applicable statutory exceptions and without prejudice to the aforesaid) the payment obligations of the Issuer under the Notes rank *pari passu* with all other unsecured and unsubordinated obligations of the Issuer,

Rang wie alle anderen gegenwärtigen und zukünftigen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin.

#### **§ 4 VORLEGUNGSFRIST**

Die in § 801 Abs. 1 S. 1 Bürgerliches Gesetzbuch (BGB) bestimmte Vorlegungsfrist, die sich auf die Rückzahlung der Schuldverschreibungen bezieht, wird auf zehn Jahre abgekürzt. Auf die Zahlung von Zinsen finden die gesetzlichen Verjährungsvorschriften Anwendung.

#### **§ 5 KÜNDIGUNG**

(1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibungen gemäß Absatz (2) zu kündigen und deren sofortige Rückzahlung zu ihrem vorzeitigen Rückzahlungsbetrag (wie in § 2 dieser Allgemeinen Bedingungen definiert), zuzüglich, sofern die Schuldverschreibungen Zinszahlungen vorsehen, etwaiger bis zum Kalendertag der Rückzahlung (ausschließlich) aufgelaufener Zinsen zu verlangen, falls:

(a) die Emittentin sich mit Zahlungen von Kapital auf die Schuldverschreibungen seit mindestens sieben Kalendertagen oder, sofern die Schuldverschreibungen Zinszahlungen vorsehen, mit Zinszahlungen seit mindestens 15 Kalendertagen, jeweils ab dem maßgeblichen Fälligkeitstag der betreffenden Zahlung (einschließlich) in Verzug befindet; oder

(b) die Emittentin es unterlässt, seitens der Emittentin zu erfüllende oder einzuhaltende und in den Emissionsbedingungen enthaltene Zusicherungen, Bedingungen oder Bestimmungen (abgesehen von Zahlungsverpflichtungen gemäß den Schuldverschreibungen) zu erfüllen oder einzuhalten, wenn dieser Verzugsfall keiner Heilung zugänglich ist oder innerhalb von 45 Kalendertagen nach Mitteilung über einen solchen Verzugsfall an die bezeichnete Geschäftsstelle der Zahlstelle durch einen Gläubiger nicht geheilt wird; oder

(c) besondere Überwachungsverfahren (*supravegherea specială*), besondere Zwangsverwaltungsverfahren (*administrarea specială*) oder Konkursverfahren (*faliment*) gegen die Emittentin eröffnet werden oder falls die Emittentin liquidiert oder aufgelöst werden soll, außer für Zwecke der Umstrukturierung, Verschmelzung oder Zusammenlegung, soweit hierbei die rechtsnachfolgende Gesellschaft die Verpflichtungen der Emittentin in Hinblick auf die Schuldverschreibungen übernimmt.

present and future.

#### **§ 4 PRESENTATION PERIOD**

The presentation period provided in § 801 (1) sentence 1 German Civil Code (*Bürgerliches Gesetzbuch - BGB*) and relating to the redemption of the Notes is reduced to ten years. With regard to the payment of interest, the statutory limitation provisions shall apply.

#### **§ 5 ACCELERATION**

(1) *Events of Default.* Each Holder shall be entitled to declare its Notes due in accordance with paragraph (2) and demand immediate redemption thereof at the Early Redemption Amount (as defined in § 2 of these General Conditions), together, if the Notes provide for interest payments, with accrued interest (if any) to (but excluding) the date of repayment, in the event that:

(a) the Issuer is in default with payments of principal on the Notes since at least seven calendar days or, if the Notes provide for interest payments, with payments of interest since at least 15 calendar days, in each case from (and including) the relevant due date of the relevant payment; or

(b) the Issuer fails to perform or observe any covenant, condition or provision contained in the Terms and Conditions (other than any payment obligations in respect of the Notes) which it is obliged to perform and observe, which default is incapable of remedy or is not remedied within 45 calendar days after notice of such default shall have been given to the Paying Agent at its specified office by any Holder; or

(c) special surveillance proceedings (*supravegherea specială*), special administration proceedings (*administrarea specială*) or bankruptcy proceedings (*faliment*) are commenced against the Issuer, or if the Issuer shall be wound up or dissolved, otherwise than for the purposes of reconstruction, merger or amalgamation in which the successor entity assumes all the obligations of the Issuer with respect to the Notes.

(2) *Benachrichtigung.* Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß Absatz (1), erfolgt nach Maßgabe des § 7(3) dieser Allgemeinen Bedingungen.

**§ 6**  
**BEGEBUNG WEITERER**  
**SCHULDVERSCHREIBUNGEN, ANKAUF**  
**UND ENTWERTUNG**

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Kalendertags der Begebung, und/oder des Ausgabekurses und, sofern die Schuldverschreibungen Zinszahlungen vorsehen, des Verzinsungsbeginns und/oder des ersten Zinszahlungstags) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Ankauf.* Die Emittentin und jede ihrer Tochtergesellschaften sind berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin oder ihrer Tochtergesellschaft erworbenen Schuldverschreibungen können nach Wahl der Emittentin bzw. dieser Tochtergesellschaft von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden.

**"Tochtergesellschaft"** bezeichnet entweder:

(i) jede Gesellschaft, die, direkt oder indirekt, kontrolliert wird oder deren ausgegebenes Grundkapital (oder dessen Äquivalent) wirtschaftlich von der Emittentin und/oder einer oder mehrerer ihrer Tochtergesellschaften zu mindestens 50 % gehalten wird. Dass eine Gesellschaft durch einen anderen kontrolliert wird, bedeutet, dass der andere (entweder direkt oder indirekt und entweder durch Eigentum von Grundkapital, den Besitz von Stimmrechten, Vertrag oder auf andere Weise) das Recht hat, alle Mitglieder oder die Mehrheit der Mitglieder des Vorstands oder des Geschäftsführungsorgans dieser Gesellschaft zu besetzen und/oder zu entfernen oder die Gesellschaft auf andere Weise kontrolliert oder die Befugnis hat, die Geschäfte und die Politik dieser Gesellschaft zu kontrollieren; oder

(ii) jede Gesellschaft, die in Übereinstimmung mit International Financial Reporting Standards als Tochtergesellschaft der Emittentin betrachtet wird.

(2) *Notice.* Any notice, including any notice declaring Notes due in accordance with paragraph (1), shall be made in accordance with § 7(3) of these General Conditions.

**§ 6**  
**FURTHER ISSUES OF NOTES,**  
**PURCHASES AND**  
**CANCELLATION**

(1) *Further Issues of Notes.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms as the Notes in all respects (except for the issue date and/or issue price and, if the Notes provide for interest payments, the interest commencement date and/or the first interest payment day) so as to form a single series with the Notes.

(2) *Purchases.* The Issuer and any of its Subsidiaries may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer or the Subsidiary may, at the option of the Issuer or such Subsidiary, be held, resold or surrendered to the Paying Agent for cancellation.

**"Subsidiary"** means either:

(i) any company which is then, directly or indirectly, controlled, or at least 50 *per cent.* of whose issued equity share capital (or equivalent) is then beneficially owned, by the Issuer and/or one or more of its Subsidiaries. For a company to be controlled by another means that the other (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the management board or other governing body of that company or otherwise controls or has the power to control the affairs and policies of that company; or

(ii) any company regarded as a subsidiary of the Issuer in accordance with International Financial Reporting Standards.

(3) *Entwertung.* Sämtliche vollständig getilgten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

## § 7 MITTEILUNGEN

(1) *Mitteilungen der Emittentin.* Alle die Schuldverschreibungen betreffenden Mitteilungen der Emittentin sind in den gesetzlich bestimmten Medien und in elektronischer Form auf der Internetseite der Emittentin ([www.bcr.ro](http://www.bcr.ro)) zu veröffentlichen. **[Falls die Schuldverschreibungen zum Handel am geregelten Markt der Luxemburger Wertpapierbörse zugelassen werden sollen, einfügen:** Solange die Schuldverschreibungen an der Luxemburger Wertpapierbörse zum Handel am geregelten Markt zugelassen sind und die Regeln der Luxemburger Wertpapierbörse dies verlangen, werden alle die Schuldverschreibungen betreffenden Mitteilungen auch auf der Internetseite der Luxemburger Wertpapierbörse ([www.bourse.lu](http://www.bourse.lu)) veröffentlicht.] Jede derartig erfolgte Mitteilung gilt am fünften Kalendertag nach der Veröffentlichung (oder bei mehreren Veröffentlichungen am fünften Kalendertag nach der ersten solchen Veröffentlichung) als wirksam erfolgt.

(2) *Veröffentlichung von Mitteilungen der Emittentin über das Clearingsystem.* Soweit die Veröffentlichung von Mitteilungen nach Absatz (1) rechtlich nicht mehr erforderlich ist, ist die Emittentin berechtigt, eine Veröffentlichung in den in Absatz (1) genannten Medien durch Übermittlung von Mitteilungen an das Clearingsystem zur Weiterleitung durch das Clearingsystem an die Gläubiger zu ersetzen. Jede derartige Mitteilung gilt am siebten Kalendertag nach dem Kalendertag der Mitteilung an das Clearingsystem als den Gläubigern mitgeteilt.

(3) *Form der von Gläubigern zu machenden Mitteilungen.* Die Schuldverschreibungen betreffende Mitteilungen der Gläubiger an die Emittentin gelten als wirksam erfolgt, wenn sie der Emittentin oder der Emissionsstelle (zur Weiterleitung an die Emittentin) in schriftlicher Form in der deutschen oder englischen Sprache persönlich übergeben oder per Brief übersandt werden. Der Gläubiger muss einen die Emittentin zufriedenstellenden Nachweis über die von ihm gehaltenen Schuldverschreibungen erbringen. Dieser Nachweis kann (i) in Form einer Bestätigung durch das Clearingsystem oder die Depotbank, bei der der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, dass der Gläubiger zum Zeitpunkt der Mitteilung Gläubiger der betreffenden

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

## § 7 NOTICES

(1) *Notices of the Issuer.* All notices of the Issuer concerning the Notes shall be published in such media as determined by law and in electronic form on the website of the Issuer ([www.bcr.ro](http://www.bcr.ro)). **[In case the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange insert:** So long as the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, all notices regarding the Notes shall also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu).)] Any notice so given will be deemed to have been validly given on the fifth calendar day following the date of such publication (or, if published more than once, on the fifth calendar day following the date of the first such publication).

(2) *Publication of Notices of the Issuer via the Clearing System.* If the publication of notices pursuant to paragraph (1) is no longer required by law, the Issuer may, in lieu of publication in the media set forth in paragraph (1), deliver the relevant notices to the Clearing System, for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh calendar day after the calendar day on which said notice was given to the Clearing System.

(3) *Form of Notice to be Given by any Holder.* Notices regarding the Notes which are to be given by any Holder to the Issuer shall be validly given if delivered in writing in the German or English language to the Issuer or the Fiscal Agent (for onward delivery to the Issuer) and by hand or mail. The Holder shall provide evidence satisfactory to the Issuer of its holding of the Notes. Such evidence may be (i) in the form of a certification from the Clearing System or the Custodian with which the Holder maintains a securities account in respect of the Notes that such Holder is, at the time such notice is given, the Holder of the relevant Notes, or (ii) in any other appropriate manner. **"Custodian"** means any bank or other financial institution of recognised standing authorised to engage in

Schuldverschreibungen ist, oder (ii) auf jede andere geeignete Weise erfolgen. "**Depotbank**" bezeichnet jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearingsystems.

## § 8

### ÄNDERUNG DER EMISSIONSBEDINGUNGEN, GEMEINSAMER VERTRETER

(1) *Änderung der Emissionsbedingungen.* Die Gläubiger können gemäß den Bestimmungen des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (das "**Schuldverschreibungsgesetz**") durch einen Beschluss mit der im nachstehenden Absatz (2) bestimmten Mehrheit über einen im Schuldverschreibungsgesetz zugelassenen Gegenstand eine Änderung dieser Emissionsbedingungen mit der Emittentin vereinbaren. Die Mehrheitsbeschlüsse der Gläubiger sind für alle Gläubiger gleichermaßen verbindlich. Ein Mehrheitsbeschluss der Gläubiger, der nicht gleiche Bedingungen für alle Gläubiger vorsieht, ist unwirksam, es sei denn, die benachteiligten Gläubiger stimmen ihrer Benachteiligung ausdrücklich zu.

(2) *Mehrheitserfordernisse.* Die Gläubiger entscheiden mit einer Mehrheit von 75 % (Qualifizierte Mehrheit) der an der Abstimmung teilnehmenden Stimmrechte über wesentliche Änderungen dieser Emissionsbedingungen, insbesondere über die in § 5 Abs. 3 des Schuldverschreibungsgesetzes aufgeführten Maßnahmen. Beschlüsse, durch die der wesentliche Inhalt dieser Emissionsbedingungen nicht geändert wird, bedürfen zu ihrer Wirksamkeit einer einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte.

(3) *Abstimmung ohne Versammlung.* Alle Abstimmungen werden ausschließlich im Wege der Abstimmung ohne Versammlung durchgeführt. Eine Gläubigerversammlung und eine Übernahme der Kosten für eine solche Versammlung durch die Emittentin findet ausschließlich im Fall des § 18 Abs. 4 Satz 2 des Schuldverschreibungsgesetzes statt.

(4) *Leitung der Abstimmung.* Die Abstimmung wird von einem von der Emittentin beauftragten Notar oder, falls der gemeinsame Vertreter zur Abstimmung aufgefordert hat, vom gemeinsamen Vertreter geleitet.

(5) *Stimmrecht.* Jeder Gläubiger nimmt an Abstimmungen nach Maßgabe des Nennwerts oder des rechnerischen Anteils seiner Berechtigung an den ausstehenden

securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System.

## § 8

### AMENDMENT OF THE TERMS AND CONDITIONS, JOINT REPRESENTATIVE

(1) *Amendment of the Terms and Conditions.* In accordance with the German Act on Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*; the "**Act on Debt Securities**") the Holders may agree with the Issuer on amendments of these Terms and Conditions with regard to matters permitted by the Act on Debt Securities by resolution with the majority specified in paragraph (2) below. Majority resolutions of the Holders shall be binding on all Holders alike. A majority resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) *Majority Requirements.* Resolutions relating to material amendments of these Terms and Conditions, in particular consents to the measures set out in § 5 (3) of the Act on Debt Securities shall be passed by a majority of not less than 75 per cent. (Qualified Majority) of the votes cast. Resolutions relating to amendments of these Terms and Conditions which are not material require a simple majority of the votes cast.

(3) *Vote without a Meeting.* All votes will be taken exclusively by vote taken without a meeting. A meeting of Holders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances set out in § 18 (4) sentence 2 of the Act on Debt Securities.

(4) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Joint Representative (as defined below) has convened the vote, by the Joint Representative.

(5) *Voting Right.* Each Holder participating in any vote shall cast its vote in accordance with the nominal amount or the notional share of its



Schuldverschreibungen teil.

(6) *Gemeinsamer Vertreter.*

Die Gläubiger können durch Mehrheitsbeschluss zur Wahrnehmung ihrer Rechte einen gemeinsamen Vertreter (der "**gemeinsame Vertreter**") für alle Gläubiger bestellen.

Der gemeinsame Vertreter hat die Aufgaben und Befugnisse, die ihm durch Gesetz oder von den Gläubigern durch Mehrheitsbeschluss eingeräumt wurden. Er hat die Weisungen der Gläubiger zu befolgen. Soweit er zur Geltendmachung von Rechten der Gläubiger ermächtigt ist, sind die einzelnen Gläubiger zur selbstständigen Geltendmachung dieser Rechte nicht befugt, es sei denn, der Mehrheitsbeschluss sieht dies ausdrücklich vor. Über seine Tätigkeit hat der gemeinsame Vertreter den Gläubigern zu berichten. Für die Abberufung und die sonstigen Rechte und Pflichten des gemeinsamen Vertreters gelten die Vorschriften des Schuldverschreibungsgesetzes.

**§ 9  
ANWENDBARES RECHT  
UND GERICHTSSTAND**

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht und sollen ausschließlich nach deutschem Recht ausgelegt werden.

(2) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstigen Verfahren (die "**Rechtsstreitigkeiten**") sind die Gerichte in Frankfurt am Main, Bundesrepublik Deutschland. Die Emittentin bestellt Erste Group Bank AG, Friedrichstraße 10, 70174 Stuttgart, Bundesrepublik Deutschland, zu ihrer Zustellungsbevollmächtigten im Zusammenhang mit etwaigen Rechtsstreitigkeiten vor deutschen Gerichten.

(3) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jeder Rechtsstreitigkeit gegen die Emittentin oder in jeder Rechtsstreitigkeit, in der der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen

entitlement to the outstanding Notes.

(6) *Joint Representative.*

The Holders may by majority resolution appoint a joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder.

The Joint Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Joint Representative shall comply with the instructions of the Holders. To the extent that the Joint Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Joint Representative shall provide reports to the Holders on its activities. The regulations of the Act on Debt Securities apply with regard to the recall and the other rights and obligations of the Joint Representative.

**§ 9  
APPLICABLE LAW  
AND PLACE OF JURISDICTION**

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, German law.

(2) *Place of Jurisdiction.* The courts in Frankfurt am Main, Federal Republic of Germany, shall have non-exclusive jurisdiction for any action or other legal proceedings (the "**Proceedings**") arising out of or in connection with the Notes. The Issuer appoints Erste Group Bank AG, Friedrichstraße 10, 70174 Stuttgart, Federal Republic of Germany, as its authorised agent for accepting service of process in connection with any Proceedings before German courts.

(3) *Enforcement.* Any Holder of Notes may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of the Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b), and (ii) a copy

bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearingsystem eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält, und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearingsystems oder des Verwahrers des Clearingsystems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land der Rechtsstreitigkeit prozessual zulässig ist.

of the Global Note certified as being a true copy by a duly authorised officer of the Clearing System or a depositary of the Clearing System, without the need for production in such Proceedings of the actual records or the Global Note representing the Notes. Each Holder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.

## General Conditions of Romanian Law Governed Notes

### A. ALLGEMEINE BEDINGUNGEN

[Absichtlich ausgelassen.]

### A. GENERAL CONDITIONS

#### § 1 FORM, TRANSFER

The Notes are being issued in registered form (book entry, dematerialised, nominative).

#### § 2 CERTAIN DEFINITIONS

(1) *Holder of Notes*. "**Holder**" means any holder of Notes who is registered in the Holders' Registry. The title to the Notes will be transferred in accordance with the applicable law and with the rules of the Clearing System by registration in the Holders' Registry.

(2) *Early Redemption Amount*. The "**Early Redemption Amount**" of a Note shall be the amount determined in good faith and in a commercially reasonable manner by the Calculation Agent to be the fair market value of the Notes immediately prior to (and ignoring the circumstances leading to) the early redemption, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps or other securities of any type whatsoever hedging the Issuer's obligations under the Notes).

(3) *United States*. "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

#### § 3 STATUS

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves and (subject to any applicable statutory exceptions and without prejudice to the aforesaid) the payment obligations of the Issuer under the Notes rank *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, present and future.

**§ 4**  
**PRESCRIPTION**

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within three years upon the relevant due date.

**§ 5**  
**ACCELERATION**

(1) *Events of Default.* Each Holder shall be entitled to declare its Notes due in accordance with paragraph (2) and demand immediate redemption thereof at the Early Redemption Amount (as defined in § 2 of these General Conditions), together, if the Notes provide for interest payments, with accrued interest (if any) to (but excluding) the date of repayment, in the event that:

(a) the Issuer is in default with payments of principal on the Notes since at least seven calendar days or, if the Notes provide for interest payments, with payments of interest since at least 15 calendar days, in each case from (and including) the relevant due date of the relevant payment; or

(b) the Issuer fails to perform or observe any covenant, condition or provision contained in the Terms and Conditions (other than any payment obligations in respect of the Notes) which it is obliged to perform and observe, which default is incapable of remedy or is not remedied within 45 calendar days after notice of such default shall have been given to the Issuer by any Holder; or

(c) special surveillance proceedings (*supravegherea specială*), special administration proceedings (*administrarea specială*) or bankruptcy proceedings (*faliment*) are commenced against the Issuer, or if the Issuer shall be wound up or dissolved, otherwise than for the purposes of reconstruction, merger or amalgamation in which the successor entity assumes all the obligations of the Issuer with respect to the Notes.

(2) *Notice.* Any notice, including any notice declaring Notes due in accordance with paragraph (1), shall be made in accordance with § 7(3) of these General Conditions.

(3) *No Transfer of Notes.* A Holder may not transfer its Note(s) in relation to which it has given notice in accordance with paragraph (2).

**§ 6**  
**FURTHER ISSUES OF NOTES,  
PURCHASES AND  
CANCELLATION**

(1) *Further Issues of Notes.* The Issuer may from time to time, without the consent of the Holders, issue further tranches of Notes having the same terms as the Notes in all respects (except for the issue date and, if the Notes provide for interest payments, the interest commencement date and/or the first interest payment date) so as to form a single series with the Notes.

(2) *Purchases.* The Issuer and any of its Subsidiaries may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or cancelled.

**"Subsidiary"** means either:

(i) any company which is then, directly or indirectly, controlled, or at least 50 *per cent.* of whose issued equity share capital (or equivalent) is then beneficially owned, by the Issuer and/or one or more of its Subsidiaries. For a company to be controlled by another means that the other (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the management board or other governing body of that company or otherwise controls or has the power to control the affairs and policies of that company; or

(ii) any company regarded as a subsidiary of the Issuer in accordance with International Financial Reporting Standards.

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

**§ 7**  
**NOTICES**

(1) *Notices of the Issuer.* Except for the publication of the convening notice for Holders' meetings in accordance with § 12 (4) of these Terms and Conditions and unless required otherwise by law, all notices of the Issuer to the Holders in connection with the Notes will be given either: (i) by publication of the respective notice in a newspaper having general circulation in Romania and the notice will be deemed to have been validly given on the first Business Day following the date of publication or (ii) by publication of the respective notice on the website of the Bucharest Stock Exchange ([www.bvb.ro](http://www.bvb.ro)) and the notice will be deemed to have been validly given on the first Business Day following

the date of publication therein.

This provision is without prejudice to any applicable capital markets laws publication requirements.

(2) *Publication of Notices of the Issuer via the Clearing System.* If the publication of notices pursuant to paragraph (1) is no longer required by law, the Issuer may, in lieu of publication in the media set forth in paragraph (1), deliver the relevant notices to the Clearing System, for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh calendar day after the calendar day on which said notice was given to the Clearing System.

(3) *Form of Notice to be Given by any Holder.* Notices regarding the Notes which are to be given by any Holder to the Issuer shall be validly given if delivered in writing in the Romanian or English language to the Issuer and by hand or registered mail. The Holder shall provide evidence satisfactory to the Issuer of its holding of the Notes. Such evidence may be (i) in the form of an excerpt from the Holders' Registry or a certification issued by the Custodian with which the Holder maintains a securities account in respect of the Notes that such Holder is, at the time such notice is given, the Holder of the relevant Notes, or (ii) in any other appropriate manner. "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System.

## **§ 8**

### **AMENDMENT OF THE TERMS AND CONDITIONS, MEETING OF HOLDERS**

(1) *Amendment of the Terms and Conditions.* In accordance with subsequent provisions the Holders may agree with the Issuer on amendments of these Terms and Conditions by resolution with the majority specified below. Majority resolutions of the Holders shall be binding on all Holders alike. A majority resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) *Powers of the Holders' Meeting.* A Holders' meeting legally assembled may:

(a) appoint one Joint Representative (as defined below) of the Holders and one or more substitute Joint Representatives, having the right to represent the Holders in relation to the Issuer and

in front of courts of law;

(b) carry out all acts for the supervision and the protection of the common interests of the Holders or to authorise a representative to carry out such acts;

(c) create a fund out of *inter alia* amounts representing, if the Notes provide for interest payments, the interest amounts to which the Holders are entitled, that will be used to cover the expenses incurred in connection with the protection of their rights, and establish the rules for the management of such fund;

(d) oppose or consent to any amendments to the Issuer's articles of association ("**AoAs**") or to these Terms and Conditions which may affect the rights of the Holders; and

(e) express its opinion on issuance of new bonds by the Issuer.

(3) *Convening a Meeting of Holders.* The Holders' meeting shall be convened by the Issuer upon the written request (i) of one or more Holders representing at least one quarter of the issued and outstanding principal amount of the Notes or (ii) after the appointment of the Joint Representative, of the Joint Representative of the Holders. All costs related to the convening of a Holders' meeting will be borne by the Issuer.

(4) *Contents of the Convening Notice, Publication.* The convening notice shall state the name and the registered office of the Issuer and the location, date and time of the Holders' meeting, the agenda specifying explicitly all subjects that will be subject to debate in the meeting, the reference date (i.e. the date set by the Issuer as the date on which the Holders must be registered in the Holders' Registry to be entitled to attend and vote in the Holders' meeting, hereinafter the "**Meeting Reference Date**") and any requirements applicable to attendance at the Holders' meeting and the exercise of voting rights. For Notes admitted to trading on the spot regulated market or an alternative trading system operated by Bursa de Valori București S.A., the convening notice shall also comply with the minimum content requirements set out in the regulations issued by the regulatory authority. The convening notice for the meeting shall be (i) published in the Official Gazette and in a newspaper of general circulation in Bucharest or (ii) served through registered mail at the addresses indicated in the Holders' Registry, in either case at least 30 calendar days prior to the date on which the meeting is scheduled to take place. The convening notice shall also be posted on the Issuer's website ([www.bcr.ro](http://www.bcr.ro)) for convenience only. This provision is without prejudice to any applicable capital

markets laws publication requirements.

(5) *Convening Period, Entitlement to Attend and Vote.* The Holders' meeting shall be called by publication in accordance with paragraph (4) above at least 30 calendar days before the date of the meeting. The Holders registered in the Holders' Registry on the Meeting Reference Date are entitled to participate and vote in the Holders' meeting. The Holders' meeting may be validly held without the observance of the convening formalities, if the Holders representing the entire issued and outstanding principal amount of the Notes are present or represented at the meeting and none of them opposes to the waiver of the convening formalities.

(6) *Agenda.* The convening party shall propose the agenda of the meeting that will include explicitly all items on which the Holders' meeting is to pass a resolution. No resolutions may be passed on agenda items that have not been published in the required manner, unless all Holders are present or represented at the meeting and none of them opposes these resolutions. One or more Holders who hold at least 5 per cent. of the issued and outstanding principal amount of the Notes may request that new items are added to the agenda of the Holders' meeting within 15 calendar days as of the date when the convening notice was published in the required manner. The convening notice containing the agenda updated with the new items must be published at least 10 calendar days prior to the Holders' meeting.

(7) *Registration of Holders for the Meeting.* The Issuer shall appoint from among the Issuer's employees one or more technical secretaries of the meeting who will register the Holders participating in the meeting and will draw up the list of the Holders' attendance that shall include the Holders' names, their registered offices or places of residence and the number of voting rights represented by each Holder and percentage of the issued and outstanding principal amount of the Notes represented by the Notes held by each Holder. The technical secretary shall also draw up and sign minutes attesting: (i) the total number of Notes issued and outstanding that have been registered to attend the meeting and the percentage thereof in the issued and outstanding principal amount of the Notes and (ii) fulfilment of all requirements imposed by law for the valid holding of the Holders' meeting. The Chairperson (as defined below) shall, based on the list of attendance and the minutes of the technical secretary, attest whether the quorum requirements are met for that specific meeting and declare the meeting open.

(8) *Majority Requirements.* Resolutions relating to



the subject matters set out in § 8(2) lit (a) to (c) of these General Conditions shall be passed by a majority of not less than one third of the issued and outstanding principal amount of the Notes. Resolutions relating to the subject matters set out in § 8(2) lit (d) and (e) of these General Conditions shall be passed by a majority of not less than four fifths of the Notes represented in the meeting.

(9) *Vote by Correspondence or by Representation.* The Holders may vote in a Holders' meeting by correspondence or by representation. On the occasion of each Holders' meeting, the Issuer shall, at least 30 days prior to the date when the meeting is scheduled to take place pursuant to the published or served convening notice, make available on its website ([www.bcr.ro](http://www.bcr.ro)) and at its registered seat a special form for voting by correspondence ("**Form of Voting by Correspondence**"), in case a Holder does not intend to attend a Holders' meeting in person or by representation but intends to express its voting right in the meeting and a special form for voting by representation ("**Form of Voting by Representation**"), in case a Holder intends to attend and vote in a Holders' meeting by representation. The Form of Voting by Correspondence and the Form of Voting by Representation shall be: (i) duly filled in by the Holder with all the necessary information as required in the Form of Voting by Correspondence, including the Holders' voting option with respect to items on the agenda of the Holders' meeting, as published, (ii) signed by the Holder or by the legal representative of the Holder and (iii) sent to the registered seat of the Issuer no later than 48 hours prior to the date and time when the meeting is scheduled to take place pursuant to the published or served convening notice. In case of Holders that are legal persons (incorporated or unincorporated) the Form of Voting by Correspondence or the Form of Voting by Representation sent to the Issuer shall be accompanied by a statement on own liability attesting that the person(s) who has(have) signed the form is(are) the legal representative(s) of the Holder.

(10) *Voting Right.* Each Holder shall participate in votes in accordance with the principal amount of the outstanding Notes held by such Holder. Voting rights are suspended with respect to the Notes attributable to the Issuer or any of its Subsidiaries or held for the account of the Issuer or any of its Subsidiaries. The Issuer may not make available Notes for which the voting rights have been suspended to any third party for the purposes of exercising the voting rights in lieu of the Issuer. This shall also apply to any Subsidiaries of the Issuer. Exercise of voting

rights for the purposes specified above are prohibited. It is prohibited to offer, promise or grant any advantage as consideration to any person entitled to vote not to vote, or to vote in a particular way, in a Holders' meeting or a vote. No person entitled to vote may require, accept any promise of or accept any advantage or consideration for not voting, or voting in a particular way, in a Holders' meeting or a vote.

(11) *Chair of the Vote.* The vote will be chaired by, if the Joint Representative has not been appointed, (one of) the Holder(s) or (its) (their) representative in the meeting upon whose request the Holders' meeting was convened, or, if the Joint Representative has been appointed, by the Joint Representative (the "**Chairperson**").

(12) *Voting, Minutes.* The provisions of the Romanian Companies' Law no. 31/1990 (*Legea Societăților nr. 31/1990*) as amended from time to time regarding the voting of shareholders in the general meeting (if any exist) shall apply *mutatis mutandis* to the casting and counting of votes. Any resolution passed by the Holders' meeting shall be recorded in minutes of the meeting that will assert the following: fulfilment of the convening formalities (if applicable), date and place of the meeting, Holders present or represented, number of Notes present or represented, summary of the debates, resolutions adopted and, upon the request of the Holders, the statements of such Holders in the meeting. The minutes shall be signed by the secretary of the meeting, if one was appointed by the Holders' meeting, and by the Chairperson.

(13) *Publication of Resolutions.* Upon request, each Holder will be informed about the result of the votes for the resolutions passed by a Holders' meeting. Furthermore, the Issuer shall publish the resolutions passed by the Holders in appropriate form and at its own expense. The resolutions shall be published without undue delay pursuant to § 7 of these General Conditions. In addition, for a period of at least one month commencing on the calendar day following the Holders' meeting, the Issuer shall make available to the public on its website ([www.bcr.ro](http://www.bcr.ro)) the resolutions passed by the Holders and, if these Terms and Conditions are amended by a Holders' resolution, the wording of the original Terms and Conditions. The Chairperson shall inform the Issuer in writing about the resolutions passed by the Holders' meeting within 3 calendar days as of the date when such resolutions have been passed.

(14) *Implementation of Resolutions.* The resolutions validly adopted by the Holders' meeting shall be binding upon all Holders, including upon Holders who were not present at the meeting or who voted against the resolutions

so adopted.

(15) *Joint Representative.* The Holders may by a majority of not less than one third of the total Notes issued and outstanding appoint a joint representative (the "**Joint Representative**") to represent the Holders in relation to the Issuer and in court. The Joint Representative and the deputies thereof may not participate in the management of the Issuer, but may attend the general shareholders' meetings of the Issuer.

The Joint Representative shall have the duties and powers granted by resolution of the Holders. The Joint Representative shall comply with the instructions of the Holders. To the extent that the Joint Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant resolution. The Joint Representative shall provide reports to the Holders on its activities.

#### **§ 9 APPLICABLE LAW AND PLACE OF JURISDICTION**

(1) *Applicable Law.* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, Romanian law.

(2) *Place of Jurisdiction.* The competent Romanian courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes (including any legal action or proceedings relating to any non-contractual obligations arising out of or in connection with Notes), to the extent permissible according to applicable mandatory consumer protection legislation.

## Option I – Issue Specific Conditions for Garant Index Notes, Garant Share Notes, Index Notes and Share Notes

**[OPTION I – EMISSIONSSPEZIFISCHE BEDINGUNGEN FÜR GARANT INDEX SCHULDVERSCHREIBUNGEN, GARANT AKTIEN SCHULDVERSCHREIBUNGEN, INDEX SCHULDVERSCHREIBUNGEN UND AKTIEN SCHULDVERSCHREIBUNGEN:**

### B. Emissionsspezifische Bedingungen

#### § 1 WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN

**[Im Fall von Schuldverschreibungen, die deutschem Recht unterliegen, einfügen:**

(1) *Währung, Stückelung.* Diese Tranche (die "Tranche") von Schuldverschreibungen (die "Schuldverschreibungen") wird von der Banca Comercială Română S.A., 5 Regina Elisabeta Boulevard, 030016 Bukarest 3, Rumänien (die "Emittentin") in **[festgelegte Währung einfügen]** ("Abkürzung der festgelegten Währung einfügen") oder die "festgelegte Währung") im Gesamtnennbetrag von **[falls die Globalurkunde(n) im NGN-Format begeben werden, einfügen:** , vorbehaltlich § 1(4) dieser Emissionsspezifischen Bedingungen,] **[festgelegte Währung und Gesamtnennbetrag einfügen]** (in Worten: **[Gesamtnennbetrag in Worten einfügen]**) (der "Gesamtnennbetrag") in der Stückelung von **[festgelegte Währung und festgelegte Stückelung einfügen]** (die "festgelegte Stückelung" oder der "Nennbetrag je Schuldverschreibung") begeben.]

**[Im Fall von Schuldverschreibungen, die rumänischem Recht unterliegen, einfügen:**

**[Absichtlich ausgelassen.]]**

**[OPTION I – GENERAL CONDITIONS FOR GARANT INDEX NOTES, GARANT SHARE NOTES, INDEX NOTES and SHARE NOTES:**

### B. Issue Specific Conditions

#### § 1 CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

**[In case of Notes governed by German law insert:**

(1) *Currency, Denomination.* This tranche (the "Tranche") of notes (the "Notes") is being issued by Banca Comercială Română S.A., 5 Regina Elisabeta Boulevard, 030016 Bucharest 3, Romania (the "Issuer") in **[insert specified currency]** ("**[insert abbreviation of specified currency]**" or the "Specified Currency") in the aggregate principal amount of **[in case of Global Note(s) to be issued in NGN form insert:** , subject to § 1(4) of these Issue Specific Conditions.] **[insert specified currency and aggregate principal amount]** (in words: **[insert aggregate principal amount in words]**) (the "Aggregate Principal Amount") in the denomination of **[insert specified currency and specified denomination]** (the "Specified Denomination" or the "Principal Amount per Note").]

**[In case of Notes governed by Romanian law insert:**

(1) *Currency, Denomination.* This tranche (the "Tranche") of notes (the "Notes") is being issued by Banca Comercială Română S.A., 5 Regina Elisabeta Boulevard, 030016 Bucharest 3, Romania (the "Issuer") in **[insert specified currency]** ("**[insert abbreviation of specified currency]**" or the "Specified Currency") in the aggregate principal amount of up to **[insert specified currency and aggregate principal amount]** (in words: **[insert aggregate principal amount in words]**) in the denomination of **[insert specified currency and specified denomination]** (the "Specified Denomination" or the "Principal Amount per Note").]

[Im Fall von Schuldverschreibungen, die deutschem Recht unterliegen, einfügen:

[Im Fall von Schuldverschreibungen, die ausschließlich durch eine Dauerglobalurkunde verbrieft sind, einfügen:

(2) *Dauerglobalurkunde.* Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**" oder die "**Globalurkunde**") ohne Zinsscheine verbrieft **[Im Fall von Schuldverschreibungen mit laufender Verzinsung einfügen:**; der Zinszahlungsanspruch im Zusammenhang mit den Schuldverschreibungen ist durch die Dauerglobalurkunde mitverbrieft]. Die Dauerglobalurkunde wird von ordnungsgemäß bevollmächtigten Vertretern der Emittentin unterschrieben und von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. **[Falls die Dauerglobalurkunde im NGN-Format begeben wird, einfügen:** Die Dauerglobalurkunde wird im *new global note*-Format ausgegeben.] **[Falls die Dauerglobalurkunde im CGN-Format begeben wird, einfügen:** Die Dauerglobalurkunde wird im *classical global note*-Format ausgegeben.] Einzelurkunden und Zinsscheine werden nicht ausgegeben.]

[Im Fall von Schuldverschreibungen, die anfänglich durch eine vorläufige Globalurkunde verbrieft sind, die gegen eine Dauerglobalurkunde ausgetauscht werden kann, einfügen:

(2) *Vorläufige Globalurkunde – Austausch gegen Dauerglobalurkunde.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde kann gegen Schuldverschreibungen in der festgelegten Stückelung, die durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**" und, zusammen mit der vorläufigen Globalurkunde, die "**Globalurkunden**") ohne Zinsscheine verbrieft sind, ausgetauscht werden **[Im Fall von Schuldverschreibungen mit laufender Verzinsung einfügen:**; der Zinszahlungsanspruch im Zusammenhang mit den Schuldverschreibungen ist durch die maßgebliche Globalurkunde mitverbrieft]. Die Globalurkunden werden jeweils von ordnungsgemäß bevollmächtigten Vertretern der Emittentin unterschrieben und werden jeweils von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. **[Falls die Globalurkunden im NGN-Format begeben werden, einfügen:** Die Globalurkunden werden im *new global note*-Format ausgegeben.] **[Falls die Globalurkunden im CGN-Format begeben werden, einfügen:** Die Globalurkunden werden im

[In case of Notes governed by German law insert:

[In case of Notes which are exclusively represented by a Permanent Global Note insert:

(2) *Permanent Global Note.* The Notes are represented by a permanent global note (the "**Permanent Global Note**" or the "**Global Note**") without coupons **[in case of Notes with periodic interest, insert:**; the claim for interest payments under the Notes is represented by the Permanent Global Note]. The Permanent Global Note shall be signed by authorised representatives of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. **[In case of a Permanent Global Note to be issued in NGN form insert:** The Permanent Global Note shall be issued in new global note format.] **[In case of a Permanent Global Note to be issued in CGN form insert:** The Permanent Global Note shall be issued in classical global note format.] Definitive Notes and coupons will not be issued.]

[In case of Notes which are initially represented by a Temporary Global Note, which will be exchangeable for a Permanent Global Note, insert:

(2) *Temporary Global Note – Exchange for Permanent Global Note.*

(a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination represented by a permanent global note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**") without coupons **[in case of Notes with periodic interest, insert:**; any claim for interest payments under the Notes is represented by the relevant Global Note]. The Global Notes shall each be signed by authorised representatives of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. **[In case of Global Notes to be issued in NGN form insert:** The Global Notes shall be issued in new global note format.] **[In case of Global Notes to be issued in CGN form insert:** The Global Notes shall be issued in classical global note format.] Definitive Notes and coupons will not be issued.

*classical global note*-Format ausgegeben.] Einzelkunden und Zinsscheine werden nicht ausgegeben.

(b) Die vorläufige Globalurkunde ist ab einem Kalendertag (der "**Austauschtag**") gegen die Dauerglobalurkunde in der in dem vorstehenden Unterabsatz (a) vorgesehenen Form und unter den dort aufgestellten Voraussetzungen austauschbar, der nicht weniger als 40 Kalendertage nach dem Begebungstag der vorläufigen Globalurkunde liegt. Ein solcher Austausch darf nur in dem Umfang erfolgen, in dem Bescheinigungen vorgelegt werden, denen zufolge der oder die wirtschaftliche(n) Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Person(en) ist (sind) (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). **[Im Fall von Schuldverschreibungen mit laufender Verzinsung einfügen:** Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich.] Jede Bescheinigung, die am oder nach dem 40. Kalendertag nach dem Begebungstag der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Unterabsatz (b) dieses § 1(2) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 2(3) der Allgemeinen Bedingungen definiert) zu liefern.]

(3) *Clearingsystem*. Die Globalurkunde(n) wird (werden) von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "**Clearingsystem**" bezeichnet **[bei mehr als einem Clearingsystem einfügen:** jeweils] [OeKB CSD GmbH, Strauchgasse 1-3, 1010 Wien, Österreich ("**OeKB**") [,] [und] [Clearstream Banking, S.A., Luxemburg, 42 Avenue J.F. Kennedy, 1855 Luxemburg, Großherzogtum Luxemburg ("**CBL**") und Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brüssel, Belgien ("**Euroclear**" und, zusammen mit CBL, die "**ICSDs**") [,] [und] **[anderes Clearingsystem angeben]** und jeden Funktionsnachfolger. **[Falls die Schuldverschreibungen im Namen der ICSDs verwahrt und im NGN-Format begeben werden, einfügen:** Die Schuldverschreibungen werden von der gemeinsamen Verwahrstelle (*common safekeeper*) im Namen beider ICSDs verwahrt.] **[Falls die Schuldverschreibungen im Namen der ICSDs verwahrt und im CGN-Format begeben werden, einfügen:** Die Schuldverschreibungen

(b) The Temporary Global Note shall be exchangeable for the Permanent Global Note in the form and subject to the conditions provided in subparagraph (a) above from a date (the "**Exchange Date**") not earlier than 40 calendar days after the issue date of the Temporary Global Note. Such exchange shall only be made to the extent that certifications have been delivered to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is (are) not (a) U.S. person(s) (other than certain financial institutions or certain persons holding Notes through such financial institutions). **[in case of Notes with periodic interest, insert:** Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest.] Any such certification received on or after the 40th calendar day after the issue date of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1(2). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 2(3) of the General Conditions).]

(3) *Clearing System*. The Global Note(s) will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means **[if more than one Clearing System insert:** each of] [OeKB CSD GmbH, Strauchgasse 1-3, 1010 Vienna, Austria ("**OeKB**") [,] [and] [Clearstream Banking, S.A., Luxembourg, 42 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg ("**CBL**") and Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium ("**Euroclear**" and, together with CBL, the "**ICSDs**") [,] [and] **[specify other Clearing System]** and any successor in such capacity. **[In case of Notes to be kept in custody on behalf of the ICSDs and issued in NGN form insert:** The Notes shall be kept in custody by the common safekeeper on behalf of both ICSDs.] **[In case of Notes to be kept in custody on behalf of the ICSDs and issued in CGN form insert:** The Notes shall be kept in custody by a common depository on behalf of both ICSDs.]

werden von einer gemeinsamen Verwahrstelle (*common depositary*) im Namen beider ICSDs verwahrt.]

**[Im Fall von (einer) Globalurkunde(n), die im NGN-Format begeben werden soll(en), einfügen:**

(4) *Register der ICSDs.* Der Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (worunter man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis des Gesamtnennbetrags der durch die Globalurkunde verbrieften Schuldverschreibungen, und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Betrag der so verbrieften Schuldverschreibungen ist ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD zu diesem Zeitpunkt.

Bei einer Zahlung von Kapital **[Im Fall von Schuldverschreibungen mit laufender Verzinsung einfügen:** oder Zinsen] auf die durch die Globalurkunde verbrieften Schuldverschreibungen bzw. bei Kauf und Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen werden die Einzelheiten über diese Zahlung von Kapital **[Im Fall von Schuldverschreibungen mit laufender Verzinsung einfügen:** oder Zinsen] bzw. dieses Kaufs und der Entwertung bezüglich der Globalurkunde *pro rata* in die Register der ICSDs eingetragen werden, und nach dieser Eintragung wird der gesamte Nennbetrag der zurückgezahlten bzw. gekauften und entwerteten Schuldverschreibungen vom Gesamtnennbetrag der in die Register der ICSDs eingetragenen und durch die Globalurkunde verbrieften Schuldverschreibungen abgezogen. **[Falls die Schuldverschreibungen anfänglich durch eine vorläufige Globalurkunde verbrieft werden, einfügen:** Bei Austausch eines Anteils von ausschließlich durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen werden die Einzelheiten dieses Austauschs *pro rata* in die Register der ICSDs aufgenommen werden.]]]

**[Im Fall von Schuldverschreibungen, die rumänischem Recht unterliegen, einfügen:**

**[Absichtlich ausgelassen.]]]**

**[In case of (a) Global Note(s) to be issued in NGN format insert:**

(4) *Records of the ICSDs.* The aggregate principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption **[In case of Notes with periodic interest, insert:** or payment of interest] being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the details of such redemption **[In case of Notes with periodic interest, insert:** or payment] or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the total principal amount of the Notes so redeemed or purchased and cancelled. **[In case of Notes which are initially represented by a Temporary Global Note insert:** On an exchange of a part of the Notes represented by the Temporary Global Note, the details of such exchange shall be entered *pro rata* in the records of the ICSDs.]]]

**[In case of Notes governed by Romanian law insert:**

(2) *Title to the Notes.* **[In case of Notes admitted to trading on the spot regulated market or an alternative trading system operated by Bursa de Valori București S.A. insert:** Upon issuance of the Notes, each Holder acquiring Notes shall be registered in a registry (the "**Holders' Registry**") kept by Depozitarul Central S.A., 34-36 Carol I Boulevard, floors 3, 8 and 9, Bucharest 2, Romania

(the "**Romanian Central Depository**") based on an agreement (the "**Depository Agreement**") concluded between the Issuer and the Romanian Central Depository]. **[In case of Notes which are not admitted to trading on the spot regulated market or an alternative trading system operated by Bursa de Valori București S.A. insert:** Upon issuance of the Notes, each Holder acquiring Notes shall be registered by the Issuer in a registry (the "**Holders' Registry**") kept by the Issuer. Immediately thereafter, the Issuer shall, based on an agreement (the "**Depository Agreement**") concluded between the Issuer and Depozitarul Central S.A., 34-36 Carol I Boulevard, floors 3, 8 and 9, Bucharest 2, Romania (the "**Romanian Central Depository**"), transfer the Holders' Registry kept by it to the Romanian Central Depository].

(3) *Clearing System.* "**Clearing System**" means **[if more than one Clearing System insert: each of] [the Romanian Central Depository] [and] [specify other Clearing System]** and any successor in such capacity.

(4) *Holder of Notes.* "**Holder**" means any holder of Notes who is registered in the Holders' Registry. The title to the Notes will be transferred in accordance with the applicable law and with the rules of the Clearing System by registration in the Holders' Registry. **[In case of Notes that are not admitted to trading on the spot regulated market or an alternative trading system operated by Bursa de Valori București S.A. insert:** The Holders are solely responsible to carry out all acts and formalities required for registration with the Holders' Registry.]]

([●]) *Geschäftstag.* "**Geschäftstag**" bezeichnet einen Kalendertag (außer einem Samstag oder Sonntag), an dem **[soweit erforderlich einfügen:** Geschäftsbanken und Devisenmärkte in **[sämtliche relevanten Finanzzentren einfügen]** Zahlungen abwickeln und für den allgemeinen Geschäftsverkehr (einschließlich des Handels in Devisen und Fremdwährungseinlagen) geöffnet sind] **[soweit erforderlich einfügen:** [und] das Trans-European Automated Real-time Gross Settlement Express Transfer System 2 oder dessen Nachfolgesystem ("**TARGET**") geöffnet ist].

**[Falls die Schuldverschreibungen deutschem Recht unterliegen und der deutschsprachige Text bindend sein soll, einfügen:**

([●]) *Sprache.* Diese Emissionsbedingungen sind in der deutschen Sprache abgefasst. **[falls eine unverbindliche Übersetzung in die englische Sprache beigefügt wird, einfügen:** Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist

([●]) *Business Day.* "**Business Day**" means a calendar day (other than a Saturday or a Sunday) on which **[insert, as applicable:** commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in **[insert all relevant financial centres]] [insert, as applicable:** [and] the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor ("**TARGET**") is open].

**[In case the Notes are governed by German law and the German language text shall be binding, insert:**

([●]) *Language.* These Terms and Conditions are written in the German language **[in case a non-binding English translation is provided, insert:** and provided with an English language translation. The German text shall be prevailing and binding. The English language translation shall be non-binding].]



unverbindlich].])

**[Falls der englischsprachige Text bindend sein soll, einfügen:**

**([●]) Sprache.** Diese Emissionsbedingungen sind in der englischen Sprache abgefasst. **[falls die Schuldverschreibungen deutschem Recht unterliegen und eine unverbindliche deutschsprachige Übersetzung beigefügt wird, einfügen:** Eine Übersetzung in die deutsche Sprache ist beigefügt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich].]

**[im Fall von Garant Index Schuldverschreibungen, Garant Aktien Schuldverschreibungen, Index Schuldverschreibungen und Aktien Schuldverschreibungen mit laufender Verzinsung einfügen:**

## § 2 VERZINSUNG

(1) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden auf der Grundlage ihres ausstehenden Gesamtnennbetrags verzinst, und zwar vom **[Verzinsungsbeginn einfügen]** (der "Verzinsungsbeginn") (einschließlich) bis zum Fälligkeitstag (wie in § 3 der Emissionsspezifischen Bedingungen definiert) (ausschließlich) mit **[Festzinssatz einfügen]** % per annum. **[im Fall einer kurzen oder langen ersten oder letzten Zinsperiode einfügen:** Mit Ausnahme der [ersten] [letzten] Zinszahlung sind die Zinsen] **[im Fall von ausschließlich regulären Zinszahlungen einfügen:** Die Zinsen sind] **[im Fall von vierteljährlichen Zinszahlungen einfügen:** vierteljährlich] **[im Fall von halbjährlichen Zinszahlungen einfügen:** halbjährlich] **[im Fall von jährlichen Zinszahlungen einfügen:** jährlich] nachträglich am **[Zinszahlungstage einfügen]** eines jeden Jahres zahlbar (jeweils ein "Zinszahlungstag"), beginnend mit dem **[ersten Zinszahlungstag einfügen]** und endend mit dem **[letzten Zinszahlungstag einfügen]** **[im Fall von einmaliger Zinszahlung einfügen:** einmalig am **[Fälligkeitstag einfügen]** (der "Zinszahlungstag") zahlbar]. Die Zinszahlungstage unterliegen einer Anpassung in Übereinstimmung mit den in § 4 der Emissionsspezifischen Bedingungen enthaltenen Bestimmungen.

(2) *Berechnung des Zinsbetrags.* Falls der auf die Schuldverschreibungen zu zahlende Zinsbetrag für einen bestimmten Zeitraum zu berechnen ist, erfolgt die Berechnung des Zinsbetrags, indem der Zinssatz auf die festgelegte Stückelung angewendet wird, dieser Betrag mit dem Zinstagequotienten (wie nachstehend definiert) multipliziert und das hieraus resultierende Ergebnis

**[In case the English language text shall be binding, insert:**

**([●]) Language.** These Terms and Conditions are written in the English language **[in case the Notes are governed by German law and a non-binding German translation is provided, insert:** and provided with a German language translation. The English text shall be prevailing and binding. The German language translation shall be non-binding].]

**[in case of Garant Index Notes, Garant Share Notes, Index Notes and Share Notes with periodic interest, insert:**

## § 2 INTEREST

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their outstanding Aggregate Principal Amount at the rate of **[insert fixed rate of interest]** per cent. per annum (from, and including, **[insert Interest Commencement Date]** (the "Interest Commencement Date") to, but excluding, the Maturity Date (as defined in § 3 of the Issue Specific Conditions). **[In case of a short or long first or last interest period insert:** With the exception of the [first] [last] payment of interest, interest] **[in case of Notes which have only regular interest payments insert:** Interest] shall be payable **[in case of quarterly interest payments insert:** quarterly] **[in case of semi-annual interest payments insert:** semi-annually] **[in case of annual interest payments insert:** annually] in arrear on **[insert Interest Payment Dates]** in each year (each such date, an "Interest Payment Date"), commencing on **[insert first Interest Payment Date]** and ending on **[insert last Interest Payment Date]** **[in case of single interest payment insert:** once on the **[insert maturity date]** (the "Interest Payment Date"). Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 of the Issue Specific Conditions.

(2) *Calculation of Amount of Interest.* If the amount of interest payable under the Notes is required to be calculated for any period of time such amount of interest shall be calculated by applying the rate of interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction (as defined below), and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half

auf die nächste Untereinheit der festgelegten Währung gerundet wird, wobei eine halbe Untereinheit aufgerundet wird oder die Rundung ansonsten gemäß der anwendbaren Marktkonvention erfolgt.

(3) *Zinstagequotient*. "**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrags auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**"):

**[falls Actual/Actual (ICMA) anwendbar ist einfügen:**

1. falls der Zinsberechnungszeitraum kürzer ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraums fällt, oder falls der Zinsberechnungszeitraum der Feststellungsperiode entspricht, die Anzahl der Tage in dem Zinsberechnungszeitraum geteilt durch das Produkt aus (1) der Anzahl der Tage in der Feststellungsperiode und (2) der Anzahl der Feststellungstermine (wie nachstehend angegeben) in einem Kalenderjahr; oder

2. falls der Zinsberechnungszeitraum länger ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraums fällt, die Summe aus

(i) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch das Produkt aus (x) der Anzahl der Tage in der Feststellungsperiode und (y) der Anzahl der Feststellungstermine in einem Kalenderjahr; und

(ii) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die nächste Feststellungsperiode fallen, geteilt durch das Produkt aus (x) der Anzahl der Tage in dieser Feststellungsperiode und (y) der Anzahl der Feststellungstermine in einem Kalenderjahr.

"**Feststellungsperiode**" ist der Zeitraum von einem Feststellungstermin (einschließlich) bis zum nächsten Feststellungstermin (ausschließlich); dies schließt dann, wenn der Verzinsungsbeginn kein Feststellungstermin ist, den Zeitraum ein, der an dem ersten Feststellungstermin vor dem Verzinsungsbeginn anfängt, und dann, wenn der letzte Zinszahlungstag kein Feststellungstermin ist, den Zeitraum ein, der an dem ersten Feststellungstag nach dem letzten Zinszahlungstag endet.

Die Anzahl der Zinszahlungstermine im Kalenderjahr (jeweils ein "**Feststellungstermin**") beträgt **[Anzahl der regulären Zinszahlungstage im Kalenderjahr einfügen]** (jeder **[Datum einfügen]**).

of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

(3) *Day Count Fraction*. "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

**[in case Actual/Actual (ICMA) applies, insert:**

1. if the Calculation Period is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of days in such Calculation Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified below) that would occur in one calendar year; or

2. if the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of

(i) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.

"**Determination Period**" means the period from, and including, a Determination Date to, but excluding, the next Determination Date (including, where the Interest Commencement Date is not a Determination Date, the period commencing on the first Determination Date prior to the Interest Commencement Date, and where the final Interest Payment Date is not a Determination Date, the first Determination Date falling after the final Interest Payment Date, as the case may be.

The number of Interest Payment Dates per calendar year (each a "**Determination Date**") is **[insert number of regular interest payment dates per calendar year]** (each **[insert date]**).

**[falls Actual/Actual (ISDA) oder Actual/365 anwendbar ist einfügen:** die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365 (oder, falls ein Teil des Zinsberechnungszeitraums in ein Schaltjahr fällt, die Summe aus (1) der tatsächlichen Anzahl von Tagen in dem Teil des Zinsberechnungszeitraums, die in das Schaltjahr fallen, dividiert durch 366 und (2) die tatsächliche Anzahl von Tagen in dem Teil des Zinsberechnungszeitraums, die nicht in ein Schaltjahr fallen, dividiert durch 365).]

**[falls Actual/365 (Fixed) anwendbar ist einfügen:** die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]

**[falls Actual/360 anwendbar ist einfügen:** die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.]

**[falls 30/360, 360/360 oder Bond Basis anwendbar ist einfügen:** die Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360, wobei die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln ist (es sei denn, (1) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraums weder auf den 30. noch auf den 31. Tag eines Monats fällt, wobei in diesem Fall der den letzten Tag enthaltende Monat nicht als ein auf 30 Tage gekürzter Monat zu behandeln ist, oder (2) der letzte Tag des Zinsberechnungszeitraums fällt auf den letzten Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

**[falls 30E/360 oder Eurobond Basis anwendbar ist einfügen:** die Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360 (wobei die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln ist, und zwar ohne Berücksichtigung des Datums des ersten oder letzten Tages des Zinsberechnungszeitraums, es sei denn, der Fälligkeitstag ist, im Fall des letzten Zinsberechnungszeitraums, der letzte Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

**[Im Fall von Schuldverschreibungen, die deutschem Recht unterliegen, einfügen:**

(3) *Verzugszinsen.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Kalendertages, der dem Kalendertag vorangeht, an dem die Schuldverschreibungen zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, wird der ausstehende Gesamtnennbetrag der Schuldverschreibungen vom Kalendertag der

**[in case Actual/Actual (ISDA) or Actual/365 applies, insert:** the actual number of days in the Calculation Period divided by 365 (or, if any calculation portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).]

**[in case Actual/365 (Fixed) applies, insert:** the actual number of days in the Calculation Period divided by 365.]

**[in case Actual/360 applies, insert:** the actual number of days in the Calculation Period divided by 360.]

**[in case 30/360, 360/360 or Bond Basis applies, insert:** the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (1) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (2) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

**[in case 30E/360 or Eurobond Basis applies, insert:** the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

**[In case of Notes governed by German law insert:**

(3) *Default Interest.* The Notes shall cease to bear interest from the expiry of the calendar day preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall accrue on the outstanding aggregate principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes at the default rate of

Fälligkeit (einschließlich) bis zum Kalendertag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen<sup>1</sup> verzinst. Weitergehende Ansprüche der Gläubiger bleiben unberührt.]

**[Im Fall von Schuldverschreibungen, die rumänischem Recht unterliegen, einfügen:**

**[Absichtlich ausgelassen.]]**

**[im Fall von Garant Index Schuldverschreibungen, Garant Aktien Schuldverschreibungen, Index Schuldverschreibungen, und Aktien Schuldverschreibungen ohne laufende Verzinsung einfügen:**

## § 2 VERZINSUNG

Die Schuldverschreibungen werden nicht laufend verzinst.]

## § 3 RÜCKZAHLUNG

Jede Schuldverschreibung wird von der Emittentin durch Zahlung eines Betrags (der "**Rückzahlungsbetrag**") am Fälligkeitstag, vorbehaltlich einer Anpassung gemäß § 4 der Emissionsspezifischen Bedingungen, zurückgezahlt, der von der Berechnungsstelle berechnet wird und dem Produkt aus (i) dem Nennbetrag je Schuldverschreibung und (ii) dem Rückzahlungskurs entspricht.

**[wenn ein Cap anwendbar ist, einfügen:**

Der "**Rückzahlungskurs**" entspricht der Summe aus (i) 100% und (ii) dem Produkt aus (x) der Partizipation und (y) der Wertentwicklung des Basiswertes, das durch den Cap begrenzt wird und mindestens dem Floor entspricht, d.h. der Rückzahlungskurs beträgt mindestens

<sup>1</sup> Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutschen Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Abs. 1, 247 Abs. 1 BGB.

interest established by law<sup>1</sup>. This does not affect any additional rights that might be available to the Holders.]

**[In case of Notes governed by Romanian law insert:**

(3) *Default Interest.* The Notes shall cease to bear interest from the expiry of the calendar day preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall accrue on the outstanding aggregate principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes at the rate of interest specified in § 2(1) of these Issue Specific Conditions. This does not affect any additional rights that might be available to the Holders.]

**[in case of Garant Index Notes, Garant Share Notes, Index Notes and Share Notes without periodic interest, insert:**

## § 2 INTEREST

The Notes do not accrue interest.]

## § 3 REDEMPTION

Each Note will be redeemed by the Issuer by payment of an amount (the "**Final Redemption Amount**") on the Maturity Date, subject to an adjustment pursuant to § 4 of the Issue Specific Conditions, which is calculated by the Calculation Agent and is equal to the product of (i) the Principal Amount per Note and (ii) the Redemption Price.

**[in case a cap is applicable, insert:**

The "**Redemption Price**" means the sum of (i) 100 per cent. and (ii) the product of (x) the Participation and (y) the Performance of the Reference Asset, which is limited by the Cap and is equal to at least the Floor, i.e. the Redemption Price is at least **[insert minimum redemption percentage rate]**

<sup>1</sup> The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288 (1), 247 (1) German Civil Code.

**[Mindestrückzahlungsprozentsatz einfügen]** % des Nennbetrags je Schuldverschreibung (der "**Mindestrückzahlungskurs**") und maximal **[Höchstrückzahlungsprozentsatz einfügen]** % des Nennbetrags je Schuldverschreibung (der "**Höchstrückzahlungskurs**") und wird als Formel wie folgt berechnet:

$100\% + \text{Min}(\text{Max}(\text{Partizipation} \times \text{Wertentwicklung}; \text{Floor}); \text{Cap})]$

**[wenn kein Cap anwendbar ist, einfügen:**

Der "**Rückzahlungskurs**" entspricht der Summe aus (i) 100% und (ii) dem Produkt aus (x) der Partizipation und (y) der Wertentwicklung des Basiswertes, und entspricht mindestens dem Floor, d.h. der Rückzahlungskurs beträgt mindestens **[Mindestrückzahlungsprozentsatz einfügen]** % des Nennbetrags je Schuldverschreibung (der "**Mindestrückzahlungskurs**") und wird als Formel wie folgt berechnet:

$100\% + \text{Max}(\text{Partizipation} \times \text{Wertentwicklung}; \text{Floor})]$

Dabei gilt:

"**Ausübungspreis**" entspricht **[Prozentsatz einfügen]** % des Schlusskurses des Basiswertes am Kursfixierungstag.

**[wenn der Basiswert eine Aktie ist, die folgenden Definitionen einfügen:**

"**Aktie**" ist **[Art der Aktie, ISIN bzw. andere Wertpapierkennnummern und Emittentin der Aktie einfügen]**.

"**Basiswert**" ist die Aktie.]

**[wenn der Basiswert ein Index ist, einfügen:**

"**Basiswert**" ist der Index.]

**[im Fall eines finalen Bewertungstags einfügen:**

"**Bewertungstag**" ist, vorbehaltlich einer Anpassung gemäß § 7 der Emissionsspezifischen Bedingungen, der **[Datum einfügen]** bzw. wenn dieser Tag kein Börsengeschäftstag (wie in § 7 der Emissionsspezifischen Bedingungen definiert) ist, der nächstfolgende Börsengeschäftstag.]

**[im Fall von mehreren Bewertungstagen einfügen:**

per cent. of the Principal Amount per Note (the "**Minimum Redemption Price**") and no more than **[insert maximum redemption percentage rate]** per cent. of the Principal Amount per Note (the "**Maximum Redemption Price**") and is calculated by using the following formula:

$100 \text{ per cent.} + \text{Min}(\text{Max}(\text{Participation} \times \text{Performance}; \text{Floor}); \text{Cap})]$

**[in case no cap is applicable, insert:**

The "**Redemption Price**" means the sum of (i) 100 per cent. and (ii) the product of (x) the Participation and (y) the Performance of the Reference Asset, which is equal to at least the Floor, i.e. the Redemption Price is at least **[insert minimum redemption percentage rate]** per cent. of the Principal Amount per Note (the "**Minimum Redemption Price**") and is calculated by using the following formula:

$100 \text{ per cent.} + \text{Max}(\text{Participation} \times \text{Performance}; \text{Floor})]$

Where:

"**Strike Price**" means **[insert percentage rate]** per cent. of the Closing Price of the Reference Asset on the Strike Fixing Date.

**[insert the following definitions if the Reference Asset is a Share:**

"**Share**" is the **[insert type of the Share, ISIN or other securities identification number and issuer of the Share]**.

"**Reference Asset**" is the Share.]

**[insert if the Reference Asset is an Index:**

"**Reference Asset**" is the Index.]

**[in case of a final valuation date, insert:**

"**Valuation Date**" is, subject to an adjustment pursuant to § 7 of the Issue Specific Conditions, **[insert date]**, or if such day is not an Exchange Business Day (as defined in § 7 of the Issue Specific Conditions), the next Exchange Business Day.]

**[in case of several valuation dates, insert:**

"**Bewertungstage**" sind, vorbehaltlich einer Anpassung gemäß § 7 der Emissionsspezifischen Bedingungen, die in der folgenden Tabelle genannten Tage bzw. wenn einer dieser Tage kein Börsengeschäftstag (wie in § 7 der Emissionsspezifischen Bedingungen definiert) ist, der nächstfolgende Börsengeschäftstag:

**Bewertungstage: [Bewertungstage einfügen]]**

**[wenn der Basiswert eine Aktie ist, einfügen:**

"**Börse**" ist die [Börse einfügen] bzw. eine Nachfolgebörse oder ein Nachfolge-Notierungssystem oder eine Ersatz-Börse oder ein Ersatz-Notierungssystem, an der bzw. dem der Handel mit der Aktie vorübergehend abgewickelt wird (sofern die Berechnungsstelle bestimmt hat, dass die Liquidität hinsichtlich dieser Aktie an dieser vorübergehenden Ersatz-Börse oder diesem Ersatz-Notierungssystem mit der Liquidität an der ursprünglichen Börse vergleichbar ist).]

**[wenn der Basiswert ein Einbörsenindex ist, einfügen:**

"**Börse**" bezeichnet die [Börse einfügen], eine Nachfolgebörse oder ein Nachfolge-Notierungssystem oder eine Ersatz-Börse oder ein Ersatz-Notierungssystem, an der bzw. dem der Handel mit den diesem Index zugrunde liegenden Komponenten vorübergehend abgewickelt wird (sofern die Berechnungsstelle bestimmt hat, dass die Liquidität hinsichtlich der Komponenten an dieser vorübergehenden Ersatz-Börse oder diesem Ersatz-Notierungssystem mit der Liquidität an der ursprünglichen Börse vergleichbar ist).]

**[wenn der Basiswert ein Mehrbörsenindex ist, einfügen:**

"**Börse**" bezeichnet jede Börse, an der eine Indexkomponente nach Feststellung der Berechnungsstelle hauptsächlich gehandelt wird, eine Nachfolgebörse oder ein Nachfolge-Notierungssystem oder eine Ersatz-Börse oder ein Ersatz-Notierungssystem, an der bzw. dem der Handel mit den diesem Index zugrunde liegenden Komponenten vorübergehend abgewickelt wird (sofern die Berechnungsstelle bestimmt hat, dass die Liquidität hinsichtlich der Komponenten an dieser vorübergehenden Ersatz-Börse oder diesem Ersatz-Notierungssystem mit der Liquidität an der ursprünglichen Börse vergleichbar ist).]

**[wenn ein Cap anwendbar ist, einfügen:**

"**Cap**" entspricht [Prozentsatz einfügen] % und stellt die Obergrenze des Produkts aus (x) der

"**Valuation Dates**" are, subject to an adjustment pursuant to § 7 of the Issue Specific Conditions, the days specified in the table below, or if any such day is not an Exchange Business Day (as defined in § 7 of the Issue Specific Conditions), the next Exchange Business Day:

**Valuation Dates: [insert Valuation Dates]]**

**[insert if the Reference Asset is a Share:**

"**Exchange**" means [insert Exchange] or any successor exchange or successor quotation system or any substitute exchange or substitute quotation system to which trading in the Share has been temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).]

**[in case the Reference Asset is a Single Exchange Index, insert:**

"**Exchange**" means [insert Exchange], any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Components underlying such Index has been temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Components underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange).]

**[In case the Reference Asset is a Multi Exchange Index, insert:**

"**Exchange**" means each exchange on which any Component of the Index is, in the determination of the Calculation Agent, principally traded, or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Components underlying such Index has been temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Components underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange).]

**[in case a cap is applicable, insert:**

"**Cap**" is [insert percentage rate] per cent. and specifies the upper limit of the product of (x) the

Partizipation und (y) der Wertentwicklung dar.]

"**Fälligkeitstag**" ist der [Datum einfügen].

"**Floor**" entspricht [Prozentsatz einfügen]<sup>2</sup> % und stellt die Untergrenze des Produkts aus (x) der Partizipation und (y) der Wertentwicklung dar.

[wenn der Basiswert ein Index ist, einfügen:

"**Index**" ist der [Name des Index und Bildschirmseite einfügen].

"**Index-Sponsor**" ist [Index Sponsor einfügen], (sowie jede von diesem zur Berechnung und/oder Veröffentlichung des Indexkurses beauftragte Einheit) oder jeder Nachfolger dazu.]

"**Kursfixierungstag**" ist, vorbehaltlich einer Anpassung gemäß § 7 der Emissionsspezifischen Bedingungen, der [Datum einfügen] bzw. wenn dieser Tag kein Börsengeschäftstag ist, der nächstfolgende Börsengeschäftstag.

"**Max**" steht für eine Reihe von Beträgen in Klammern und ist der größte dieser Beträge innerhalb der Klammern, die durch Semikolon getrennt sind.

[wenn ein Cap anwendbar ist, einfügen:

"**Min**" steht für eine Reihe von Beträgen in Klammern und ist der niedrigste der Beträge innerhalb der Klammern, die durch Semikolon getrennt sind.]

"**Partizipation**" entspricht [Prozentsatz einfügen] %. Die Partizipation bestimmt die prozentuale Beteiligung der Gläubiger an der Wertentwicklung des Basiswertes.

"**Schlusskurs**" des Basiswertes ist

[wenn der Basiswert eine Aktie ist, einfügen: der offizielle Schlusskurs der Aktie an der Börse zu dem Bewertungszeitpunkt (wie in § 7 der Emissionsspezifischen Bedingungen definiert) am maßgeblichen Tag.]

Participation and (y) the Performance.]

"**Maturity Date**" is [insert date].

"**Floor**" is [insert percentage rate]<sup>2</sup> per cent. and specifies the lower limit of the product of (x) the Participation and (y) the Performance.

[insert if the Reference Asset is an Index:

"**Index**" is the [insert name of the Index and Screen Page].

"**Index Sponsor**" is [insert Index Sponsor] (as well as any entity which has been commissioned by it to calculate and/or publish the Index Level) or any successor of it.]

"**Strike Fixing Date**" is, subject to an adjustment pursuant to § 7 of the Issue Specific Conditions, [insert date] or if such day is not an Exchange Business Day, the next Exchange Business Day.

"**Max**", followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi colon inside those brackets.

[in case a cap is applicable, insert:

"**Min**", followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a semi colon inside those brackets.]

"**Participation**" means [insert percentage rate] per cent. The Participation determines the interest of the Holders in the Performance of the Reference Asset expressed as a percentage.

"**Closing Price**" of the Reference Asset is

[insert if the Reference Asset is a Share: the official closing price of the Share on the Exchange at the Valuation Time (as defined in § 7 of the Issue Specific Conditions) on the relevant day.]

<sup>2</sup> Im Fall von Garant Index Schuldverschreibungen und Garant Aktien Schuldverschreibungen ist der Floor immer größer oder gleich Null (0), d.h. ist immer ein positiver Wert. Im Fall von Index Schuldverschreibungen und Aktien Schuldverschreibungen ist der Floor immer kleiner Null (0), d.h. ist immer ein negativer Wert.

<sup>2</sup> In the case of Garant Index Notes and Garant Share Notes, the Floor is always greater than or equal to zero (0), i.e. it always has a positive value. In the case of Index Notes and Share Notes, the Floor is always below zero (0), i.e. it always has a negative value.

**[wenn der Basiswert ein Index ist, einfügen:** der von der Berechnungsstelle festgestellte offizielle Schlusskurs des Index, wie vom Index-Sponsor berechnet und veröffentlicht.]

**[insert if the Reference Asset is an Index:** the official closing price of the Index, as determined by the Calculation Agent and calculated and published by the Index Sponsor.]

**[im Fall eines finalen Bewertungstags einfügen:**

**[in case of a final valuation date, insert:**

"Wertentwicklung" des Basiswertes beschreibt die Wertentwicklung des Basiswertes und ist ein in Prozent ausgedrückter Betrag, der von der Berechnungsstelle berechnet wird und dem Ergebnis der Division (i) des Schlusskurses am Bewertungstag und (ii) des Ausübungspreises minus eins entspricht und als Formel ausgedrückt wie folgt berechnet wird:

"Performance" of the Reference Asset describes the performance of the Reference Asset and is an amount expressed as a percentage, which is calculated by the Calculation Agent and is equal to the result of dividing (i) the Closing Price on the Valuation Date by (ii) the Strike Price minus one, and is calculated by using the following formula:

$$\frac{\text{Schlusskurs am Bewertungstag}}{\text{Ausübungspreis}} - 1$$

$$\frac{\text{Closing Price on the Valuation Date}}{\text{Strike Price}} - 1$$

**[im Fall von mehreren Bewertungstagen einfügen:**

**[in case of several valuation dates, insert:**

"Wertentwicklung" des Basiswertes ist ein in Prozent ausgedrückter Betrag, der von der Berechnungsstelle berechnet wird und dem Ergebnis der Division (i) des Durchschnittsendkurses und (ii) des Ausübungspreises minus eins entspricht und als Formel ausgedrückt wie folgt berechnet wird:

"Performance" of the Reference Asset is an amount expressed as a percentage, which is calculated by the Calculation Agent and is equal to the result of dividing (i) the Averaged Final Price by (ii) the Strike Price minus one, and is calculated by using the following formula:

$$\frac{\text{Durchschnittsendkurs}}{\text{Ausübungspreis}} - 1$$

$$\frac{\text{Averaged Final Price}}{\text{Strike Price}} - 1$$

**[wenn der Ausübungspreis nicht der Mindestpreis ist, einfügen:**

**[in case the Strike Price is not the minimum final price, insert:**

"Durchschnittsendkurs" des Basiswertes ist ein Betrag, der von der Berechnungsstelle berechnet wird und dem Ergebnis der Division aus (i) der Summe aller Schlusskurse an allen Bewertungstagen und (ii) der Anzahl aller Bewertungstage entspricht und als Formel ausgedrückt wie folgt berechnet wird:

"Averaged Final Price" of the Reference Asset is an amount which is calculated by the Calculation Agent and is equal to the result of the division of (i) the sum of all Closing Prices on all Valuation Dates by (ii) the number of all Valuation Dates and is calculated by using the following formula:

$$\frac{\sum \text{ Schlusskurse an allen Bewertungstagen}}{\text{Anzahl der Bewertungstage}}$$

$$\frac{\sum \text{ Closing Prices on all Valuation Dates}}{\text{Number of Valuation Dates}}$$

**[wenn der Ausübungspreis der Mindestpreis ist, einfügen:**

**[in case the Strike Price is the minimum final price insert:**

"Durchschnittsendkurs" des Basiswertes ist ein Betrag, der von der Berechnungsstelle berechnet wird und dem Ergebnis der Division aus (i) der Summe aller Bewertungspreise an allen Bewertungstagen und (ii) der Anzahl aller Bewertungstage entspricht und als Formel ausgedrückt wie folgt berechnet wird:

"Averaged Final Price" of the Reference Asset is an amount expressed as a percentage, which is calculated by the Calculation Agent and is equal to the result of the division of (i) the sum of all Valuation Prices on all Valuation Dates by (ii) the number of all Valuation Dates and is calculated by using the following formula:



Summe aller Bewertungspreise  
Anzahl der Bewertungstage

"**Bewertungspreis**" an einem Bewertungstag ist (i) der Schlusskurs des Basiswertes an dem jeweiligen Bewertungstag bzw. (ii) der Ausübungspreis des Basiswertes, je nachdem, welcher Wert der höhere ist.]

#### § 4 ZAHLUNGEN

**[Im Fall von Schuldverschreibungen, die deutschem Recht unterliegen, einfügen:**

(1) (a) *Zahlung* **[Im Fall von Schuldverschreibungen mit laufender Verzinsung einfügen: von Kapital]. [Im Fall von Schuldverschreibungen mit laufender Verzinsung einfügen: Die Zahlung von Kapital] [Im Fall von Schuldverschreibungen ohne laufende Verzinsung einfügen: Zahlungen]** auf die Schuldverschreibungen **[im Fall von Schuldverschreibungen mit laufender Verzinsung einfügen: erfolgt] [im Fall von Schuldverschreibungen ohne laufende Verzinsung einfügen: erfolgen]** nach Maßgabe des nachstehenden Absatzes (2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.

**[im Fall von Garant Index Schuldverschreibungen, Garant Aktien Schuldverschreibungen, Index Aktien Schuldverschreibungen und Aktien Schuldverschreibungen mit laufender Verzinsung einfügen:**

(b) *Zahlung von Zinsen.* Die Zahlung von Zinsen auf die Schuldverschreibungen erfolgt nach Maßgabe des nachstehenden Absatzes (2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems **[im Fall von Zinszahlungen auf eine vorläufige Globalurkunde einfügen: , und im Falle von Zahlungen von Zinsen auf Schuldverschreibungen, die durch eine vorläufige Globalurkunde verbrieft sind, nach ordnungsgemäßer Bescheinigung gemäß § 1(2)(b) der Emissionsspezifischen Bedingungen].]**

**[Im Fall von Schuldverschreibungen, die rumänischem Recht unterliegen, einfügen:**

**[Absichtlich ausgelassen.]]**

Sum of all Valuation Prices  
Number of Valuation Dates

"**Valuation Price**" on any particular Valuation Date means the higher of (i) the Closing Price of the Reference Asset on the relevant Valuation Date and (ii) the Strike Price of the Reference Asset.]

#### § 4 PAYMENTS

**[In case of Notes governed by German law insert:**

(1) (a) *Payment* **[in case of Notes with periodic interest, insert: of Principal]. [in case of Notes with periodic interest, insert: Payment of principal] [in case of Notes without periodic interest insert: Payments]** on the Notes shall be made, subject to paragraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.

**[in case of Garant Index Notes, Garant Share Notes, Index Notes and Share Notes with periodic interest, insert:**

(b) *Payment of Interest.* Payment of interest on the Notes shall be made, subject to paragraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System **[in case of interest payments on a Temporary Global Note insert: , and in case of payment of interest on Notes represented by a Temporary Global Note, upon due certification as provided for in § 1(2)(b) of the Issue Specific Conditions].]**

**[In case of Notes governed by Romanian law insert:**

(1) (a) *Payments* **[in case of Notes with periodic interest, insert: of Principal and Interest]. Payments [in case of Notes with periodic interest, insert: of principal and/or interest]** on the Notes shall be made, subject to paragraph (2) below, **[in case a paying agent other than the Issuer is appointed, insert: to the Paying Agent**

or to its order for credit] to the accounts of the relevant Holders specified in subparagraph (b) below.

(b) *Payment Reference Date.* **[In case no paying agent other than the Issuer is appointed, insert: The Issuer] [In case a paying agent other than the Issuer is appointed, insert: The Paying Agent(s)]** will process, on behalf of the Issuer, payments **[in case of Notes with periodic interest, insert: of principal and/or interest]** on the Notes to the Holders and] shall make payments **[in case of Notes with periodic interest, insert: of principal and/or interest]** on the Notes to the Holders shown in the Holders' Registry on the payment reference date (the "**Payment Reference Date**") determined as follows: (i) in relation to payments in accordance with § 5 of the General Conditions, the date when any notice declaring Notes due is given by a Holder in accordance with § 5(2) of the General Conditions and (ii) in relation to any other payments on the Notes, at the close of business on the 15th calendar day before the due date for payment thereof (including the Maturity Date). All payments validly made to the bank accounts specified by such Holder(s) shown in the Holders' Registry on such Payment Reference Date will constitute an effective discharge of **[in case no paying agent other than the Issuer is appointed, insert: the Issuer] [in case a paying agent other than the Issuer is appointed, insert: the Issuer and the Paying Agent(s)]** in respect of such payments.

**[In case of Notes with periodic interest, insert:** Any person who acquires a Note between a Payment Reference Date and the corresponding due date for a payment of interest shall not be entitled to receive payment of interest on the Notes for the corresponding interest due date notwithstanding that such person is shown in the Holders' Registry on the relevant interest due date as the Holder of the Note.]

No Holder may transfer its Note(s) during the period from, and including, **[in case of Notes admitted to trading on the spot regulated market or an alternative trading system operated by Bursa de Valori București S.A. insert: the second Business Day prior to]** the Payment Reference Date immediately preceding the Maturity Date up to, and including the Maturity Date.

(c) *Payment Logistics.* Payments **[in case of Notes with periodic interest, insert: of principal and/or interest]** on the Notes will be made in the Specified Currency by transfer to an account denominated in the Specified Currency, such account being specified by the Holder to **[in case no paying agent other than the Issuer is appointed, insert: the Issuer] [in case a paying**

**agent other than the Issuer is appointed, insert:** the Paying Agent(s)] at least 5 calendar days prior to the relevant due date.

**[In case no paying agent other than the Issuer is appointed, insert:** The Issuer] **[in case a paying agent other than the Issuer is appointed, insert:** The Paying Agent(s)] shall be under no obligation to make payment to a Holder unless and until adequate payment account details have been provided to **[in case no paying agent other than the Issuer is appointed, insert:** the Issuer] **[in case a paying agent other than the Issuer is appointed, insert:** the Paying Agent(s)] to enable payment to be made in accordance with these Terms and Conditions and no **[in case of Notes with periodic interest insert:** additional] interest will be payable as a result of any late payment occasioned by the failure of the Holder to provide such adequate payment account details. Holders are required to ensure that **[in case no paying agent other than the Issuer is appointed, insert:** the Issuer] **[in case a paying agent other than the Issuer is appointed, insert:** the Paying Agent(s)] [has] [have] all the details necessary for processing the payments **[in case of Notes with periodic interest, insert:** of principal and/or interest] on the Notes including but not limited to: bank account (IBAN format) and the name of the bank with whom the account has been opened, specification of whether the Holder is a legal person or natural person and (i) for natural persons – name and surname, personal identification number (if any), citizenship, tax residence, serial number of the identity card, address, and (ii) for legal persons (incorporated or unincorporated) – corporate name, registered seat, sole identification code or fiscal code, registration number with the Trade Registry (if any), tax residence.

No payments **[in case of Notes with periodic interest, insert:** of principal and/or interest amounts] will be made in cash, by cheque or by postal order.

Any fees levied by the intermediary banks (which, for the avoidance of doubt, shall not include the Issuer **[in case a paying agent other than the Issuer is appointed, insert:** nor the Paying Agent(s)]) in respect of payments hereunder shall be borne by the Holders.]

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen auf die Schuldverschreibungen zu leistende Zahlungen in der festgelegten Wahrung.

**[Im Fall von Schuldverschreibungen, die rumanischem Recht unterliegen und deren festgelegte Wahrung RON ist, einfugen:**

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

**[In case of Notes governed by Romanian law the Specified Currency of which is RON insert:**

[Absichtlich ausgelassen.]

The Holders irrevocably agree that the Issuer may, on any **[in case of Notes with periodic interest, insert: Interest Payment Date]** **[in case of Notes without periodic interest, insert: day]**, by giving at least 30 days' notice in accordance with § 7 of the General Conditions and any applicable legal provisions and on or after the date on which (i) Romania has introduced Euro as its legal currency (as provided in the Treaty on the Functioning of the European Union, as amended from time to time (the "**Treaty**")) or (ii) events have occurred which have substantially the same effects, redenominate all, but not some only, of the Notes into Euro and adjust the aggregate principal amount and the Specified Denomination of the Notes accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in this § 4 of the Issue Specific Conditions as the "**Redenomination Date**".

The redenomination of the Notes shall be made by converting the Specified Denomination of each Note from RON into Euro using the applicable RON/Euro conversion mechanism established by the Council of the European Union and the European Parliament pursuant to Article 133 of the Treaty and, unless otherwise provided under the above-mentioned conversion mechanism, rounding the resultant figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Unless otherwise provided under the above-mentioned conversion mechanism and if the Issuer so elects, the figure resulting from conversion of the Specified Denomination of each Note using the applicable RON/Euro conversion rate shall be rounded down to the nearest Euro. The specified denomination of the Notes in Euro so determined shall be notified to the Holders in accordance with § 7 of the General Conditions and any applicable legal provisions. Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to the Holders by the Issuer.

Upon redenomination of the Notes, any reference in these Terms and Conditions to RON shall be construed as a reference to Euro.

**[In case no paying agent other than the Issuer is appointed, insert: The Issuer shall not]** **[in case a paying agent other than the Issuer is appointed, insert: Neither the Issuer nor the Paying Agent(s) shall]** be liable to the Holders or any other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection

**[Im Fall von Schuldverschreibungen, die deutschem Recht unterliegen, einfügen:**

(3) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearingsystem oder dessen Order von ihrer Zahlungspflicht befreit.]

([4]) *Zahltag.* Sofern der Fälligkeitstag für eine Zahlung in Bezug auf die Schuldverschreibungen ansonsten auf einen Kalendertag fielen, der kein Zahltag (wie nachstehend definiert) ist, so wird der Fälligkeitstag für die Zahlung

**[Bei Anwendung der Modified Following Business Day Convention einfügen:** auf den nächstfolgenden Kalendertag verschoben, bei dem es sich um einen Zahltag handelt, es sei denn, der Fälligkeitstag für diese Zahlung würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Fälligkeitstag für diese Zahlung auf den unmittelbar vorausgehenden Kalendertag vorgezogen, bei dem es sich um einen Zahltag handelt.]

**[Bei Anwendung der Following Business Day Convention einfügen:** auf den nächstfolgenden Kalendertag verschoben, bei dem es sich um einen Zahltag handelt.]

**[Bei Anwendung der Preceding Business Day Convention einfügen:** auf den unmittelbar vorausgehenden Kalendertag vorgezogen, bei dem es sich um einen Zahltag handelt.]

"**Zahltag**" bezeichnet einen Kalendertag (außer einem Samstag oder Sonntag), (i) an dem das Clearingsystem geöffnet ist und (ii) [der ein Geschäftstag (wie in § 1([●]) der Emissionsspezifischen Bedingungen definiert) ist] [an dem **[soweit erforderlich einfügen:** Geschäftsbanken und Devisenmärkte in **[sämtliche relevanten Finanzzentren einfügen]** Zahlungen abwickeln und für den allgemeinen Geschäftsverkehr (einschließlich des Handels in Devisen und Fremdwährungseinlagen) geöffnet sind] **[soweit erforderlich einfügen:** [und] das Trans-European Automated Real-time Gross Settlement Express Transfer System 2 oder dessen Nachfolger ("**TARGET**") geöffnet ist].

**[Im Fall von Schuldverschreibungen mit laufender Verzinsung einfügen:** Falls der Fälligkeitstag einer Zahlung von Zinsen (wie oben beschrieben) **[falls Modified Following Business Day Convention oder Preceding Business Day Convention Anwendung findet, einfügen:** vorgezogen wird] [oder] **[falls Modified Following Business Day Convention oder Following Business Day Convention Anwendung findet, einfügen:** sich nach hinten verschiebt], wird der Zinsbetrag nicht entsprechend angepasst.]

therewith.]

**[In case of Notes governed by German law insert:**

(3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.]

([4]) *Payment Business Day.* If the due date for any payment in respect of the Notes would otherwise fall on a calendar day which is not a Payment Business Day (as defined below), the due date for such payment shall be

**[In case Modified Following Business Day Convention applies, insert:** postponed to the next calendar day which is a Payment Business Day unless the due date for such payment would thereby fall into the next calendar month, in which event the due date for such payment shall be the immediately preceding calendar day which is a Payment Business Day.]

**[In case Following Business Day Convention applies, insert:** postponed to the next calendar day which is a Payment Business Day.]

**[In case Preceding Business Day Convention applies, insert:** moved forward to the immediately preceding calendar day which is a Payment Business Day.]

"**Payment Business Day**" means a calendar day (other than a Saturday or a Sunday) (i) on which the Clearing System is open and (ii) [which is a Business Day (as defined in § 1([●]) of the Issue Specific Conditions)] [on which **[insert, as applicable:** commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in **[insert all relevant financial centres]** **[insert, as applicable:** [and] the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor ("**TARGET**") is open].

**[In case of Notes with periodic interest, insert:** If the due date for a payment of interest is **[in case Modified Following Business Day Convention or Preceding Business Day Convention applies, insert:** brought forward] [or] **[in case Modified Following Business Day Convention or Following Business Day Convention applies, insert:** postponed] (as described above), the amount of interest shall not be adjusted accordingly.]

Falls der Fälligkeitstag der Rückzahlung des Nennbetrags der Schuldverschreibungen angepasst wird, ist der Gläubiger nicht berechtigt, Zahlungen aufgrund dieser Anpassung zu verlangen.

**([5]) *Bezugnahmen auf Kapital [im Fall von Schuldverschreibungen mit laufender Verzinsung, die deutschem Recht unterliegen und falls die Emittentin zusätzliche Beträge im Fall eines steuerlichen Einbehalts oder Abzugs zahlen wird, einfügen: und Zinsen].*** Bezugnahmen in diesen Emissionsbedingungen auf "Kapital" der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen (wie in § 3 der Emissionsspezifischen Bedingungen angegeben); den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen (wie in § 2(2) der Allgemeinen Bedingungen angegeben); sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge (außer Zinsen). **[Im Fall von Schuldverschreibungen mit laufender Verzinsung, die deutschem Recht unterliegen, und falls die Emittentin zusätzliche Beträge im Fall eines steuerlichen Einbehalts oder Abzugs zahlen wird, einfügen:** Bezugnahmen in diesen Emissionsbedingungen auf "Zinsen" auf Schuldverschreibungen schließen, soweit anwendbar, sämtliche gemäß § 6(1) der Emissionsspezifischen Bedingungen zahlbaren zusätzlichen Beträge (wie in § 6(1) der Emissionsspezifischen Bedingungen definiert) ein.]

#### § 5

**[DIE EMISSIONSSTELLE][,] [UND] [DIE HAUPTZAHLSTELLE]  
[UND] [DIE ZAHLSTELLE[N]] UND  
BERECHNUNGSSTELLE**

**[Im Fall von Schuldverschreibungen, die deutschem Recht unterliegen, einfügen:**

(1) *Bestellung; bezeichnete Geschäftsstelle[n].* Die anfänglich bestellte Emissionsstelle und die anfänglich bestellte Hauptzahlstelle **[falls (eine) weitere Zahlstelle(n) ernannt werden soll(en), einfügen:** und die anfänglich bestellte(n) Zahlstelle(n)] und die anfänglich bestellte Berechnungsstelle und ihre anfänglich bezeichnete[n] Geschäftsstelle[n] lauten wie folgt:

Emissionsstelle und Hauptzahlstelle:

**[Falls BNP Paribas Securities Services, Luxembourg Branch als anfängliche Emissions- und Hauptzahlstelle ernannt werden soll, einfügen:**

If the due date for the redemption of the principal amount of the Notes is adjusted the Holder shall not be entitled to payments in respect of such adjustment.

**([5]) *References to Principal [in case of Notes with periodic interest governed by German law and in case the Issuer will pay additional amounts in case of a tax withholding or deduction insert: and Interest].*** References in these Terms and Conditions to "principal" in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes (as specified in § 3 of the Issue Specific Conditions); the Early Redemption Amount of the Notes (as specified in § 2(2) of the General Conditions); and any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes. **[In case of Notes with periodic interest governed by German law and in case the Issuer will pay additional amounts in case of a tax withholding or deduction insert:** References in these Terms and Conditions to "interest" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts (as defined in § 6(1) of the Issue Specific Conditions) which may be payable under § 6(1) of the Issue Specific Conditions.]

#### § 5

**[FISCAL AGENT][,] [AND] [PRINCIPAL PAYING AGENT]  
[AND] [PAYING AGENT[S]] AND  
CALCULATION AGENT**

**[In case of Notes governed by German law insert:**

(1) *Appointment; Specified Office[s].* The initial Fiscal Agent and the initial Principal Paying Agent **[in case (a) further paying agent(s) shall be appointed, insert:** and the initial Paying Agent(s)] and the initial Calculation Agent and [its] [their [respective]] initial specified office[s] are:

Fiscal Agent and Principal Paying Agent:

**[In case BNP Paribas Securities Services, Luxembourg Branch shall be appointed as initial Fiscal and Principal Paying Agent insert:**

BNP Paribas Securities Services,  
Luxembourg Branch  
60, avenue J.F. Kennedy  
L-1855 Luxembourg  
(Postadresse: L-2085 Luxembourg)]

**[Falls eine andere Emissions- und Hauptzahlstelle ernannt werden soll, sind ihr Name und ihre anfänglich bezeichnete Geschäftsstelle einzufügen.]**

Berechnungsstelle:

**[Falls Banca Comercială Română S.A. als anfängliche Berechnungsstelle ernannt werden soll, einfügen:**

Banca Comercială Română S.A.  
5 Regina Elisabeta Blvd  
030016 Bukarest  
Rumänien]

**[Falls eine andere Berechnungsstelle ernannt werden soll, sind ihr Name und ihre anfänglich bezeichnete Geschäftsstelle einzufügen.]**

**[Im Fall von Schuldverschreibungen, die rumänischem Recht unterliegen, einfügen:**

**[Absichtlich ausgelassen.]**

BNP Paribas Securities Services,  
Luxembourg Branch  
60, avenue J.F. Kennedy  
L-1855 Luxembourg  
(Postal Address: L-2085 Luxembourg)]

**[In case another Fiscal and Principal Paying Agent shall be appointed, insert its name and initial specified office.]**

Calculation Agent:

**[In case Banca Comercială Română S.A. shall be appointed as initial Calculation Agent insert:**

Banca Comercială Română S.A.  
5 Regina Elisabeta Blvd  
030016 Bucharest  
Romania]

**[In case another Calculation Agent shall be appointed, insert its name and initial specified office.]**

**[In case of Notes governed by Romanian law insert:**

(1) *Appointment; Specified Office[s]*. The initial Principal Paying Agent **[in case (a) further paying agent(s) shall be appointed, insert:** and the initial Paying Agent(s)] and [its] [their [respective]] initial specified office[s] are:

Principal Paying Agent:

**[In case Banca Comercială Română S.A. shall be appointed as initial Principal Paying Agent insert:**

Banca Comercială Română S.A.  
5 Regina Elisabeta Blvd  
030016 Bucharest  
Romania]

**[In case another Principal Paying Agent shall be appointed, insert its name and initial specified office.]**

Calculation Agent:

**[In case Banca Comercială Română S.A. shall be appointed as initial Calculation Agent insert:**

Banca Comercială Română S.A.  
5 Regina Elisabeta Blvd  
030016 Bucharest  
Romania]

**[In case another Calculation Agent shall be appointed, insert its name and initial specified office.]**

**[Falls eine zusätzliche oder andere Zahlstelle ernannt werden soll, sind ihr Name und ihre anfänglich bezeichnete Geschäftsstelle einzufügen.]**

Soweit in diesen Emissionsbedingungen der Begriff "Zahlstelle(n)" erwähnt wird, so schließt dieser Begriff die Hauptzahlstelle mit ein.

**[Im Fall von Schuldverschreibungen, die deutschem Recht unterliegen, einfügen:**

Die Emissionsstelle, die Zahlstelle(n) und die Berechnungsstelle behalten sich das Recht vor, jederzeit ihre jeweilige bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Emissionsstelle oder einer Zahlstelle oder der Berechnungsstelle zu ändern oder zu beenden und eine andere Emissionsstelle, Berechnungsstelle oder zusätzliche oder andere Zahlstellen zu bestellen. Die Emittentin wird jedoch jederzeit (i) eine Emissionsstelle und eine Berechnungsstelle unterhalten und (ii), solange die Schuldverschreibungen an einer Wertpapierbörse notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle an einem Ort unterhalten, den die Regeln dieser Börse oder ihrer Aufsichtsbehörde[n] verlangen.

Die Emittentin wird die Gläubiger von jeder Änderung, Abberufung, Bestellung oder jedem sonstigen Wechsel sobald wie möglich nach Eintritt der Wirksamkeit einer solchen Veränderung informieren.

(3) *Beauftragte der Emittentin.* Die Emissionsstelle, die Zahlstellen und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern; es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

(4) *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle und der Emissionsstelle für die Zwecke der Emissionsbedingungen gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern keine vorsätzliche Pflichtverletzung, kein böser Glaube und kein offensichtlicher Irrtum vorliegt) für die Emittentin, die Zahlstellen und die Gläubiger bindend, und, sofern keiner der vorstehend genannten Umstände vorliegt, haftet die Emissionsstelle oder die Berechnungsstelle nicht gegenüber der Emittentin, den Zahlstellen oder den Gläubigern im Zusammenhang mit der Ausübung oder Nichtausübung ihrer Rechte und Pflichten und

**[In case an additional or other paying agent shall be appointed, insert its name and initial specified office.]**

Where these Terms and Conditions refer to the term "Paying Agent(s)", such term shall include the Principal Paying Agent.

**[In case of Notes governed by German law insert:**

The Fiscal Agent, the Paying Agent(s) and the Calculation Agent reserve the right to change their respective specified offices to some other specified offices in the same city at any time.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent or the Calculation Agent and to appoint another fiscal agent, calculation agent or additional or other paying agents. The Issuer shall at all times maintain (i) a fiscal agent and a calculation agent and (ii) so long as the Notes are listed on a stock exchange, a paying agent (which may be the Fiscal Agent) with a specified office in such place as may be required by the rules of such stock exchange or its supervisory [authority] [authorities].

The Issuer will give notice to the Holders of any variation, termination, appointment or any other change as soon as possible upon the effectiveness of such change.

(3) *Agents of the Issuer.* The Fiscal Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of the Terms and Conditions by the Calculation Agent and the Fiscal Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agents and the Holders and, in the absence of the aforesaid, no liability to the Issuer, the Paying Agents or the Holders shall attach to the Fiscal Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.



ihres Ermessens gemäß solchen Bestimmungen.

**[Im Fall von Schuldverschreibungen, die rumänischem Recht unterliegen, einfügen:**

**[Absichtlich ausgelassen.]**

**[In case of Notes governed by Romanian law insert:**

The Paying Agent(s) and the Calculation Agent reserve the right to change their respective specified offices to some other specified offices in the same city at any time.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent(s) and/or of the Calculation Agent and to appoint another calculation agent and/or additional or other paying agents. The Issuer shall at all times so long as the Notes are admitted to trading on the spot regulated market or an alternative trading system operated by Bursa de Valori București S.A. maintain a paying agent (which may be the Issuer) with a specified office in such place as may be required by the rules of such regulated market or its supervisory authority. If and for so long as the Notes are admitted to trading on the spot regulated market or an alternative trading system operated by Bursa de Valori București S.A., the Issuer shall maintain a paying agent (which may be the Issuer) having its specified office in Bucharest, Romania. The Issuer will give notice to the Holders of any variation, termination, appointment or any other change as soon as possible upon the effectiveness of such change.

(3) *Agents of the Issuer.* The Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.]

## § 6 STEUERN

(1) *Generelle Besteuerung.* Sämtliche Zahlungen **[im Fall von Schuldverschreibungen mit laufender Verzinsung einfügen:** von Kapital und/oder Zinsen] in Bezug auf die Schuldverschreibungen durch oder im Namen der Emittentin sind frei von und ohne Einbehalt oder Abzug von Steuern, Gebühren, Veranlagungen oder öffentlichen Abgaben welcher Art auch immer, die von oder innerhalb von Rumänien durch irgendeine Abgabenbehörde auferlegt, erhoben, eingezogen, einbehalten oder veranlagt werden, zu leisten, sofern ein derartiger Einbehalt oder Abzug nicht gesetzlich vorgesehen ist.

**[Im Fall von Schuldverschreibungen, die deutschem Recht unterliegen, einfügen:**

In diesem Fall **[falls die Emittentin keine zusätzlichen Beträge im Fall eines steuerlichen Einbehalts oder Abzugs zahlen wird, einfügen:** ist die Emittentin nicht verpflichtet, zusätzliche Beträge im Hinblick auf einen solchen Einbehalt

## § 6 TAXATION

(1) *General Taxation.* All payments **[in case of Notes with periodic interest, insert:** of principal and/or interest] by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Romania or by any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

**[In case of Notes governed by German law please insert:**

In that event, the Issuer **[in case the Issuer will not pay additional amounts in case of a tax withholding or deduction, insert:** shall not be required to pay additional amounts in respect of such withholding or deduction] **[in case the Issuer**

oder Abzug zu leisten.] **[falls die Emittentin zusätzliche Beträge im Fall eines steuerlichen Einbehalts oder Abzugs zahlen wird, einfügen:** wird die Emittentin jene zusätzlichen Beträge (die "zusätzlichen Beträge") an den Gläubiger zahlen, die erforderlich sind, um den Gläubiger so zu stellen, als hätte er die Beträge ohne Einbehalt oder Abzug erhalten, ausgenommen dass keine derartigen zusätzlichen Beträge hinsichtlich einer Schuldverschreibung zahlbar sind:

(a) an einen Gläubiger oder an einen Dritten im Namen des Gläubigers, der zur Zahlung solcher Steuern, Abgaben, Veranlagungen oder öffentlicher Abgaben hinsichtlich einer Schuldverschreibung aufgrund einer anderen Verbindung mit Rumänien als jene der bloßen Inhaberschaft einer Schuldverschreibung verpflichtet ist; oder

(b) die zur Zahlung mehr als 30 Kalendertage nach dem Zeitpunkt vorgelegt wird, an dem eine Zahlung erstmals fällig wird, oder (falls ein fälliger Betrag unrechtmäßig zurückgehalten oder verweigert wird) nach dem Zeitpunkt, an dem eine vollständige Bezahlung des ausstehenden Betrags erfolgt, oder (falls früher) nach dem Zeitpunkt, der sieben Kalendertage nach jenem Kalendertag liegt, an dem eine Mitteilung an die Gläubiger ordnungsgemäß gemäß § 7 der Allgemeinen Bedingungen erfolgt, wonach bei weiterer Vorlage der Schuldverschreibungen die Zahlung erfolgen wird, vorausgesetzt, dass die Zahlung tatsächlich bei Vorlage durchgeführt wird, außer in dem Ausmaß, in dem der Gläubiger zu zusätzlichen Beträgen bei Vorlage zur Zahlung am 30. Kalendertag berechtigt gewesen wäre; oder

(c) sofern ein solcher Einbehalt oder Abzug auf Zahlungen an eine natürliche Person auferlegt wird und nach Maßgabe der Richtlinie 2003/48/EG des Rates oder einer anderen Richtlinie der Europäischen Union oder Rechtsnorm, die der Umsetzung der Schlussfolgerungen des Treffens des ECOFIN-Rates vom 26.–27. November 2000 über die Besteuerung von Einkünften aus Geldanlagen dient, einer solchen Richtlinie entspricht oder zu deren Anpassung eingeführt wird, gemacht werden muss; oder

(d) die durch oder im Namen eines Gläubigers zur Zahlung vorgelegt wird, der in der Lage gewesen wäre, einen solchen Einbehalt oder Abzug durch Vorlage der betreffenden Schuldverschreibung bei einer anderen Zahlstelle in einem Mitgliedstaat der Europäischen Union zu vermeiden[.] [; oder]

**[Falls die Emittentin keine zusätzlichen Beträge im Fall eines Einbehalts oder Abzugs nach Maßgabe des rumänischen Gesetzes Nr. 571/2003 über die Abgabenordnung in der am Begebungstag der ersten Tranche einer Serie von Schuldverschreibungen gültigen Fassung zahlen wird, einfügen:** (e) in der Höhe,

**will pay additional amounts in case of a tax withholding or deduction, insert:** shall pay such additional amounts (the "Additional Amounts") to the Holder as shall result in receipt by that Holder of such amounts as would have been received by it had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note:

(a) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with Romania other than the mere holding of the Note; or

(b) presented for payment more than 30 calendar days after the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven calendar days after that on which notice is duly given to the Holders in accordance with § 7 of the General Conditions that, upon further presentation of the Notes being made, such payment will be made, provided that payment is in fact made upon such presentation, except to the extent that the Holder would have been entitled to such Additional Amounts on presenting the Note for payment on the thirtieth such calendar day; or

(c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another paying agent in a Member State of the European Union[.] [; or]

**[in case the Issuer will not pay additional amounts in case of a withholding or deduction made pursuant to Romanian Law no. 571/2003 on the Fiscal Code as in force on the date on which the first tranche of any series of Notes is issued, insert:** (e) to the extent such withholding or deduction is required to be made pursuant to

in der ein solcher Einbehalt oder Abzug nach Maßgabe des rumänischen Gesetzes Nr. 571/2003 über die Abgabenordnung in der am Begebungstag der ersten Tranche dieser Serie von Schuldverschreibungen gültigen Fassung erforderlich ist.]]

**[Im Fall von Schuldverschreibungen, die rumänischem Recht unterliegen, einfügen:**

**[Absichtlich ausgelassen.]]**

(2) *FATCA*. Die Emittentin ist berechtigt, von den an einen Gläubiger oder einen an den Schuldverschreibungen wirtschaftlich Berechtigten

Romanian Law no. 571/2003 on the Fiscal Code, as in force on the date on which the first tranche of this series of Notes is issued.]]

**[In case of Notes governed by Romanian law insert:**

The Issuer shall withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of any tax that it is required to withhold or deduct under Romanian law and it shall not be required to pay additional amounts to the Holder in respect of such withholding or deduction. In this case, the Issuer shall (subject to the applicable law and upon the relevant Holder's request) provide that Holder with a certificate evidencing such withholding in Romania (*certificatul de atestare a impozitului plătit de nerezident*) issued by the competent Romanian tax authority.

Nevertheless, the Issuer shall not apply the withholding or deduction required by law or apply a lower rate of withholding or deduction if:

(i) the Holder entitled to payment **[in case of Notes with periodic interest, insert:** of interest] on the Notes is resident for tax purposes in a jurisdiction with which Romania has concluded a treaty for the avoidance of double taxation and in accordance with such treaty the relevant payment **[in case of Notes with periodic interest, insert:** of interest] on the Notes may be made without withholding or deduction in Romania, or subject to a lower rate of withholding or deduction in Romania than the rate imposed under Romanian law at the time of payment, and

(ii) at least 5 calendar days prior to the relevant **[In case of Notes with periodic interest, insert:** interest] due date that Holder provides to the Issuer (x) a tax residency certificate (in original or notarized photocopy form) valid for the respective **[in case of Notes with periodic interest, insert:** interest] due date (together with a certified and notarized translation thereof into the English or the Romanian language if such certificate is issued in a language other than the English or the Romanian language) issued by the competent tax authority in the jurisdiction where such Holder is tax resident and attesting such Holder's tax residency in such jurisdiction and (y) any other documentary evidence as may be required from time to time by Romanian law and as notified by the Issuer in accordance with § 7 of the General Conditions to the Holders.]

(2) *FATCA*. The Issuer is authorised to withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient

unter den Schuldverschreibungen zu zahlenden Beträgen diejenigen Beträge einzubehalten oder abzuziehen, die erforderlich sind, um eine etwaige Steuer zu zahlen, die die Emittentin gemäß einer Vereinbarung einzubehalten oder abzuziehen gesetzlich verpflichtet ist, die in Artikel 1471(b) des U.S. Internal Revenue Code von 1986 in der jeweils geltenden Fassung (der "**Kodex**") beschrieben wird, oder die anderweitig gemäß den Artikeln 1471 bis 1474 des Kodex (oder etwaigen unter dem Kodex erlassenen Verordnungen oder amtlichen Auslegungen des Kodex), oder gemäß einer zwischenstaatlichen Vereinbarung zwischen den Vereinigten Staaten und einer anderen Jurisdiktion zur Umsetzung des Kodex (oder gemäß steuerrechtlicher oder aufsichtsrechtlicher Gesetzgebung, Vorschriften oder Praktiken, die eine solche zwischenstaatliche Vereinbarung umsetzen) (jeder Einbehalt oder Abzug, ein "**FATCA Einbehalt**") vorgeschrieben wird. Weder die Emittentin noch eine andere Person ist verpflichtet, irgendwelche zusätzlichen Beträge in Bezug auf den FATCA Einbehalt zu zahlen.

**[Im Fall von Schuldverschreibungen mit laufender Verzinsung, die deutschem Recht unterliegen, und falls die Emittentin zusätzliche Beträge im Fall eines steuerlichen Einbehalts oder Abzugs zahlen wird, einfügen:**

(3) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als **[Mindestkündigungsfrist einfügen]** und nicht mehr als **[Höchstkündigungsfrist einfügen]** **[Kalendertagen]** **[Geschäftstagen]** gegenüber der Emissionsstelle und gemäß § 7 der Allgemeinen Bedingungen gegenüber den Gläubigern vorzeitig gekündigt (wobei diese Kündigung unwiderruflich ist) und jederzeit zurückgezahlt werden, falls die Emittentin am nächstfolgenden Zinszahltag zur Zahlung von zusätzlichen Beträgen gemäß § 6(1) der Emissionsspezifischen Bedingungen verpflichtet sein wird, und zwar als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften von Rumänien oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Kalendertag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam), und eine solche Änderung oder Ergänzung nachgewiesen wurde durch Einreichung durch die Emittentin bei der Emissionsstelle (die eine solche Bestätigung und ein solches Gutachten als ausreichenden Nachweis hierüber anerkennen wird) von (i) einer von zwei bevollmächtigten

funds for the payment of any tax that it is required by law to withhold or deduct pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

**[In case of Notes governed by German law with periodic interest and in case the Issuer will pay additional amounts in case of a tax withholding or deduction insert:**

(3) *Early Redemption for Reasons of Taxation.* The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than **[insert Minimum Notice Period]** nor more than **[insert Maximum Notice Period]** **[calendar days]** **[Business Days]** prior notice of early redemption to the Fiscal Agent and, in accordance with § 7 of the General Conditions, to the Holders (which notice shall be irrevocable), if on the next succeeding Interest Payment Date, the Issuer will become obliged to pay Additional Amounts pursuant to § 6(1) of the Issue Specific Conditions and as a result of any change in, or amendment to, the laws or regulations of Romania or of any political subdivision or taxing authority thereof or therein, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes is issued, and such amendment or change has been evidenced by the delivery by the Issuer to the Fiscal Agent (who shall accept such certificate and opinion as sufficient evidence thereof) of (i) a certificate signed by two authorised representatives of the Issuer on behalf of the Issuer stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), describing the facts leading thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable

Vertretern der Emittentin im Namen der Emittentin unterzeichneten Bestätigung, in der ausgeführt wird, dass eine solche Änderung oder Ergänzung eingetreten ist (unabhängig davon, ob eine solche Änderung oder Ergänzung zu diesem Zeitpunkt bereits in Kraft ist), in der die Tatsachen, die hierzu geführt haben, beschrieben werden und festgestellt wird, dass diese Verpflichtung von der Emittentin nicht durch das Ergreifen vernünftiger, ihr zur Verfügung stehender Maßnahmen abgewendet werden kann, und (ii) einem Gutachten eines unabhängigen Rechtsberaters von anerkannter Reputation, besagend, dass eine solche Änderung oder Ergänzung eingetreten ist (unabhängig davon, ob eine solche Änderung oder Ergänzung zu diesem Zeitpunkt bereits in Kraft ist), wobei eine solche Kündigung nicht früher als 90 Kalendertage vor dem frühest möglichen Termin erfolgen darf, an dem die Emittentin verpflichtet wäre, solche zusätzlichen Beträge in Bezug auf die Schuldverschreibungen zu zahlen, falls zu diesem Zeitpunkt eine Zahlung fällig wäre. Eine Kündigung darf nicht erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von zusätzlichen Beträgen nicht mehr wirksam ist.

Die gemäß diesem § 6(3) der Emissionsspezifischen Bedingungen gekündigten Schuldverschreibungen werden zu ihrem vorzeitigen Rückzahlungsbetrag (wie in § 2(2) der Allgemeinen Bedingungen definiert) zuzüglich etwaiger bis zu dem Rückzahlungstag (ausschließlich) aufgelaufener Zinsen zurückgezahlt.]

measures available to it and (ii) an opinion of independent legal advisers of recognised reputation to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), provided that no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due. No such notice of redemption shall be given if at the time such notice is given, the obligation to pay such Additional Amounts does not remain in effect.

Notes redeemed pursuant to this § 6(3) of the Issue Specific Conditions will be redeemed at their Early Redemption Amount (as defined in § 2(2) of the General Conditions) together with interest, if any, accrued to, but excluding, the date of redemption.]

## Option II – Issue Specific Conditions for Altiplano Notes

### [OPTION II – EMISSIONSSPEZIFISCHE BEDINGUNGEN FÜR ALTIPLANO SCHULDVERSCHREIBUNGEN:

#### B. Emissionsspezifische Bedingungen

##### § 1 WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN

[Im Fall von Schuldverschreibungen, die deutschem Recht unterliegen, einfügen:

(1) *Währung, Stückelung.* Diese Tranche (die "Tranche") von Schuldverschreibungen (die "Schuldverschreibungen") wird von der Banca Comercială Română S.A., 5 Regina Elisabeta Boulevard, 030016 Bukarest 3, Rumänien (die "Emittentin") in [festgelegte Währung einfügen] ("[Abkürzung der festgelegten Währung einfügen]" oder die "festgelegte Währung") im Gesamtnennbetrag von [falls die Globalurkunde(n) im NGN-Format begeben werden, einfügen: , vorbehaltlich § 1(4) dieser emissionsspezifischen Bedingungen,] [festgelegte Währung und Gesamtnennbetrag einfügen] (in Worten: [Gesamtnennbetrag in Worten einfügen]) (der "Gesamtnennbetrag") in der Stückelung von [festgelegte Währung und festgelegte Stückelung einfügen] (die "festgelegte Stückelung" oder der "Nennbetrag je Schuldverschreibung") begeben.]

[Im Fall von Schuldverschreibungen, die rumänischem Recht unterliegen, einfügen:

[Absichtlich ausgelassen.]]

[Im Fall von Schuldverschreibungen, die deutschem Recht unterliegen, einfügen:

[Im Fall von Schuldverschreibungen, die ausschließlich durch eine Dauerglobalurkunde verbrieft sind, einfügen:

### [OPTION II – ISSUE SPECIFIC CONDITIONS FOR ALTIPLANO NOTES:

#### B. Issue Specific Conditions

##### § 1 CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

[In case of Notes governed by German law insert:

(1) *Currency, Denomination.* This tranche (the "Tranche") of notes (the "Notes") is being issued by Banca Comercială Română S.A., 5 Regina Elisabeta Boulevard, 030016 Bucharest 3, Romania (the "Issuer") in [insert specified currency] ("[insert abbreviation of specified currency]" or the "Specified Currency") in the aggregate principal amount of [in case of Global Note(s) to be issued in NGN form insert: , subject to § 1(4) of these Issue Specific Conditions,] [insert specified currency and aggregate principal amount] (in words: [insert aggregate principal amount in words]) (the "Aggregate Principal Amount") in the denomination of [insert specified currency and specified denomination] (the "Specified Denomination" or the "Principal Amount per Note").]

[In case of Notes governed by Romanian law insert:

(1) *Currency, Denomination.* This tranche (the "Tranche") of notes (the "Notes") is being issued by Banca Comercială Română S.A., 5 Regina Elisabeta Boulevard, 030016 Bucharest 3, Romania (the "Issuer") in [insert specified currency] ("[insert abbreviation of specified currency]" or the "Specified Currency") in the aggregate principal amount of up to [insert specified currency and aggregate principal amount] (in words: [insert aggregate principal amount in words]) in the denomination of [insert specified currency and specified denomination] (the "Specified Denomination" or the "Principal Amount per Note").]

[In case of Notes governed by German law insert:

[In case of Notes which are exclusively represented by a Permanent Global Note insert:

(2) *Dauerglobalurkunde.* Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**" oder die "**Globalurkunde**") ohne Zinsscheine verbrieft; der Zinszahlungsanspruch im Zusammenhang mit den Schuldverschreibungen ist durch die Dauerglobalurkunde mitverbrieft. Die Dauerglobalurkunde wird von ordnungsgemäß bevollmächtigten Vertretern der Emittentin unterschrieben und von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. **[Falls die Dauerglobalurkunde im NGN-Format begeben wird, einfügen:** Die Dauerglobalurkunde wird im *new global note*-Format ausgegeben.] **[Falls die Dauerglobalurkunde im CGN-Format begeben wird, einfügen:** Die Dauerglobalurkunde wird im *classical global note*-Format ausgegeben.] Einzelurkunden und Zinsscheine werden nicht ausgegeben.]

**[Im Fall von Schuldverschreibungen, die anfänglich durch eine vorläufige Globalurkunde verbrieft sind, die gegen eine Dauerglobalurkunde ausgetauscht werden kann, einfügen:**

(2) *Vorläufige Globalurkunde – Austausch gegen Dauerglobalurkunde.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde kann gegen Schuldverschreibungen in der festgelegten Stückelung, die durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**" und, zusammen mit der vorläufigen Globalurkunde, die "**Globalurkunden**") ohne Zinsscheine verbrieft sind, ausgetauscht werden; der Zinszahlungsanspruch im Zusammenhang mit den Schuldverschreibungen ist durch die maßgebliche Globalurkunde mitverbrieft. Die Globalurkunden werden jeweils von ordnungsgemäß bevollmächtigten Vertretern der Emittentin unterschrieben und werden jeweils von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. **[Falls die Globalurkunden im NGN-Format begeben werden, einfügen:** Die Globalurkunden werden im *new global note*-Format ausgegeben.] **[Falls die Globalurkunden im CGN-Format begeben werden, einfügen:** Die Globalurkunden werden im *classical global note*-Format ausgegeben.] Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) Die vorläufige Globalurkunde ist ab einem Kalendertag (der "**Austauschtag**") gegen die Dauerglobalurkunde in der in dem vorstehenden Unterabsatz (a) vorgesehenen Form und unter den dort aufgestellten Voraussetzungen austauschbar,

(2) *Permanent Global Note.* The Notes are represented by a permanent global note (the "**Permanent Global Note**" or the "**Global Note**") without coupons; the claim for interest payments under the Notes is represented by the Permanent Global Note. The Permanent Global Note shall be signed by authorised representatives of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. **[In case of a Permanent Global Note to be issued in NGN form insert:** The Permanent Global Note shall be issued in new global note format.] **[In case of a Permanent Global Note to be issued in CGN form insert:** The Permanent Global Note shall be issued in classical global note format.] Definitive Notes and coupons will not be issued.]

**[In case of Notes which are initially represented by a Temporary Global Note, which will be exchangeable for a Permanent Global Note, insert:**

(2) *Temporary Global Note – Exchange for Permanent Global Note.*

(a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination represented by a permanent global note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**") without coupons; any claim for interest payments under the Notes is represented by the relevant Global Note. The Global Notes shall each be signed by authorised representatives of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. **[In case of Global Notes to be issued in NGN form insert:** The Global Notes shall be issued in new global note format.] **[In case of Global Notes to be issued in CGN form insert:** The Global Notes shall be issued in classical global note format.] Definitive Notes and coupons will not be issued.

(b) The Temporary Global Note shall be exchangeable for the Permanent Global Note in the form and subject to the conditions provided in subparagraph (a) above from a date (the "**Exchange Date**") not earlier than 40 calendar

der nicht weniger als 40 Kalendertage nach dem Begebungstag der vorläufigen Globalurkunde liegt. Ein solcher Austausch darf nur in dem Umfang erfolgen, in dem Bescheinigungen vorgelegt werden, denen zufolge der oder die wirtschaftliche(n) Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Person(en) ist (sind) (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Kalendertag nach dem Begebungstag der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Unterabsatz (b) dieses § 1(2) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 2(3) der Allgemeinen Bedingungen definiert) zu liefern.]

(3) *Clearingsystem.* Die Globalurkunde(n) wird (werden) von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. **"Clearingsystem"** bezeichnet **[bei mehr als einem Clearingsystem einfügen: jeweils]** [OeKB CSD GmbH, Strauchgasse 1-3, 1010 Wien, Österreich ("**OeKB**")], [und] [Clearstream Banking, S.A., Luxemburg, 42 Avenue J.F. Kennedy, 1855 Luxemburg, Großherzogtum Luxemburg ("**CBL**") und Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brüssel, Belgien ("**Euroclear**" und, zusammen mit CBL, die "**ICSDs**")], [und] **[anderes Clearingsystem angeben]** und jeden Funktionsnachfolger. **[Falls die Schuldverschreibungen im Namen der ICSDs verwahrt und im NGN-Format begeben werden, einfügen:** Die Schuldverschreibungen werden von der gemeinsamen Verwahrstelle (*common safekeeper*) im Namen beider ICSDs verwahrt.] **[Falls die Schuldverschreibungen im Namen der ICSDs verwahrt und im CGN-Format begeben werden, einfügen:** Die Schuldverschreibungen werden von einer gemeinsamen Verwahrstelle (*common depositary*) im Namen beider ICSDs verwahrt.]

**[Im Fall von (einer) Globalurkunde(n), die im NGN-Format begeben werden soll(en), einfügen:**

(4) *Register der ICSDs.* Der Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in

days after the issue date of the Temporary Global Note. Such exchange shall only be made to the extent that certifications have been delivered to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is (are) not (a) U.S. person(s) (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th calendar day after the issue date of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1(2). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 2(3) of the General Conditions).]

(3) *Clearing System.* The Global Note(s) will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied. **"Clearing System"** means **[if more than one Clearing System insert: each of]** [OeKB CSD GmbH, Strauchgasse 1-3, 1010 Vienna, Austria ("**OeKB**")], [and] [Clearstream Banking, S.A., Luxembourg, 42 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg ("**CBL**") and Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium ("**Euroclear**" and, together with CBL, the "**ICSDs**")], [and] **[specify other Clearing System]** and any successor in such capacity. **[In case of Notes to be kept in custody on behalf of the ICSDs and issued in NGN form insert:** The Notes shall be kept in custody by the common safekeeper on behalf of both ICSDs.] **[In case of Notes to be kept in custody on behalf of the ICSDs and issued in CGN form insert:** The Notes shall be kept in custody by a common depositary on behalf of both ICSDs.]

**[In case of (a) Global Note(s) to be issued in NGN format insert:**

(4) *Records of the ICSDs.* The aggregate principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time



den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (worunter man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis des Gesamtnennbetrags der durch die Globalurkunde verbrieften Schuldverschreibungen, und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Betrag der so verbrieften Schuldverschreibungen ist ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD zu diesem Zeitpunkt.

Bei einer Zahlung von Kapital **[Im Fall von Schuldverschreibungen mit laufender Verzinsung einfügen:** oder Zinsen] auf die durch die Globalurkunde verbrieften Schuldverschreibungen bzw. bei Kauf und Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen werden die Einzelheiten über diese Zahlung von Kapital **[Im Fall von Schuldverschreibungen mit laufender Verzinsung einfügen:** oder Zinsen] bzw. dieses Kaufs und der Entwertung bezüglich der Globalurkunde *pro rata* in die Register der ICSDs eingetragen werden, und nach dieser Eintragung wird der gesamte Nennbetrag der zurückgezahlten bzw. gekauften und entwerteten Schuldverschreibungen vom Gesamtnennbetrag der in die Register der ICSDs eingetragenen und durch die Globalurkunde verbrieften Schuldverschreibungen abgezogen. **[Falls die Schuldverschreibungen anfänglich durch eine vorläufige Globalurkunde verbrieft werden, einfügen:** Bei Austausch eines Anteils von ausschließlich durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen werden die Einzelheiten dieses Austauschs *pro rata* in die Register der ICSDs aufgenommen werden.]]]

**[Im Fall von Schuldverschreibungen, die rumänischem Recht unterliegen, einfügen:**

**[Absichtlich ausgelassen.]]]**

entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption **[In case of Notes with periodic interest, insert:** or payment of interest] being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the details of such redemption **[In case of Notes with periodic interest, insert:** or payment] or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the total principal amount of the Notes so redeemed or purchased and cancelled. **[In case of Notes which are initially represented by a Temporary Global Note insert:** On an exchange of a part of the Notes represented by the Temporary Global Note, the details of such exchange shall be entered *pro rata* in the records of the ICSDs.]]]

**[In case of Notes governed by Romanian law insert:**

(2) *Title to the Notes.* **[In case of Notes admitted to trading on the spot regulated market or an alternative trading system operated by Bursa de Valori București S.A. insert:** Upon issuance of the Notes, each Holder acquiring Notes shall be registered in a registry (the "**Holders' Registry**") kept by Depozitarul Central S.A., 34-36 Carol I Boulevard, floors 3, 8 and 9, Bucharest 2, Romania (the "**Romanian Central Depository**") based on an agreement (the "**Depository Agreement**") concluded between the Issuer and the Romanian Central Depository]. **[In case of Notes which are not admitted to trading on the spot regulated market or an alternative trading system operated by Bursa de Valori București S.A. insert:** Upon issuance of the Notes, each Holder acquiring Notes shall be registered by the Issuer in a registry (the "**Holders' Registry**") kept by the

Issuer. Immediately thereafter, the Issuer shall, based on an agreement (the "**Depository Agreement**") concluded between the Issuer and Depozitarul Central S.A., 34-36 Carol I Boulevard, floors 3, 8 and 9, Bucharest 2, Romania (the "**Romanian Central Depository**"), transfer the Holders' Registry kept by it to the Romanian Central Depository].

(3) *Clearing System*. "**Clearing System**" means [if more than one Clearing System insert: each of] [the Romanian Central Depository] [and] [specify other Clearing System] and any successor in such capacity.

(4) *Holder of Notes*. "**Holder**" means any holder of Notes who is registered in the Holders' Registry. The title to the Notes will be transferred in accordance with the applicable law and with the rules of the Clearing System by registration in the Holders' Registry. [In case of Notes that are not admitted to trading on the spot regulated market or an alternative trading system operated by Bursa de Valori București S.A. insert: The Holders are solely responsible to carry out all acts and formalities required for registration with the Holders' Registry.]]

([●]) *Geschäftstag*. "**Geschäftstag**" bezeichnet einen Kalendertag (außer einem Samstag oder Sonntag), an dem [soweit erforderlich einfügen: Geschäftsbanken und Devisenmärkte in [sämtliche relevanten Finanzzentren einfügen] Zahlungen abwickeln und für den allgemeinen Geschäftsverkehr (einschließlich des Handels in Devisen und Fremdwährungseinlagen) geöffnet sind] [soweit erforderlich einfügen: [und] das Trans-European Automated Real-time Gross Settlement Express Transfer System 2 oder dessen Nachfolgesystem ("**TARGET**") geöffnet ist].

**[Falls die Schuldverschreibungen deutschem Recht unterliegen und der deutschsprachige Text bindend sein soll, einfügen:**

([●]) *Sprache*. Diese Emissionsbedingungen sind in der deutschen Sprache abgefasst. [falls eine unverbindliche Übersetzung in die englische Sprache beigefügt wird, einfügen: Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]]

**[Falls der englischsprachige Text bindend sein soll, einfügen:**

([●]) *Sprache*. Diese Emissionsbedingungen sind in der englischen Sprache abgefasst. [falls die Schuldverschreibungen deutschem Recht unterliegen und eine unverbindliche deutschsprachige Übersetzung beigefügt wird, einfügen: Eine Übersetzung in die deutsche

([●]) *Business Day*. "**Business Day**" means a calendar day (other than a Saturday or a Sunday) on which [insert, as applicable: commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in [insert all relevant financial centres]] [insert, as applicable: [and] the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor ("**TARGET**") is open].

**[In case the Notes are governed by German law and the German language text shall be binding, insert:**

([●]) *Language*. These Terms and Conditions are written in the German language [in case a non-binding English translation is provided, insert: and provided with an English language translation. The German text shall be prevailing and binding. The English language translation shall be non-binding.]]

**[In case the English language text shall be binding, insert:**

([●]) *Language*. These Terms and Conditions are written in the English language [in case the Notes are governed by German law and a non-binding German translation is provided, insert: and provided with a German language translation. The English text shall be prevailing and binding. The

Sprache ist beigefügt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]

## § 2 VERZINSUNG

**[im Falle von mehreren Zinszahlungstagen, einfügen:**

(1) *Zinssatz und Zinszahlungstage.* Auf die Schuldverschreibungen werden an jedem Zinszahlungstag Zinsen in Höhe des Produkts aus (i) dem Nennbetrag je Schuldverschreibung und (ii) dem für den jeweiligen Zinszahlungstag maßgeblichen Zinssatz gezahlt.

Der "**Zinssatz**" entspricht der Summe aus (i) **[Basiszinssatz einfügen]** (der "**Basiszinssatz**") und (ii) dem Bonuszinssatz.

Der "**Bonuszinssatz**" wird von der Berechnungsstelle berechnet und entspricht **[Bonuszinssatz einfügen]** % reduziert um jeweils **[im Fall von einem Prozentpunkt einfügen: einen Prozentpunkt] [im Fall von Prozentpunkten einfügen: [Zahl einfügen] Prozentpunkte]** (der "**Reduktionsprozentpunkte**") pro Basiswert, dessen Schlusskurs innerhalb der dem maßgeblichen Zinszahlungstag unmittelbar vorausgehenden Beobachtungsperiode an mindestens einem Bewertungstag der Barriere entsprochen hat oder niedriger als diese war. Der Bonuszinssatz kann nie geringer als null sein, d.h. er kann keinen negativen Wert annehmen.

**[im Fall einer kurzen oder langen ersten oder letzten Zinsperiode einfügen:** Mit Ausnahme der [ersten] [letzten] Zinszahlung sind die Zinsen] **[im Fall von ausschließlich regulären Zinszahlungen einfügen:** Die Zinsen sind] **[im Fall von vierteljährlichen Zinszahlungen einfügen: vierteljährlich] [im Fall von halbjährlichen Zinszahlungen einfügen: halbjährlich] [im Fall von jährlichen Zinszahlungen einfügen: jährlich]** nachträglich am **[Zinszahlungstage einfügen]** eines jeden Jahres zahlbar (jeweils ein "**Zinszahlungstag**"), beginnend mit dem **[ersten Zinszahlungstag einfügen]** und endend mit dem **[letzten Zinszahlungstag einfügen]**. Die Zinszahlungstage unterliegen einer Anpassung in Übereinstimmung mit den in § 4 der Emissionsspezifischen Bedingungen enthaltenen Bestimmungen.]

**[im Falle einer einmaligen Zinszahlung mit einer Beobachtungsperiode, einfügen:**

(1) *Zinssatz und Zinszahlungstag.* Auf die Schuldverschreibungen werden an dem Zinszahlungstag Zinsen in Höhe des Produkts aus (i) dem Nennbetrag je Schuldverschreibung und (ii)

German language translation shall be non-binding].]

## § 2 INTEREST

**[in the case of several Interest Payment Dates insert:**

(1) *Rate of Interest and Interest Payment Dates.* Interest on the Notes is paid on each Interest Payment Date at an amount being the product of (i) the Principal Amount per Note and (ii) the relevant Rate of Interest for such Interest Payment Date.

The "**Rate of Interest**" is the sum of (i) **[insert base interest rate]** (the "**Base Interest Rate**") and (ii) the Bonus Interest Rate.

The "**Bonus Interest Rate**" will be calculated by the Calculation Agent and is equal to **[insert Bonus Interest Rate]** *per cent.*, in each case reduced by **[insert in the case of one percentage point: one percentage point] [insert in the case of several percentage points: [insert number] percentage points]** (the "**Reduction Percentage Rate**") per Reference Asset, the Closing Price of which has been equal to or below the Barrier on at least one Valuation Date within the Observation Period immediately preceding the relevant Interest Payment Date. The Bonus Interest Rate shall never be less than zero, i.e. it shall not have a negative value.

**[In case of a short or long first or last interest period insert:** With the exception of the [first] [last] payment of interest, interest] **[in case of Notes which have only regular interest payments insert: Interest]** shall be payable **[in case of quarterly interest payments insert: quarterly] [in case of semi-annual interest payments insert: semi-annually] [in case of annual interest payments insert: annually]** in arrear on **[insert Interest Payment Dates]** in each year (each such date, an "**Interest Payment Date**"), commencing on **[insert first Interest Payment Date]** and ending on **[insert last Interest Payment Date]**. Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 of the Issue Specific Conditions.]

**[in the case of a single Interest Payment Date with a single Observation Period insert:**

(1) *Rate of Interest and Interest Payment Date.* Interest on the Notes is paid on the Interest Payment Date at an amount being the product of (i) the Principal Amount per Note and (ii) the Rate of

dem Zinssatz gezahlt.

Der "**Zinssatz**" entspricht der Summe aus (i) **[Basiszinssatz einfügen]** (der "**Basiszinssatz**") und (ii) dem Bonuszinssatz.

Der "**Bonuszinssatz**" wird von der Berechnungsstelle berechnet und entspricht **[Bonuszinssatz einfügen]** % reduziert um jeweils **[im Fall von einem Prozentpunkt einfügen: einen Prozentpunkt] [im Fall von Prozentpunkten einfügen: [Zahl einfügen] Prozentpunkte]** (die "**Reduktionsprozentpunkte**") pro Basiswert, dessen Schlusskurs innerhalb der Beobachtungsperiode an mindestens einem Bewertungstag der Barriere entsprochen hat oder niedriger als diese war. Der Bonuszinssatz kann nie geringer als null sein, d.h. er kann keinen negativen Wert annehmen.

Die Zinsen sind einmalig am **[Fälligkeitstag einfügen]** (der "**Zinszahlungstag**") zahlbar. Der Zinszahlungstag unterliegt einer Anpassung in Übereinstimmung mit den in § 4 der Emissionsspezifischen Bedingungen enthaltenen Bestimmungen.]

**[im Falle einer einmaligen Zinszahlung mit mehreren Beobachtungsperioden, einfügen:**

(1) *Zinssatz und Zinszahlungstag.* Auf die Schuldverschreibungen werden an dem Zinszahlungstag Zinsen in Höhe des Produkts aus (i) dem Nennbetrag je Schuldverschreibung und (ii) dem Zinssatz gezahlt.

Der "**Zinssatz**" entspricht der Summe aus (i) **[Basiszinssatz einfügen]** (der "**Basiszinssatz**") und (ii) dem Bonuszinssatz.

Der "**Bonuszinssatz**" entspricht der Summe aller Periodenzinssätze für alle Beobachtungsperioden.

Der jeweilige "**Periodenzinssatz**" für eine Beobachtungsperiode wird von der Berechnungsstelle berechnet und entspricht **[Bonuszinssatz einfügen]** % reduziert um jeweils **[im Fall von einem Prozentpunkt einfügen: einen Prozentpunkt] [im Fall von Prozentpunkten einfügen: [Zahl einfügen] Prozentpunkte]** (die "**Reduktionsprozentpunkte**") pro Basiswert, dessen Schlusskurs innerhalb der maßgeblichen Beobachtungsperiode an mindestens einem Bewertungstag der Barriere entsprochen hat oder niedriger als diese war. Der Periodenzinssatz kann nie geringer als null sein, d.h. er kann keinen negativen Wert annehmen.

Die Zinsen sind einmalig am **[Fälligkeitstag einfügen]** (der "**Zinszahlungstag**") zahlbar. Der Zinszahlungstag unterliegt einer Anpassung in Übereinstimmung mit den in § 4 der Emissionsspezifischen Bedingungen enthaltenen Bestimmungen.]

Interest.

The "**Rate of Interest**" is the sum of (i) **[insert base interest rate]** (the "**Base Interest Rate**") and (ii) the Bonus Interest Rate.

The "**Bonus Interest Rate**" will be calculated by the Calculation Agent and is equal to **[insert Bonus Interest Rate]** *per cent.*, in each case reduced by **[insert in the case of one percentage point: one percentage point] [insert in the case of several percentage points: [insert number] percentage points]** (the "**Reduction Percentage Rate**") per Reference Asset, the Closing Price of which has been equal to or below the Barrier on at least one Valuation Date within the Observation Period. The Bonus Interest Rate shall never be less than zero, i.e. it shall not have a negative value.

Interest shall be payable once on the **[insert maturity date]** (the "**Interest Payment Date**"). The Interest Payment Date is subject to adjustment in accordance with the provisions set out in § 4 of the Issue Specific Conditions.]

**[in the case of a single Interest Payment Date with several Observation Periods insert:**

(1) *Rate of Interest and Interest Payment Date.* Interest on the Notes is paid on the Interest Payment Date at an amount being the product of (i) the Principal Amount per Note and (ii) the Rate of Interest.

The "**Rate of Interest**" is the sum of (i) **[insert base interest rate]** (the "**Base Interest Rate**") and (ii) the Bonus Interest Rate.

The "**Bonus Interest Rate**" means the sum of all Period Interest Rates for all Observation Periods.

Each "**Period Interest Rate**" will be calculated by the Calculation Agent and is equal to **[insert Bonus Interest Rate]** *per cent.*, in each case reduced by **[insert in the case of one percentage point: one percentage point] [insert in the case of several percentage points: [insert number] percentage points]** (the "**Reduction Percentage Rate**") per Reference Asset, the Closing Price of which has been equal to or below the Barrier on at least one Valuation Date within the relevant Observation Period. The Period Interest Rate shall never be less than zero, i.e. it shall not have a negative value.

Interest shall be payable once on the **[insert maturity date]** (the "**Interest Payment Date**"). The Interest Payment Date is subject to adjustment in accordance with the provisions set out in § 4 of the Issue Specific Conditions.]

[wenn der Basiswert ein Aktienkorb ist, einfügen:

"Aktien" sind die in der nachstehenden Tabelle genannten Aktien des "Aktienkorbs":

Aktien-emittent	ISIN	Art
[●]	[●]	[●]

Aktien-emittent	Börse	Bild-schirm-seite	Gewich-tung
[●]	[●]	[●]	[●]

]

"Ausübungspreis" entspricht [Prozentsatz einfügen] % des Schlusskurses des Basiswertes am Kursfixierungstag.

"Barriere" entspricht [Prozentsatz einfügen] % [bis [Prozentsatz einfügen] %]<sup>1</sup> des Ausübungspreises des maßgeblichen Basiswertes.

"Basiswerte" sind die im [Aktienkorb] [Indexkorb] enthaltenen [Aktien] [Indizes].

"Bewertungstage" sind:

[alle Börsengeschäftstage (mit Ausnahme aller Tage, die Unterbrechungstage sind (wie in § 7 der Emissionsspezifischen Bedingungen definiert)) innerhalb der maßgeblichen Beobachtungsperiode (tägliche Beobachtung).]

[jeder [Wochentag einfügen] innerhalb der maßgeblichen Beobachtungsperiode (wöchentliche Beobachtung), bzw. wenn einer dieser Tage kein Börsengeschäftstag (wie in § 7 der Emissionsspezifischen Bedingungen definiert) ist, der nächstfolgende Börsengeschäftstag.]

[jeder [Monatskalendertag einfügen] eines jeden Kalendermonats innerhalb der maßgeblichen Beobachtungsperiode (monatliche Beobachtung), bzw. wenn einer dieser Tage kein Börsengeschäftstag (wie in § 7 der Emissionsspezifischen Bedingungen definiert) ist, der nächstfolgende Börsengeschäftstag.]

<sup>1</sup> Der endgültige Prozentsatz wird am [Tag der Festlegung einfügen] von der Emittentin festgelegt und unverzüglich gemäß § 7 der Allgemeinen Bedingungen bekannt gegeben.]

[insert if the Reference Asset is a Share Basket:

"Shares" are the shares of the "Share Basket" listed in the below table:

Share issuer	ISIN	Type
[●]	[●]	[●]

Share issuer	Exchange	Screen Page	Weighting
[●]	[●]	[●]	[●]

]

"Strike Price" is [insert percentage rate] per cent. of the Closing Price of the Reference Asset on the Strike Fixing Date.

"Barrier" means [insert percentage rate] per cent. [to [insert percentage rate] per cent.]<sup>1</sup> of the Strike Price of the relevant Reference Asset.

"Reference Assets" are the [Shares] [Indices] included in the [Share Basket] [Index Basket].

"Valuation Dates" are:

[all Exchange Business Days (save for all days which are Disrupted Days (as defined in § 7 of the Issue Specific Conditions)) within the relevant Observation Period (daily observation).]

[any [insert day of week] within the relevant Observation Period (weekly observation), or if any such day is not an Exchange Business Day (as defined in § 7 of the Issue Specific Conditions), the next Exchange Business Day.]

[any [insert calendar day of month] of each calendar month within the relevant Observation Period (monthly observation), or if any such day is not an Exchange Business Day (as defined in § 7 of the Issue Specific Conditions), the next Exchange Business Day.]

<sup>1</sup> The final percentage rate will be determined by the Issuer on [insert date of determination] and published immediately in accordance with § 7 of the General Conditions.]

[jeder **[Monatskalendertage und Monate einfügen]** eines jeden Jahres innerhalb der maßgeblichen Beobachtungsperiode, bzw. wenn einer dieser Tage kein Börsengeschäftstag (wie in § 7 der Emissionsspezifischen Bedingungen definiert) ist, der nächstfolgende Börsengeschäftstag.]

[jeder **[Monatskalendertag und Monat einfügen]** eines jeden Jahres innerhalb der maßgeblichen Beobachtungsperiode (jährliche Beobachtung), bzw. wenn einer dieser Tage kein Börsengeschäftstag (wie in § 7 der Emissionsspezifischen Bedingungen definiert) ist, der nächstfolgende Börsengeschäftstag.]

**[im Falle von mehreren Zinszahlungstagen einfügen:**

"**Beobachtungsperioden**" sind die nachfolgend definierten Perioden, die jeweils vor einem Zinszahlungstag liegen. Die erste Beobachtungsperiode entspricht dem Zeitraum vom Kursfixierungstag (ausschließlich) bis zum **[Anzahl an Geschäftstagen einfügen]** Geschäftstag vor dem ersten Zinszahlungstag (einschließlich). Jede weitere Beobachtungsperiode entspricht dem Zeitraum vom vorherigen Zinszahlungstag (ausschließlich) bis zum **[Anzahl an Geschäftstagen einfügen]** Geschäftstag vor dem unmittelbar nachfolgenden Zinszahlungstag (einschließlich).]

**[im Falle von einer einmaligen Zinszahlung einfügen:**

**[im Falle von einer Beobachtungsperiode einfügen:**

"**Beobachtungsperiode**" ist die nachfolgend definierte Periode, die vor dem Zinszahlungstag liegt. Die Beobachtungsperiode entspricht dem Zeitraum vom Kursfixierungstag (ausschließlich) bis zum **[Anzahl an Geschäftstagen einfügen]** Geschäftstag vor dem Zinszahlungstag (einschließlich).]

**[im Falle mehrerer Beobachtungsperioden einfügen:**

**Beobachtungsperioden**" sind die nachfolgend definierten Perioden:

<b>Beginn der Beobachtungsperiode</b>	<b>Ende der Beobachtungsperiode</b>
<b>[Starttag der Beobachtungsperiode einfügen]</b> [(einschließlich)] [(ausschließlich)].	<b>[Endtag der Beobachtungsperiode einfügen]</b> [(einschließlich)] [(ausschließlich)]

]]

[any **[insert calendar days of month and months]** of each year within the relevant Observation Period, or if any such day is not an Exchange Business Day (as defined in § 7 of the Issue Specific Conditions), the next Exchange Business Day.]

[any **[insert calendar day of month and month]** of each year within the relevant Observation Period (annual observation), or if any such day is not an Exchange Business Day (as defined in § 7 of the Issue Specific Conditions), the next Exchange Business Day.]

**[in the case of several Interest Payment Days insert:**

"**Observation Periods**" are the periods respectively prior to an Interest Payment Date, as defined below. The first Observation Period means the period from, but excluding, the Strike Fixing Date to, and including, the **[insert number of Business Days]** Business Day prior to the first Interest Payment Date. Any further Observation Period means the period from, but excluding, the previous Interest Payment Date to, and including, the **[insert number of Business Days]** Business Day prior to the following Interest Payment Date.]

**[in the case of a singular Interest Payment Day insert:**

**[in the case of a singular Observation Period, insert:**

"**Observation Period**" is the period prior to an Interest Payment Date, as defined below. The Observation Period means the period from, but excluding, the Strike Fixing Date to, and including the **[insert number of Business Days]** Business Day prior to the Interest Payment Date.]

**[in the case of several Observation Periods, insert:**

**Observation Periods**" are the periods as defined below:

<b>Beginning of the Observation Period</b>	<b>End of the Observation Period</b>
<b>[insert start date of Observation Period]</b> [(inclusive)] [(exclusive)]	<b>[insert end date of Observation Period]</b> [(inclusive)] [(exclusive)]

]]

Sollte sich ein Bewertungstag über das Ende der Beobachtungsperiode verschieben, aufgrund von in § 7 der Emissionsspezifischen Bedingungen definierten Ereignissen, und wird ein Kurs für diesen Tag vor dem zweiten Geschäftstag, der dem dazugehörigen Zinszahlungstag unmittelbar vorhergeht, veröffentlicht, zählt dieser Bewertungstag auch zur Beobachtungsperiode.

**[wenn der Basiswert ein Aktienkorb ist, einfügen:**

"**Börse**" ist die in der oben dargestellten Tabelle für die jeweilige Aktie genannte Börse bzw. eine Nachfolgebörse oder ein Nachfolge-Notierungssystem oder eine Ersatz-Börse oder ein Ersatz-Notierungssystem, an der bzw. dem der Handel mit der jeweiligen Aktie vorübergehend abgewickelt wird (sofern die Berechnungsstelle bestimmt hat, dass die Liquidität hinsichtlich dieser Aktie an dieser vorübergehenden Ersatz-Börse oder diesem Ersatz-Notierungssystem mit der Liquidität an der ursprünglichen Börse vergleichbar ist).]

**[bei einem Indexkorb mit Einbörsenindizes, einfügen:**

"**Börse**" bezeichnet in Bezug auf jeden Einbörsenindex, die in der unten stehenden Tabelle für den jeweiligen Index genannte Börse, eine Nachfolgebörse oder ein Nachfolge-Notierungssystem oder eine Ersatz-Börse oder ein Ersatz-Notierungssystem, an der bzw. dem der Handel mit den diesem Index zugrunde liegenden Komponenten vorübergehend abgewickelt wird (sofern die Berechnungsstelle bestimmt hat, dass die Liquidität hinsichtlich der Komponenten an dieser vorübergehenden Ersatz-Börse oder diesem Ersatz-Notierungssystem mit der Liquidität an der ursprünglichen Börse vergleichbar ist).]

**[bei einem Indexkorb mit Mehrbörsenindizes einfügen:**

"**Börse**" bezeichnet, in Bezug auf jeden Mehrbörsenindex, jede Börse, an der eine Indexkomponente nach Feststellung der Berechnungsstelle hauptsächlich gehandelt wird, eine Nachfolgebörse oder ein Nachfolge-Notierungssystem oder eine Ersatz-Börse oder ein Ersatz-Notierungssystem, an der bzw. dem der Handel mit den diesem Index zugrunde liegenden Komponenten vorübergehend abgewickelt wird (sofern die Berechnungsstelle bestimmt hat, dass die Liquidität hinsichtlich der Komponenten an dieser vorübergehenden Ersatz-Börse oder diesem Ersatz-Notierungssystem mit der Liquidität an der ursprünglichen Börse vergleichbar ist).]

**[wenn der Basiswert ein Indexkorb ist einfügen:**

If a Valuation Date is postponed beyond the end of the Observation Period due to events, which are defined in § 7 of the Issue Specific Conditions, and if a price is published for this day prior to the second Business Day immediately preceding the related Interest Payment Date, this Valuation Date shall also belong to the Observation Period.

**[insert if the Reference Asset is a Share Basket:**

"**Exchange**" means the exchange mentioned in the above table for the respective Share or any successor exchange or successor quotation system or any substitute exchange or substitute quotation system to which trading in the respective Share has been temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).]

**[In case of an Index Basket with Single Exchange Indices insert:**

"**Exchange**" means in relation to any Single Exchange Index the Exchange listed in the below table for the relevant Index and any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Components underlying such Index has been temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Components underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange).]

**[In case of an Index Basket with Multi Exchange Indices, insert:**

"**Exchange**" means, in relation to each Multi Exchange Index, each exchange on which any Component of the Index is, in the determination of the Calculation Agent, principally traded, or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Components underlying such Index has been temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Components underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange).]

**[insert if the Reference Asset is an Index Basket:**

"**Indizes**" sind die in der nachstehenden Tabelle genannten Indizes des "**Indexkorbs**":

Name des Index	Index-Sponsor	Einbörsen-oder Mehrbörsen-index
[●]	[●] (sowie jede von diesem zur Berechnung und/oder Veröffentlichung des Indexkurses beauftragte Einheit)	[●]

"**Indices**" are the indices of the "**Index Basket**" listed in the below table:

Name of the Index	Index Sponsor	Single Exchange or Multi Exchange Index
[●]	[●] (as well as any entity which has been commissioned by it to calculate and/or publish the Index Level)	[●]

Name des Index	Börse	Bildschirm-seite	Gewichtung
[●]	[●]	[●]	[●]

Name of the Index	Exchange	Screen Page	Weighting
[●]	[●]	[●]	[●]

"**Index-Sponsor**" ist der [jeweils] in der vorstehenden Tabelle genannte Index-Sponsor (sowie jede von diesem zur Berechnung und/oder Veröffentlichung des Indexkurses beauftragte Einheit) oder jeder Nachfolger dazu. ]

"**Index-Sponsor**" is the [relevant] Index Sponsor as listed in the table above (as well as any entity which has been commissioned by it to calculate and/or publish the Index Level) or any successor of it. ]

"**Kursfixierungstag**" ist, vorbehaltlich einer Anpassung gemäß § 7 der Emissionsspezifischen Bedingungen, der [Datum einfügen] bzw. wenn dieser Tag kein Börsengeschäftstag ist, der nächstfolgende Börsengeschäftstag.

"**Strike Fixing Date**" is, subject to an adjustment pursuant to § 7 of the Issue Specific Conditions, [insert date], or if such day is not an Exchange Business Day, the next Exchange Business Day.

"**Schlusskurs**" des Basiswertes ist

"**Closing Price**" of the Reference Asset is

[wenn der Basiswert ein Aktienkorb ist, einfügen: der offizielle Schlusskurs der maßgeblichen Aktie an der Börse zu dem Bewertungszeitpunkt (wie in § 7 der Emissionsspezifischen Bedingungen definiert) am maßgeblichen Tag.]

[insert if the Reference Asset is a Share Basket: the official closing price of the relevant Share on the Exchange at the Valuation Time (as defined in § 7 of the Issue Specific Conditions) on the relevant day.]

[wenn der Basiswert ein Indexkorb ist, einfügen: der von der Berechnungsstelle festgestellte offizielle Schlusskurs des maßgeblichen Index am maßgeblichen Tag, wie vom Index-Sponsor berechnet und veröffentlicht.]

[insert if the Reference Asset is an Index Basket: the official closing price of the relevant Index, as determined by the Calculation Agent on the relevant day and calculated and published by the Index Sponsor.]

(2) *Berechnung des Zinsbetrags.* Der auf die Schuldverschreibungen zu zahlende Zinsbetrag wird nicht für eine bestimmte Periode berechnet (Bullet Zahlung), sondern wird berechnet, indem der Zinssatz auf die festgelegte Stückelung angewendet wird und das hieraus resultierende

(2) *Calculation of Amount of Interest.* The amount of interest payable under the Notes will not be calculated for any period of time (bullet payment) and shall be calculated by applying the Rate of Interest to the Specified Denomination and rounding the resultant figure to the nearest sub-unit



Ergebnis auf die nächste Untereinheit der festgelegten Währung gerundet wird, wobei eine halbe Untereinheit aufgerundet wird oder die Rundung ansonsten gemäß der anwendbaren Marktkonvention erfolgt. Es erfolgt keine Multiplizierung dieses Betrags mit einem Zinstagequotienten.

**[Im Fall von Schuldverschreibungen, die deutschem Recht unterliegen, einfügen:**

(3) *Verzugszinsen.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Kalendertages, der dem Kalendertag vorangeht, an dem die Schuldverschreibungen zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, wird der ausstehende Gesamtnennbetrag der Schuldverschreibungen vom Kalendertag der Fälligkeit (einschließlich) bis zum Kalendertag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen<sup>1</sup> verzinst. Weitergehende Ansprüche der Gläubiger bleiben unberührt.]

**[Im Fall von Schuldverschreibungen, die rumänischem Recht unterliegen, einfügen:**

**[Absichtlich ausgelassen.]**

### § 3 RÜCKZAHLUNG

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen, vorbehaltlich einer Anpassung in Übereinstimmung mit den in § 4 der Emissionsspezifischen Bedingungen enthaltenen Bestimmungen zu ihrem Rückzahlungsbetrag am **[Fälligkeitstag einfügen]** (der "**Fälligkeitstag**") zurückgezahlt. Der "**Rückzahlungsbetrag**" in Bezug auf jede Schuldverschreibung entspricht **[Rückzahlungskurs einfügen, der stets weniger als 100 % betragen soll]**% (der "**Prozentsatz**")

<sup>[1]</sup> Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutschen Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Abs. 1, 247 Abs. 1 BGB.

of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention. There will be no multiplication of such sum by a day count fraction.

**[In case of Notes governed by German law insert:**

(3) *Default Interest.* The Notes shall cease to bear interest from the expiry of the calendar day preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall accrue on the outstanding aggregate principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes at the default rate of interest established by law<sup>1</sup>. This does not affect any additional rights that might be available to the Holders.]

**[In case of Notes governed by Romanian law insert:**

(3) *Default Interest.* The Notes shall cease to bear interest from the expiry of the calendar day preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall accrue on the outstanding aggregate principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes at the rate of interest specified in § 2(1) of these Issue Specific Conditions. This does not affect any additional rights that might be available to the Holders.]

### § 3 REDEMPTION

Unless previously redeemed in whole or in part or purchased and cancelled, and subject to adjustment in accordance with the provisions set out in § 4 of the Issue Specific Conditions, the Notes shall be redeemed at their Final Redemption Amount on **[insert Maturity Date]** (the "**Maturity Date**"). The "**Final Redemption Amount**" in respect of each Note shall be **[insert redemption rate, which shall always be less than 100 per cent.] per cent.** (the "**Percentage**") of the Principal Amount per Note.

<sup>[1]</sup> The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288 (1), 247 (1) German Civil Code.

des Nennbetrags je Schuldverschreibung.

**§ 4  
ZAHLUNGEN**

**[Im Fall von Schuldverschreibungen, die deutschem Recht unterliegen, einfügen:**

(1) (a) *Zahlung von Kapital.* Die Zahlung von Kapital auf die Schuldverschreibungen erfolgt nach Maßgabe des nachstehenden Absatzes (2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.

(b) *Zahlung von Zinsen.* Die Zahlung von Zinsen auf die Schuldverschreibungen erfolgt nach Maßgabe des nachstehenden Absatzes (2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems **[im Fall von Zinszahlungen auf eine vorläufige Globalurkunde einfügen;** und im Falle von Zahlungen von Zinsen auf Schuldverschreibungen, die durch eine vorläufige Globalurkunde verbrieft sind, nach ordnungsgemäßer Bescheinigung gemäß § 1(2)(b) der Emissionsspezifischen Bedingungen].]

**[Im Fall von Schuldverschreibungen, die rumänischem Recht unterliegen, einfügen:**

**[Absichtlich ausgelassen.]**

**§ 4  
PAYMENTS**

**[In case of Notes governed by German law insert:**

(1) (a) *Payment of Principal.* Payment of principal on the Notes shall be made, subject to paragraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.

(b) *Payment of Interest.* Payment of interest on the Notes shall be made, subject to paragraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System **[in case of interest payments on a Temporary Global Note insert;** and in case of payment of interest on Notes represented by a Temporary Global Note, upon due certification as provided for in § 1 (2)(b) of the Issue Specific Conditions].]

**[In case of Notes governed by Romanian law insert:**

(1) (a) *Payments of Principal and Interest.* Payments of principal and/or interest on the Notes shall be made, subject to paragraph (2) below, **[in case a paying agent other than the Issuer is appointed, insert:** to the Paying Agent or to its order for credit] to the accounts of the relevant Holders specified in subparagraph (b) below.

(b) *Payment Reference Date.* **[In case no paying agent other than the Issuer is appointed, insert:** The Issuer] **[In case a paying agent other than the Issuer is appointed, insert:** The Paying Agent(s) will process, on behalf of the Issuer, payments of principal and/or interest on the Notes to the Holders and] shall make payments of principal and/or interest on the Notes to the Holders shown in the Holders' Registry on the payment reference date (the "**Payment Reference Date**") determined as follows: (i) in relation to payments in accordance with § 5 of the General Conditions, the date when any notice declaring Notes due is given by a Holder in accordance with § 5(2) of the General Conditions and (ii) in relation to any other payments on the Notes, at the close of business on the 15th calendar day before the due date for payment thereof (including the Maturity Date). All payments validly made to the bank accounts specified by such Holder(s) shown in the Holders' Registry on such Payment Reference Date will constitute an effective discharge of **[in case no paying agent other than the Issuer is appointed, insert:** the Issuer] **[in case a paying agent other**

**than the Issuer is appointed, insert:** the Issuer and the Paying Agent(s)] in respect of such payments.

Any person who acquires a Note between a Payment Reference Date and the corresponding due date for a payment of interest shall not be entitled to receive payment of interest on the Notes for the corresponding interest due date notwithstanding that such person is shown in the Holders' Registry on the relevant interest due date as the Holder of the Note.

No Holder may transfer its Note(s) during the period from, and including, **[in case of Notes admitted to trading on the spot regulated market or an alternative trading system operated by Bursa de Valori București S.A. insert:** the second Business Day prior to] the Payment Reference Date immediately preceding the Maturity Date up to, and including the Maturity Date.

(c) *Payment Logistics.* Payments of principal and/or interest on the Notes will be made in the Specified Currency by transfer to an account denominated in the Specified Currency, such account being specified by the Holder to **[in case no paying agent other than the Issuer is appointed, insert:** the Issuer] **[in case a paying agent other than the Issuer is appointed, insert:** the Paying Agent(s)] at least 5 calendar days prior to the relevant due date.

**[In case no paying agent other than the Issuer is appointed, insert:** The Issuer] **[in case a paying agent other than the Issuer is appointed, insert:** The Paying Agent(s)] shall be under no obligation to make payment to a Holder unless and until adequate payment account details have been provided to **[in case no paying agent other than the Issuer is appointed, insert:** the Issuer] **[in case a paying agent other than the Issuer is appointed, insert:** the Paying Agent(s)] to enable payment to be made in accordance with these Terms and Conditions and no additional interest will be payable as a result of any late payment occasioned by the failure of the Holder to provide such adequate payment account details. Holders are required to ensure that **[in case no paying agent other than the Issuer is appointed, insert:** the Issuer] **[in case a paying agent other than the Issuer is appointed, insert:** the Paying Agent(s)] [has] [have] all the details necessary for processing the payments of principal and/or interest on the Notes including but not limited to: bank account (IBAN format) and the name of the bank with whom the account has been opened, specification of whether the Holder is a legal person or natural person and (i) for natural persons – name and surname, personal identification number (if any), citizenship, tax residence, serial number of

the identity card, address, and (ii) for legal persons (incorporated or unincorporated) – corporate name, registered seat, sole identification code or fiscal code, registration number with the Trade Registry (if any), tax residence.

No payments of principal and/or interest amounts will be made in cash, by cheque or by postal order.

Any fees levied by the intermediary banks (which, for the avoidance of doubt, shall not include the Issuer **[in case a paying agent other than the Issuer is appointed, insert:** nor the Paying Agent(s)]) in respect of payments hereunder shall be borne by the Holders.]

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen auf die Schuldverschreibungen zu leistende Zahlungen in der festgelegten Wahrung.

**[Im Fall von Schuldverschreibungen, die rumanischem Recht unterliegen und deren festgelegte Wahrung RON ist, einfugen:**

**[Absichtlich ausgelassen.]**

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

**[In case of Notes governed by Romanian law the Specified Currency of which is RON insert:**

The Holders irrevocably agree that the Issuer may, on any Interest Payment Date, by giving at least 30 days' notice in accordance with § 7 of the General Conditions and any applicable legal provisions and on or after the date on which (i) Romania has introduced Euro as its legal currency (as provided in the Treaty on the Functioning of the European Union, as amended from time to time (the "**Treaty**")) or (ii) events have occurred which have substantially the same effects, redenominate all, but not some only, of the Notes into Euro and adjust the aggregate principal amount and the Specified Denomination of the Notes accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in this § 4 of the Issue Specific Conditions as the "**Redenomination Date**".

The redenomination of the Notes shall be made by converting the Specified Denomination of each Note from RON into Euro using the applicable RON/Euro conversion mechanism established by the Council of the European Union and the European Parliament pursuant to Article 133 of the Treaty and, unless otherwise provided under the above-mentioned conversion mechanism, rounding the resultant figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Unless otherwise provided under the above-mentioned conversion mechanism and if the Issuer so elects, the figure resulting from conversion of the Specified Denomination of each Note using the applicable RON/Euro conversion rate shall be rounded down to the nearest Euro. The specified denomination of the Notes in Euro so determined shall be notified to the Holders in accordance with § 7 of the General Conditions and any applicable legal provisions. Any

balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to the Holders by the Issuer.

Upon redenomination of the Notes, any reference in these Terms and Conditions to RON shall be construed as a reference to Euro.

**[In case no paying agent other than the Issuer is appointed, insert:** The Issuer shall not] **[in case a paying agent other than the Issuer is appointed, insert:** Neither the Issuer nor the Paying Agent(s) shall] be liable to the Holders or any other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.]

**[In case of Notes governed by German law insert:**

(3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.]

([4]) *Payment Business Day.* If the due date for any payment in respect of the Notes would otherwise fall on a calendar day which is not a Payment Business Day (as defined below), the due date for such payment shall be

**[In case Modified Following Business Day Convention applies, insert:** postponed to the next calendar day which is a Payment Business Day unless the due date for such payment would thereby fall into the next calendar month, in which event the due date for such payment shall be the immediately preceding calendar day which is a Payment Business Day.]

**[In case Following Business Day Convention applies, insert:** postponed to the next calendar day which is a Payment Business Day.]

**[In case Preceding Business Day Convention applies, insert:** moved forward to the immediately preceding calendar day which is a Payment Business Day.]

**"Payment Business Day"** means a calendar day (other than a Saturday or a Sunday) (i) on which the Clearing System is open and (ii) [which is a Business Day (as defined in § 1([●]) of the Issue Specific Conditions)] [on which **[insert, as applicable:** commercial banks and foreign exchange markets settle payments and are open

**[Im Fall von Schuldverschreibungen, die deutschem Recht unterliegen, einfügen:**

(3) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearingsystem oder dessen Order von ihrer Zahlungspflicht befreit.]

([4]) *Zahltag.* Sofern der Fälligkeitstag für eine Zahlung in Bezug auf die Schuldverschreibungen ansonsten auf einen Kalendertag fiel, der kein Zahltag (wie nachstehend definiert) ist, so wird der Fälligkeitstag für die Zahlung

**[Bei Anwendung der Modified Following Business Day Convention einfügen:** auf den nächstfolgenden Kalendertag verschoben, bei dem es sich um einen Zahltag handelt, es sei denn, der Fälligkeitstag für diese Zahlung würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Fälligkeitstag für diese Zahlung auf den unmittelbar vorausgehenden Kalendertag vorgezogen, bei dem es sich um einen Zahltag handelt.]

**[Bei Anwendung der Following Business Day Convention einfügen:** auf den nächstfolgenden Kalendertag verschoben, bei dem es sich um einen Zahltag handelt.]

**[Bei Anwendung der Preceding Business Day Convention einfügen:** auf den unmittelbar vorausgehenden Kalendertag vorgezogen, bei dem es sich um einen Zahltag handelt.]

**"Zahltag"** bezeichnet einen Kalendertag (außer einem Samstag oder Sonntag), (i) an dem das Clearingsystem geöffnet ist und (ii) [der ein Geschäftstag (wie in § 1([●]) der Emissionsspezifischen Bedingungen definiert) ist] [an dem **[soweit erforderlich einfügen:** Geschäftsbanken und Devisenmärkte in

**[sämtliche relevanten Finanzzentren einfügen]** Zahlungen abwickeln und für den allgemeinen Geschäftsverkehr (einschließlich des Handels in Devisen und Fremdwährungseinlagen) geöffnet sind] **[soweit erforderlich einfügen: [und] das Trans-European Automated Real-time Gross Settlement Express Transfer System 2 oder dessen Nachfolger ("TARGET") geöffnet ist].**

**[Im Fall von Schuldverschreibungen mit laufender Verzinsung einfügen:** Falls der Fälligkeitstag einer Zahlung von Zinsen (wie oben beschrieben) **[falls Modified Following Business Day Convention oder Preceding Business Day Convention Anwendung findet, einfügen:** vorgezogen wird] **[oder] [falls Modified Following Business Day Convention oder Following Business Day Convention Anwendung findet, einfügen:** sich nach hinten verschiebt], wird der Zinsbetrag nicht entsprechend angepasst.]

Falls der Fälligkeitstag der Rückzahlung des Nennbetrags der Schuldverschreibungen angepasst wird, ist der Gläubiger nicht berechtigt, Zahlungen aufgrund dieser Anpassung zu verlangen.

**[(5) Bezugnahmen auf Kapital [im Fall von Schuldverschreibungen, die deutschem Recht unterliegen und falls die Emittentin zusätzliche Beträge im Fall eines steuerlichen Einbehalts oder Abzugs zahlen wird, einfügen: und Zinsen].** Bezugnahmen in diesen Emissionsbedingungen auf "Kapital" der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen (wie in § 3 der Emissionsspezifischen Bedingungen angegeben); den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen (wie in § 2(2) der Allgemeinen Bedingungen angegeben); sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge (außer Zinsen). **[Im Fall von Schuldverschreibungen, die deutschem Recht unterliegen und falls die Emittentin zusätzliche Beträge im Fall eines steuerlichen Einbehalts oder Abzugs zahlen wird, einfügen:** Bezugnahmen in den Emissionsbedingungen auf "Zinsen" auf Schuldverschreibungen schließen, soweit anwendbar, sämtliche gemäß § 6(1) der Emissionsspezifischen Bedingungen zahlbaren zusätzlichen Beträge (wie in § 6(1) der Emissionsspezifischen Bedingungen definiert) ein.]

for general business (including dealings in foreign exchange and foreign currency deposits) in **[insert all relevant financial centres] [insert, as applicable: [and] the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor ("TARGET") is open].**

**[In case of Notes with periodic interest, insert:** If the due date for a payment of interest is **[in case Modified Following Business Day Convention or Preceding Business Day Convention applies, insert: brought forward] [or] [in case Modified Following Business Day Convention or Following Business Day Convention applies, insert: postponed]** (as described above), the amount of interest shall not be adjusted accordingly.]

If the due date for the redemption of the principal amount of the Notes is adjusted the Holder shall not be entitled to payments in respect of such adjustment.

**[(5) References to Principal [in case of Notes governed by German law and in case the Issuer will pay additional amounts in case of a tax withholding or deduction insert: and Interest].** References in these Terms and Conditions to "principal" in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes (as specified in § 3 of the Issue Specific Conditions); the Early Redemption Amount of the Notes (as specified in § 2(2) of the General Conditions); and any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes. **[In case of Notes governed by German law and in case the Issuer will pay additional amounts in case of a tax withholding or deduction insert:** References in the Terms and Conditions to "interest" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts (as defined in § 6(1) of the Issue Specific Conditions) which may be payable under § 6(1) of the Issue Specific Conditions.]

## § 5

**[DIE EMISSIONSSTELLE][,] [UND] [DIE HAUPTZAHLSTELLE] [UND] [DIE ZAHLSTELLE[N]] UND BERECHNUNGSSTELLE**

**[Im Fall von Schuldverschreibungen, die deutschem Recht unterliegen, einfügen:**

(1) *Bestellung; bezeichnete Geschäftsstelle[n]*. Die anfänglich bestellte Emissionsstelle und die anfänglich bestellte Hauptzahlstelle **[falls (eine) weitere Zahlstelle(n) ernannt werden soll(en), einfügen:** und die anfänglich bestellte(n) Zahlstelle(n)] und die anfänglich bestellte Berechnungsstelle und die anfänglich bezeichnete[n] Geschäftsstelle[n] lauten wie folgt:

Emissionsstelle und Hauptzahlstelle:

**[Falls BNP Paribas Securities Services, Luxembourg Branch als anfängliche Emissions- und Hauptzahlstelle ernannt werden soll, einfügen:**

BNP Paribas Securities Services,  
Luxembourg Branch  
60, avenue J.F. Kennedy  
L-1855 Luxembourg  
(Postadresse: L-2085 Luxembourg)]

**[Falls eine andere Emissions- und Hauptzahlstelle ernannt werden soll, sind ihr Name und ihre anfänglich bezeichnete Geschäftsstelle einzufügen.]**

Berechnungsstelle:

**[Falls Banca Comercială Română S.A. als anfängliche Berechnungsstelle ernannt werden soll, einfügen:**

Banca Comercială Română S.A.  
5 Regina Elisabeta Blvd  
030016 Bukarest  
Rumänien]

**[Falls eine andere Berechnungsstelle ernannt werden soll, sind ihr Name und ihre anfänglich bezeichnete Geschäftsstelle einzufügen.]]**

**[Im Fall von Schuldverschreibungen, die rumänischem Recht unterliegen, einfügen:**

**[Absichtlich ausgelassen.]]**

## § 5

**[FISCAL AGENT][,] [AND] [PRINCIPAL PAYING AGENT] [AND] [PAYING AGENT[S]] AND CALCULATION AGENT**

**[In case of Notes governed by German law insert:**

(1) *Appointment; Specified Office[s]*. The initial Fiscal Agent and the initial Principal Paying Agent **[in case (a) further paying agent(s) shall be appointed, insert:** and the initial Paying Agent(s)] and the initial Calculation Agent and [its] [their [respective]] initial specified office[s] are:

Fiscal Agent and Principal Paying Agent:

**[In case BNP Paribas Securities Services, Luxembourg Branch shall be appointed as initial Fiscal and Principal Paying Agent insert:**

BNP Paribas Securities Services,  
Luxembourg Branch  
60, avenue J.F. Kennedy  
L-1855 Luxembourg  
Postal Address: L-2085 Luxembourg)]

**[In case another Fiscal and Principal Paying Agent shall be appointed, insert its name and initial specified office.]**

Calculation Agent:

**[In case Banca Comercială Română S.A. shall be appointed as initial Calculation Agent insert:**

Banca Comercială Română S.A.  
5 Regina Elisabeta Blvd  
030016 Bucharest  
Romania]

**[In case another Calculation Agent shall be appointed, insert its name and initial specified office.]]**

**[In case of Notes governed by Romanian law insert:**

(1) *Appointment; Specified Office[s]*. The initial Principal Paying Agent **[in case (a) further paying agent(s) shall be appointed, insert:** and the initial Paying Agent(s)] and [its] [their [respective]] initial specified office[s] are:

Principal Paying Agent:

**[In case Banca Comercială Română S.A. shall be appointed as initial Principal Paying Agent insert:**

Banca Comercială Română S.A.  
5 Regina Elisabeta Blvd  
030016 Bucharest  
Romania]

**[In case another Principal Paying Agent shall be appointed, insert its name and initial specified office.]**

Calculation Agent:

**[In case Banca Comercială Română S.A. shall be appointed as initial Calculation Agent insert:**

Banca Comercială Română S.A.  
5 Regina Elisabeta Blvd  
030016 Bucharest  
Romania]

**[In case another Calculation Agent shall be appointed, insert its name and initial specified office.]]**

**[Falls eine zusätzliche oder andere Zahlstelle ernannt werden soll, sind ihr Name und ihre anfänglich bezeichnete Geschäftsstelle einzufügen.]**

Soweit in den Emissionsbedingungen der Begriff "Zahlstelle(n)" erwähnt wird, so schließt dieser Begriff die Hauptzahlstelle mit ein.

**[Im Fall von Schuldverschreibungen, die deutschem Recht unterliegen, einfügen:**

Die Emissionsstelle, die Zahlstelle(n) und die Berechnungsstelle behalten sich das Recht vor, jederzeit ihre jeweilige bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Emissionsstelle oder einer Zahlstelle oder der Berechnungsstelle zu ändern oder zu beenden und eine andere Emissionsstelle, Berechnungsstelle oder zusätzliche oder andere Zahlstellen zu bestellen. Die Emittentin wird jedoch jederzeit (i) eine Emissionsstelle und eine Berechnungsstelle unterhalten und (ii), solange die Schuldverschreibungen an einer Wertpapierbörse notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle an einem Ort unterhalten, den die Regeln dieser Börse oder ihrer Aufsichtsbehörde[n] verlangen.

Die Emittentin wird die Gläubiger von jeder Änderung, Abberufung, Bestellung oder jedem sonstigen Wechsel sobald wie möglich nach Eintritt der Wirksamkeit einer solchen Veränderung informieren.

(3) *Beauftragte der Emittentin.* Die Emissionsstelle, die Zahlstellen und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen

**[In case an additional or other paying agent shall be appointed, insert its name and initial specified office.]**

Where the Terms and Conditions refer to the term "Paying Agent(s)", such term shall include the Principal Paying Agent.

**[In case of Notes governed by German law insert:**

The Fiscal Agent, the Paying Agent(s) and the Calculation Agent reserve the right to change their respective specified offices to some other specified offices in the same city at any time.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent or the Calculation Agent and to appoint another fiscal agent, calculation agent or additional or other paying agents. The Issuer shall at all times maintain (i) a fiscal agent and a calculation agent and (ii) so long as the Notes are listed on a stock exchange, a paying agent (which may be the Fiscal Agent) with a specified office in such place as may be required by the rules of such stock exchange or its supervisory [authority] [authorities].

The Issuer will give notice to the Holders of any variation, termination, appointment or any other change as soon as possible upon the effectiveness of such change.

(3) *Agents of the Issuer.* The Fiscal Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or



keinerlei Verpflichtungen gegenüber den Gläubigern; es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

(4) *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle und der Emissionsstelle für die Zwecke der Emissionsbedingungen gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern keine vorsätzliche Pflichtverletzung, kein böser Glaube und kein offensichtlicher Irrtum vorliegt) für die Emittentin, die Zahlstellen und die Gläubiger bindend, und, sofern keiner der vorstehend genannten Umstände vorliegt, haftet die Emissionsstelle oder die Berechnungsstelle nicht gegenüber der Emittentin, den Zahlstellen oder den Gläubigern im Zusammenhang mit der Ausübung oder Nichtausübung ihrer Rechte und Pflichten und ihres Ermessens gemäß solchen Bestimmungen.

**[Im Fall von Schuldverschreibungen, die rumänischem Recht unterliegen, einfügen:**

**[Absichtlich ausgelassen.]**

trust to any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of the Terms and Conditions by the Calculation Agent and the Fiscal Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agents, and the Holders and, in the absence of the aforesaid, no liability to the Issuer, the Paying Agents or the Holders shall attach to the Fiscal Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**[In case of Notes governed by Romanian law insert:**

The Paying Agent(s) and the Calculation Agent reserve the right to change their respective specified offices to some other specified offices in the same city at any time.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent(s) and/or of the Calculation Agent and to appoint another calculation agent and/or additional or other paying agents. The Issuer shall at all times so long as the Notes are admitted to trading on the spot regulated market or an alternative trading system operated by Bursa de Valori București S.A. maintain a paying agent (which may be the Issuer) with a specified office in such place as may be required by the rules of such regulated market or its supervisory authority. If and for so long as the Notes are admitted to trading on the spot regulated market or an alternative trading system operated by Bursa de Valori București S.A., the Issuer shall maintain a paying agent (which may be the Issuer) having its specified office in Bucharest, Romania. The Issuer will give notice to the Holders of any variation, termination, appointment or any other change as soon as possible upon the effectiveness of such change.

(3) *Agents of the Issuer.* The Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.]

**§ 6  
STEUERN**

(1) *Generelle Besteuerung.* Sämtliche Zahlungen von Kapital und/oder Zinsen in Bezug auf die Schuldverschreibungen durch oder im Namen der Emittentin sind frei von und ohne Einbehalt oder Abzug von Steuern, Gebühren, Veranlagungen oder öffentlichen Abgaben welcher Art auch immer, die von oder innerhalb von Rumänien durch irgendeine Abgabenbehörde auferlegt, erhoben, eingezogen, einbehalten oder veranlagt werden, zu leisten, sofern ein derartiger Einbehalt oder Abzug nicht gesetzlich vorgesehen ist.

**[Im Fall von Schuldverschreibungen, die deutschem Recht unterliegen, einfügen:**

In diesem Fall **[falls die Emittentin keine zusätzlichen Beträge im Fall eines steuerlichen Einbehalts oder Abzugs zahlen wird, einfügen:** ist die Emittentin nicht verpflichtet, zusätzliche Beträge im Hinblick auf einen solchen Einbehalt oder Abzug zu leisten.] **[falls die Emittentin zusätzliche Beträge im Fall eines steuerlichen Einbehalts oder Abzugs zahlen wird, einfügen:** wird die Emittentin jene zusätzlichen Beträge (die "**zusätzlichen Beträge**") an den Gläubiger zahlen, die erforderlich sind, um den Gläubiger so zu stellen, als hätte er die Beträge ohne Einbehalt oder Abzug erhalten, ausgenommen dass keine derartigen zusätzlichen Beträge hinsichtlich einer Schuldverschreibung zahlbar sind:

(a) an einen Gläubiger oder an einen Dritten im Namen des Gläubigers, der zur Zahlung solcher Steuern, Abgaben, Veranlagungen oder öffentlicher Abgaben hinsichtlich einer Schuldverschreibung aufgrund einer anderen Verbindung mit Rumänien als jene der bloßen Inhaberschaft einer Schuldverschreibung verpflichtet ist; oder

(b) die zur Zahlung mehr als 30 Kalendertage nach dem Zeitpunkt vorgelegt wird, an dem eine Zahlung erstmals fällig wird, oder (falls ein fälliger Betrag unrechtmäßig zurückgehalten oder verweigert wird) nach dem Zeitpunkt, an dem eine vollständige Bezahlung des ausstehenden Betrags erfolgt, oder (falls früher) nach dem Zeitpunkt, der sieben Kalendertage nach jenem Kalendertag liegt, an dem eine Mitteilung an die Gläubiger ordnungsgemäß gemäß § 7 der Allgemeinen Bedingungen erfolgt, wonach bei weiterer Vorlage der Schuldverschreibungen die Zahlung erfolgen wird, vorausgesetzt, dass die Zahlung tatsächlich bei Vorlage durchgeführt wird, außer in dem Ausmaß, in dem der Gläubiger zu zusätzlichen Beträgen bei Vorlage zur Zahlung am 30. Kalendertag berechtigt gewesen wäre; oder

(c) sofern ein solcher Einbehalt oder Abzug auf Zahlungen an eine natürliche Person auferlegt wird

**§ 6  
TAXATION**

(1) *General Taxation.* All payments of principal and/or interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Romania or by any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

**[In case of Notes governed by German law please insert:**

In that event, the Issuer **[in case the Issuer will not pay additional amounts in case of a tax withholding or deduction, insert:** shall not be required to pay additional amounts in respect of such withholding or deduction] **[in case the Issuer will pay additional amounts in case of a tax withholding or deduction, insert:** shall pay such additional amounts (the "**Additional Amounts**") to the Holder as shall result in receipt by that Holder of such amounts as would have been received by it had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note:

(a) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with Romania other than the mere holding of the Note; or

(b) presented for payment more than 30 calendar days after the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven calendar days after that on which notice is duly given to the Holders in accordance with § 7 of General Conditions that, upon further presentation of the Notes being made, such payment will be made, provided that payment is in fact made upon such presentation, except to the extent that the Holder would have been entitled to such Additional Amounts on presenting the Note for payment on the thirtieth such calendar day; or

(c) where such withholding or deduction is imposed on a payment to an individual and is required to be

und nach Maßgabe der Richtlinie 2003/48/EG des Rates oder einer anderen Richtlinie der Europäischen Union oder Rechtsnorm, die der Umsetzung der Schlussfolgerungen des Treffens des ECOFIN-Rates vom 26.–27. November 2000 über die Besteuerung von Einkünften aus Geldanlagen dient, einer solchen Richtlinie entspricht oder zu deren Anpassung eingeführt wird, gemacht werden muss; oder

(d) die durch oder im Namen eines Gläubigers zur Zahlung vorgelegt wird, der in der Lage gewesen wäre, einen solchen Einbehalt oder Abzug durch Vorlage der betreffenden Schuldverschreibung bei einer anderen Zahlstelle in einem Mitgliedstaat der Europäischen Union zu vermeiden[.] [; oder]

**[Falls die Emittentin keine zusätzlichen Beträge im Fall eines Einbehalts oder Abzugs nach Maßgabe des rumänischen Gesetzes Nr. 571/2003 über die Abgabenordnung in der am Begebungstag der ersten Tranche einer Serie von Schuldverschreibungen gültigen Fassung zahlen wird, einfügen: (e) in der Höhe, in der ein solcher Einbehalt oder Abzug nach Maßgabe des rumänischen Gesetzes Nr. 571/2003 über die Abgabenordnung in der am Begebungstag der ersten Tranche dieser Serie von Schuldverschreibungen gültigen Fassung erforderlich ist.]]**

**[Im Fall von Schuldverschreibungen, die rumänischem Recht unterliegen, einfügen:**

**[Absichtlich ausgelassen.]]**

made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another paying agent in a Member State of the European Union[.] [; or]

**[in case the Issuer will not pay additional amounts in case of a withholding or deduction made pursuant to Romanian Law no. 571/2003 on the Fiscal Code as in force on the date on which the first tranche of any series of Notes is issued, insert: (e) to the extent such withholding or deduction is required to be made pursuant to Romanian Law no. 571/2003 on the Fiscal Code, as in force on the date on which the first tranche of this series of Notes is issued.]]**

**[In case of Notes governed by Romanian law insert:**

The Issuer shall withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of any tax that it is required to withhold or deduct under Romanian law and it shall not be required to pay additional amounts to the Holder in respect of such withholding or deduction. In this case, the Issuer shall (subject to the applicable law and upon the relevant Holder's request) provide that Holder with a certificate evidencing such withholding in Romania (*certificatul de atestare a impozitului plătit de nerezident*) issued by the competent Romanian tax authority.

Nevertheless, the Issuer shall not apply the withholding or deduction required by law or apply a lower rate of withholding or deduction if:

(i) the Holder entitled to payment of interest on the Notes is resident for tax purposes in a jurisdiction with which Romania has concluded a treaty for the avoidance of double taxation and in accordance with such treaty the relevant payment of interest on the Notes may be made without withholding or deduction in Romania, or subject to a lower rate of withholding or deduction in Romania than the rate imposed under Romanian law at the time of payment, and

(ii) at least 5 calendar days prior to the relevant due date that Holder provides to the Issuer (x) a tax residency certificate (in original or notarized photocopy form) valid for the respective interest due date (together with a certified and notarized translation thereof into the English or the Romanian language if such certificate is issued in a language other than the English or the Romanian language) issued by the competent tax authority in the jurisdiction where such Holder is tax resident and attesting such Holder's tax residency in such jurisdiction and (y) any other documentary evidence as may be required from time to time by Romanian law and as notified by the Issuer in accordance with § 7 of the General Conditions to the Holders.]

(2) *FATCA*. Die Emittentin ist berechtigt, von den an einen Gläubiger oder einen an den Schuldverschreibungen wirtschaftlich Berechtigten unter den Schuldverschreibungen zu zahlenden Beträgen diejenigen Beträge einzubehalten oder abzuziehen, die erforderlich sind, um eine etwaige Steuer zu zahlen, die die Emittentin gemäß einer Vereinbarung einzubehalten oder abzuziehen gesetzlich verpflichtet ist, die in Artikel 1471(b) des U.S. Internal Revenue Code von 1986 in der jeweils geltenden Fassung (der "**Kodex**") beschrieben wird, oder die anderweitig gemäß den Artikeln 1471 bis 1474 des Kodex (oder etwaigen unter dem Kodex erlassenen Verordnungen oder amtlichen Auslegungen des Kodex), oder gemäß einer zwischenstaatlichen Vereinbarung zwischen den Vereinigten Staaten und einer anderen Jurisdiktion zur Umsetzung des Kodex (oder gemäß steuerrechtlicher oder aufsichtsrechtlicher Gesetzgebung, Vorschriften oder Praktiken, die eine solche zwischenstaatliche Vereinbarung umsetzen) (jeder Einbehalt oder Abzug, ein "**FATCA Einbehalt**") vorgeschrieben wird. Weder die Emittentin noch eine andere Person ist verpflichtet, irgendwelche zusätzlichen Beträge in Bezug auf den FATCA Einbehalt zu zahlen.

**[Im Fall von Schuldverschreibungen mit laufender Verzinsung, die deutschem Recht unterliegen, und falls die Emittentin zusätzliche Beträge im Fall eines steuerlichen Einbehalts oder Abzugs zahlen wird, einfügen:**

(3) *Vorzeitige Rückzahlung aus steuerlichen Gründen*. Die Schuldverschreibungen können insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als **[Mindestkündigungsfrist einfügen]** und nicht mehr als **[Höchstkündigungsfrist einfügen]** **[Kalendertagen]** **[Geschäftstagen]** gegenüber der Emissionsstelle und gemäß § 7 der Allgemeinen Bedingungen gegenüber den Gläubigern vorzeitig gekündigt (wobei diese Kündigung unwiderruflich ist) und jederzeit zurückgezahlt werden, falls die Emittentin am

(2) *FATCA*. The Issuer is authorised to withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of any tax that it is required by law to withhold or deduct pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

**[In case of Notes governed by German law with periodic interest and in case the Issuer will pay additional amounts in case of a tax withholding or deduction insert:**

(3) *Early Redemption for Reasons of Taxation*. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than **[insert Minimum Notice Period]** nor more than **[insert Maximum Notice Period]** **[calendar days]** **[Business Days]** prior notice of early redemption to the Fiscal Agent and, in accordance with § 7 of the General Conditions, to the Holders (which notice shall be irrevocable), if on the next succeeding Interest Payment Date, the Issuer will become obliged to pay Additional Amounts pursuant to § 6(1) of the Issue Specific

nächstfolgenden Zinszahltag zur Zahlung von zusätzlichen Beträgen gemäß § 6(1) der Emissionsspezifischen Bedingungen verpflichtet sein wird, und zwar als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften von Rumänien oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Kalendertag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam), und eine solche Änderung oder Ergänzung nachgewiesen wurde durch Einreichung durch die Emittentin bei der Emissionsstelle (die eine solche Bestätigung und ein solches Gutachten als ausreichenden Nachweis hierüber anerkennen wird) von (i) einer von zwei bevollmächtigten Vertretern der Emittentin im Namen der Emittentin unterzeichneten Bestätigung, in der ausgeführt wird, dass eine solche Änderung oder Ergänzung eingetreten ist (unabhängig davon, ob eine solche Änderung oder Ergänzung zu diesem Zeitpunkt bereits in Kraft ist), in der die Tatsachen, die hierzu geführt haben, beschrieben werden und festgestellt wird, dass diese Verpflichtung von der Emittentin nicht durch das Ergreifen vernünftiger, ihr zur Verfügung stehender Maßnahmen abgewendet werden kann, und (ii) einem Gutachten eines unabhängigen Rechtsberaters von anerkannter Reputation, besagend, dass eine solche Änderung oder Ergänzung eingetreten ist (unabhängig davon, ob eine solche Änderung oder Ergänzung zu diesem Zeitpunkt bereits in Kraft ist), wobei eine solche Kündigung nicht früher als 90 Kalendertage vor dem frühest möglichen Termin erfolgen darf, an dem die Emittentin verpflichtet wäre, solche zusätzlichen Beträge in Bezug auf die Schuldverschreibungen zu zahlen, falls zu diesem Zeitpunkt eine Zahlung fällig wäre. Eine Kündigung darf nicht erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von zusätzlichen Beträgen nicht mehr wirksam ist.

Die gemäß diesem § 6(3) der Emissionsspezifischen Bedingungen gekündigten Schuldverschreibungen werden zu ihrem vorzeitigen Rückzahlungsbetrag (wie in § 2 der Allgemeinen Bedingungen definiert) zuzüglich etwaiger bis zu dem Rückzahlungstag (ausschließlich) aufgelaufener Zinsen zurückgezahlt.]

Conditions and as a result of any change in, or amendment to, the laws or regulations of Romania or of any political subdivision or taxing authority thereof or therein, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes is issued, and such amendment or change has been evidenced by the delivery by the Issuer to the Fiscal Agent (who shall accept such certificate and opinion as sufficient evidence thereof) of (i) a certificate signed by two authorised representatives of the Issuer on behalf of the Issuer stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), describing the facts leading thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable measures available to it and (ii) an opinion of independent legal advisers of recognised reputation to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), provided that no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due. No such notice of redemption shall be given if at the time such notice is given, the obligation to pay such Additional Amounts does not remain in effect.

Notes redeemed pursuant to this § 6(3) of the Issue Specific Conditions will be redeemed at their Early Redemption Amount (as defined below) together with interest, if any, accrued to, but excluding, the date of redemption.]]

## §§ 7 – 9 of the Issue Specific Conditions Applying to Option I and Option II

[DIE FOLGENDEN §§ 7 – 9 DER EMISSIONSSPEZIFISCHEN BEDINGUNGEN SIND SOWOHL FÜR OPTION I ALS AUCH FÜR OPTION II ANWENDBAR]

[Im Falle von Schuldverschreibungen, die Aktien als Basiswert haben, sind die folgenden Bestimmungen anwendbar:

### § 7 MARKTSTÖRUNGEN IN BEZUG AUF DIE AKTIEN

#### (a) Marktstörungen

[Im Falle von Schuldverschreibungen, die einen Aktienkorb als Basiswert haben, einfügen: Der Referenztag für jede nicht vom Eintritt eines Unterbrechungstages (wie von der Berechnungsstelle festgelegt) betroffene Aktie ist der Vorgesehene Referenztag.]

Stellt die Berechnungsstelle fest, dass es sich bei dem Referenztag für eine Aktie um einen Unterbrechungstag handelt, so ist der Referenztag für diese Aktie der nächstfolgende Vorgesehene Handelstag, der nach Feststellung der Berechnungsstelle in Bezug auf diese Aktie kein Unterbrechungstag ist, es sei denn, die Berechnungsstelle stellt fest, dass jeder der aufeinander folgenden Vorgesehenen Handelstage bis zum und einschließlich des Referenzstichtags ein Unterbrechungstag ist. In diesem Fall oder wenn ein Referenztag auf den Referenzstichtag fällt, da der ursprünglich vorgesehene Tag kein Vorgesehener Handelstag ist:

(i) ist dieser Referenzstichtag ungeachtet dessen, dass er ein Unterbrechungstag ist oder kein Vorgesehener Handelstag, als Referenztag für diese Aktie anzusehen; und

(ii) bestimmt die Berechnungsstelle an diesem Referenzstichtag den Wert der Aktie zum Bewertungszeitpunkt anhand ihrer nach Treu und Glauben vorgenommenen Schätzung (und diese Feststellung der Berechnungsstelle gemäß dieses Absatzes (ii) gilt als Aktienkurs zum Bewertungszeitpunkt in Bezug auf den maßgeblichen Referenztag).

#### (b) Mitteilung

Die Berechnungsstelle wird die Gläubiger so bald als möglich gemäß § 7 der Allgemeinen Bedingungen über den Eintritt eines Unterbrechungstages an jedem Tag, der ohne den Eintritt eines Unterbrechungstages ein

[THE FOLLOWING §§ 7 – 9 OF THE ISSUE SPECIFIC CONDITIONS APPLY TO BOTH OPTION I AND OPTION II]

[The following provisions are applicable to Notes, the Reference Asset of which are Shares:

### § 7 MARKET DISRUPTIONS IN RESPECT OF THE SHARES

#### (a) Market Disruptions

[In case of Notes, the Reference Asset of which is a Share Basket insert: The Reference Date for each Share not affected by the occurrence of a Disrupted Day (as determined by the Calculation Agent) shall be the Scheduled Reference Date.]

If the Calculation Agent determines that any Reference Date for any Share is a Disrupted Day, then the Reference Date for such Share shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day in respect of such Share, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days up to and including the Reference Cut-Off Date is a Disrupted Day. In that case or if any Reference Date falls on the Reference Cut-Off Date since the original date on which it was scheduled to fall is not a Scheduled Trading Day:

(i) that Reference Cut-Off Date shall be deemed to be the Reference Date for such Share, notwithstanding the fact that such day is a Disrupted Day or is not a Scheduled Trading Day; and

(ii) the Calculation Agent shall determine its good faith estimate of the value for the Share as of the Valuation Time on that Reference Cut-Off Date (and such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Share Price at the Valuation Time in respect of the relevant Reference Date).

#### (b) Notification

The Calculation Agent shall give notice, as soon as practicable, to the Holders in accordance with § 7 of the General Conditions of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been a

Referenztag gewesen wäre, informieren. Informiert die Berechnungsstelle die Gläubiger nicht über den Eintritt eines Unterbrechungstages, so hat dies keine Auswirkung auf die Wirksamkeit dieses Eintritts oder der Folgen dieses Unterbrechungstages.

### (c) Definitionen

"**Aktie**" hat die in § [2][3] der Emissionsspezifischen Bedingungen zugewiesene Bedeutung.

"**Aktienemittentin**" bezeichnet die Emittentin der Aktie.

"**Aktienkurs**" ist jeder von der Börse veröffentlichte Kurs der Aktie.

"**Bewertungszeitpunkt**" ist der Vorgesehene Börsenschluss an der betreffenden Börse am jeweiligen Tag in Bezug auf jede Aktie. Schließt die Börse vor ihrem Vorgesehenen Börsenschluss und liegt der festgelegte Bewertungszeitpunkt nach dem tatsächlichen Handelsschluss im Rahmen ihrer üblichen Handelszeit, so ist der Bewertungszeitpunkt dieser tatsächliche Handelsschluss.

"**Börse**" hat die in § [2][3] der Emissionsspezifischen Bedingungen zugewiesene Bedeutung.

"**Börsengeschäftstag**" bezeichnet jeden Vorgesehenen Handelstag, an dem die Börse und jede Verbundene Börse während ihrer jeweiligen üblichen Handelszeiten für den Handel geöffnet sind, ungeachtet dessen, ob die Börse oder die Verbundene Börse vor ihrem Vorgesehenen Börsenschluss schließt.

"**Börsenstörung**" ist ein Ereignis (außer einem Vorzeitigen Börsenschluss), das (nach Feststellung durch die Berechnungsstelle) die allgemeine Fähigkeit der Marktteilnehmer dahingehend stört oder beeinträchtigt, (i) in Bezug auf die Aktie an der Börse Transaktionen vorzunehmen bzw. Marktkurse einzuholen oder (ii) hinsichtlich dieser Aktie an einer maßgeblichen Verbundenen Börse Transaktionen bzw. Marktkurse hinsichtlich Termin- oder Optionskontrakten vorzunehmen bzw. einzuholen.

"**Handelsstörung**" bezeichnet jede durch die Börse, eine Verbundene Börse oder anderweitig bestimmte Aussetzung oder Einschränkung des Handels, sei es aufgrund von Preisschwankungen über die von der jeweiligen Börse oder Verbundenen Börse zugelassenen Grenzen hinaus oder aus sonstigen Gründen (i) in Bezug auf eine Aktie an dieser Börse oder (ii) mit Termin- oder Optionskontrakten hinsichtlich einer Aktie an einer der maßgeblichen Verbundenen Börsen.

Reference Date. Any failure by the Calculation Agent to so notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence or the consequences of such Disrupted Day.

### (c) Definitions

"**Share**" has the meaning as defined in § [2][3] of the Issue Specific Conditions.

"**Share Issuer**" means the issuer of the Share.

"**Share Price**" means any price of the Share as published by the Exchange.

"**Valuation Time**" means the Scheduled Closing Time on the relevant Exchange on the relevant day in relation to each Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

"**Exchange**" has the meaning as defined in § [2][3] of the Issue Specific Conditions.

"**Exchange Business Day**" means any Scheduled Trading Day on which the Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Share on any relevant Related Exchange.

"**Trading Disruption**" means any suspension of, or limitation imposed on, trading by the Exchange or any Related Exchange or otherwise, and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, (i) relating to the Share on the Exchange or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange.

**"Marktstörungsereignis"** bezeichnet den Eintritt oder das Bestehen einer (i) Handelsstörung, (ii) Börsenstörung, die von der Berechnungsstelle jeweils als wesentlich erachtet wird, jederzeit während des einstündigen Zeitraums, der am betreffenden Bewertungszeitpunkt endet, oder eines (iii) Vorzeitigen Börsenschlusses.

**"Referenzstichtag"** ist der achte unmittelbar auf den Vorgesehenen Referenztag folgende Vorgesehene Handelstag oder, falls dieser Tag früher liegt, der Vorgesehene Handelstag am oder unmittelbar vor dem zweiten Geschäftstag, der unmittelbar dem Tag vorausgeht, an dem eine Zahlung von Beträgen oder Lieferung von Vermögensgegenständen gemäß einer Berechnung oder Bestimmung an diesem Referenztag fällig sein könnte, vorausgesetzt dass der Referenzstichtag nicht vor dem ursprünglich vorgesehenen Referenztag liegt.

**"Referenztag"** ist [der Kursfixierungstag und] [jeder] [der] Bewertungstag oder, falls dieser früher liegt, der Referenzstichtag.

**"Unterbrechungstag"** bezeichnet jeden Vorgesehenen Handelstag, an dem die Börse oder eine Verbundene Börse während ihrer üblichen Handelszeit nicht für den Handel geöffnet ist oder an dem ein Marktstörungsereignis eingetreten ist.

**"Verbundene Börse"** ist jede Börse oder jedes Notierungssystem (nach Auswahl der Berechnungsstelle), an der bzw. dem der Handel wesentliche Auswirkungen (gemäß den Feststellungen der Berechnungsstelle) auf den gesamten Markt für Termin- oder Optionskontrakte in Bezug auf diese Aktie hat, oder, in jedem dieser Fälle, eine jede übernehmende Börse oder Nachfolgebörse der betreffenden Börse bzw. ein übernehmendes Notierungssystem oder Nachfolge-Notierungssystem des betreffenden Notierungssystems (sofern die Berechnungsstelle festgestellt hat, dass die Liquidität hinsichtlich der dieser Aktie zugrunde liegenden Termin- oder Optionskontrakte an dieser vorübergehenden Ersatz-Börse oder diesem vorübergehenden Ersatz-Notierungssystem mit der Liquidität an der ursprünglichen Verbundenen Börse vergleichbar ist).

**"Vorgesehener Börsenschluss"** steht in Bezug auf die Börse oder eine Verbundene Börse und einen Vorgesehenen Handelstag für den üblichen, werktäglichen Handelsschluss an dieser Börse oder Verbundenen Börse am betreffenden Vorgesehenen Handelstag, wobei ein nachbörslicher Handel oder ein sonstiger Handel außerhalb der üblichen Handelszeiten nicht berücksichtigt wird.

**"Market Disruption Event"** means the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

**"Reference Cut-Off Date"** means the eighth Scheduled Trading Day immediately following the Scheduled Reference Date or, if earlier, the Scheduled Trading Day falling on or immediately preceding the second Business Day immediately preceding the due date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Reference Date, provided that the Reference Cut-Off Date shall not fall prior to the original date on which such Reference Date was scheduled to fall.

**"Reference Date"** means [the Strike Fixing Date and] [each] [the] Valuation Date, or if earlier, the Reference Cut-Off Date.

**"Disrupted Day"** means any Scheduled Trading Day on which the Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

**"Related Exchange"** means each exchange or quotation system (as the Calculation Agent may select) where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share or, in any such case, any transferee or successor exchange of such exchange or quotation system (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange).

**"Scheduled Closing Time"** means in respect of the Exchange or any Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.



**"Vorgesehener Handelstag"** ist jeder Tag, an dem vorgesehen ist, dass die Börse und jede Verbundene Börse während ihrer jeweiligen üblichen Handelszeiten für den Handel geöffnet sind.

**"Vorgesehener Referenztag"** ist jeder Tag, der ohne den Eintritt eines zu einem Unterbrechungstag führenden Ereignisses ursprünglich ein Referenztag gewesen wäre.

**"Vorzeitiger Börsenschluss"** bezeichnet die Schließung der Börse oder einer (von) Verbundenen Börse(n) an einem Börsengeschäftstag vor ihrem Vorgesehenen Börsenschluss, es sei denn, ein solcher früherer Handelsschluss wird von dieser Börse bzw. Verbundenen Börse(n) spätestens eine Stunde vor dem früheren der beiden folgenden Zeitpunkte angekündigt: (i) dem tatsächlichen Handelsschluss für die übliche Handelszeit an dieser Börse bzw. Verbundenen Börse(n) am betreffenden Börsengeschäftstag oder (ii) dem letztmöglichen Zeitpunkt für die Abgabe von Orders im System der Börse oder Verbundenen Börse, die zum Bewertungszeitpunkt am betreffenden Börsengeschäftstag ausgeführt werden sollen.

## § 8

### ZUSÄTZLICHE STÖRUNGSEREIGNISSE

Bei Eintritt eines Zusätzlichen Störungsereignisses in Bezug auf eine Aktie kann die Emittentin nach billigem Ermessen:

(i) die Berechnungsstelle dazu auffordern, nach billigem Ermessen ggf. die Anpassung einer oder mehrerer der Emissionsspezifischen Bedingungen festzulegen, einschließlich aber nicht beschränkt auf eine für die Abwicklung oder Zahlung der Schuldverschreibungen maßgebliche Variable oder Bedingung, die nach Ansicht der Berechnungsstelle vorgenommen werden muss, um dem Zusätzlichen Störungsereignis Rechnung zu tragen, und den Wirksamkeitstag für die Anpassung zu bestimmen; oder

(ii) die Schuldverschreibungen nach Benachrichtigung der Gläubiger gemäß § 7 der Allgemeinen Bedingungen zurückzuzahlen. Wenn die Schuldverschreibungen abgerechnet werden, zahlt die Emittentin jedem Gläubiger in Bezug auf jede von diesem Gläubiger gehaltene Schuldverschreibung einen Betrag aus, der dem nach Treu und Glauben und auf wirtschaftlich vernünftige Weise durch die Berechnungsstelle bestimmten fairen Marktwert der Schuldverschreibungen unter Berücksichtigung des Zusätzlichen Störungsereignisses entspricht, angepasst um die angemessenen Kosten und Aufwendungen der Emittentin und/oder ihrer verbundenen Unternehmen für die Abwicklung von zugrunde liegenden und/oder damit verbundenen

**"Scheduled Trading Day"** means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

**"Scheduled Reference Date"** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Reference Date.

**"Early Closure"** means the closure on any Exchange Business Day of the Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

## § 8

### ADDITIONAL DISRUPTION EVENTS

If any Additional Disruption Event occurs in respect of any Share, the Issuer, acting in its reasonable discretion, may:

(i) require the Calculation Agent to determine, in its reasonable discretion, the adjustment, if any, to be made to any one or more of the Issue Specific Conditions, including without limitation, any variable or term relevant to the settlement or payment under the Notes, as the Calculation Agent determines appropriate to account for the Additional Disruption Event and determine the effective date of that adjustment; or

(ii) repay the Notes by giving notice to Holders in accordance with § 7 of the General Conditions. If the Notes are so settled, the Issuer will pay to each Holder, in respect of each Note held by such Holder, an amount equal to the fair market value of the Note taking into account the Additional Disruption Event, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Notes), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in

Absicherungs- und Finanzierungsvereinbarungen (einschließlich jedoch nicht beschränkt auf Aktienoptionen, Aktienswaps oder andere Wertpapiere egal welcher Art, die die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen absichern). Zahlungen erfolgen auf die den Gläubigern in Übereinstimmung mit § 7 der Allgemeinen Bedingungen bekannt gegebene Weise.

**[Im Falle von Schuldverschreibungen, die einen Aktienkorb als Basiswert haben, einfügen:**

Bei oder nach Eintritt des betreffenden Zusätzlichen Störungsereignisses, kann die Emittentin, statt (i) oder (ii), auch die Berechnungsstelle dazu auffordern, den Aktienkorb in der Weise anzupassen, dass er statt aus durch das Zusätzliche Störungsereignis beeinträchtigten Aktien (die "**Betroffene(n) Aktie(n)**") aus von ihr ausgewählten Aktien besteht (die "**Ersatzaktien**"), und die Ersatzaktien gelten jeweils als "Aktien" und ihre Emittentin als "Aktienemittentin" im Sinne der Aktien, und die Berechnungsstelle kann eine oder mehrere Bedingungen, einschließlich aber nicht beschränkt auf eine für die Abwicklung oder Zahlung der Schuldverschreibungen maßgebliche Variable oder Bedingung, die die Berechnungsstelle für angemessen hält, und/oder andere Bestimmungen dieser Emissionsbedingungen, die die Berechnungsstelle nach billigem Ermessen für angemessen hält, anpassen. In diesem Zusammenhang:

(a) gelten die Ersetzung und die maßgebliche Anpassung der Emissionsbedingungen der ab dem von der Berechnungsstelle nach billigem Ermessen ausgewählten Tag (der "**Ersetzungstag**") als wirksam, wie in der in § 7 der Allgemeinen Bedingungen erwähnten Mitteilung angegeben;

(b) entspricht die Gewichtung einer Ersatzaktie in dem betreffenden Korb der Gewichtung der Betroffenen Aktie, sofern von der Berechnungsstelle nach billigem Ermessen nicht anders festgelegt;

(c) muss eine betreffende Aktie, um als Ersatzaktie in Frage zu kommen, eine Aktie sein, die nach billigem Ermessen der Berechnungsstelle:

(I) nicht bereits die Aktie ist bzw. in dem Aktienkorb enthalten ist,

(II) aus einem ähnlichen Wirtschaftsbereich stammt wie die Betroffene Aktie,

(III) soweit möglich, von einer Aktiengesellschaft ausgegeben sein, die in der selben Rechtsordnung oder geographischem Gebiet ihren Sitz hat **[falls**

such manner as shall be notified to the Holders in accordance with § 7 of the General Conditions.

**[In case of Notes, the Reference Asset of which is a Share Basket insert:**

On or after the occurrence of a relevant Additional Disruption Event, the Issuer may, in addition to (i) and (ii) above, require the Calculation Agent to adjust the Share Basket to include a share selected by it (the "**Substitute Share(s)**") in place of the Shares (the "**Affected Share(s)**") which are affected by such Additional Disruption Event and such Substitute Shares will be deemed "Shares" and their issuer a "Share Issuer" for the purposes of the Shares, respectively, and the Calculation Agent may make such adjustment to any one or more of the Terms and Conditions, including without limitation, any variable or term relevant to the settlement or payment under the Notes as the Calculation Agent determines appropriate, and/or any of the other terms of these Conditions as the Calculation Agent, in its reasonable discretion, determines appropriate. In this regard:

(a) such substitution and the relevant adjustment to the Terms and Conditions will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**"), in its absolute discretion, and specified in the notice referred to in § 7 of the General Conditions;

(b) the weighting of each Substitute Share in the relevant basket will be equal to the weighting of the relevant Affected Share, unless otherwise determined by the Calculation Agent in its reasonable discretion;

(c) in order to be selected as a Substitute Share, any relevant share must be a share which, in the reasonable discretion of the Calculation Agent:

(I) is not already the Share or comprised in the Share Basket, as the case may be;

(II) belongs to a similar economic sector as the Affected Share;

(III) to the extent possible issued by a stock corporation being incorporated in the same jurisdiction or geographical area **[if applicable,**

**anwendbar, einfügen**::; und

(IV) eine vergleichbare Marktkapitalisierung, internationale Stellung und Risiko besitzt, wie die Betroffene Aktie].]

Nach Eintritt eines Zusätzlichen Störungsereignisses, benachrichtigt die Emittentin die Gläubiger gemäß § 7 der Allgemeinen Bedingungen so schnell wie möglich vom Eintritt des Zusätzlichen Störungsereignisses unter Angabe näherer Informationen und der diesbezüglich zu ergreifenden Maßnahme. Das Fehlen einer Benachrichtigung oder deren Erhalt hat keinerlei Einfluss auf die Wirkung eines Zusätzlichen Störungsereignisses.

**"Absicherungspositionen"** sind jeder Kauf, Verkauf, Abschluss oder Unterhalt von einem oder mehreren (i) Positionen oder Kontrakten in Bezug auf Wertpapiere, Optionen, Terminkontrakte, Derivate oder Devisen, (ii) Wertpapierleihgeschäften, oder (iii) anderen Vorkehrungen (wie auch immer bezeichnet) der Emittentin und/oder ihrer verbundenen Unternehmen zur Absicherung ihrer Verpflichtungen aus den Schuldverschreibungen, individuell oder auf Portfoliobasis.

**"Absicherungsstörung"** bedeutet, dass die Emittentin und/oder ihre verbundenen Unternehmen nach Aufwendung aller wirtschaftlich vernünftigen Bemühungen nicht in der Lage ist/sind, (i) Transaktionen oder Vermögenswerte, die sie zur Absicherung ihres Aktienkursrisikos oder anderer Kursrisiken in Bezug auf den Abschluss oder die Erfüllung ihrer Verpflichtungen aus den Schuldverschreibungen für notwendig hält, zu erwerben, zu begründen, wieder zu begründen, zu ersetzen, aufrechtzuerhalten, abzuwickeln oder zu veräußern, oder (ii) die Erlöse aus diesen Transaktionen oder die Vermögenswerte zu realisieren, wiederzuerlangen oder weiterzuleiten.

**"Erhöhte Absicherungskosten"** bedeuten, dass der Emittentin und/oder ihren verbundenen Unternehmen in Bezug auf (a) das Eingehen bzw. Erwerben, Begründen, Neubegründen, Wiederbegründen, Ersetzen, Aufrechterhalten, Abwickeln oder Veräußern von Transaktionen oder Vermögenswerten, die sie zur Absicherung ihres Aktienkursrisikos oder anderer Kursrisiken in Bezug auf den Abschluss oder die Erfüllung ihrer Verpflichtungen aus den Schuldverschreibungen für notwendig hält, oder (b) das Realisieren, Wiedererlangen oder Weiterleiten der Erlöse aus diesen Transaktionen oder der Vermögenswerte, erheblich höhere (verglichen mit den am [Kursfixierungstag] **[Emissionsdatum einfügen]** vorliegenden Umständen) Steuern, Abgaben, Ausgaben oder Gebühren (außer Maklergebühren) entstehen würden, wobei in dem Fall, dass diese

**insert**::; and

(IV) is of comparable market capitalization, international standing, and exposure as the Affected Share].]

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable, to the Holders in accordance with § 7 of the General Conditions, stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto. Any failure to give, or non-receipt of, such notice will not affect the validity of Additional Disruption Event.

**"Hedge Positions"** means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives, or foreign exchange, (ii) stock loan transactions or (iii) other arrangements (howsoever described) by the Issuer and/or any of its affiliates in order to hedge its obligations under the Notes, individually or on a portfolio basis.

**"Hedging Disruption"** means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind, or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (ii) realize, recover, or remit the proceeds of any such transaction(s) or asset(s).

**"Increased Cost of Hedging"** means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the [Strike Fixing Date] **[insert issue date]**) amount of tax, duty, expense, or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind, or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realize, recover, or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of

wesentlich höheren Kosten allein durch die Verschlechterung der Kreditwürdigkeit der Emittentin und/oder ihrer verbundenen Unternehmen entstanden sind, diese nicht als Erhöhte Absicherungskosten gelten.

**"Gesetzesänderung"** bedeutet, dass die Berechnungsstelle am oder nach dem [Kursfixierungstag] [Emissionsdatum einfügen], aufgrund (i) der Verabschiedung oder Änderung von geltenden Gesetzen oder Bestimmungen (einschließlich, jedoch nicht beschränkt auf Steuerrecht), oder (ii) der Bekanntmachung von oder Änderungen in der Auslegung von geltenden Gesetzen oder Vorschriften (einschließlich Maßnahmen, die von Steuerbehörden vorgenommen wurden) durch Gerichte oder Aufsichtsbehörden mit der zuständigen Gerichtsbarkeit, nach billigem Ermessen bestimmt, dass (y) es für die Emittentin und/oder ihre verbundenen Unternehmen rechtswidrig geworden ist, die betreffenden Absicherungspositionen einschließlich der maßgeblichen Aktie zu halten, zu erwerben oder zu veräußern, oder dass (z) der Emittentin und/oder ihren verbundenen Unternehmen durch die Erfüllung ihrer Verpflichtungen aus den Schuldverschreibungen höhere Kosten entstehen werden (wie unter anderem Kosten aufgrund einer erhöhten Steuerpflicht, geringerer Steuervergünstigungen oder sonstiger negativer Auswirkungen auf ihre steuerliche Lage).

**"Insolvenzantrag"** bedeutet, dass eine Aktienemittentin selbst oder durch ein Gericht oder eine Aufsichts-, Regulierungs- oder ähnliche Behörde mit primärer insolvenz-, sanierungs- oder aufsichtsrechtlicher Zuständigkeit in derjenigen Rechtsordnung, in der diese gegründet wurde oder ihre Hauptniederlassung bzw. ihren Sitz hat, ein Verfahren einleitet oder eingeleitet wird oder die Aktienemittentin einer Einleitung zustimmt, durch welches ein Urteil bezüglich der Insolvenz oder des Konkurses oder eine sonstige Rechtsschutzanordnung nach einer Insolvenz- oder Konkursordnung oder nach einem vergleichbaren Gesetz erlassen werden soll, das/die die Rechte der Gläubiger betrifft, oder die Aktienemittentin oder die jeweilige Aufsichts-, Regulierungs- oder ähnliche Behörde einen Antrag auf Auflösung oder Liquidation der Aktienemittentin stellt oder die Aktienemittentin einer solchen Antragstellung zustimmt, wobei Verfahren oder Anträge, die von den Gläubigern ohne die Zustimmung der Aktienemittentin eingeleitet bzw. gestellt wurden, nicht als Insolvenzantrag gelten.

**"Zusätzliches Störungsereignis"** ist/sind jede Gesetzesänderung, Absicherungsstörung, Erhöhte Absicherungskosten und/oder jeder Insolvenzantrag.

Hedging.

**"Change in Law"** means that, on or after [the Strike Fixing Date] [insert issue date], due to (i) the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines, in its reasonable discretion, that (y) it has become illegal for the Issuer and/or any of its affiliates to hold, acquire or dispose of relevant Hedge Positions including any relevant Share, or (z) the Issuer and/or any of its affiliates will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit, or other adverse effect on its tax position).

**"Insolvency Filing"** means that a Share Issuer institutes, or has instituted against it by a court, regulator, supervisor, or any similar official with primary insolvency, rehabilitative, or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor, or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Issuer shall not be deemed an Insolvency Filing.

**"Additional Disruption Event"** means any Change in Law, Hedging Disruption, Increased Cost of Hedging and/or Insolvency Filing.

## § 9

### ANPASSUNGEN IN BEZUG AUF DIE AKTIEN

#### (a) Potenzielle Anpassungsereignisse

Nach Feststellung durch die Berechnungsstelle, dass ein Potenzielles Anpassungsereignis in Bezug auf eine Aktie eingetreten ist oder nach einer Anpassung der Abwicklungsbestimmungen von sich auf eine Aktie beziehenden notierten Options- oder Terminkontrakten, die an einer Verbundenen Börse gehandelt werden, bestimmt die Berechnungsstelle nach billigem Ermessen, ob das Potenzielle Anpassungsereignis oder die Anpassung der Abwicklungsbestimmungen von sich auf die Aktie beziehenden notierten Options- oder Terminkontrakten, die an einer Verbundenen Börse gehandelt werden, eine verwässernde oder werterhöhende Wirkung auf den theoretischen Wert dieser Aktie hat und, falls dies der Fall ist, wird sie (i) ggf. eine oder mehrere der Emissionsspezifischen Bedingungen entsprechend anpassen, einschließlich jedoch nicht beschränkt auf eine für die Abwicklung oder Zahlung der Schuldverschreibungen maßgebliche Variable oder Bedingung, welche die Berechnungsstelle nach billigem Ermessen für angemessen hält, um dieser verwässernden oder werterhöhenden Wirkung Rechnung zu tragen (vorausgesetzt, dass die Anpassungen nicht allein aus dem Grund erfolgen, um Änderungen der Volatilität, der erwarteten Dividenden, des Aktienleihezinssatzes oder der relativen Liquidität der betreffenden Aktie Rechnung zu tragen), und (ii) den Wirksamkeitstag für diese Anpassung festlegen. Die Berechnungsstelle wird in der Regel, ist jedoch nicht dazu verpflichtet, die Anpassung vornehmen, die von einer Optionsbörse an sich auf die Aktie beziehenden Optionen, die an dieser Optionsbörse gehandelt werden, in Bezug auf das Potenzielle Anpassungsereignis vorgenommen wurde.

Nachdem die Berechnungsstelle eine solche Anpassung vorgenommen hat, benachrichtigt die Berechnungsstelle die Gläubiger gemäß § 7 der Allgemeinen Bedingungen so schnell wie möglich darüber mit Angabe der Anpassungen der Emissionsspezifischen Bedingungen sowie mit einer kurzen Beschreibung des Potenziellen Anpassungsereignisses. Das Fehlen einer Benachrichtigung oder deren Erhalt hat keinerlei Einfluss auf die Wirkung eines Potenziellen Anpassungsereignisses.

**"Potenzielles Anpassungsereignis"** bezeichnet

(i) eine Unterteilung, Zusammenlegung oder Gattungsänderung der betreffenden Aktien (sofern dies nicht zu einem Fusionsereignis führt) oder die unentgeltliche Ausschüttung oder Zuteilung von Aktien an bestehende Aktionäre mittels Bonusaktien, Gratisaktien oder ähnlicher

## § 9

### ADJUSTMENTS IN RESPECT OF THE SHARES

#### (a) Potential Adjustment Events

Following the determination by the Calculation Agent that a Potential Adjustment Event has occurred in respect of any Share or following any adjustment to the settlement terms of listed options or futures contracts on any Share traded on a Related Exchange, the Calculation Agent will, in its reasonable discretion, determine whether such Potential Adjustment Event or adjustment to the settlement terms of listed options or futures contracts on the relevant Share traded on a Related Exchange has a diluting or concentrative effect on the theoretical value of such Share and, if so, (i) will make the corresponding adjustment, if any, to any one or more of the Issue Specific Conditions, including without limitation, any variable or term relevant to the settlement or payment under the Notes, as the Calculation Agent, in its reasonable discretion, determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate, or liquidity relative to the relevant Share), and (ii) determine the effective date of that adjustment. The Calculation Agent will generally, but need not, make the same adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Share traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with § 7 of the General Conditions stating the adjustment to the Issue Specific Conditions, and giving brief details of the Potential Adjustment Event. Any failure to give, or non-receipt of, such notice will not affect the validity of the Potential Adjustment Event.

**"Potential Adjustment Event"** means:

(i) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders of the Shares by way of bonus, capitalization, or similar issue;

Maßnahmen;

(ii) eine Ausschüttung, Ausgabe oder Dividende an bestehende Aktionäre in Form von (I) solchen Aktien, oder (II) sonstigen Beteiligungsrechten oder Wertpapieren, die zur Ausschüttung einer Dividende und/oder anteiligen Ausschüttung einer Dividende und/oder anteiligen Ausschüttung des Liquidationserlöses im Hinblick auf die betreffende Aktienemittentin entsprechend oder anteilmäßig zu den entsprechenden Zahlungen an Aktionäre aufgrund der Aktien berechtigen, oder (III) Beteiligungsrechten oder sonstigen Wertpapieren einer anderen Aktienemittentin, die die Aktienemittentin (direkt oder indirekt) infolge einer Spaltung oder einer ähnlichen Transaktion erworben hat oder die sich infolge dessen in ihrem Besitz befinden, oder (IV) sonstigen Wertpapieren, Options- oder anderen Rechten oder Vermögenswerten, die jeweils für eine unter dem vorherrschenden Marktpreis, der von der Berechnungsstelle festgelegt wird, liegende, in Barmitteln oder Sachwerten bestehende Gegenleistung ausgeschüttet werden;

(iii) eine Außerordentliche Dividende;

(iv) eine Einzahlungsaufforderung seitens der Aktienemittentin in Bezug auf maßgebliche Aktien, die noch nicht in voller Höhe eingezahlt sind;

(v) einen Rückkauf der relevanten Aktien durch die Aktienemittentin oder eine ihrer Tochtergesellschaften, unabhängig davon, ob der Rückkauf aus Gewinn oder Kapital erfolgt oder ob der Kaufpreis in Form von Barmitteln, Wertpapieren oder auf sonstige Weise entrichtet wird;

(vi) in Bezug auf die Aktienemittentin ein Ereignis, das dazu führt, dass Aktionärsrechte begeben werden oder von Stammaktien oder anderen Aktien der Aktienemittentin abgetrennt werden gemäß einem Aktionärsrechteplan oder einer ähnlichen Maßnahme zur Abwehr von feindlichen Übernahmen, der bzw. die für den Eintritt bestimmter Ereignisse die Ausgabe von Vorzugsaktien, Optionsrechten, Anleihen oder Bezugsrechten zu einem unter ihrem Marktwert, der von der Berechnungsstelle festgestellt wird, liegenden Preis vorsieht, wobei eine infolge eines solchen Ereignisses getroffene Anpassung bei einer Einlösung solcher Rechte erneut anzupassen ist; oder

(vii) ein anderes Ereignis, welches nach Ansicht der Berechnungsstelle eine verwässernde oder konzentrierende Auswirkung auf den theoretischen Wert der betreffenden Aktien hat.

(ii) a distribution, issue, or dividend to existing holders of the relevant Shares of (I) such Shares, or (II) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of such Shares, or (III) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (IV) any other type of securities, rights, or warrants, or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price, all as determined by the Calculation Agent;

(iii) an Extraordinary Dividend;

(iv) a call by a Share Issuer in respect of relevant Shares that are not fully paid;

(v) a repurchase by a Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities, or otherwise;

(vi) in respect of a Share Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments, or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(vii) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

**(b) Fusionsereignis, Übernahmeangebot, Delisting, Verstaatlichung und Insolvenz**

Bei Eintritt eines Fusionsereignisses, Übernahmeangebots, Delisting, einer Verstaatlichung oder Insolvenz in Bezug auf eine Aktie kann die Emittentin nach billigem Ermessen:

(i) am oder nach dem betreffenden Fusionstag, Tag des Übernahmeangebots, Tag der Verstaatlichung, der Insolvenz oder des Delisting die Berechnungsstelle dazu veranlassen, die durch das Fusionsereignis, Übernahmeangebot, die Verstaatlichung, Insolvenz bzw. das Delisting beeinträchtigte Aktie (die "**Betroffene Aktie**") durch eine von ihr ausgewählte Aktie auszutauschen (die "**Ersatzaktien**"), und die Ersatzaktie und ihre Emittentin gelten jeweils als "Aktie" bzw. "Aktienemittentin" im Sinne der Emissionsspezifischen Bedingungen, und die Berechnungsstelle kann ggf. eine oder mehrere der Emissionsspezifischen Bedingungen anpassen, einschließlich jedoch nicht beschränkt auf eine für die Abwicklung oder Zahlung der Schuldverschreibungen maßgebliche Variable oder Bedingung, die die Berechnungsstelle nach billigem Ermessen für angemessen hält. In diesem Zusammenhang:

(a) gelten diese Ersetzung und die relevante Anpassung der Emissionsbedingungen ab dem von der Berechnungsstelle gemäß den Grundsätzen von billigem Ermessen ausgewählten und in der unter § 7 der Allgemeinen Bedingungen genannten Mitteilung bezeichneten Tag (der "**Ersetzungstag**") als wirksam, bei dem es sich nicht zwingend um einen Fusionstag oder Tag des Übernahmeangebots oder Tag der Verstaatlichung, der Insolvenz oder des Delistings handeln muss;

(b) muss jede betreffende Aktie, um als Ersatzaktie ausgewählt zu werden, eine Aktie sein, die nach billigem Ermessen der Berechnungsstelle:

(I) nicht bereits die Aktie ist bzw. in dem Aktienkorb enthalten ist,

(II) aus einem ähnlichen Wirtschaftsbereich stammt wie die Betroffene Aktie,

(III) soweit möglich, von einer Aktiengesellschaft ausgegeben sein, die in der selben Rechtsordnung oder geographischem Gebiet ihren Sitz hat wie die Emittentin der betroffenen Aktie; und

(IV) eine vergleichbare Marktkapitalisierung, internationale Stellung und Risiko besitzt wie die Betroffene Aktie; und

(ii) die Berechnungsstelle dazu auffordern, nach billigem Ermessen die angemessene Anpassung einer oder mehrerer Bedingungen, einschließlich aber nicht beschränkt auf eine für die Abwicklung

**(b) Merger Event, Tender Offer, Delisting, Nationalisation, and Insolvency**

If a Merger Event, Tender Offer, Delisting, Nationalisation, or Insolvency occurs in relation to any Share, the Issuer in its reasonable discretion, may:

(i) on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalisation, Insolvency, or Delisting (as the case may be), require the Calculation Agent to replace the share (the "**Substitute Share**") in place of the Share (the "**Affected Share**") which is affected by such Merger Event, Tender Offer, Nationalisation, Insolvency, or Delisting, and the Substitute Share and their issuer will be deemed "Share" and a "Share Issuer" for the purposes of the Issue Specific Conditions, respectively, and the Calculation Agent may make such adjustment, if any, to any one or more of the Issue Specific Conditions, including without limitation, any variable or term relevant to the settlement or payment under the Notes, as the Calculation Agent determines, in its reasonable discretion, appropriate. In this regard:

(a) such substitution and the relevant adjustment to the Terms and Conditions will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**"), in its reasonable discretion, and specified in the notice referred to in § 7 of the General Conditions which may, but need not, be the Merger Date or Tender Offer Date or the date of the Nationalisation, Insolvency, or Delisting (as the case may be);

(b) in order to be selected as a Substitute Share, each relevant share must be a share which, in the reasonable discretion of the Calculation Agent:

(I) is not already the Share or in the Share Basket as the case may be;

(II) belongs to a similar economic sector as the Affected Share;

(III) to the extent possible issued by a stock corporation being incorporated in the same jurisdiction or geographical area as the issuer of the Affected Share; and

(IV) is of comparable market capitalization, international standing, and exposure as the Affected Share; and

(ii) require the Calculation Agent to determine, in its reasonable discretion, the appropriate adjustment, if any, to be made to any one or more of the conditions, including without limitation, any

oder Zahlung der Schuldverschreibungen maßgebliche Variable oder Bedingung festzulegen, die nach billigem Ermessen der Berechnungsstelle vorgenommen werden muss, um dem Fusionsereignis bzw. Übernahmeangebot, Delisting, der Verstaatlichung oder Insolvenz Rechnung zu tragen, und den Wirksamkeitstag für die Anpassung zu bestimmen. Zu den relevanten Anpassungen können Anpassungen gehören, die unter anderem aufgrund von für die Aktien oder Schuldverschreibungen maßgeblichen Änderungen der Volatilität, erwarteten Dividenden, Aktienleihezinssätze oder Liquidität erfolgen. Die Berechnungsstelle kann (ist jedoch nicht dazu verpflichtet) die angemessene Anpassung durch Bezugnahme auf die Anpassung vornehmen, die von Optionsbörsen an Optionen der an dieser Optionsbörse gehandelten Aktien in Bezug auf das Fusionsereignis, Übernahmeangebot, Delisting, die Verstaatlichung oder Insolvenz vorgenommen wurde oder

(iii) nach einer Anpassung der Abwicklungsbedingungen von Optionen der an einer Börse(n) oder Notierungssystem(en) gehandelten Aktien, die/das von der Emittentin nach billigem Ermessen ausgewählt wurde (die "**Ausgewählte Börse**"), die Berechnungsstelle zur Vornahme der entsprechenden Anpassung von einer oder mehreren der Emissionsspezifischen Bedingungen veranlassen, einschließlich aber nicht beschränkt auf eine für die Abwicklung oder Zahlung der Schuldverschreibungen maßgebliche Variable oder Bedingung, die nach dem billigem Ermessen der Berechnungsstelle angemessen ist, wobei die Anpassung von dem von der Berechnungsstelle als Wirksamkeitstag der entsprechenden Anpassung durch die Ausgewählte Börse bestimmten Tag an wirksam ist. Wenn Optionen auf die Aktien nicht an der Ausgewählten Börse gehandelt werden, passt die Berechnungsstelle ggf. eine oder mehrere Bedingungen an, einschließlich aber nicht beschränkt auf eine für die Abwicklung oder Zahlung der Schuldverschreibungen maßgebliche Variable oder Bedingung, die gemäß den Grundsätzen von billigem Ermessen von der Berechnungsstelle unter Bezugnahme auf die von der Ausgewählten Börse vorgegebenen Vorschriften bzw. Vorbedingungen vorgenommen werden muss, um dem Fusionsereignis, Übernahmeangebot, Delisting, der Verstaatlichung bzw. Insolvenz Rechnung zu tragen, was nach Ansicht der Berechnungsstelle zu einer Anpassung durch die Ausgewählte Börse geführt hätte, wenn die Optionen gehandelt worden wären oder

(iv) die Schuldverschreibungen nach Mitteilung der Gläubiger gemäß § 7 der Allgemeinen Bedingungen insgesamt und nicht nur teilweise zurückzuzahlen, wobei jede Schuldverschreibung

variable or term relevant to the settlement or payment under the Notes, as the Calculation Agent determines, in its reasonable discretion, appropriate to account for the Merger Event, Tender Offer, Delisting, Nationalisation, or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate, or liquidity relevant to the Shares or to the Notes. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Delisting, Nationalisation, or Insolvency made by any options exchange to options on the Shares traded on that Options Exchange or

(iii) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer, in its reasonable discretion, shall select (the "**Selected Exchange**"), require the Calculation Agent to make the appropriate adjustment, if any, to any one or more of the Issue Specific Conditions, including without limitation, any variable or term relevant to the settlement or payment under the Notes, as the Calculation Agent determines, in its reasonable discretion, appropriate, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Selected Exchange. If options on the Shares are not traded on the Selected Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the conditions, including without limitation, any variable or term relevant to the settlement or payment under the Notes as the Calculation Agent in its reasonable discretion determines appropriate, with reference to the rules and precedents (if any) set by the Selected Exchange to account for the Merger Event, Tender Offer, Delisting, Nationalisation, or Insolvency, as the case may be, that in the judgment of the Calculation Agent would have given rise to an adjustment by the Selected Exchange if such options were so traded or

(iv) having given notice to Holders in accordance with § 7 of the General Conditions, repay all, but not some only, of the Notes, each Note being repaid by payment of an amount equal to the fair



in Höhe eines Betrages zurückgezahlt wird, der dem von der Berechnungsstelle nach Treu und Glauben und auf wirtschaftlich vernünftige Weise bestimmten fairen Marktwert der Schuldverschreibungen unter Berücksichtigung des Fusionsereignisses, Übernahmeangebots, Delisting, der Verstaatlichung bzw. Insolvenz entspricht, angepasst um die angemessenen Kosten und Aufwendungen der Emittentin und/oder ihrer verbundenen Unternehmen für die Abwicklung von zugrunde liegenden und/oder verbundenen Absicherungs- und Finanzierungsvereinbarungen (einschließlich jedoch nicht beschränkt auf Aktienoptionen, Aktienswaps oder andere Wertpapiere egal welcher Art, die die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen absichern). Zahlungen erfolgen auf die den Gläubigern bekannt gegebene Weise in Übereinstimmung mit § 7 der Allgemeinen Bedingungen.

#### **(c) Mitteilung**

Nach Eintritt eines Fusionsereignisses, Übernahmeangebots, Delistings, einer Verstaatlichung oder Insolvenz benachrichtigt die Emittentin die Gläubiger gemäß § 7 der Allgemeinen Bedingungen so schnell wie möglich vom Eintritt des Fusionsereignisses, Übernahmeangebots, Delistings, der Verstaatlichung bzw. Insolvenz unter Angabe von näheren Informationen darüber und der diesbezüglich zu ergreifenden Maßnahme, z.B. bei Ersatzaktien, um welche Ersatzaktien es sich handelt, und den Ersetzungstag. Das Fehlen einer Benachrichtigung oder deren Erhalt hat keinerlei Einfluss auf die Wirkung des Fusionsereignisses, Übernahmeangebots, Delistings, der Verstaatlichung oder Insolvenz.

#### **(d) Korrigierter Aktienkurs**

Wird ein Aktienkurs, der an der Börse an einem für Berechnungen oder Bestimmungen verwendeten Tag veröffentlicht wird, nachträglich korrigiert und diese Korrektur von der Börse innerhalb des Abwicklungszyklus nach der ursprünglichen Veröffentlichung veröffentlicht, nimmt die Berechnungsstelle alle Berechnungen vor oder berechnet den Betrag, der aufgrund dieser Korrektur zu zahlen oder zu liefern ist, und passt, soweit erforderlich, die maßgeblichen Bedingungen den Korrekturen entsprechend an, wobei wenn in Bezug auf eine relevante Aktie an einem maßgeblichen Tag ein Stichtag für Korrekturen anwendbar ist, Korrekturen, die nach diesem Stichtag für Korrekturen veröffentlicht werden, von der Berechnungsstelle für die Bestimmung oder Berechnung von relevanten Beträgen nicht berücksichtigt werden.

market value of a Note taking into account the Merger Event, Tender Offer, Delisting, Nationalisation, or Insolvency, as the case may be, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Notes), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with § 7 of the General Conditions.

#### **(c) Notification**

Upon the occurrence of a Merger Event, Tender Offer, Delisting, Nationalisation, or Insolvency, the Issuer shall give notice as soon as practicable to the Holders, in accordance with § 7 of the General Conditions, stating the occurrence of the Merger Event, Tender Offer, Delisting, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto, including, in the case of Substitute Shares, the identity of the Substitute Shares, and the Substitution Date. Any failure to give, or non-receipt of, such notice will not affect the validity of the Merger Event, Tender Offer, Delisting, Nationalisation, or Insolvency.

#### **(d) Correction of Share Price**

In the event that any Share Price published on the Exchange on any date which is utilized for any calculation or determination is subsequently corrected and the correction is published by the Exchange within one Settlement Cycle after the original publication, the Calculation Agent will make any determination or determine the amount that is payable or deliverable as a result of that correction, and, to the extent necessary, will adjust any relevant conditions to account for such correction, provided that, if a Correction Cut-Off Date is applicable for a relevant Share for any relevant date, corrections published after such Correction Cut-Off Date will be disregarded by the Calculation Agent for the purposes of determining or calculating any relevant amount.

## (e) Definitionen

**"Abwicklungszyklus"** steht für den Zeitraum von Clearingsystem-Geschäftstagen nach einem Geschäftsabschluss hinsichtlich der Aktien an der Börse, in dem die Abwicklung nach den Regeln dieser Börse üblicherweise stattfindet.

**"Außerordentliche Dividende"** bedeutet eine Dividende, die von der Berechnungsstelle nach billigem Ermessen als außerordentlich angesehen wird.

**"Clearingsystem"** ist in Bezug auf die Korrektur eines Aktienkurses das inländische Haupt-Clearingsystem, das in der Regel für die Abwicklung des Handels mit den jeweiligen Aktien an einem maßgeblichen Tag verwendet wird.

**"Clearingsystem-Geschäftstag"** steht, in Bezug auf ein Clearingsystem für einen Tag, an dem dieses Clearingsystem für die Annahme und Ausführung von Abwicklungsanweisungen geöffnet ist (oder, ohne den Eintritt einer Abrechnungsstörung, geöffnet wäre).

**"Delisting"** bedeutet, in Bezug auf die relevanten Aktien, dass die Börse bekannt gibt, dass gemäß den Regeln dieser Börse die Zulassung, der Handel bzw. die öffentliche Notierung der Aktien an dieser Börse, gleich aus welchem Grund (außer einer Fusion oder einem Übernahmeangebot) eingestellt ist (oder eingestellt wird) und nicht mehr unmittelbar wieder aufgenommen wird an einer Börse oder einem Handelssystem in dem Land, in dem sich die Börse befindet (oder, sofern die betreffende Börse sich innerhalb der Europäischen Union befindet, in einem Mitgliedsstaat der Europäischen Union).

**"Fusionsereignis"** steht für (i) eine Gattungsänderung oder Änderung dieser Aktien, die zu einer Übertragung oder einer unwiderruflichen Verpflichtung zur Übertragung aller ausstehenden Aktien an ein anderes Unternehmen oder eine andere Person führt, (ii) die Konsolidierung, Verschmelzung, Fusion oder verbindlichen Aktientausch einer Aktienemittentin mit einem/r anderen Unternehmen oder Person oder in ein/e andere/s Unternehmen oder Person (mit Ausnahme einer Konsolidierung, Verschmelzung, Fusion, oder eines verbindlichen Aktientausches, bei der/dem die Aktienemittentin das fortbestehende Unternehmen ist und die nicht zu einer Gattungsänderung oder sonstigen Änderung aller ausstehenden Aktien führt), (iii) ein Übernahmeangebot, Tauschangebot, eine Aufforderung zur Abgabe eines Angebots, Vorschlag oder eine sonstige Maßnahme durch ein Unternehmen oder eine Person mit dem Ziel, 100 % der ausstehenden Aktien der Aktienemittentin zu erwerben oder auf sonstige Weise zu erhalten, was zu einer Übertragung oder

## (e) Definitions

**"Settlement Cycle"** means the period of Clearing System Business Days following a trade in the Share on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

**"Extraordinary Dividend"** means a dividend that the Calculation Agent determines to be extraordinary in its reasonable discretion.

**"Clearing System"** means, in respect of correction of a Share Price, the principal domestic clearing system customarily used for settling trades in the relevant Shares on any relevant date.

**"Clearing System Business Day"** means, in respect of a Clearing System, any day on which such Clearing System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

**"Delisting"** means, in respect of any relevant Shares, the Exchange announcing that pursuant to the rules of that Exchange, such Shares cease (or will cease) to be listed, traded, or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded, or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

**"Merger Event"** means any (i) reclassification or change of such Shares that results in a transfer of, or an irrevocable commitment to transfer all such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger, or binding share exchange of a Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger, or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal, or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Share Issuer that results in a transfer of, or an irrevocable commitment to transfer, all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger, or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which

unwiderruflichen Verpflichtung zur Übertragung aller Aktien (außer Aktien im Eigentum oder unter Kontrolle des anderen Unternehmens) führt, oder (iv) eine Konsolidierung, Verschmelzung, Fusion oder einen verbindlichen Aktientausch der Aktienemittentin oder ihrer Tochtergesellschaften mit einem anderen Unternehmen oder in ein anderes Unternehmen, in dem die Aktienemittentin das fortbestehende Unternehmen ist und die bzw. der nicht zu einer Gattungsänderung oder Änderung aller ausstehenden Aktien (außer der Aktien, die sich im Eigentum oder unter der Kontrolle des anderen Unternehmens befinden) führt, die unmittelbar vor diesem Ereignis insgesamt weniger als 50 % der unmittelbar nach diesem Ereignis ausstehenden Aktien darstellen, und zwar jeweils sofern der Fusionstag an oder vor dem letzten Bewertungstag in Bezug auf die betreffende Schuldverschreibung liegt.

**"Fusionstag"** steht für den Stichtag eines Fusionsereignisses oder, wenn nach den jeweiligen für ein solches Fusionsereignis geltenden Gesetzen kein Stichtag bestimmt werden kann, für einen anderen von der Berechnungsstelle festgelegten Tag.

**"Insolvenz"** bezeichnet den Umstand, dass aufgrund eines freiwilligen oder unfreiwilligen Liquidations-, Konkurs-, Insolvenz-, Auflösungs- oder Abwicklungsverfahrens oder eines vergleichbaren Verfahrens, das die Aktienemittentin betrifft, (i) sämtliche Aktien dieser Aktienemittentin auf einen Treuhänder, Liquidator oder vergleichbaren Amtsträger übertragen werden müssen, oder (ii) es den Inhabern von Aktien dieser Aktienemittentin von Gesetzes wegen verboten ist, diese zu übertragen.

**"Optionsbörse"** ist die Verbundene Börse (wenn die Verbundene Börse mit Optionskontrakten in Bezug auf die betreffende Aktie handelt) bzw. die von der Berechnungsstelle als Primärmarkt ausgewählte Verbundene Börse für die notierten Optionskontrakte in Bezug auf die betreffende Aktie.

**"Stichtag für Korrekturen"** steht für den Geschäftstag, der zwei Geschäftstage vor dem Fälligkeitstag liegt.

**"Tag des Übernahmeangebots"** ist, in Bezug auf ein Übernahmeangebot, der Tag, an dem stimmberechtigte Aktien in Höhe des geltenden Mindestprozentsatzes tatsächlich gekauft oder auf andere Weise erworben werden (wie von der Berechnungsstelle festgestellt).

**"Übernahmeangebot"** steht für ein Übernahmeangebot, Tauschangebot, eine Aufforderung zur Abgabe eines Angebots, einen Vorschlag oder eine sonstige Maßnahme durch ein Unternehmen oder eine Person mit dem Ziel, dass

does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before the last occurring Valuation Date.

**"Merger Date"** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

**"Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution, or winding-up of or any analogous proceeding affecting the Share Issuer, (i) all the Shares of that Share Issuer are required to be transferred to a trustee, liquidator, or other similar official, or (ii) holders of the Shares of that Share Issuer become legally prohibited from transferring them.

**"Options Exchange"** means, the Related Exchange (if such Related Exchange trades options contracts relating to the relevant Share) or the Related Exchange selected by the Calculation Agent as the primary market for listed options contracts relating to the relevant Share.

**"Correction Cut-Off Date"** means the Business Day which is two Business Days prior to the Maturity Date.

**"Tender Offer Date"** means, in respect of a Tender Offer, the date on which voting Shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

**"Tender Offer"** means a takeover offer, tender offer, exchange offer, solicitation, proposal, or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining, or having the right to obtain, by

dieses Unternehmen oder diese Person durch Kauf oder auf andere Weise, oder durch das Recht auf den Erhalt von, durch Umwandlung oder auf andere Weise mindestens 10 % und weniger als 100 % der ausstehenden stimmberechtigten Aktien einer Aktienemittentin erwirbt, soweit dies von der Berechnungsstelle auf Grundlage von Mitteilungen an staatliche Stellen oder Selbstregulierungsorgane oder von anderen Informationen, die die Berechnungsstelle für wichtig erachtet, festgestellt wird.

**"Verstaatlichung"** bedeutet, dass alle Aktien oder alle oder im Wesentlichen alle Vermögenswerte der Aktienemittentin verstaatlicht, enteignet oder auf andere Weise an eine staatliche Einrichtung, Behörde, Stelle oder Institution übertragen werden müssen.]

**[Im Falle von Schuldverschreibungen, die einen Aktienindex als Basiswert haben, sind die folgenden Bestimmungen anwendbar:**

#### § 7

#### Marktstörungen in Bezug auf den Index

##### (a) Marktstörungen

Stellt die Berechnungsstelle fest, dass es sich bei einem Referenztag um einen Unterbrechungstag handelt, so ist der Referenztag für den Index der nächstfolgende Vorgesehene Handelstag, der nach Feststellung der Berechnungsstelle in Bezug auf den Index kein Unterbrechungstag ist, es sei denn, die Berechnungsstelle stellt fest, dass jeder der aufeinander folgenden Vorgesehenen Handelstage bis zum und einschließlich des Referenzstichtags ein Unterbrechungstag ist. In diesem Fall oder wenn ein Referenztag auf den Referenzstichtag fällt, da der ursprünglich vorgesehene Tag kein Vorgesehener Handelstag ist:

(i) ist dieser Referenzstichtag ungeachtet dessen, dass er ein Unterbrechungstag oder kein Vorgesehener Handelstag ist, als Referenztag für den Index anzusehen; und

(ii) wird die Berechnungsstelle den maßgeblichen Stand des Index zum maßgeblichen Bewertungszeitpunkt am Referenzstichtag gemäß der zuletzt vor dem Referenzstichtag gültigen Formel und Methode zur Berechnung des Index anhand des Börsenpreises jeder am Referenzstichtag im Index enthaltenen Komponente zum maßgeblichen Bewertungszeitpunkt (oder, wenn an dem Referenzstichtag ein zu einem Unterbrechungstag führendes Ereignis in Bezug auf eine der jeweiligen Komponenten eingetreten ist, anhand ihrer nach Treu und Glauben vorgenommenen

conversion or other means, greater than 10 per cent. and less than 100 *per cent.* of the outstanding voting shares of a Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

**"Nationalisation"** means that all the Shares or all or substantially all the assets of the Share Issuer are nationalized, expropriated, or are otherwise required to be transferred to any governmental agency, authority, entity, or instrumentality thereof.]

**[The following conditions are applicable to Notes, the Reference Asset of which is a Share Index:**

#### § 7

#### Market Disruptions in respect of the Index

##### (a) Market Disruptions

If the Calculation Agent determines that any Reference Date is a Disrupted Day, then the Reference Date for the Index shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day in respect of the Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days up to and including the Reference Cut-Off Date is a Disrupted Day. In that case or if any Reference Date falls on the Reference Cut-Off Date as the original date on which it was scheduled to fall is not a Scheduled Trading Day:

(i) that Reference Cut-Off Date shall be deemed to be the Reference Date for the Index, notwithstanding the fact that such day is a Disrupted Day or is not a Scheduled Trading Day; and

(ii) the Calculation Agent shall determine the relevant level or price of the Index as of the relevant Valuation Time on that Reference Cut-Off Date in accordance with the formula for and method of, calculating the Index last in effect prior to the Reference Cut-Off Date using the Exchange traded or quoted price as of the relevant Valuation Time on that Reference Cut-Off Date of each Component comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of any relevant Component on that Reference Cut-Off Date, its good faith estimate of the value for the relevant Component as of the

Schätzung des Wertes der jeweiligen Komponente zum maßgeblichen Bewertungszeitpunkt an dem Referenzstichtag) feststellen (und diese Feststellung der Berechnungsstelle gemäß dieses Absatzes (ii) gilt als Indexstand zum Bewertungszeitpunkt in Bezug auf den maßgeblichen Referenztag).

**(b) Mitteilung**

Die Berechnungsstelle wird die Gläubiger so bald als möglich gemäß § 7 der Allgemeinen Bedingungen über den Eintritt eines Unterbrechungstages an jedem Tag, der ohne den Eintritt eines Unterbrechungstages ein Referenztag gewesen wäre, informieren. Informiert die Berechnungsstelle die Gläubiger nicht über den Eintritt eines Unterbrechungstages, so hat dies keine Auswirkung auf die Wirksamkeit dieses Eintritts oder der Folgen dieses Unterbrechungstages.

**(c) Definitionen**

**"Bewertungstag"** hat die in § [2][3] der Emissionsspezifischen Bedingungen zugewiesene Bedeutung.

**[wenn der Index ein Einbörsenindex ist einfügen:**

**"Bewertungszeitpunkt"** ist in Bezug auf einen Einbörsenindex (a) für Zwecke der Feststellung, ob ein Marktstörungsereignis in Bezug auf (I) eine Komponente eingetreten ist, der Vorgesehene Börsenschluss an der Börse dieser Komponente (vorausgesetzt dass, wenn die maßgebliche Börse vor ihrem Vorgesehenen Börsenschluss schließt, der Bewertungszeitpunkt dieser tatsächliche Börsenschluss ist) und (II) Options- oder Terminkontrakte für den Index eingetreten ist, der Handelsschluss an der Verbundenen Börse und (b) in allen anderen Fällen der Zeitpunkt, zu dem der offizielle Schlusstand des betreffenden Index durch den jeweiligen Index-Sponsor berechnet und veröffentlicht wird.]

**[Im Falle eines Mehrbörsenindexes einfügen:**

**"Bewertungszeitpunkt"** ist in Bezug auf einen Mehrbörsenindex (a) für Zwecke der Feststellung, ob ein Marktstörungsereignis in Bezug auf (I) eine Komponente eingetreten ist, der Vorgesehene Börsenschluss an der Börse dieser Komponente (vorausgesetzt dass, wenn die Börse vor ihrem Vorgesehenen Börsenschluss schließt, der Bewertungszeitpunkt dieser tatsächliche Börsenschluss ist), und (II) Options- oder Terminkontrakte für den Index eingetreten ist, der Handelsschluss an der Verbundenen Börse, und (b) in allen anderen Fällen der Zeitpunkt, zu dem der offizielle Schlusstand des betreffenden Index durch den jeweiligen Index-Sponsor berechnet und

relevant Valuation Time on that Reference Cut-Off Date) (and such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Index Level at the Valuation Time in respect of the relevant Reference Date).

**(b) Notification**

The Calculation Agent shall give notice, as soon as practicable, to the Holders in accordance with § 7 of the General Conditions of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been a Reference Date. Any failure by the Calculation Agent to so notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence or the consequences of such Disrupted Day.

**(c) Definitions**

**"Valuation Date"** has the meaning as defined in § [2][3] of the Issue Specific Conditions.

**[In the case of a Single Exchange Index insert:**

**"Valuation Time"** means in respect of a Single Exchange Index (a) for the purposes of determining whether a Market Disruption Event has occurred in respect of (I) any Component, the Scheduled Closing Time on the Exchange in respect of such Component (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (II) any options contracts or futures contracts on the Index, the close of trading on the Related Exchange, and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.]

**[In the case of a Multi Exchange Index insert:**

**"Valuation Time"** means in respect of a Multi Exchange Index (a) for the purposes of determining whether a Market Disruption Event has occurred in respect of (I) any Component, the Scheduled Closing Time on the Exchange in respect of such Component (provided that, if the Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (II) any options contracts or futures contracts on the Index, the close of trading on the Related Exchange, and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.]

veröffentlicht wird.]

**"Börse"** hat die in § [2][3] der Emissionspezifischen Bedingungen zugewiesene Bedeutung.

**[wenn der Index ein Einbörsenindex ist einfügen:**

**"Börsengeschäftstag"** ist in Bezug auf einen Einbörsenindex ein Vorgesehener Handelstag, an dem die Börse und jede Verbundene Börse während ihrer jeweiligen üblichen Handelszeiten für den Handel geöffnet sind, unabhängig davon, ob die Börse oder Verbundene Börse vor ihrem Vorgesehenen Börsenschluss schließt.]

**[Im Falle eines Mehrbörsenindexes einfügen:**

**"Börsengeschäftstag"** ist in Bezug auf einen Mehrbörsenindex ein Vorgesehener Handelstag, an dem (a) der Index-Sponsor den Stand des Index berechnet und veröffentlicht und (b) die Verbundene Börse während ihrer üblichen Handelszeit für den Handel geöffnet ist, ungeachtet dessen, ob die Verbundene Börse vor ihrem Vorgesehenen Börsenschluss schließt.]

**[wenn der Index ein Einbörsenindex ist einfügen:**

**"Börsenstörung"** ist in Bezug auf einen Einbörsenindex ein Ereignis (außer einem Vorzeitigen Börsenschluss), das (nach Feststellung durch die Berechnungsstelle) die allgemeine Fähigkeit der Marktteilnehmer dahingehend stört oder beeinträchtigt, (a) an einer Börse Transaktionen mit Komponenten zu tätigen oder, im Fall eines Index, Marktkurse für diese Komponenten einzuholen, die mindestens 20 % des Standes des Index ausmachen, oder (b) Transaktionen mit Termin- oder Optionskontrakten hinsichtlich des betreffenden Index an einer maßgeblichen Verbundenen Börse zu tätigen oder dort Marktkurse für diese Kontrakte einzuholen.]

**[Im Falle eines Mehrbörsenindexes einfügen:**

**"Börsenstörung"** ist in Bezug auf einen Mehrbörsenindex ein Ereignis (außer einem Vorzeitigen Börsenschluss), das (nach Feststellung durch die Berechnungsstelle) die allgemeine Fähigkeit der Marktteilnehmer dahingehend stört oder beeinträchtigt, Transaktionen oder Marktkurse in Bezug auf (a) eine Komponente an der maßgeblichen Börse für diese Komponente vorzunehmen bzw. einzuholen, oder (b) Termin- oder Optionskontrakte hinsichtlich des Index an der maßgeblichen Verbundenen Börse vorzunehmen bzw. einzuholen.]

**"Exchange"** has the meaning as defined in § [2][3] of the Issue Specific Conditions.

**[In the case of a Single Exchange Index, insert:**

**"Exchange Business Day"** means in respect of a Single Exchange Index any Scheduled Trading Day on which the Exchange and each Related Exchange are open for trading during their respective regular trading sessions notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.]

**[In the case of a Multi Exchange Index insert:**

**"Exchange Business Day"** means in respect of a Multi Exchange Index any Scheduled Trading Day on which (a) the Index Sponsor calculates and publishes the level of the Index, and (b) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.]

**[In the case of a Single Exchange Index insert:**

**"Exchange Disruption"** means in respect of a Single Exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, in the case of an Index, any relevant Exchange relating to Components that comprise 20 per cent. or more of the level of the Index, or (b) to effect transactions in, or obtain market values for, futures or options contracts relating to such Index on any relevant Related Exchange.]

**[In the case of a Multi Exchange Index, insert:**

**"Exchange Disruption"** means in respect of a Multi Exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (a) any Component on the relevant Exchange in respect of such Component, or (b) futures or options contracts relating to the Index on the relevant Related Exchange.]

**[wenn der Index ein Einbörsenindex ist einfügen:**

**"Handelsstörung"** ist in Bezug auf einen Einbörsenindex jede durch die Börse, die Verbundene Börse oder anderweitig bestimmte Aussetzung oder Einschränkung des Handels, sei es aufgrund von Preisschwankungen über die von der Börse oder Verbundenen Börse zugelassenen Grenzen hinaus oder aus sonstigen Gründen (a) in Bezug auf Komponenten, die 20 % oder mehr des Standes des betreffenden Index an einer maßgeblichen Börse ausmachen, oder (b) mit Termin- oder Optionskontrakten in Bezug auf den betreffenden Index an einer maßgeblichen Verbundenen Börse.]

**[Im Falle eines Mehrbörsenindexes einfügen:**

**"Handelsstörung"** ist in Bezug auf einen Mehrbörsenindex jede durch die maßgebliche Börse, die Verbundene Börse oder anderweitig bestimmte Aussetzung oder Einschränkung des Handels, sei es aufgrund von Preisschwankungen über die von der jeweiligen Börse oder Verbundenen Börse zugelassenen Grenzen hinaus oder aus sonstigen Gründen (a) in Bezug auf eine Komponente dieser Börse hinsichtlich dieser Komponente, oder (b) mit Termin- oder Optionskontrakten in Bezug auf den Index an der Verbundenen Börse.]

**"Index"** hat die in § [2][3] der Emissionsspezifischen Bedingungen zugewiesene Bedeutung.

**"Indexkurs"** bezeichnet den [Schlusskurs][bzw. Kurs des Basiswerts] wie in § [2][3] der Emissionsspezifischen Bedingungen definiert.

**"Index-Sponsor"** hat die in § [2][3] der Emissionsspezifischen Bedingungen zugewiesene Bedeutung.

**"Komponente"** bezeichnet jedes Wertpapier oder andere Komponente, die in dem Index enthalten ist.

**[wenn der Index ein Einbörsenindex ist einfügen:**

**"Marktstörungsereignis"** ist in Bezug auf einen Einbörsenindex der Eintritt oder das Bestehen einer (a) Handelsstörung, (b) Börsenstörung, die von der Berechnungsstelle jeweils als wesentlich erachtet wird, jederzeit während des einstündigen Zeitraums, der am betreffenden Bewertungszeitpunkt endet, oder (c) eines Vorzeitigen Börsenschlusses. Zur Feststellung, ob zu einem bestimmten Zeitpunkt ein Marktstörungsereignis in Bezug auf einen Index besteht, gilt: falls hinsichtlich einer im Index enthaltenen Komponente zu irgendeinem Zeitpunkt ein Marktstörungsereignis eintritt, so

**[In the case of a Single Exchange Index, insert:**

**"Trading Disruption"** means in respect of a Single Exchange Index any suspension of, or limitation imposed on, trading by the Exchange or Related Exchange or otherwise, and whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise, (a) relating to Components that comprise 20 per cent. or more of the level of that Index on any relevant Exchange or (b) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.]

**[In the case of a Multi Exchange Index, insert:**

**"Trading Disruption"** means in respect of a Multi Exchange Index any suspension or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to any Component on the Exchange in respect of such Component, or (b) in futures or options contracts relating to the Index on the Related Exchange.]

**"Index"** has the meaning as defined in § [2][3] of the Issue Specific Conditions.

**"Index Level"** means the [Closing Price][and the Level of the Reference Asset] as defined in § [2][3] of the Issue Specific Conditions.

**"Index Sponsor"** has the meaning as defined in § [2][3] of the Issue Specific Conditions.

**"Component"** means each security or other component included in the Index.

**[In the case of a Single Exchange Index, insert:**

**"Market Disruption Event"** means in respect of a Single Exchange Index the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a Component included in the Index at any time, then the relevant percentage contribution of that Component to the level of the Index shall be

basiert der betreffende prozentuale Anteil dieser Komponente am Kurs des Index auf einem Vergleich zwischen (y) dem auf diese Komponente entfallenden Anteil des Indexkurses und (z) dem Gesamtstand des Index, jeweils unmittelbar vor Eintritt dieses Marktstörungsereignisses.]

**[Im Falle eines Mehrbörsenindexes einfügen:**

**"Marktstörungsereignis"** ist in Bezug auf einen Mehrbörsenindex

(a) (I) in Bezug auf eine Komponente, der Eintritt oder das Bestehen, von:

(A) einer Handelsstörung hinsichtlich dieser Komponente, die von der Berechnungsstelle jeweils als wesentlich erachtet wird, jederzeit während des einstündigen Zeitraums, der am betreffenden Bewertungszeitpunkt in Bezug auf die Börse, an der diese Komponente hauptsächlich gehandelt wird, endet;

(B) einer Börsenstörung hinsichtlich dieser Komponente, die von der Berechnungsstelle jeweils als wesentlich erachtet wird, jederzeit während des einstündigen Zeitraums, der am betreffenden Bewertungszeitpunkt in Bezug auf die Börse, an der diese Komponente hauptsächlich gehandelt wird, endet;

(C) einem Vorzeitigen Börsenschluss hinsichtlich dieser Komponente; und

(II) die Gesamtheit aller Komponenten, hinsichtlich derer eine Handelsstörung, eine Börsenstörung oder ein Vorzeitiger Börsenschluss eintritt oder besteht, umfasst 20 % oder mehr des Standes des Index; oder

(b) jeweils in Bezug auf Termin- oder Optionskontrakte hinsichtlich des Index der Eintritt oder das Bestehen einer (i) Handelsstörung oder (ii) Börsenstörung, die von der Berechnungsstelle jeweils als wesentlich erachtet wird, jederzeit während des einstündigen Zeitraums, der am Bewertungszeitpunkt hinsichtlich der Verbundenen Börse endet oder (iii) eines Vorzeitigen Börsenschlusses.

Zur Feststellung, ob zu irgendeinem Zeitpunkt ein Marktstörungsereignis in Bezug auf den Index besteht, wenn zu diesem Zeitpunkt im Zusammenhang mit einer Komponente ein Vorzeitiger Börsenschluss, eine Börsenstörung oder eine Handelsstörung eintritt, basiert der betreffende prozentuale Anteil dieser Komponente am Kurs des Index auf einem Vergleich zwischen (y) dem auf diese Komponente entfallenden Anteil des Indexkurses und (z) dem Gesamtkurs des Index.]

based on a comparison of (y) the portion of the level of the Index attributable to that Component and (z) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.]

**[In the case of a Multi Exchange Index, insert:**

**"Market Disruption Event"** means in respect of a Multi Exchange Index

(a) (I) the occurrence or existence, in respect of any Component, of:

(A) a Trading Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded;

(B) an Exchange Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; or

(C) an Early Closure in respect of such Component; and

(II) the aggregate of all Components in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or

(b) the occurrence or existence, in each case in respect of futures or options contracts relating to the Index, of (i) a Trading Disruption, or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange, or (iii) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists in respect of the Index at any time, if an Early Closure, an Exchange Disruption, or a Trading Disruption occurs in respect of a Component at that time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (y) the portion of the level of the Index attributable to that Component and (z) the overall level of the Index.]



**"Referenzstichtag"** ist der achte unmittelbar auf den Vorgesehenen Referenztag folgende Vorgesehene Handelstag oder, falls dieser Tag früher liegt, der Vorgesehene Handelstag am oder unmittelbar vor dem zweiten Geschäftstag, der unmittelbar dem Tag vorausgeht, an dem eine Zahlung von Beträgen oder Lieferung von Vermögensgegenständen gemäß einer Berechnung oder Bestimmung an diesem Referenztag fällig sein könnte, vorausgesetzt dass der Referenzstichtag nicht vor dem ursprünglich vorgesehenen Referenztag liegt.

**"Referenztag"** ist der Bewertungstag oder, falls dieser früher liegt, der Referenzstichtag.

**[wenn der Index ein Einbörsenindex ist einfügen:**

**"Unterbrechungstag"** ist in Bezug auf einen Einbörsenindex jeder Vorgesehene Handelstag, an dem die Börse oder eine Verbundene Börse während ihrer üblichen Handelszeit nicht für den Handel geöffnet ist oder an dem ein Marktstörungseignis eingetreten ist.]

**[wenn der Index ein Mehrbörsenindex ist einfügen:**

**"Unterbrechungstag"** ist in Bezug auf einen Mehrbörsenindex jeder Vorgesehene Handelstag, an dem (a) der Index-Sponsor den Indexkurs nicht veröffentlicht (mit der Maßgabe, dass die Berechnungsstelle nach ihrem Ermessen feststellen kann, dass ein derartiges Ereignis statt dessen den Eintritt einer Indexstörung zur Folge hat), (b) die Verbundene Börse während ihrer üblichen Handelszeit nicht für den Handel geöffnet ist oder (c) ein Marktstörungseignis eingetreten ist.]

**"Verbundene Börse"** bezeichnet jede Börse oder jedes Notierungssystem (nach Wahl der Berechnungsstelle), an der oder dem der Handel wesentliche Auswirkungen (gemäß den Feststellungen der Berechnungsstelle) auf den gesamten Markt für Termin- oder Optionskontrakte in Bezug auf den Index hat, oder, in jedem dieser Fälle, eine jede übernehmende oder Nachfolgebörse der betreffenden Börse bzw. ein übernehmendes Notierungssystem oder Nachfolge-Notierungssystem des betreffenden Notierungssystems (sofern die Berechnungsstelle festgestellt hat, dass die Liquidität hinsichtlich der diesem Index zugrunde liegenden Termin- oder Optionskontrakte an dieser vorübergehenden Ersatz-Börse oder diesem vorübergehenden Ersatz-Notierungssystem mit der Liquidität an der ursprünglichen Verbundenen Börse vergleichbar ist).

**"Reference Cut-Off Date"** means the eighth Scheduled Trading Day immediately following the Scheduled Reference Date or, if earlier, the Scheduled Trading Day falling on or immediately preceding the second Business Day immediately preceding the due date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Reference Date, provided that the Reference Cut-Off Date shall not fall prior to the original date on which such Reference Date was scheduled to fall.

**"Reference Date"** means the Valuation Date or, if earlier, the Reference Cut-Off Date.

**[In the case of a Single Exchange Index, insert:**

**"Disrupted Day"** means in respect of a Single Exchange Index any Scheduled Trading Day on which the Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.]

**[In the case of a Multi Exchange Index, insert:**

**"Disrupted Day"** means in respect of a Multi Exchange Index any Scheduled Trading Day on which (a) the Index Sponsor fails to publish the level of the Index (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption), (b) the Related Exchange fails to open for trading during its regular trading session, or (c) a Market Disruption Event has occurred.]

**"Related Exchange"** means each exchange or quotation system (as the Calculation Agent may select) where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Index or, in any such case, any transferee or successor exchange of such exchange or quotation system (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

**"Vorgesehener Börsenschluss"** ist in Bezug auf die Börse bzw. die Verbundene Börse der vorgesehene werktägliche Handelsschluss der Börse oder Verbundenen Börse an diesem Vorgesehenen Handelstag, wobei ein nachbörslicher Handel oder ein sonstiger Handel außerhalb der üblichen Handelszeiten nicht berücksichtigt wird.

**[wenn der Index ein Einbörsenindex ist einfügen:**

**"Vorgesehener Handelstag"** ist in Bezug auf einen Einbörsenindex jeder Tag, an dem vorgesehen ist, dass die Börse und jede Verbundene Börse während ihrer jeweiligen üblichen Handelszeiten für den Handel geöffnet sind.]

**[wenn der Index ein Mehrbörsenindex ist einfügen:**

**"Vorgesehener Handelstag"** ist in Bezug auf einen Mehrbörsenindex jeder Tag, an dem vorgesehen ist, dass (a) der Index-Sponsor den Kurs des betreffenden Index veröffentlicht und (b) die Verbundene Börse während ihrer üblichen Handelszeiten für den Handel geöffnet ist.]

**"Vorgesehener Referenztag"** ist jeder Tag, der ohne den Eintritt eines zu einem Unterbrechungstag führenden Ereignisses ursprünglich ein Referenztag gewesen wäre.

**[wenn der Index ein Einbörsenindex ist einfügen:**

**"Vorzeitiger Börsenschluss"** ist in Bezug auf einen Einbörsenindex die Schließung der Börse an einem Börsengeschäftstag vor ihrem Vorgesehenen Börsenschluss in Bezug auf Komponenten, die mindestens 20 % des Kurses des betreffenden Index oder einer (von) Verbundenen Börse(n) ausmachen, es sei denn, ein solcher früherer Handelsschluss wird von dieser(n) Börse(n) bzw. Verbundenen Börse(n) spätestens eine Stunde vor dem früheren der beiden folgenden Zeitpunkte angekündigt: (a) dem tatsächlichen Handelsschluss für die übliche Handelszeit an der (den) Börse(n) bzw. Verbundenen Börse(n) am betreffenden Börsengeschäftstag oder (b) dem letztmöglichen Zeitpunkt für die Abgabe von Orders im System der Börse oder Verbundenen Börse, die zum Bewertungszeitpunkt am betreffenden Börsengeschäftstag ausgeführt werden sollen.]

**[wenn der Index ein Mehrbörsenindex ist einfügen:**

**"Vorzeitiger Börsenschluss"** ist in Bezug auf einen Mehrbörsenindex die Schließung der Börse in Bezug auf eine Komponente oder der Verbundenen Börse an einem Börsengeschäftstag

**"Scheduled Closing Time"** means in respect of the Exchange or Related Exchange the scheduled weekday closing time of the Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**[In the case of a Single Exchange Index, insert:**

**"Scheduled Trading Day"** means in respect of a Single Exchange Index any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.]

**[In the case of a Multi Exchange Index, insert:**

**"Scheduled Trading Day"** means in respect of a Multi Exchange Index any day on which (a) the Index Sponsor is scheduled to publish the level of the Index, and (b) the Related Exchange is scheduled to be open for trading for its regular trading session.]

**"Scheduled Reference Date"** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Reference Date.

**[In the case of a Single Exchange Index, insert:**

**"Early Closure"** means in respect of a Single Exchange Index the closure on any Exchange Business Day of the Exchange relating to Components that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time, unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day, and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.]

**[In the case of a Multi Exchange Index, insert:**

**"Early Closure"** means in respect of a Multi Exchange Index the closure on any Exchange Business Day of the Exchange in respect of any Component, or the Related Exchange, prior to its

vor ihrem Vorgesehenen Börsenschluss, es sei denn ein solcher früherer Handelsschluss wird von dieser Börse bzw. Verbundenen Börse spätestens eine Stunde vor dem früheren der beiden folgenden Zeitpunkte angekündigt: (a) dem tatsächlichen Handelsschluss für die übliche Handelszeit an der Börse bzw. Verbundenen Börse am betreffenden Börsengeschäftstag oder (b) dem letztmöglichen Zeitpunkt für die Abgabe von Orders im System der Börse oder Verbundenen Börse, die zum Bewertungszeitpunkt am betreffenden Börsengeschäftstag ausgeführt werden sollen.]

### **§ 8 Zusätzliche Störungsereignisse**

Bei Eintritt eines Zusätzlichen Störungsereignisses kann die Emittentin nach billigem Ermessen:

(i) die Berechnungsstelle auffordern, nach billigem Ermessen ggf. die angemessene Anpassung festzulegen, die für Bestimmungen dieser Emissionsspezifischen Bedingungen zu erfolgen hat, um dem Zusätzlichen Störungsereignis Rechnung zu tragen, und den Wirksamkeitstag dieser Anpassung zu bestimmen; oder

(ii) die Schuldverschreibungen insgesamt und nicht nur teilweise durch Benachrichtigung der Gläubiger gemäß § 7 der Allgemeinen Bedingungen kündigen. Wenn die Schuldverschreibungen insgesamt zurückgezahlt werden, zahlt die Emittentin jedem Gläubiger in Bezug auf jedes von diesem Gläubiger gehaltene Schuldverschreibungen einen Betrag aus, der dem nach Treu und Glauben und auf wirtschaftlich vernünftige Weise durch die Berechnungsstelle bestimmten fairen Marktwert der Schuldverschreibungen unter Berücksichtigung des Zusätzlichen Störungsereignisses entspricht, angepasst um die angemessenen Kosten und Aufwendungen der Emittentin und/oder ihrer verbundenen Unternehmen für die Abwicklung von zugrunde liegenden und/oder damit verbundenen Absicherungs- und Finanzierungsvereinbarungen (einschließlich jedoch nicht beschränkt auf Aktienoptionen, Aktienswaps oder andere Wertpapiere egal welcher Art, die die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen absichern). Zahlungen erfolgen auf die den Gläubigern bekannt gegebene Weise in Übereinstimmung mit § 7 der Allgemeinen Bedingungen.

Nach Eintritt eines anwendbaren Zusätzlichen Störungsereignisses, benachrichtigt die Emittentin die Gläubiger gemäß § 7 der Allgemeinen Bedingungen so schnell wie möglich vom Eintritt des Zusätzlichen Störungsereignisses unter Angabe näherer Informationen und der diesbezüglich zu ergreifenden Maßnahme. Das

Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day, and (b) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution as at the relevant Valuation Time on such Exchange Business Day.]

### **§ 8 Additional Disruption Events**

If any Additional Disruption Event occurs, the Issuer, in its reasonable discretion, may:

(i) require the Calculation Agent to determine, in its reasonable discretion, the appropriate adjustment, if any, to be made to any of the terms of these Issue Specific Conditions to account for the Additional Disruption Event and determine the effective date of that adjustment; or

(ii) terminate the Notes in whole but not in part by giving notice to Holders in accordance with § 7 of the General Conditions. If the Notes are so redeemed, the Issuer will pay to each Holder, in respect of each Note held by such Holder, an amount equal to the fair market value of a Notes taking into account the Additional Disruption Event, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Notes), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with § 7 of the General Conditions.

Upon the occurrence of an applicable Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Holders in accordance with § 7 of the General Conditions, stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto. Any failure to give, or

Fehlen einer Benachrichtigung oder deren Erhalt hat keinerlei Einfluss auf die Wirkung eines Zusätzlichen Störungsereignisses.

**"Absicherungspositionen"** sind jeder Kauf, Verkauf, Abschluss oder Unterhalt von einem oder mehreren (i) Positionen oder Kontrakten in Bezug auf Wertpapiere, Optionen, Terminkontrakte, Derivate oder Devisen, (ii) Wertpapierleihgeschäften, oder (iii) anderen Vorkehrungen (wie auch immer bezeichnet) der Emittentin und/oder ihrer verbundenen Unternehmen zur Absicherung ihrer Verpflichtungen, individuell oder auf Portfoliobasis, aus den Schuldverschreibungen.

**"Absicherungsstörung"** bedeutet, dass die Emittentin und/oder ihre verbundenen Unternehmen nach Aufwendung aller wirtschaftlich vernünftigen Bemühungen nicht in der Lage ist/sind, (i) Transaktionen oder Vermögenswerte, die sie zur Absicherung ihres Aktienkursrisikos oder anderer Kursrisiken in Bezug auf den Abschluss oder die Erfüllung ihrer Verpflichtungen aus den Schuldverschreibungen für notwendig hält, zu erwerben, zu begründen, wieder zu begründen, zu ersetzen, aufrechtzuerhalten, abzuwickeln oder zu veräußern, oder (ii) die Erlöse aus diesen Transaktionen oder die Vermögenswerte zu realisieren, wiederzuerlangen oder weiterzuleiten.

**"Erhöhte Absicherungskosten"** bedeuten, dass der Emittentin und/oder ihren verbundenen Unternehmen in Bezug auf (i) das Eingehen bzw. Erwerben, Begründen, Neubegründen, Wiederbegründen, Ersetzen, Aufrechterhalten, Abwickeln oder Veräußern von Transaktionen oder Vermögenswerten, die sie zur Absicherung ihres Aktienkursrisikos oder anderer Kursrisiken in Bezug auf den Abschluss oder die Erfüllung ihrer Verpflichtungen aus den Schuldverschreibungen für notwendig hält, oder (ii) das Realisieren, Wiedererlangen oder Weiterleiten der Erlöse aus diesen Transaktionen oder der Vermögenswerte, erheblich höhere (verglichen mit den am **[Kursfixierungstag] [Emissionsdatum einfügen]** vorliegenden Umständen) Steuern, Abgaben, Ausgaben oder Gebühren (außer Maklergebühren) entstehen würden, wobei in dem Fall, dass diese wesentlich höheren Kosten allein durch die Verschlechterung der Kreditwürdigkeit der Emittentin und/oder ihrer verbundenen Unternehmen entstanden sind, diese nicht als Erhöhte Absicherungskosten gelten.

**"Gesetzesänderung"** bedeutet, dass die Berechnungsstelle am oder nach dem **[Kursfixierungstag] [Emissionsdatum einfügen]**, aufgrund (i) der Verabschiedung oder Änderung von geltenden Gesetzen oder Bestimmungen (einschließlich, jedoch nicht beschränkt auf

non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

**"Hedge Positions"** means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives, or foreign exchange, (ii) stock loan transactions, or (iii) other arrangements (howsoever described) by the Issuer and/or any of its affiliates in order to hedge, individually or on a portfolio basis, its obligations under the Notes.

**"Hedging Disruption"** means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (ii) realize, recover, or remit the proceeds of any such transaction(s) or asset(s).

**"Increased Cost of Hedging"** means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on **[the Strike Fixing Date] [insert issue date]**), amount of tax, duty, expense, or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind, or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (ii) realize, recover, or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

**"Change in Law"** means that, on or after the **[Strike Fixing Date] [insert issue date]**, due to (i) the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) the promulgation of or any change in the interpretation by any court, tribunal, or

Steuerrecht), oder (ii) der Bekanntmachung von oder Änderungen in der Auslegung von geltenden Gesetzen oder Vorschriften (einschließlich Maßnahmen, die von Steuerbehörden vorgenommen wurden) durch Gerichte oder Aufsichtsbehörden mit der zuständigen Gerichtsbarkeit nach billigem Ermessen bestimmt, dass (y) es für die Emittentin und/oder ihre verbundenen Unternehmen rechtswidrig geworden ist, die betreffenden Absicherungspositionen zu halten, zu erwerben oder zu veräußern (einschließlich Komponenten, die in einem Index enthalten sind), oder dass (z) der Emittentin und/oder ihren verbundenen Unternehmen durch die Erfüllung ihrer Verpflichtungen aus den Schuldverschreibungen höhere Kosten entstehen werden (wie unter anderem Kosten aufgrund einer erhöhten Steuerpflicht, geringerer Steuervergünstigungen oder sonstiger negativer Auswirkungen auf ihre steuerliche Lage).

"**Zusätzliches Störungsereignis**" ist/sind jede Gesetzesänderung, Absicherungsstörung, und/oder Erhöhte Absicherungskosten.

## § 9

### Anpassungen in Bezug auf den Index

#### (a) Anpassungen

(i) Sofern ein Index (1) nicht durch den betreffenden Index-Sponsor, sondern durch einen der Berechnungsstelle geeignet erscheinenden Nachfolge-Index-Sponsor berechnet und bekannt gegeben wird, oder (2) durch einen Nachfolge-Index ersetzt wird, der nach Ansicht der Berechnungsstelle nach derselben oder im Wesentlichen derselben Berechnungsformel oder Berechnungsmethode ermittelt wird wie dieser Index, dann gilt dieser Index (der "**Nachfolge-Index**") als der Index.

(ii) Sofern die Berechnungsstelle festlegt, dass (1) der betreffende Index-Sponsor an oder vor dem Referenztag oder anderen maßgeblichen Tag ankündigt, dass er eine wesentliche Änderung der Formel oder Methode zur Berechnung des relevanten Index oder eine sonstige wesentliche Änderung an diesem Index vornehmen wird oder vornimmt (mit Ausnahme einer in der Formel oder Methode vorgeschriebenen Änderung zur Aufrechterhaltung des betreffenden Index bei Veränderungen der Komponenten, der Kapitalisierung und sonstigen üblichen Änderungsereignisse) (eine "**Index-Änderung**") oder den Index dauerhaft einstellt und es zum Tag der Einstellung keinen Nachfolge-Index gibt (eine "**Index-Einstellung**") oder (2) der betreffende Index-Sponsor es unterlässt, am Referenztag oder anderen maßgeblichen Tag den Kurs des betreffenden Index zu berechnen und bekannt zu geben (eine "**Index-Störung**" (wobei die

regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines, in its reasonable discretion, that (y) it has become illegal for the Issuer and/or any of its affiliates to hold, acquire, or dispose of relevant Hedge Positions (including any Components comprised in an Index), or (z) the Issuer and/or any of its affiliates will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit, or other adverse effect on its tax position).

"**Additional Disruption Event**" means any Change in Law, Hedging Disruption, and/or Increased Cost of Hedging.

## § 9

### Adjustments in respect to the Index

#### (a) Adjustments

(i) If an Index is (1) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (2) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for, and method of, calculation as used in the calculation of that Index, then that index (the "**Successor Index**") will be deemed to be the Index.

(ii) If the Calculation Agent determines that, (1) on or prior to any Reference Date or other relevant date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for, or the method of, calculating a relevant Index, or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in the Components, capitalization and/or other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index and no Successor Index exists as at the date of such cancellation (an "**Index Cancellation**"), or (2) on any Reference Date or other relevant date, the Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" (provided that, the Calculation Agent may, in its reasonable discretion, determine that such event instead results in the occurrence of a Disrupted Day) and, together with an Index

Berechnungsstelle nach ihrem billigem Ermessen bestimmen kann, dass ein solches Ereignis stattdessen zum Eintritt eines Unterbrechungstages führt), und zusammen mit einer Index-Änderung und einer Index-Einstellung jeweils ein "**Index-Anpassungsgrund**"), dann:

stellt die Berechnungsstelle fest, ob dieser Index-Anpassungsgrund wesentliche Auswirkungen auf die Schuldverschreibungen hat, und wenn dies der Fall ist, bestimmt sie den betreffenden Indexkurs, indem anstelle eines veröffentlichten Kurses des betreffenden Index der Kurs des Index zum Bewertungszeitpunkt an diesem Referenztag oder anderen maßgeblichen Tag herangezogen wird, der von der Berechnungsstelle in Übereinstimmung mit der von dem betreffenden Index-Anpassungsgrund geltenden Formel und Methode für die Berechnung des betreffenden Index festgelegt wurde, wobei ausschließlich die Komponenten berücksichtigt werden, aus denen dieser Index unmittelbar vor dem Index-Anpassungsgrund bestand (außer den Komponenten, die seitdem nicht mehr an der betreffenden Börse notiert sind).

Falls, nach Ansicht der Berechnungsstelle, die obige(n) Vorschrift(en) kein wirtschaftlich vernünftiges Ergebnis erzielen würden, zahlt die Emittentin nach Mitteilung der Gläubiger gemäß § 7 der Allgemeinen Bedingungen die Schuldverschreibungen insgesamt und nicht nur teilweise zurück, wobei jede Schuldverschreibung durch Zahlung eines Betrages zurückgezahlt wird, der dem von der Berechnungsstelle nach Treu und Glauben und auf wirtschaftlich vernünftige Weise bestimmten fairen Marktwert der Schuldverschreibungen unter Berücksichtigung des Indexanpassungsereignisses entspricht, angepasst um die angemessenen Kosten und Aufwendungen der Emittentin und/oder ihrer verbundenen Unternehmen für die Abwicklung von zugrunde liegenden und/oder damit verbundenen Absicherungs- und Finanzierungsvereinbarungen (einschließlich jedoch nicht beschränkt auf Aktienoptionen, Aktienswaps oder andere Wertpapiere egal welcher Art, die die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen absichern). Zahlungen erfolgen auf die den Gläubigern bekannt gegebene Weise in Übereinstimmung mit § 7 der Allgemeinen Bedingungen.

#### **(b) Korrektur eines Indexkurses**

Wird ein von dem Index-Sponsor an einem Tag veröffentlichter Indexstand, der für Berechnungen oder Bestimmungen verwendet wird (eine "**Relevante Berechnung**"), nachträglich korrigiert und wird diese Korrektur von dem Index-Sponsor (der "**Korrigierte Indexkurs**") bis zu zwei

Modification and an Index Cancellation, each an "**Index Adjustment Event**") then:

the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the relevant Index Level using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Reference Date or other relevant date, as the case may be, as determined by the Calculation Agent in accordance with the formula for, and method of, calculating that Index last in effect prior to the relevant Index Adjustment Event, but using only those Components that comprised that Index immediately prior to that Index Adjustment Event (other than those Components that have since ceased to be listed on the relevant Exchange).

If, provided that, in the determination of the Calculation Agent, the above provisions would not achieve a commercially reasonable result, on giving notice to Holders in accordance with § 7 of the General Conditions, the Issuer shall redeem the Notes in whole but not in part, each Note being redeemed by payment of an amount equal to the fair market value of such Note taking into account the Index Adjustment Event, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Notes), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with § 7 of the General Conditions.

#### **(b) Correction of Index Level**

If the level of the relevant Index published by the Index Sponsor on any date which is utilized for any calculation or determination (a "**Relevant Calculation**") is subsequently corrected and the correction is published by the Index Sponsor (the "**Corrected Index Level**") no later than two

Geschäftstagen vor dem Zahltag eines Betrags, der gemäß einer Relevanten Berechnung berechnet wird, veröffentlicht, wird der Korrigierte Indexstand als der maßgebliche Indexkurs an diesem Tag angesehen und die Berechnungsstelle wird den Korrigierten Indexkurs als maßgeblichen Indexkurs heranziehen.]

Business Days prior to the date of payment of any amount to be calculated by reference to the Relevant Calculation then such Corrected Index Level shall be deemed to be the relevant level for such Index on such day and the Calculation Agent shall use such Corrected Index Level in determining the relevant level.]

# FORM OF FINAL TERMS

## FORM OF FINAL TERMS<sup>1</sup> MUSTER DER ENDGÜLTIGEN BEDINGUNGEN<sup>1</sup>

[Set out below is the form of Final Terms which will be completed for each Tranche of Notes to be issued under this Prospectus]

[Datum einfügen]  
[insert date]

### Endgültige Bedingungen<sup>2</sup> Final Terms<sup>2</sup>

[Bezeichnung der relevanten Tranche der Schuldverschreibungen einfügen] (die "Schuldverschreibungen")  
[insert title of relevant Tranche of Notes] (the "Notes")

begeben aufgrund des  
issued pursuant to the

**Base Prospectus for the Issuance of Equity Linked Notes and Index Linked Notes**

der  
of

**Banca Comercială Română S.A.**

[Erstausgabekurs] [Emissionskurs]: [●] % [zuzüglich des in Teil B. genannten Ausgabeaufschlags]  
[Initial] Issue Price: [●] per cent. [plus the issue charge mentioned in Part B.]

Begebungstag: [●]<sup>3</sup>  
Issue Date: [●]<sup>3</sup>

Serien-Nr.: [●]  
Series No.: [●]

Tranchen-Nr.: [●]  
Tranche No.: [●]

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<sup>1</sup> Im Fall von Schuldverschreibungen, die rumänischem Recht unterliegen, werden die Endgültigen Bedingungen nur in englischer Sprache erstellt. Folglich werden in den Endgültigen Bedingungen deutsche Begriffe nicht vervollständigt (bzw. gestrichen) werden.  
*In the case of Notes governed by Romanian law, the Final Terms shall be prepared only in the English language. Accordingly, the German language terms will not be completed in (or deleted from) the Final Terms.*

<sup>2</sup> Schuldverschreibungen mit einer festgelegten Stückelung von weniger als Euro 100.000 (bzw. dem entsprechenden Gegenwert in Rumänischen Lei ("RON")) werden im Folgenden als "**Retail-Schuldverschreibungen**" bezeichnet.  
*In the following, Notes with a Specified Denomination of less than Euro 100,000 (or its Romanian Lei ("RON") equivalent) will be referred to as "**Retail Notes**".*

<sup>3</sup> Der Begebungstag ist der Tag, an dem die Schuldverschreibungen begeben und bezahlt werden. Bei freier Lieferung ist der Begebungstag der Tag der Lieferung.  
*The Issue Date is the date of issue and payment of the Notes. In the case of free delivery, the Issue Date is the delivery date.*



## WICHTIGER HINWEIS

Diese Endgültigen Bedingungen wurden für die Zwecke des Artikels 5 (4) der Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom 4. November 2003, in ihrer geänderten Fassung abgefasst und müssen in Verbindung mit dem Base Prospectus for the Issuance of Equity Linked Notes and Index Linked Notes der Banca Comercială Română S.A. (die "**Emittentin**") vom 24. Februar 2017 (der "**Prospekt**") [(einschließlich [des Nachtrags] [der Nachträge] zum Prospekt vom [relevantes Datum/relevante Daten einfügen])] gelesen werden. Der Prospekt sowie etwaige Nachträge zum Prospekt können in elektronischer Form auf der Internetseite der Emittentin ([www.bcr.ro](http://www.bcr.ro)) sowie auf der Internetseite der Börse Luxemburg ([www.bourse.lu](http://www.bourse.lu)) eingesehen werden, und Kopien des Prospekts sowie etwaiger Nachträge zum Prospekt sind kostenlos während der üblichen Geschäftszeiten am Sitz der Emittentin (Banca Comercială Română S.A., 5 Regina Elisabeta Boulevard, 030016 Bukarest 3, Rumänien) erhältlich. Vollständige Informationen über die Emittentin und die Schuldverschreibungen sind nur in der Zusammenschau des Prospekts, etwaiger Nachträge zum Prospekt sowie dieser Endgültigen Bedingungen erhältlich. Diese Endgültigen Bedingungen sind in der [deutschen] [englischen] Sprache abgefasst. Eine Übersetzung in die [deutsche] [englische] Sprache ist beigefügt. Der [deutsche] [englische] Text ist bindend und maßgeblich. Die Übersetzung in die [deutsche] [englische] Sprache ist unverbindlich. [Eine Zusammenfassung der einzelnen Emission der Schuldverschreibungen ist diesen Endgültigen Bedingungen beigefügt.]<sup>4</sup>

[Nach Ablauf des Prospekts kann das in diesen Endgültigen Bedingungen beschriebene öffentliche Angebot der Schuldverschreibungen, verlängert werden, indem ein neuer Satz von Endgültigen Bedingungen im Zusammenhang mit einer neuen Fassung des Prospekts erstellt wird.]

[Nach Ablauf des Prospekts [am 24. Februar 2018] sind diese Endgültigen Bedingungen gemeinsam mit der jeweils gültigen Nachfolgeversion des Prospekts (jeweils ein "**Nachfolgeprospekt**") zu lesen, die entweder (i) dem Prospekt nachfolgt oder (ii) falls einer oder mehrere Nachfolgeprospekte des Prospekts bereits veröffentlicht wurden, den zuletzt veröffentlichten Nachfolgeprospekt. Die jeweils gültige Fassung des Nachfolgeprospekts ist auf der Internetseite [([www.bcr.ro](http://www.bcr.ro))] [●] verfügbar. Mit Ablauf des Prospekts sind vollständige Informationen über die Emittentin und das Angebot der Schuldverschreibungen nur in der Zusammenschau dieser Endgültigen Bedingungen sowie der jeweils gültigen Fassung des Nachfolgeprospekts verfügbar.]

## IMPORTANT NOTICE

*These Final Terms have been prepared for the purpose of Article 5 (4) of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended, and must be read in conjunction with the Base Prospectus for the Issuance of Equity Linked Notes and Index Linked Notes of Banca Comercială Română S.A. (the "**Issuer**"), dated 24 February 2017 (the "**Prospectus**") [and the supplement[s] to the Prospectus dated [insert relevant date(s)]]. The Prospectus and any supplements thereto are available for viewing in electronic form on the website of the Issuer ([www.bcr.ro](http://www.bcr.ro)) as well as on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and copies of the Prospectus and any supplement thereto may be obtained free of charge during normal business hours at the registered office of the Issuer (Banca Comercială Română S.A., 5 Regina Elisabeta Boulevard, 030016 Bucharest 3, Romania). Full information on the Issuer and the Notes is only available on the basis of the combination of the Prospectus, any supplements thereto and these Final Terms. These Final Terms are written in the [German] [English] language and provided with [a] [an] [German] [English] language translation. The [German] [English] text shall be prevailing and binding. The [German] [English] language translation shall be non-binding. [A summary of the individual issue of the Notes is annexed to these Final Terms.]<sup>4</sup>*

[Upon the expiry of the Prospectus, the public offer of the Notes described in these Final Terms may be prolonged by a set of final terms prepared in connection with a new version of the Prospectus.]

[Upon the expiry of the Prospectus [on 24 February 2018,] these Final Terms are to be read together with the latest valid successor version of the Prospectus (each a "**Successor Prospectus**") which has succeeded either (i) the Prospectus, or (ii) if one or more Successor Prospectuses to the Prospectus have already been published, the most recently published Successor Prospectus. The latest valid Successor Prospectus will be available on the website [([www.bcr.ro](http://www.bcr.ro))] [●]. Upon the expiry of the Prospectus, full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the latest valid Successor Prospectus.]

<sup>4</sup> Nur im Fall von Retail-Schuldverschreibungen einfügen.  
Insert only in case of Retail Notes.

**TEIL A. – EMISSIONSBEDINGUNGEN**  
**PART A. – TERMS AND CONDITIONS**

Die für die Schuldverschreibungen geltenden Bedingungen (die "**Bedingungen**") sind die in dem Prospekt enthaltenen Allgemeinen Bedingungen für Schuldverschreibungen, die [deutschem] [rumänischem] Recht unterliegen, sowie die nachfolgend aufgeführten Emissionsspezifischen Bedingungen. [Eine unverbindliche [deutschsprachige] [englischsprachige] Übersetzung der Emissionsspezifischen Bedingungen ist ebenfalls nachfolgend aufgeführt.]<sup>5</sup>

*The Conditions applicable to the Notes (the "**Conditions**") are the General Conditions for [German] [Romanian] law governed Notes contained in the Prospectus and the Issue Specific Conditions set out below. [A non-binding [German] [English] language translation thereof is also set out below.]<sup>5</sup>*

**[Im Fall von Garant Index Schuldverschreibungen, Garant Aktien Schuldverschreibungen, Index Schuldverschreibungen und Aktien Schuldverschreibungen sind die maßgeblichen Angaben der Option I einschließlich der Emissionsspezifischen Bedingungen, die in dem Unterabschnitt "§§ 7-9 of the Issue Specific Conditions Applying to Option I and Option II" enthalten sind (einschließlich der in den jeweils vorerwähnten (Unter-)Abschnitten enthaltenen maßgeblichen weiteren Optionen) zu wiederholen und maßgebliche Leerstellen zu vervollständigen.**

*In the case of Garant Index Notes, Garant Share Notes, Index Notes and Share Notes the relevant provisions of Option I including the Issue Specific Conditions contained in the subsection entitled "§§ 7-9 of the Issue Specific Conditions Applying to Option I and Option II" (including relevant further options set out in each of the before-mentioned (sub)sections) shall be replicated and relevant placeholders shall be completed.]*

**[Im Fall von Altiplano Schuldverschreibungen sind die maßgeblichen Angaben der Option II einschließlich der Emissionsspezifischen Bedingungen, die in dem Unterabschnitt "§§ 7-9 of the Issue Specific Conditions Applying to Option I and Option II" enthalten sind (einschließlich der in den jeweils vorerwähnten (Unter-)Abschnitten (einschließlich der in den jeweils vorerwähnten (Unter-)Abschnitten enthaltenen maßgeblichen weiteren Optionen) zu wiederholen und maßgebliche Leerstellen zu vervollständigen.**

*In the case of Altiplano Notes the relevant provisions of Option II including the Issue Specific Conditions contained in the subsection entitled "§§ 7-9 of the Issue Specific Conditions Applying to Option I and Option II" (including relevant further options set out in each of the before-mentioned (sub)sections) shall be replicated and relevant placeholders shall be completed.]*

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<sup>5</sup> Im Fall von Schuldverschreibungen, die rumänischem Recht unterliegen, ist Englisch die verbindliche Sprache. Es wird bei Schuldverschreibungen, die rumänischem Recht unterliegen, keine deutsche Übersetzung bereit gestellt.  
*In the case of Notes governed by Romanian law, English will be the binding language. No German language translation will be provided in case of Notes governed by Romanian law.*

**TEIL B. – ZUSÄTZLICHE INFORMATIONEN**  
**PART B. – OTHER INFORMATION**

**GRUNDLEGENDE INFORMATIONEN**  
**ESSENTIAL INFORMATION**

**Interessen von Seiten natürlicher oder juristischer Personen, die an der Emission bzw. dem Angebot beteiligt sind**

***Interests of Natural and Legal Persons Involved in the Issue or the Offering***

- Mit Ausnahme [der an [den] [die] Platzeur[e] zu zahlenden Gebühren] [des wirtschaftlichen Interesses [des Platzeurs] [der Platzeure]] [des von [●] mit der Emittentin im Zusammenhang mit den Schuldverschreibungen eingegangenen [Swapvertrags] [Derivatevertrags]] [– falls vereinbart –] haben die an der Emission bzw. dem Angebot der Schuldverschreibungen beteiligten Personen – soweit die Emittentin hiervon Kenntnis hat – kein materielles Interesse an der Emission bzw. dem Angebot.

*Save for [the fees payable to the Dealer[s]] [the commercial interests of the Dealer[s]] [the [swap] [derivatives] agreement [●] and the Issuer have entered into with regard to the Notes] [if any], so far as the Issuer is aware, no person involved in the issue or offering of the Notes has an interest material to the issue or the offering.*

- Andere Interessen **[Einzelheiten angeben]**  
***[specify details]***  
*Other Interests*

**Gründe für das Angebot und Verwendung der Erträge<sup>6</sup>**  
***Reasons for the Offer and Use of Proceeds<sup>6</sup>***

**[●]**

[Geschätzter Nettoerlös<sup>7</sup>  
*Estimated Net Proceeds<sup>7</sup>*

**[●]**

Geschätzte Gesamtkosten der Emission  
*Estimated Total Expenses of the Issue*

**[●]**

**INFORMATIONEN ÜBER DIE ANZUBIETENDEN [BZW. ZUM HANDEL ZUZULASSENDEN] SCHULDVERSCHREIBUNGEN**  
***INFORMATION CONCERNING THE NOTES TO BE OFFERED [OR ADMITTED TO TRADING]***

**Wertpapierkennnummern**  
***Security Codes***

- ISIN **[●]**  
*ISIN*
- Common Code **[●]**  
*Common Code*
- Wertpapierkennnummer (WKN) **[●]**  
*German Security Code*
- Sonstige Wertpapierkennnummer **[●]**  
*Any Other Security Code*

**Informationen über die vergangene und künftige Wertentwicklung [Nicht anwendbar] des Basiswerts und dessen Volatilität**  
***Information about the past and future performance of the [Not applicable] underlying and its volatility***

<sup>6</sup> Siehe den Abschnitt mit der Überschrift "Use of Proceeds" im Prospekt. Falls der Nettoerlös nicht für die allgemeinen Finanzierungszwecke der Emittentin oder für Absicherungsgeschäfte verwendet werden soll, sind diese Gründe einzufügen.  
*See the section entitled "Use of Proceeds" in the Prospectus. If the net proceeds shall not be applied for general funding purposes of the Issuer or to enter into hedging transactions, insert those reasons..*

<sup>7</sup> Sofern die Erträge für verschiedene Verwendungszwecke vorgesehen sind, sind dieses aufzuschlüsseln und nach der Priorität der Verwendungszwecke darzustellen.  
*If proceeds are intended to be used for more than one principal use, these must be broken down and illustrated clearly according to their priority by their uses.*

[Einzelheiten über die vergangene und künftige Wertentwicklung [des Index und dessen] [der Aktie und deren] [der im Indexkorb enthaltenen Indizes und deren] [der im Aktienkorb enthaltenen Aktien und deren] Volatilität[en] können auf **[relevante Bildschirmseite[n] oder andere Informationsquelle[n] angeben]** abgerufen werden.

*Information about the past and future performance of the [Index and its] [Share and its] [Indices contained in the index basket and their] [Shares contained in the share basket and their] volatility can be obtained from Screen Page **[specify relevant Screen Page[s] or other information source[s]].***

Beschlüsse, Ermächtigungen und Billigungen, welche die Grundlage für die Schaffung/Emission der Schuldverschreibungen bilden **[Einzelheiten angeben]**

*Resolutions, authorisations and approvals by virtue of which the Notes will be created and/or issued **[specify details]***

#### **KONDITIONEN DES ANGEBOTS**

**[Nicht anwendbar]**

#### **TERMS AND CONDITIONS OF THE OFFER**

**[Not applicable]**

**[Konditionen, Angebotsstatistiken, erwarteter Zeitplan und erforderliche Maßnahmen für die Antragstellung**

***Conditions, Offer Statistics, Expected Timetable and Action Required to Apply for the Offer***

Angebotskonditionen.

**[Einzelheiten angeben]**

*Conditions, to which the offer is subject.*

**[specify details]**

Gesamtsumme des Angebots. Ist der Betrag nicht festgelegt, Beschreibung der Regelungen und Angabe des Zeitpunkts für die öffentliche Bekanntmachung des Angebotsbetrags.

**[Einzelheiten angeben]**

*Total amount of the offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer.*

**[specify details]**

Frist – einschließlich etwaiger Änderungen – während derer das Angebot vorliegt und Beschreibung des Zeichnungsverfahrens.

**[Einzelheiten angeben]**

*The time period, including any possible amendments, during which the offer will be open and description of the application process.*

**[specify details]**

Mindest- und/oder maximale Zeichnungshöhe (ausgedrückt als Anzahl der Schuldverschreibungen oder aggregierte Anlagesumme).

**[Einzelheiten angeben]**

*Details of the minimum and/or maximum amount of application (whether in number of Notes or aggregate amount to invest).*

**[specify details]**

Methode und Fristen für die Bedienung der Schuldverschreibungen und ihre Lieferung.

**[Einzelheiten angeben]**

*Method and time limits for paying up the Notes and for delivery of the Notes.*

**[specify details]**

Umfassende Beschreibung der Modalitäten und des Termins für die öffentliche Bekanntgabe der Angebotsergebnisse.

**[Einzelheiten angeben]**

*A full description of the manner and date in which results of the offer are to be made public.*

**[specify details]**

#### **Verteilungs- und Zuteilungsplan**

#### ***Plan of Distribution and Allotment***

[Werden die Schuldverschreibungen gleichzeitig auf den Märkten zweier oder mehrerer Staaten angeboten und ist eine bestimmte Tranche einigen dieser Märkte vorbehalten, so ist diese Tranche anzugeben.

**[Einzelheiten angeben]**

*If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.*

**[specify details]**

Verfahren für die Benachrichtigung der Zeichner über den ihnen zugeteilten Betrag und Hinweis darauf, ob mit dem Handel schon vor einer solchen Benachrichtigung begonnen werden kann. **[Einzelheiten angeben]**  
*Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made.* **[specify details]**

**Preisfestsetzung**  
**Pricing**

[Angabe des Preises, zu dem die Schuldverschreibungen voraussichtlich angeboten werden. **[Emissionskurs] [Nicht anwendbar] [Einzelheiten angeben]**  
*An indication of the expected price at which the Notes will be offered.* **[Issue Price] [Not applicable] [specify details]**

Angabe etwaiger Kosten und Steuern, die speziell dem Zeichner oder Käufer in Rechnung gestellt werden. **[Nicht anwendbar] [Einzelheiten angeben]**  
*Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser.* **[Not applicable] [specify details]**

**PLATZIERUNG UND ÜBERNAHME**  
**PLACING AND UNDERWRITING**

Name und Anschrift des Koordinators/der Koordinatoren des gesamten Angebots oder einzelner Teile des Angebots und – sofern dem Emittenten oder dem Bieter bekannt – Angaben zu den Platzeuren in den einzelnen Ländern des Angebots. **[Nicht anwendbar] [Einzelheiten angeben]**  
*Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer or the offeror, of the placers in the various countries where the offer takes place.* **[Not applicable] [specify details]**

**Vertriebsmethode**  
**Method of Distribution**

- Nicht syndiziert  
*Non-Syndicated*
- Syndiziert  
*Syndicated*

**Übernahmevertrag**  
**Subscription Agreement**

[Datum des Übernahmevertrags **[Nicht anwendbar]**  
*Date of Subscription Agreement* **[Not applicable] [Einzelheiten einfügen] [specify details]**

Hauptmerkmale des Übernahmevertrags (einschließlich der Quoten) **[Einzelheiten einfügen]**  
*General Features of the Subscription Agreement (Including the Quotas)* **[specify details]**

**Einzelheiten bezüglich [des Platzeurs] [der Platzeure] (einschließlich der Art der Übernahmeverpflichtung)**  
**Details with Regard to the Dealer[s] (Including the Type of Commitment)**

Platzeur[e] **[Namen und Adresse(n) des Platzeurs bzw. der Platzeure angeben] [Keiner] [specify name(s) and address(es) of Dealer(s)] [None]**

Dealer[s]

- Feste Übernahmeverpflichtung  
*Firm Commitment*
- Ohne feste Übernahmeverpflichtung  
*Without Firm Commitment*

Kursstabilisierender Manager  
*Stabilising Manager*

**[Einzelheiten angeben]** [Keiner]  
**[specify details]** [None]

**ZULASSUNG[EN] ZUM HANDEL UND HANDELSMODALITÄTEN**  
**ADMISSION[S] TO TRADING AND DEALING ARRANGEMENTS**

**Zulassung[en] zum Handel**  
**Admission[s] to Trading**

[Ja] [Nein]  
[Yes] [No]

- Geregelter Markt "*Bourse de Luxembourg*"  
*Regulated Market "Bourse de Luxembourg"*
- Bukarest  
*Bucharest*
  - Spot Regulierter Markt (*Piața reglementată la vedere administrată de Bursa de Valori București S.A.*)  
*Spot Regulated Market (Piața reglementată la vedere administrată de Bursa de Valori București S.A.)*
  - Alternative Handelsplattform (*Sistemul alternativ de tranzacționare ATS-CAN administrat de Bursa de Valori București S.A.*)  
*Alternative Trading System (Sistemul alternativ de tranzacționare ATS-CAN administrat de Bursa de Valori București S.A.)*
- Wien  
*Vienna*
  - Amtlicher Handel  
*Official Market*
  - Geregelter Freiverkehr  
*Second Regulated Market*
- Andere Wertpapierbörse  
*Other Stock Exchange*

[●]

**[Erwarteter] Termin der Zulassung[en]**  
**[Expected] Date of Admission[s]**

[●]

Angabe sämtlicher geregelter oder gleichwertiger Märkte, an denen nach Kenntnis der Emittentin Schuldverschreibungen der gleichen Kategorie von Schuldverschreibungen, die zum Handel angeboten oder zugelassen werden sollen, bereits zum Handel zugelassen sind<sup>8</sup>

[Nicht anwendbar] **[Einzelheiten einfügen]**

*All regulated markets or equivalent markets on which to the knowledge of the Issuer, notes of the same class as the Notes to be offered or admitted to trading are already admitted to trading<sup>8</sup>*

[Not applicable] **[specify details]**

Name[n] und Anschrift[en] [des Instituts] [der Institute], [das] [die] aufgrund einer Zusage als Intermediär[e] im Sekundärhandel tätig [ist] [sind] und Liquidität mittels Geld- und Briefkursen [erwirtschaftet] [erwirtschaften], und Beschreibung der wesentlichen Bedingungen [seiner] [ihrer] Zusage.

**[Einzelheiten einfügen]**  
[Nicht anwendbar]]

*Name[s] and address[es] of the [entity] [entities] which [has] [have] a commitment to act as [intermediary] [intermediaries] in secondary trading, providing liquidity through bid and offer rates and description of the main terms of [its] [their] commitment.*

**[Specify details]**  
[Not applicable]

<sup>8</sup> Im Fall einer Aufstockung, die mit einer vorangegangenen Emission fungibel ist, ist die Angabe erforderlich, dass die ursprünglichen Schuldverschreibungen bereits zum Handel zugelassen sind.  
*In case of an increase, which is fungible with a previous issue, it must be indicated that the original notes are already admitted to trading.*

**ZUSÄTZLICHE INFORMATIONEN**  
**ADDITIONAL INFORMATION**

**Verkaufsbeschränkungen**  
**Selling Restrictions**

**TEFRA**  
**TEFRA**

- TEFRA C  
*TEFRA C*
- TEFRA D  
*TEFRA D*
- Weder TEFRA C noch TEFRA D  
*Neither TEFRA C nor TEFRA D*

Nicht befreites Angebot  
*Non-exempt offer*

[Ja] [Nein]  
[Yes] [No]

**Zustimmung zur Verwendung des Prospekts**  
**Consent to the Use of the Prospectus**

[Nicht anwendbar]  
[Not applicable]

- Keine Zustimmung  
*No Consent*
- Individuelle Zustimmung  
*Individual Consent*

[Angebotsperiode, während derer der spätere Weiterverkauf oder die endgültige Platzierung der Schuldverschreibungen erfolgen kann

*Offer period during which subsequent resale or final placement of the Notes can be made*

[Von [●] (einschließlich) bis [●] (ausschließlich)]

[From [●] (inclusive) to [●] (exclusive)]

EWR-Mitgliedstaaten, in denen das Angebot erfolgen kann

*EEA Member States, in which the offer can be made*

[Republik Österreich] [,] [und] [Großherzogtum Luxemburg] [und] [Rumänien]

[Republic of Austria] [,] [and] [Grand Duchy of Luxembourg] [and] [Romania]

Name[n] und Adresse[n] [des Platzeurs] [der Platzeure] [und] [oder] [des Finanzintermediärs] [der Finanzintermediäre]

*Name[s] and address[es] of the Dealer[s] [and] [or] financial [intermediary] [intermediaries]*

[Namen und Adresse(n) der Platzeure / des Platzeurs und/oder des Finanzintermediärs / der Finanzintermediäre einfügen]

[insert name(s) and address(es) of the relevant Dealer(s) and/or financial intermediar(y)(ies)]

Alle sonstigen klaren und objektiven Bedingungen, an die die Zustimmung gebunden ist und die für die Verwendung des Prospekts und dieser Endgültigen Bedingungen relevant sind

*Any other clear and objective conditions attached to the consent which are relevant for the use of the Prospectus and these Final Terms*

[Nicht anwendbar] [Einzelheiten einfügen]

[Not applicable] [specify details]

Internetseite, auf der die Emittentin den Widerruf ihrer Zustimmung zur Verwendung des Prospekts und dieser Endgültigen Bedingungen veröffentlichen wird.

*Website, on which the Issuer will publish its withdrawal of its consent to use the Prospectus and these Final Terms]*

[www.bcr.ro] [●]

[www.bcr.ro] [●]

- Generelle Zustimmung  
*General Consent*

[Angebotsperiode, während derer der spätere Weiterverkauf [Von [●] (einschließlich) bis [●] oder die endgültige Platzierung der Schuldverschreibungen (ausschließlich)] erfolgen kann

*Offer period during which subsequent resale or final placement of the Notes can be made* [From [●] (inclusive) to [●] (exclusive)]

EWV-Mitgliedstaaten, in denen das Angebot erfolgen kann [Republik Österreich] [,] [und] [Großherzogtum Luxemburg] [und] [Rumänien]

*EEA Member States, in which the offer can be made* [Republic of Austria] [,] [and] [Grand Duchy of Luxembourg] [and] [Romania]

Alle sonstigen klaren und objektiven Bedingungen, an die die Zustimmung gebunden ist und die für die Verwendung des Prospekts und dieser Endgültigen Bedingungen relevant sind [Nicht anwendbar] [Einzelheiten einfügen]

*Any other clear and objective conditions attached to the consent which are relevant for the use of the Prospectus and these Final Terms* [Not applicable] [specify details]

Internetseite, auf der die Emittentin den Widerruf ihrer Zustimmung zur Verwendung des Prospekts veröffentlichen wird. [www.bcr.ro] [●]

*Website, on which the Issuer will publish its withdrawal of its consent to use the Prospectus* [www.bcr.ro] [●]

### **EZB-Fähigkeit der Schuldverschreibungen beabsichtigt<sup>9</sup>** ***Eurosystem Eligibility of the Notes Intended<sup>9</sup>***

Die Globalurkunde[n] soll[en] in EZB-fähiger Weise gehalten werden.

*The Global Note[s][is] [are] intended to be held in a manner which will allow Eurosystem eligibility.*

- Ja. Es wird darauf hingewiesen, dass die Angabe "Ja" hier lediglich bedeutet, dass die Absicht besteht, die Schuldverschreibungen nach ihrer Begebung bei einem der ICSDs als gemeinsame Verwahrstelle (*common safekeeper*) zu hinterlegen. Dies bedeutet nicht notwendigerweise, dass die Schuldverschreibungen bei ihrer Begebung, zu irgendeinem Zeitpunkt während ihrer Laufzeit oder während ihrer gesamten Laufzeit als zulässige Sicherheiten für die Zwecke der Geldpolitik oder für Innertageskredite des Eurosystems anerkannt werden. Eine solche Anerkennung hängt davon ab, ob die EZB davon überzeugt ist, dass die Zulässigkeitskriterien des Eurosystems erfüllt sind.

*Yes. Note that the designation "Yes" simply means that the Note are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy or intraday credit operations by the Eurosystem either upon issue or at any time during their life. Such recognition will depend upon the ECB being satisfied that the Eurosystem eligibility criteria have been met.*

- Nein. [Auch wenn zum Datum dieser Endgültigen Bedingungen die Angabe "Nein" lautet, können die Schuldverschreibungen dann, wenn sich die Zulässigkeitskriterien des Eurosystems in der Zukunft dergestalt ändern, dass die Schuldverschreibungen diese einhalten können, bei einem der ICSDs als gemeinsamer Verwahrer (*common safekeeper*) hinterlegt werden. Dies bedeutet nicht notwendigerweise, dass die Schuldverschreibungen zu irgendeinem Zeitpunkt während ihrer Laufzeit als zulässige Sicherheiten für die Zwecke der Geldpolitik oder für Innertageskredite des Eurosystems anerkannt werden. Eine solche Anerkennung hängt davon ab, ob die EZB davon

<sup>9</sup> Nur im Fall von Schuldverschreibungen, die deutschem Recht unterliegen und im NGN-Format begeben werden, einfügen.  
*Insert only in case of Notes governed by German law and issued in NGN form.*



überzeugt ist, dass die Zulässigkeitskriterien des Eurosystems erfüllt sind.]

No. *[While the designation is specified as "No" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy or intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]*

**[Qualifizierung als Specified Securities für die Zwecke des U.S. Steuerrechts** Die Schuldverschreibungen sind Specified Securities für Zwecke der Section 871(m) des US-Bundessteuergesetzes von 1986<sup>10</sup>

**Qualification as Specified Securities for U.S. Tax Law purposes** *The Notes are Specified Securities for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986*<sup>10</sup>

**[Informationen von Seiten Dritter  
Third Party Information**

**[relevante Informationen angeben]** wurde[n] aus **[relevante Informationsquelle angeben]** extrahiert.] Die Emittentin bestätigt, dass diese Angaben korrekt wiedergegeben wurden und nach Wissen der Emittentin und – soweit für sie aus den von **[relevante Informationsquelle angeben]** veröffentlichten Angaben ersichtlich – keine Auslassungen beinhalten, die die wiedergegebenen Angaben inkorrekt oder irreführend gestalten würden.

**[specify relevant information]** *[has][have] been extracted from [specify relevant source of information].*  
*The Issuer confirms that such information has been accurately reproduced and that, as far as it is aware and is able to ascertain from information published by [specify relevant source of information], no facts have been omitted which would render the reproduced information inaccurate or misleading.]*

Im Namen der Emittentin unterzeichnet  
*Signed on behalf of the Issuer*

Von:  
By:

Im Auftrag  
*Duly authorised*

Von:  
By:

Im Auftrag  
*Duly authorised*

**[Emissionsspezifische Zusammenfassung hier einfügen. Es muss beachtet werden, dass die emissionsspezifische Zusammenfassung auf der Grundlage der im Prospekt enthaltenen Zusammenfassung erstellt werden muss. Es dürfen keine weiteren Informationen hinzugefügt werden, sondern es dürfen die Informationen ausschließlich für die maßgebliche Emission von Wertpapieren emissionsspezifisch erstellt werden, d.h. Teile der Zusammenfassung des Prospekts, die für eine spezifische Emission keine Relevanz haben, können gelöscht werden. Informationen, die allgemeingültig verfasst sind, können durch emissionsspezifische Informationen ersetzt werden.]**

<sup>10</sup> Im Fall von Schuldverschreibungen, die an US-Aktien (einschließlich Indizes, die US-Aktien enthalten) gebunden sind und als Specified Securities für Zwecke der Section 871(m) des US-Bundessteuergesetzes von 1986 gelten, einfügen. Die Schuldverschreibungen sind keine Specified Securities, wenn sie (i) vor dem 1. Januar 2017 begeben werden oder (ii) keine US-Aktien oder Indizes, die US-Aktien enthalten, als Basiswerte haben und nicht anderweitig unmittelbar oder mittelbar eine Partizipation an US-Aktien vermitteln. Wenn die Schuldverschreibungen nach dem 1. Januar 2017 begeben werden und eine US-Aktie oder einen Index, der eine US-Aktie als Bestandteil enthält, als Basiswert haben oder anderweitig unmittelbar oder mittelbar eine Partizipation an US-Aktien vermitteln, ist eine weitere Prüfung erforderlich.  
*Insert if the Notes are linked to U.S. equities (including indices containing U.S. equities) and qualify as Specified Securities for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986. The Notes will not be Specified Securities if they (i) are issued prior to 1 January 2017 or (ii) do not reference any U.S. equity or any index that contains any U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Notes are issued after 1 January 2017 and reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities, further analysis would be required.*

***[Insert issue specific summary here. It shall be noted that the issue specific summary needs to be drafted on the basis of the summary set out in the Prospectus. No further information may be added, but the information will be made specific for the relevant issue of Securities only, i.e. parts of the summary relating to the Prospectus which are of no relevance for a specific issue must be deleted and information which is drafted in a general manner must be replaced by issue specific information.]***

# BANCA COMERCIALĂ ROMÂNĂ S.A.

## Introduction

The legal name of the Issuer is Banca Comercială Română S.A. ("**BCR**", the "**Issuer**" or the "**Bank**"). BCR also operates under the commercial name "BCR". BCR is a joint stock company with a two-tier board system, is incorporated and domiciled in Romania, has its registered office and principal place of business at 5 Regina Elisabeta Boulevard, 030016 Bucharest district 3, Romania (telephone number: +40 21 3126185), is registered at the Bucharest Trade Registry Office under registration number J40/90/1991 and its sole registration code (*cod unic de înregistrare*) is 361757. BCR operates under Romanian law.

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 the National Bank of Romania (the "**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 extended from 99 years to an indefinite period of time.

In 2005, as a result of the privatisation process of BCR organised by the Romanian Government, Erste Bank der Oesterreichischen Sparkassen AG ("**Erste Bank**") purchased 490,399,321 nominative shares with a face value of RON 1.3 per share or 61.8825 per cent. 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 EUR3.75bn. On 14 October 2009, Erste Bank transferred its participation in BCR (i.e. 549,230,910 nominative shares representing 69.3063 per cent. of BCR's share capital) to EGB Ceps Holding GmbH, a wholly owned indirect subsidiary of Erste Bank.

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 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 per cent.

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 AG, and following the fulfilment of the publication requirements in relation to the merger process on 25 March 2015 with the Austrian Trade Registry, Erste Group Bank AG became a direct shareholder of BCR. At the date of this Prospectus, Erste Group Bank AG holds 15,209,668,849 nominative shares representing 93.5783 per cent. of BCR's share capital. Please refer to section "Shareholders of BCR" for further information on BCR's shareholding structure.

BCR is licensed by the NBR to conduct banking activities.

## Background

BCR Group (the "**Group**") consists of the following companies: Banca Comercială Română S.A., BCR Leasing IFN S.A., BCR Banca pentru Locuințe S.A., BCR Pensii Societate de Administrare a Fondurilor de Pensii Private S.A., Suport Colect S.R.L., CIT One S.R.L., BCR Real Estate Management S.R.L. ("**BCR REM**"), Financiara S.A. (liquidated in September 2016), BCR Payments Services S.R.L., Bucharest Financial Piazza S.R.L. (a direct subsidiary of BCR Real Estate Management S.R.L.) ("**BFP**"), BCR Fleet Management S.R.L. (a direct subsidiary of BCR Leasing IFN S.A.) and Banca Comercială Română Chișinău S.A. For further information on the Group, see "*Subsidiaries*" below.

Starting with 31 December 2016, the merger by absorption was authorized between BCR, as absorbing company with BCR REM and BFP by the Bucharest Court as described below.

BCR and the other financial institutions in the 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 2015, according to the Audited IFRS-EU Financial Statements 2015, the Group's assets totalled RON62,360m, with decisive contribution from BCR (RON59,460m). BCR is not dependent on any other entities within the Group.

BCR is part of a wider group, respectively Erste Group that consists of Erste Group Bank AG, together with its subsidiaries and participations, including Erste Bank der oesterreichischen Sparkassen 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 in Austria, Salzburger Sparkasse, Tiroler Sparkasse, sBausparkasse, other savings banks of the Haftungsverbund, Immorent and others (the "Erste Group").

Erste Group is a banking group focused on retail and corporate customers in Austria and Central and Eastern Europe ("CEE"). Its core activities – besides the traditional strength in serving private individuals and small and medium size enterprises ("SMEs") – include advisory services and support for corporate clients in financing, investment and access to international capital markets, public sector funding and interbank market operations. As at 31 March 2016, around 46,500 employees serve 15.8m customers with 2,735 branches in seven countries in the eastern part of the EU. As at 31 March 2016, Erste Group had EUR206.4bn in total assets.

The parent company of BCR is Erste Group Bank AG and, thus, BCR is dependent on Erste Group Bank AG, since the funding from the parent company represents a significant portion of BCR's EUR funding.

## Share Capital of BCR

On the date of this Prospectus, the subscribed and paid up share capital of the Bank amounted to RON 1,625,341,614.50 divided into 16,253,416,145 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.

## Business Overview

### Principal markets in which BCR operates and strategy

BCR's position in the Romanian banking market as at 31 December 2015 is reflected by its market share in respect of the following banking segments:

As at 31 Dec 2015	Total industry (RON million)			BCR (RON million)			BCR market share (%)		
	Total	RON	FX	Total	RON	FX	Total	RON	FX
<b>Retail segment (excluding non-residents)</b>									
Retail loans, of which:	107,960.2	52,629.5	55,330.7	18,576.7	8,216.9	10,359.8	17.2%	15.6%	18.7%
Housing loans	51,956.6	18,676.2	33,280.3	11,097.2	3,775.4	7,321.7	21.4%	20.2%	22.0%
Consumer & other loans	56,003.6	33,953.2	22,050.4	7,479.5	4,441.5	3,038.1	13.4%	13.1%	13.8%
Retail deposits, of which:	146,769.7	91,674.9	55,094.8	24,137.2	14,095.6	10,041.6	16.4%	15.4%	18.2%
Term deposits	106,873.8	66,976.1	39,897.8	17,573.9	9,844.5	7,729.4	16.4%	14.7%	19.4%
<b>Corporate segment (excluding non-residents)</b>									
Corporate loans	109,572.2	57,656.5	51,915.7	14,048.4	5,979.8	8,068.6	12.8%	10.4%	15.5%
Corporate deposits <sup>7)</sup>	106,694.2	79,646.9	27,047.3	14,291.0	10,726.2	3,564.8	13.4%	13.5%	13.2%

Source: For industry data as at 31 December 2015 - NBR monthly bulletin no. 12/2015 ([www.bnr.ro](http://www.bnr.ro)) (some figures are presented in aggregate) and for BCR data as at 31 December 2015 - BCR monetary balance sheet report, unaudited data

Notes: (\*) Corporate deposits include: deposits of non-monetary financial institutions and deposits of non-financial companies and excludes deposits of public administration; according to Regulation (EC) No. 1071/2013 of the European Central Bank of 24 September 2013 concerning the balance sheet of the monetary financial institutions sector, deposits category includes overnight deposits, deposits with agreed maturity, deposits redeemable at notice and repos

According to NBR's 2015 annual report, in 2015, BCR was the largest financial group in Romania in terms of total net assets, serving a wide spectrum of retail, corporate and public clients through universal offering of products and services.

BCR's strategy from 2016 onward is built around four major pillars addressing client service, use of Business Intelligence in every day work, commercial capabilities making BCR attractive for clients and a modern work environment for employees.

Benefitting from the complex turnaround programs implemented in the recent years, the Bank's targets move now towards bringing process efficiency to the next level by increasing both operating productivity and customer experience. The Bank will continue to develop its platform of integrated services and to simplify workflow solutions, while implementing a Digital Ecosystem to meet customers' needs across all distribution channels.

The Group's strategy was defined with a clear focus on improving data quality and governance to support business management and compliance with regulators' requirements, as well as to facilitate internal reporting transformation in favour of more dynamic analysis and move towards advanced risk management methodologies, tools and processes.

BCR is committed to stay a bank fully focused on the real economy, with retail and SMEs franchises to be further developed. Major drivers are assumed to be increased utility of the basic products and refined value proposition through tailor made offers for the Bank's customers. Consequently, keeping strong capital and liquidity positions are of significant importance to ground sustainable growth in core business. Resolution of non-performing loans ("**NPLs**") legacy through cash recoveries and debt sales will continue in 2016, while risk return will be the key driver for new lending and any investment opportunity.

Higher self-funding rates are envisaged in a local currency lending environment, resulting in the expansion of the current accounts base. Increasing efforts will be made to turn more of the clients into "active clients", to improve products awareness and financial knowledge which will enable the development of responsible consumption of banking services.

Under toughening conditions in the international financial markets, BCR's strategy relies on balanced assets development and manageable costs aligned to business growth potential.

The implementation of these strategies depends on various factors and uncertainties, including those described in the Section "*Risk Factors*" in this Prospectus. There can be no assurance that these goals will be reached.

### **Principal activities of the Bank**

The core area of business activity (*principalul domeniu de activitate*) of BCR is monetary intermediation. The Bank is licensed by NBR to carry out the following principal activities included in its articles of association, as updated in accordance with the shareholders' resolutions no. 1/28.04.2014, no. 1a/28.04.2014, no. 1b1/28.04.2014, no. 1b2/28.04.2014, no. 1b3/28.04.2014 and no. 1b4/2/28.04.2014 (the "**AoAs**"):

- a) acceptance of deposits and other repayable funds;
- b) lending including, among others: consumer credit, mortgage credit, factoring with or without recourse, financing of commercial transactions, including forfeiting;
- c) payment services;
- d) issuance and management of payment instruments such as: credit cards, traveller's cheques and alike, including electronic money;
- e) guarantees and 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, or
- ✓ transferable securities and other financial instruments;
- g) brokerage, according to the law, in the offer of securities and other financial instruments by underwriting and sale thereof or by sale and performance of ancillary services;
- h) advice to undertakings on capital structure, business strategy and other issues related to commercial businesses, providing services relating to mergers and acquisitions as well as other consultancy services;
- i) portfolio management for clients and advice related thereto;
- j) safekeeping and management of financial instruments;
- k) interbank market brokerage;
- l) credit reference services;
- m) rental of safe deposit boxes;
- n) operations with precious metals, precious stones and objects thereof;
- o) acquiring participations in the share capital of other entities and
- p) any other activities or services that are included in the financial field, abiding by the special laws regulating those activities, where appropriate, as follows:
  - ✓ depositing of assets of investment funds and investment companies,
  - ✓ distribution of ownership interests of the investment funds and of shares of investment companies and securities distribution,
  - ✓ securing the services of setting up and registering at the Electronic Archives for Secured Transactions of real estate pledges for BCR operations 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,
  - ✓ deposit of the assets of privately managed pension funds, deposit of the financial assets of optional pension funds,
  - ✓ marketing agent of privately managed pension funds and marketing agent of the prospectus of optional pension funds and acting on behalf and in the name of other lending/financial institutions for several lending financing operations or other related lending/financing operations and
  - ✓ acting in the name and on behalf of other entities to promote their services to the Bank's clients, additional to the services and products provided by the Bank.

Activities referred to in paragraphs f), g), h), i) and j) above also cover all investment services and activities regulated by the Capital Markets Law no. 297/2004 (and the regulations issued in implementation thereof) when referring to financial instruments provided for in the aforementioned capital markets legislation.

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.

### **Main categories of BCR's products and services**

BCR offers a wide range of financial products and services to its customers such as:

- Private individuals: BCR offers a complete range of services and products, from housing financing (mortgages), consumer loans, personal accounts (including dedicated packages for entrepreneurs, students, non-governmental organisations and foundations), payment and credit cards, direct banking services (controlling one's account via the Internet, phone, GSM), investment and savings products, consulting and sale of financial market and treasury products to Private Banking customers.
- SMEs as well as large corporations: BCR offers customised products, specialised programmes and consulting for SMEs, large corporations as well as micro entrepreneurs.

- Municipalities, public and non-profit sector: Due to its historically strong relationship with local municipalities as well as with the public and non-profit sector, BCR offers tailor-made financial solutions (including special financing for national, regional and municipal infrastructure projects).

The Group also offers many other financial products and services, such as leasing, asset management, real estate services and financial consultancy services.

In terms of developments in the area of card-related business, BCR has implemented an improved card-related system, based on improved functionalities and on centralised automated teller machine ("**ATM**") and point of sale ("**POS**") networks. As at 31 October 2016, BCR had a network of over 2,100 ATMs and 13,500 POS terminals, while providing to its customers comprehensive electronic banking services, including internet banking, mobile banking, phone banking and e-commerce services.

Since the summer of 2009, mortgage lending has been supported by the Romanian Government through the Prima Casa Programme (a loan scheme, under which the Romanian Government is guaranteeing each year mortgages up to a certain capped guarantee amount (50 per cent. of the loan amount) for first time buyers of residential houses), a programme in which BCR is involved having as at 31 October 2016 a share in the total loans granted by local banks under the referred programme of 28.86 per cent. (based on the aggregate data released to BCR by the National Credit Guarantee Fund for Small and Medium Enterprises).

The Prima Casa Programme is currently in its eighth stage and a very important enacted amendment to the legislation governing the programme limits the currency in which the loans may be granted only to the local currency RON as of August 2013. BCR has adapted to this change, as already during the fifth stage of the programme BCR granted loans under the programme only in local currency RON due to its strategy for secured loans.

BCR is the main lender of the Romanian municipalities with a market share as at 30 October 2016 of 44.6 per cent.<sup>1</sup>, providing specific products, services and expertise relating to public sector projects, social infrastructure (i.e. roads, waste and sewage) through a specialized team ensuring national coverage.

Since 2008, BCR has developed the Infrastructure and Specialised Lending Department as the centre of expertise for project finance with the aim to become the main bank for infrastructure projects in Romania. The strategic focus for 2016 is to finance the following sectors: transport infrastructure (partner in PPP projects), energy (replacement of outdated production capacities, development of infrastructure, energy efficiency) and manufacturing (rehabilitation of the industrial production capacities, greenfield projects).

In the commercial real estate segment, BCR has a conservative approach focusing on upscale offices and logistics projects.

BCR is involved in the financing business under the European Union (the "**EU**") funding programmes that allow Romania to access, during EU post-accession period 2007-2013 and 2014-2020, funds amounting to approximately EUR59bn as structural, cohesion and agriculture funds<sup>2</sup>. In terms of co-financing projects with EU funds, the total loans granted amount to more than EUR1.57bn. In order to tap the opportunities offered in this field, BCR has established a countrywide presence, with financing specialists located in all development regions of Romania. For this specific sector, BCR offers tailor made products and services: co-financing of eligible and non-eligible project costs, bridge financing for pre-financing the grant, bank guarantees for grant advances, letters of credit ("**L/Cs**"), special accounts for the project, financial instruments, products with financing from other financial institutions (EBRD, EIB, IFC, etc.), and assistance to clients during the entire life of the project.

On the treasury and investment banking side, in addition to raising funds from the capital markets (either through bond issues or structured transactions), BCR offers to its clients:

- syndicated loans (to commercial companies or banks) on the international and domestic markets;
- debt and equity finance transactions (origination, execution, securities sales);

<sup>1</sup> Source:- Market share computed from industry data - NBR monthly bulletin no. 10/2016 published on www.bnr.ro and BCR data - BCR monetary balance sheet report

<sup>2</sup> Source: National Development Plan 2007-2013 ([http://www.aippimm.ro/files/otimmc\\_files/71/172/planul-national-de-dezvoltare-2007-2013.pdf](http://www.aippimm.ro/files/otimmc_files/71/172/planul-national-de-dezvoltare-2007-2013.pdf)), Rural National Development Plan 2007-2013 for Romania (<http://www.madr.ro/ro/pndr/programul-national-pentru-dezvoltare-rurala-2007-2013.html>), Partnership Agreement 2014-2020 ([http://www.fonduri-ue.ro/res/filepicker\\_users/cd25a597fd-62/2014-2020/acord-parteneriat/Partnership\\_Agreement\\_2014RO16M8PA001\\_1\\_2\\_ro.pdf](http://www.fonduri-ue.ro/res/filepicker_users/cd25a597fd-62/2014-2020/acord-parteneriat/Partnership_Agreement_2014RO16M8PA001_1_2_ro.pdf)) and Rural National Development Plan 2014-2020 for Romania ([http://www.madr.ro/docs/dezvoltare-rurala/programare-2014-2020/PNDR\\_2014\\_EN\\_-2020\\_01.07.2014.pdf](http://www.madr.ro/docs/dezvoltare-rurala/programare-2014-2020/PNDR_2014_EN_-2020_01.07.2014.pdf)).

- (iii) participation in consortia with other foreign or Romanian brokerage companies for bond issues and equity initial public offerings ("**IPOs**");
- (iv) structured finance transactions;
- (v) financial instruments trading; and
- (vi) advisory services for merger and acquisition transactions.

### **Segment Reporting**

The segment reporting format is determined by business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services provided. 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, the Bank is organised into the following two business segments:

#### Retail banking

- The 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.

#### Corporate banking

- Within corporate banking, the 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 advice, 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 the Group.

The main Corporate banking segment consists of:

#### A. Small and Medium Enterprises which represents clients with the following main characteristics:

- companies having an annual turnover between 1 to 25 million EUR
- clients requesting financing of real estate projects of less than 3 million EUR
- international clients with more than 50% foreign capital and annual turnover between 10 to 25 million EUR
- municipalities representing local authorities and companies managed by local authorities
- public sector representing central authorities and companies owned by the state, public funds

#### B. Large Corporates

- companies being part of a group with at least a single member having more than 25 million EUR annual turnover
- companies being part of a group with a cumulated annual turnover of more than 275 million EUR
- entities or a group of entities listed on a stock exchange; Erste Group subsidiaries, Non-Financial Institutions

#### C. Commercial Real Estate ("**RE**")

- companies which request financing for real estate projects of more than 3 million EUR

#### D. Other corporate

- includes activities related to investment banking services and financial products and services

Other banking segments:



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

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

F. Group Capital Markets (GCM):

- principally providing money market and treasury operations, syndicated loans and structured financing transactions, foreign currency and derivative transactions, financial instruments, trading and sales activities.

The business segment reporting format follows the Group standards of segment reporting. Transactions between business segments are conducted at arm's length.

## SEGMENT REPORTING

in RON thousands	2015							Group
	Group	RETAIL	SME	Large Corporates	Commercial RE	Other Corporate	ALM&Local Corporate Center	GCM
Net interest income	1,992,595	1,296,786	387,002	147,932	59,304	23	95,027	6,521
Net fee and commission income	725,181	562,611	78,456	103,480	7,687	3,053	(34,402)	4,296
Dividend income	5,732	-	-	-	-	-	5,732	-
Net trading and fair value result	308,413	104,530	40,656	15,004	3,369	-	2,453	142,401
Net result from equity method investments	2,749	-	-	-	-	-	2,749	-
Rental income from investment properties and other operating lease	40,258	-	35,679	-	-	-	4,579	-
General administrative expenses	(1,513,435)	(1,234,337)	(222,486)	(108,917)	(7,884)	(2,060)	89,427	(27,178)
Gains/(losses) on financial assets and liabilities measured at fair value through profit or loss, net	5,005	-	-	-	-	5,005	-	-
Net impairment loss on financial assets not measured at fair value through profit or loss	72,903	(158,338)	8,154	181,993	46,524	-	(5,377)	(53)
Other operating result	(627,352)	(474,993)	(44,452)	(31,616)	(25,686)	-	(50,403)	(202)
<b>Pre-tax profit from continuing operations</b>	<b>1,012,049</b>	<b>96,259</b>	<b>283,009</b>	<b>307,876</b>	<b>83,314</b>	<b>6,021</b>	<b>109,785</b>	<b>125,785</b>
Taxes on income	(90,027)	(15,401)	(45,281)	(49,260)	(13,330)	(245)	53,536	(20,046)
<b>Post-tax profit from continuing operations</b>	<b>922,022</b>	<b>80,858</b>	<b>237,728</b>	<b>258,616</b>	<b>69,984</b>	<b>5,776</b>	<b>163,321</b>	<b>105,739</b>
<b>NET PROFIT FOR THE YEAR</b>	<b>922,022</b>	<b>80,858</b>	<b>237,728</b>	<b>258,616</b>	<b>69,984</b>	<b>5,776</b>	<b>163,321</b>	<b>105,739</b>
Attributable to non-controlling interests	3,072	2,984	5	-	-	-	83	-
<b>ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<b>918,950</b>	<b>77,874</b>	<b>237,723</b>	<b>258,616</b>	<b>69,984</b>	<b>5,776</b>	<b>163,238</b>	<b>105,739</b>
Operating income	3,074,928	1,963,927	541,793	266,417	70,360	3,076	76,139	153,217
Operating expenses	(1,513,435)	(1,234,337)	(222,486)	(108,917)	(7,884)	(2,060)	89,427	(27,178)
<b>Operating result</b>	<b>1,561,493</b>	<b>729,590</b>	<b>319,307</b>	<b>157,500</b>	<b>62,476</b>	<b>1,016</b>	<b>165,566</b>	<b>126,039</b>
Cost/income ratio	49.22%	62.85%	41.06%	40.88%	11.21%	66.97%	-117.45%	17.74%

Source: Audited IFRS-EU Financial Statements 2015

in RON thousands	2014							Group
	Group	RETAIL	SME	Large Corporates	Commercial RE	Other Corporate	ALM&Local Corporate Center	GCM
Net interest income	2,289,419	1,415,410	405,474	182,282	48,212	30	227,373	10,638
Net fee and commission income	711,261	562,838	82,254	103,713	2,290	1,017	(44,766)	3,915
Dividend income	2,604	-	-	-	-	-	2,604	-
Net trading and fair value result	360,835	94,233	37,500	19,736	3,100	-	50,551	155,715
Net result from equity method investments	992	-	-	-	-	-	992	-
Rental income from investment properties and other operating lease	24,233	-	19,746	-	-	-	4,487	-
<b>General Administrative expenses</b>	<b>(1,474,911)</b>	<b>(1,162,336)</b>	<b>(212,163)</b>	<b>(88,707)</b>	<b>(8,074)</b>	<b>(2,354)</b>	<b>23,877</b>	<b>(25,152)</b>
Gains/(losses) on financial assets and liabilities measured at fair value through profit or loss, net	8,058	-	-	-	-	-	8,058	-
Net impairment loss on financial assets not measured at fair value through profit or loss	(4,440,001)	(1,696,053)	(1,088,697)	(1,306,624)	(327,675)	-	(21,612)	660
Other operating result	(520,355)	(138,075)	(27,759)	(8,372)	(60,438)	-	(285,479)	(232)
<b>Pre-tax profit from continuing operations</b>	<b>(3,037,865)</b>	<b>(923,983)</b>	<b>(783,645)</b>	<b>(1,097,972)</b>	<b>(342,585)</b>	<b>(1,307)</b>	<b>(33,915)</b>	<b>145,544</b>
Taxes on income	243,848	147,837	125,383	175,676	54,814	209	(236,784)	(23,287)
<b>Post-tax profit from continuing operations</b>	<b>(2,794,017)</b>	<b>(776,146)</b>	<b>(658,262)</b>	<b>(922,296)</b>	<b>(287,771)</b>	<b>(1,098)</b>	<b>(270,699)</b>	<b>122,257</b>
<b>NET PROFIT FOR THE YEAR</b>	<b>(2,794,017)</b>	<b>(776,146)</b>	<b>(658,262)</b>	<b>(922,296)</b>	<b>(287,771)</b>	<b>(1,098)</b>	<b>(270,699)</b>	<b>122,257</b>
Attributable to non-controlling interests	5,849	5,842	-	-	-	-	7	-
<b>ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<b>(2,799,866)</b>	<b>(781,989)</b>	<b>(658,262)</b>	<b>(922,296)</b>	<b>(287,771)</b>	<b>(1,098)</b>	<b>(270,706)</b>	<b>122,257</b>
Operating income	3,389,344	2,072,481	544,974	305,731	53,602	1,047	241,241	170,268
Operating expenses	(1,474,911)	(1,162,336)	(212,163)	(88,707)	(8,074)	(2,354)	23,877	(25,152)
<b>Operating result</b>	<b>1,914,433</b>	<b>910,145</b>	<b>332,811</b>	<b>217,024</b>	<b>45,528</b>	<b>(1,307)</b>	<b>265,118</b>	<b>145,116</b>
Cost/income ratio	43.5%	56.1%	38.9%	29.0%	15.1%	224.8%	(9.9)%	14.8%

Source: Audited IFRS-EU Financial Statements 2015

## Subsidiaries

### Group Structure as at 31 December 2015

BCR has the following subsidiaries consolidated in the Audited IFRS-EU Financial Statements 2015:

Company's Name	Country of incorporation	Nature of the business	Shareholding (%)	
			2014	2015
BCR Chişinău S.A.	Moldova	Banking	100.00	100.00
Financiara S.A. (liquidated in September 2016)	Romania	Financial	97.46	97.46
BCR Leasing IFN S.A.	Romania	Financial leasing	99.96	99.97
Bucharest Financial Piazza S.R.L.*	Romania	Real estate	99.99	99.99
BCR Pensii, Societate de Administrare	Romania	Pension fund	99.99	99.99

Company's Name	Country of incorporation	Nature of the business	Shareholding (%)	
			2014	2015
a Fondurilor de Pensii Private S.A.				
BCR Banca pentru Locuințe S.A.	Romania	Housing loans	80.00	80.00
Suport Colect S.R.L.	Romania	Workout	100.00	100.00
CIT One *** S.R.L.	Romania	Security and guard	99.99	99.99
BCR Real Estate Management S.R.L.	Romania	Real estate	99.99	99.99
BCR Fleet Management S.R.L.**	Romania	Operational leasing	99.96	99.97
BCR Payments Services S.R.L.	Romania	Payments processing	99.99	99.99

<sup>(a)</sup> Company held indirectly by BCR through BCR Real Estate Management S.R.L.

<sup>(\*\*)</sup> Company held indirectly by BCR through BCR Leasing IFN S.A.

\*\*\* BCR Procesare changed its name to CIT One

Source: Audited IFRS-EU Financial Statements 2015

### Banca Comercială Română Chișinău S.A.

Banca Comercială Română Chișinău S.A. ("**BCR Chișinău**"), a wholly owned subsidiary of BCR, was incorporated as a joint stock company in 1998. It is a medium-sized bank within the Moldovan banking system and is authorised to perform all banking activities.

In spite of the challenging macro and business environment in 2015, BCR Chișinău achieved an increase in operating profit of 84 per cent. as compared to 2014, to MDL39.9m. This performance was based on the growth of client's transactional income and management of deposits volumes and pricing, as well as on higher FX trading margins and higher interest rate in Government securities. The bank's efforts to maintain its policy of cost control resulted in higher efficiency, as cost income ratio improved from 69 per cent. in 2014 to 59 per cent. in 2015. General and administrative expenses increased by 14.7 per cent. as a result of MDL depreciation against EUR and increase in the number of personnel from 66 to 72.

As at 31 December 2015, the total assets of the bank amounted to MDL1,132.4m, increasing by 5 per cent. as compared with 31 December 2014. The customers' deposits portfolio as at 31 December 2015 amounted to MDL517.1m, increasing by 20 per cent. as compared with 31 December 2014. The total capital of the bank as at 31 December 2015 amounted to MDL 410.3m, increasing by 7 per cent. as compared with 31 December 2014. The total normative capital of BCR Chișinău at 31 December 2015 amounted to MDL341.3m, increasing by 12 per cent. in comparison with 31 December 2014. Therefore, the capitalisation of BCR Chișinău remains high and will support the growth of all business lines of the bank in subsequent years.

#### Financial Summary based on IFRS-EU figures

	2015	2014
	<i>(MDL* thousands)</i>	
Interest and similar income	94,533	73,923
Interest expense and similar charges	(14,141)	(17,774)
Net interest income	80,391	56,149
Net (charge)/release of provision for impairment losses	7,735	11,894
Operating expenses	(8,694)	(9,628)
Profit/(loss) before taxation	20,710	(3,716)
Profit/(loss) after Tax	26,435	(3,716)
Total Assets	1,132,412	1,078,829
Total Equity	415,851	389,028

(\*) "**MDL**" means Moldovan Leu, the legal currency of the Republic of Moldova.

Source: BCR internal data unaudited, not reviewed

### BCR Leasing IFN S.A.

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.

In 2015, BCR Leasing focused mainly on boosting sales and optimizing its market share. Sales volume increased significantly in 2015 by 72% compared with 2014 (EUR 121.1m in 2015 as compared to. EUR

70.6m in 2014, financed value), while the market share grew from 6.5 per cent. in 2014 to 9.4 per cent. in 2015.

Concurrently total assets also increased as at 31 December 2015, by 15 per cent. as compared with 31 December 2014, while the share of non-performing exposures continued to improve from 13.4 per cent. in 2014 to 10.6 per cent. in 2015.

BCR Leasing's profitability reached RON13.6m in 2015 recovering from the loss recorded in 2014 of RON2.8m. One of the key factors that significantly contributed to increasing profitability is the cost of risk which recorded a level of RON1.3m compared to RON17.0m in 2014. This reduced cost of risk reflects successful sustained efforts to improve the quality of the lease portfolio, and higher quality of the new sales.

Operating result doubled (RON36.6m in 2015 as compared with RON17.2m in 2014) mainly due to increase in net interest income by 32 per cent. (RON40.5m in 2015 as compared with RON25.5m in 2014).

In 2015, BCR continued to be the main distribution channel for BCR Leasing, with 64 per cent. of sales, while developing partnerships with dealers / importers (in 2015 sales to other dealers and importers almost doubled as compared to 2014).

In 2016, BCR Leasing's aim has been to cover all segments of potential customers by developing the Bank and dealers channel and by implementing a new strategy for individuals, taking advantage of the Bank's customer base and its extended sales network.

#### Financial Summary based on the IFRS-EU figures

	2015	2014
	<i>(EUR thousand, except for percentages)</i>	
Lease income	61,125	51,938
Operating profit	41,522	14,801
Net profit/(loss) for the year	13,577	(2,834)
Total Assets	1,177,281	1,020,631
Total Equity	87,393	389,028
Return on Assets*	1.15%	(0.28%)
Return on Equity*	15.54%	(0.73%)

(\*) Returns on assets and equity were calculated by dividing profit by assets and equity, respectively, as at year-end rather than as averages.

Source: BCR internal data, unaudited, not reviewed

#### Bucharest Financial Plaza S.R.L.

Bucharest Financial Plaza S.R.L. ("**BFP**") is a Romanian limited liability, incorporated in 1994, wholly owned by BCR Real Estate Management S.R.L. and consolidating the Group's real estate function. BFP continues to perform its core business activity – the management of the real estate assets owned, including the office building located at 15 Calea Victoriei, sector 3, Bucharest (a Class A business centre opened in 1997). BFP's activity is performed by BCR based on a mandate agreement.

#### Financial Summary based on IFRS-EU figures

	2015	2014
	<i>(RON thousands, except for percentages)</i>	
Sales (rental income)	38,485	38,438
Operating Profit	32,323	(15,615)
Profit/(loss) after tax	24,307	(16,610)
Total Assets	302,776	306,701
Total Equity	143,443	119,136
Return on Assets*	8.03%	(5.42%)
Return on Equity*	16.95%	(13.94%)

(\*) Returns on assets and equity have been calculated by dividing profit by assets and equity, respectively, as at year-end rather than as averages.

Source: BCR internal data unaudited, not reviewed

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

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 (former Supervisory Commission of the Private Pensions System) to carry out management activities for private pension funds in Romania, including mandatory (Pillar II) and voluntary (Pillar III) private pension funds.

As at 30 November 2016, BCR Pensii ranked 6th in the top of mandatory private pension funds management companies active on the Romanian market<sup>3</sup>, in terms of total number of subscribers, with a market share of 8.32 per cent. and 562,730 subscribers.

In terms of total number of subscribers for voluntary pensions funds, as at 30 November 2016 BCR Pensii ranked 2nd, with a market share of 30.20 per cent., corresponding to a number of 123,257 participants<sup>4</sup>.

The strategy of BCR Pensii is to continue on the same ascending trend as in 2015, the year that marked the first profitable results of the company, on the background of increased sales quality.

The projects and initiatives of BCR Pensii are long-term oriented and they aim to increase the financial literacy of young people, employees and participants to develop better understanding of the needs for long-term savings.

Financial Summary based on IFRS-EU figures	2015	2014
	<i>(RON thousand)</i>	
Total Assets	144,842	133,226
Total Equity	141,501	133,750
Profit/(loss) for the year	7,727	(83,605)

Source: BCR internal data, unaudited, not reviewed

## BCR Banca pentru Locuințe S.A.

BCR Banca pentru Locuințe S.A. ("**BCR BpL**"), incorporated in April 2008, is a Romanian bank specialising in granting savings and loan products for housing purposes.

As at 31 December 2015, BCR BpL had over 386,000 contracts concluded, out of which new contracts concluded (2015 *new production*) stood at RON3.33bn, as compared with new contracts as at 31 December 2014 amounting to RON3.36bn. The lending activity (loan volume) has registered growth as at 31 December 2015 (RON 182.22m), being 19.53 per cent. higher as compared with 31 December 2014 (RON 152.45m).

Financial Summary based on IFRS-EU figures	2015	2014
	<i>(RON thousand)</i>	
Total Assets	3,066,858	2,739,505
Total Equity	151,273	170,098
Profit/(loss) for the year	14,921	29,211

Source: BCR internal data, unaudited, not reviewed

## Suport Colect S.R.L.

Suport Colect S.R.L. ("**Suport Colect**") is a Romanian limited liability company, incorporated in 2009, the main business of which is to enhance the monitoring and recovery of BCR clients' debts, in the context of outstanding loans volumes as effect of the economic crisis.

As at 31 December 2015, Suport Colect's portfolio comprised 1,614 retail clients (RON0.303bn), 32 corporate clients (RON0.084bn) and 77 Micro clients (RON0.017bn), while the recovery volume represented around 34 per cent. of the total administered debts.

Financial Summary based on IFRS-EU figures	2015	2014
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<sup>3</sup> Source: <http://asfromania.ro/informatii-publice/statistici/statistici-pensii/evolutie-indicatori>

<sup>4</sup> Source: <http://asfromania.ro/informatii-publice/statistici/statistici-pensii/evolutie-indicatori>

	<i>(RON thousand)</i>	
Total Assets	151,412	170,806
Total Equity	(14,000)	(30,759)
Profit/(loss) for the year	16,758	(594,763)

Source: BCR internal data unaudited, not reviewed

### **CIT One S.R.L.**

CIT One S.R.L. ("**CIT One**") (former BCR Procesare SRL) is a Romanian limited liability company, incorporated in 2009, the main business of which is the provision of cash processing and transportation services.

While providing cash processing and transportation services to the BCR Retail and ATM and Corporate business lines, CIT One started extending its customer base by enrolling at the end of 2014 Garanti Bank, a mid-sized bank in the Romanian market.

<b>Financial Summary based on IFRS-EU figures</b>	<b>2015</b>	<b>2014</b>
	<i>(RON thousand)</i>	
Total Assets	26,202	22,455
Total Equity	7,226	7,016
Profit for the year	248	606

Source: BCR internal data unaudited, not reviewed

### **BCR Real Estate Management S.R.L.**

BCR Real Estate Management S.R.L. ("**BCR REM**") is a Romanian limited liability company incorporated in 2009. According to its strategy, BCR REM acts as a real estate excellence centre and process owner for the Group companies for real estate services and real estate management functions. In December 2010, BCR REM purchased the stake held by Financiară S.A. (liquidated in September 2016) in BFP, in order to consolidate the real estate management function under BCR REM.

In 2015, BCR REM continued to perform its core business activity represented by the management of the real estate assets owned.

Starting 1 July 2014, the BCR REM personnel has been integrated in BCR. The core activities of BCR REM are performed by BCR based on a mandate agreement.

<b>Financial Summary based on IFRS-EU figures</b>	<b>2015</b>	<b>2014</b>
	<i>(RON thousand)</i>	
Total Assets	888,431	888,049
Total Equity	82,733	45,464
Profit/(loss) for the year	37,269	(115,934)

Source: BCR internal data unaudited, not reviewed

### **BCR Fleet Management S.R.L.**

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 IFN S.A. BCR Fleet Management's main business is operational leasing and fleet management.

In 2015, BCR Fleet Management had a significant increase in activity with new business reaching RON64.3m as compared with RON33.8m for the year 2014 (financed value) and total assets increased by RON79m (from RON61m as at 31 December 2014 to RON140m as at 31 December 2015). As at 31 December 2014, BCR Fleet Management had a net profit for the year of RON1.7m.

**Financial Summary based on IFRS-EU figures**

	2015	2014
	<i>(RON thousand)</i>	
Total Assets	140,129	61,740
Total Equity	4,085	2,372
Profit for the year	1,713	1,361

Source: BCR internal data unaudited, not reviewed

**BCR Payments Services S.R.L.**

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 the NBR 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, BCR client's accounts opening, closing and maintenance. BCR Payments Services has 90 specialised employees and services all local units of BCR as well as BCR headquarters, based on the outsourcing contract signed with BCR.

During 2015, 5.9m transactions were processed, out of which 5.1m were invoiced to BCR (domestic credit transfers, foreign credit transfers, debt instruments, clients' accounts opening, closing and accounts maintenance), as compared with 5.9m transactions processed in 2014, out of which 5.2m were invoiced to BCR.

As at 31 December 2015, average productivity at 403 transactions/operator/day remained similar as compared to 405 transactions/operator/day as at 31 December 2014. In addition, the error rate decreased by 4 per cent. from 0.0045 per cent. as at 31 December 2014 to 0.0043 per cent. as at 31 December 2015.

**Financial Summary based on IFRS-EU figures**

	2015	2014
	<i>(RON thousand)</i>	
Total Assets	3,270	4,164
Total Equity	2,767	3,744
Profit for the year	758	606

Source: BCR internal data unaudited, not reviewed

In November 2016, the shareholders of BCR, BCR REM and the sole shareholder of BFP approved the merger by absorption between BCR, as the absorbing company, and BCR REM and BFP as absorbed companies.

The merger process between BCR and the absorbed companies was finally approved by the following corporate bodies:

- the Extraordinary General Meeting of BCR Shareholders through resolutions no. 2.1 adopted on 23 November 2016;
- the General Meeting of BCR REM Shareholders via resolution no. 3 of 23 November 2016; and
- sole shareholder of BFP through resolution no. 1 of 23 November 2016.

According to the preliminary judgment no. 17 issued by the Bucharest Court on 30 January 2017 the merger by absorption was authorized between BCR, as absorbing company with BCR REM and BFP as absorbed companies, starting with 31 December 2016, as the effective date of merger.

## Administrative, Management and Supervisory Bodies

The management and administration of BCR is vested in the general meeting of shareholders ("**GMS**"), the supervisory board of BCR (the "**Supervisory Board**") and the Management Board of BCR (the "**Management Board**"). The business address of the members of the Supervisory Board and of the members of the Management Board is 5 Regina Elisabeta Boulevard, 030016 Bucharest 3, Romania.

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:

- (i) 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 "Supervisory Board" and "Management 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;
- (ii) 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 Prospectus, there are no actual conflicts of interests between any duties to the Issuer of the members of the Management Board and of its 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 BCR's 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 International Financial Reporting Standards, as adopted by the European Union (the "**IFRS-EU**" or "**IFRS**") are reviewed by the Management Board, the Audit and Compliance 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 seven members (the "**SB Members**") appointed by the Ordinary GMS for a three-year term. The SB Members 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 the Group strategy and business plan, and reviewing the budget (including on a consolidated basis).



The members of the Supervisory Board as at the date of this Prospectus are:

<u>Name</u>	<u>Function</u>
Manfred Wimmer	Chairman
Andreas Treichl	Deputy Chairman
Gernot Mittendorfer	Member
Brian O'Neil	Member
Tudor Ciurezu	Member
Wilhelm Koch	Member
Hildegard Gacek	Member

The following table sets out the members of the Supervisory Board as at the date of this Prospectus 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 Prospectus:

<b>Name</b>	<b>Name of relevant company/partnership</b>	<b>Position held</b>
<b>Manfred Wimmer</b>	Erste Bank Hungary	SB Chairman
<b>Andreas Treichl</b>	Ceska sporitelna, a.s.	SB Deputy Chairman
	Erste Bank der oesterreichischen Sparkassen AG	SB Chairman
	Sparkassen Versicherung AG Vienna Insurance Group	SB Chairman
	Haftungsverbund GmbH	Deputy Chairman Advisory Board
	BeeOne GmbH	Chairman Advisory Board
	Leoganger Bergbahnen Gesellschaft m.b.H.	SB member
	Haftungsverbund GmbH	Shareholders Committee member
	Erste Group Bank AG	MB Chairman
	Felima Privatstiftung	MB Chairman
	Ferdima Privatstiftung	MB Chairman
	Österreichischer Sparkassenverband	MB member
<b>Gernot Mittendorfer</b>	Erste Bank der oesterreichischen Sparkassen AG	SB member
	Erste Bank Hungary Zrt	SB member
	Slovenska sporitelna, a. S.	SB Chairman
	Haftungsverbund GmbH	Advisory Board member
	OM Objektmanagement GmbH	Advisory Board Chairman
	Procurement Services GmbH	Advisory Board Deputy Chairman
	Haftungsverbund GmbH	Shareholders Committee member
	ERSTE BANK AD NOVI SAD	MB Chairman
	Erste Group Bank AG	MB member
<b>Brian O'Neill</b>	Erste Group Bank AG	SB member
	Lazard Freres & Co	Non-executive Senior Adviser

Name	Name of relevant company/partnership	Position held
	Lexington Partners	Non-executive Senior Adviser
	Emigrant Bank	SB member
	Inter – American Dialogue	BD member
	Seven Seas Water	BD member
<b>Tudor Ciurezu</b>	SIF Oltenia S.A.	BD Chairman/General Director
	Turism Felix S.A.	BD member
<b>Wilhelm Koch</b>	Erste Group Bank AG	Head of Operational Risk, Compliance and Security
	Erste Reinsurance SA Luxembourg	Director
<b>Hildegard Gacek</b>	European Bank for Reconstruction and Development	Managing Director

**Notes:** "SB" means Supervisory Board; "MB" means Management Board; "AC" means Advisory Committee; "BD" means Board of Directors

### Management Board

The Management Board is responsible for the day-to-day management of BCR in accordance with BCR's business model, strategies, policies, instructions, rules and guidelines and applicable legislation. The Management Board carries out its activity under the supervision of the Supervisory Board and, to this purpose, keeps the Supervisory Board properly informed in order to perform its duties in an efficient manner. The Management Board establishes, implements, maintains, pre-approves and submits to the Supervisory Board approval effective policies in order to identify actual and potential conflicts of interests. The conflicts of interests which have been disclosed to and confirmed by the Management Board must be properly managed.

Until 30 September 2016, the Management Board consisted of seven members appointed by the Supervisory Board: the Management Board Chairman and six Management Board members.

The Supervisory Board approved on 15 July 2016 a new BCR organisational structure comprising 5 members: the Management Board Chairman and four Management Board members. The implementation of this new structure was performed in 2 phases:

- 1<sup>st</sup> phase – the merger of the Corporates & Markets Functional Line with the CEO Functional Line and consequently cancelling the Corporates & Markets Functional Line – implemented as of 1 September 2016;
- 2<sup>nd</sup> phase – integrating the workout activity within the Risk Functional Line and consequently cancelling the Remedial, Restructuring and Recovery Functional Line – implemented as of 30 September 2016.

As at the date of this Prospectus, the Executive Vice President, COO position is vacant. The Supervisory Board appointed in a meeting held on 24 October 2016 Mr. Bernhard Spalt as Executive Vice President, CRO starting with 1 January 2017, provided that the mandate starts only after the date of NBR authorization.

As at the date of this Prospectus, the members of the Management Board are:

Name	Function
Sergiu Cristian Manea	Executive President CEO
Adriana Jankovicova	Executive Vice President, CFO
Bernhard Spalt*	Executive Vice President, CRO
Vacant position	Executive Vice President, Operations & IT, COO
Dana Luciana Demetrian	Executive Vice President, Retail and Private Banking

*\*under NBR authorisation*

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

<b>Name</b>	<b>Name of relevant company/partnership</b>	<b>Position held</b>
<b>Sergiu Cristian Manea</b>	BCR S.A.	CEO – MB member
	BCR Chisinau S.A.	SB Chairman
	BCR Leasing IFN S.A.	SB Chairman
	BCR Payments Services S.R.L.	BD member
	BCR Fleet Management S.R.L.	BD member
	BCR Asigurari de Viață VIG S.A.	SB member
<b>Adriana Jankovicova</b>	BCR S.A.	MB member
	BCR Pensii SAFPP S.A.	SB member
	BCR Banca pentru Locuinte S.A	SB member
	Suport Colect S.R.L.	BD Chairman
	CIT One S.R.L	BD member
<b>Dana Luciana Demetrian</b>	BCR S.A.	MB member
	BCR Banca pentru Locuinte S.A.	SB Chairman
	BCR Pensii SAFPP S.A.	SB Chairman
	BCR Payments Services S.R.L	BD member
	BCR Asigurari de Viață VIG S.A.	SB member
	Good Bee Credit IFN SA	SB member
<b>Bernhard Spalt</b>	BCR Leasing IFN S.A.	SB member
	Suport Colect S.R.L.	BD member

*Note: "SB" means Supervisory Board; "BD" means Board of Directors*

### **Remuneration Committee**

The Remuneration Committee is composed of three members of the Supervisory Board appointed by the Supervisory Board. One of the Remuneration Committee members is appointed as Chairman and another as Deputy Chairman.

The Remuneration Committee has an advisory role, being established for the purpose of assisting the Supervisory Board in carrying out its tasks relating to the remuneration policy of the Management Board and advises and monitors the remuneration, bonuses and benefits of the Management Board.

The members of the Remuneration Committee as at the date of this Prospectus are:

<b>Name</b>	<b>Position</b>
Andreas Treichl	Chairman
Manfred Wimmer	Deputy Chairman
Brian O'Neill	Member

### **Audit and Compliance Committee**

The Audit and Compliance Committee is composed of three members of the Supervisory Board appointed by the Supervisory Board. One of the Audit and Compliance Committee members is appointed as Chairman and another one is appointed as Deputy Chairman.

The Audit and Compliance Committee has an advisory role, being established for the purpose of assisting the Supervisory Board in carrying out its tasks relating to the internal control, compliance, internal audit, financial crime, litigations and financial reporting process, as well as on the quality and performance of BCR's internal accountants and auditors, the accuracy of BCR's financial information, and the adequacy of BCR's financial controls and policies. The Committee has also reporting responsibilities by regularly updating the Supervisory Board on its activities or any issues encountered and can submit recommendations, if necessary.

The members of the Audit and Compliance Committee as at the date of this Prospectus are:

<u>Name</u>	<u>Position</u>
Brian O'Neill	Chairman
Gernot Mittendorfer	Deputy Chairman
Manfred Wimmer	Member

### **Risk Management Committee**

The Risk Management Committee (the "RM Committee") is composed of three members of the Supervisory Board appointed by the Supervisory Board. One of the members of the RM Committee is appointed as Chairman and another as Deputy Chairman. The RM Committee has an advisory role, being established for the purpose of assisting the Supervisory Board in carrying out its roles and responsibilities in respect of risk management, having the following main responsibilities:

- a) carries out and issues preparatory recommendations for topics to be raised and discussed, and for all decisions to be taken by the Supervisory Board which are related to the RM Committee's activity;
- b) liaises, as required and/or recommended, with other Supervisory Board's committees to ensure that any decision falling within their respective duties according to the specific roles and responsibilities provided by the Committees' Internal Rules is in line with sound and effective risk management and control and ensures its involvement in the decision making process having an impact upon the risk management and control, and financial status of BCR;
- c) issues, upon request, opinions and/or recommendations on risk management and control topics to other Supervisory Board's committees;
- d) informs the Management Board and the Supervisory Board on significant topics and matters which might impact BCR's risk profile;
- e) reviews the appointment of external consultants that the RM Committee may decide to engage for advice or support, and oversees their activity; and
- f) reports on a quarterly basis to the Supervisory Board in relation to the RM Committee's activity.

The members of the Risk Management Committee as at the date of this Prospectus are:

<u>Name</u>	<u>Position</u>
Gernot Mittendorfer	Chairman
Manfred Wimmer	Deputy Chairman
Brian O'Neill	Member

### **Nomination Committee**

The Nomination Committee is composed of three members of the Supervisory Board appointed by the Supervisory Board. One of the Nomination Committee members is appointed as Chairman and another as Deputy Chairman.

The Nomination Committee has an advisory role being established for the purpose of assisting the Supervisory Board in carrying out its tasks related to the nomination and assessment of suitability of the members of the Supervisory Board, the Management Board and of key function holders (*persoane care detin functii-cheie*) respectively as well as to the Bank's corporate governance framework. The Nomination Committee has the following general duties and responsibilities:

- (i) analyses and periodically reviews (at least once a year, and/or whenever deemed necessary), before submitting to the Management Board, where the case, and/or finally, to the Supervisory Board's approval, the policies for identification, selection, training, assessment (including clear suitability criteria related to the qualification and professional experience), reassessment, succession, monitoring and planning for the succession of (i) key function holders (*persoane care detin functii-cheie*); (ii) members of the Supervisory Board, and (iii) members of the Management Board;
- (ii) carries out preparatory tasks and issues recommendations for all decisions to be taken by the Supervisory Board which are related to the Nomination Committee's activity;
- (iii) liaises, as required and/or recommended, with other Supervisory Board's committees to ensure that any decision falling within its duties according to the specific roles and responsibilities provided by the Committee's Internal Rules is in line with sound and effective risk management and ensures its involvement in the decision making process having an impact upon the risk management and financial status of BCR;
- (iv) makes recommendations to other Supervisory Board's committees and the general meeting of the BCR's shareholders, upon request;
- (v) reviews the appointment of external consultants that the Nomination Committee may decide to engage for advice or support and oversees their activity;
- (vi) reports on a quarterly basis to the Supervisory Board in relation to the Nomination Committee's activity; and
- (vii) upon fulfilling its duties, the Nomination Committee shall take into account, to the extent possible and on a continuous basis, the necessity of ensuring that the decision making process shall not be dominated by one person or by a small group of persons, in a manner that is detrimental to BCR's interests.

The members of the Nomination Committee as at the date of this Prospectus are:

Name	Position
Andreas Treichl	Chairman
Manfred Wimmer	Deputy Chairman
Brian O'Neill	Member

## Shareholders of BCR

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

	<i>No. of shares</i>	<i>Percentage of the share capital and voting rights</i>
Erste Group Bank AG	15,209,668,849	93.5783%
SIF Oltenia	1,023,534,303	6.2973%
Other legal persons (including SIF Muntenia and SIF Banat-Crisana each of them with one share)	240,503	0.0015%
Individuals	19,972,490	0.1229%
<b>TOTAL</b>	<b>16,253,416,145</b>	<b>100%</b>

Source: Shareholders' Registry of BCR

As seen in the shareholders' structure above, the majority voting rights in BCR is held by Erste Group Bank AG. Hence, Erste Group Bank AG 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 of BCR.

Notwithstanding the control relationship between BCR and Erste Group Bank AG, 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; (iv) misuse of corporate assets is strictly prohibited under the applicable corporate laws and internal regulations.

To the best of BCR's knowledge, there is no agreement or understanding that may result in future changes in control over BCR.

## **Historical Financial Information**

The Audited IFRS-EU Financial Statements 2015 and the Audited IFRS-EU Financial Statements 2014 are incorporated in this Prospectus by reference.

The Audited IFRS-EU Financial Statements 2015 and the Audited IFRS-EU Financial Statements 2014 comprise the individual and consolidated statements of comprehensive income, the individual and consolidated statements of financial position, the individual and consolidated statements of changes in equity and the individual and consolidated statements of cash flows as of and for the years ended 31 December 2015 and 31 December 2014, respectively, and an overview of significant accounting policies and other explanatory notes.

## **Interim and Other Financial Information**

The Unaudited Interim IFRS-EU Financial Statements 30 June 2016 are incorporated in this Prospectus by reference.

The Unaudited Interim IFRS-EU Financial Statements 30 June 2016 comprise the individual and consolidated statements of comprehensive income, the individual and consolidated statements of financial position, the individual and consolidated statements of changes in equity and the individual and consolidated statement of cash flows as of and for the first half of 2016 ending on 30 June 2016 and explanatory notes. The Unaudited Interim IFRS-EU Financial Statements 30 June 2016 have been prepared in condensed format. The Unaudited Interim IFRS-EU Financial Statements 30 June 2016 have not been audited or reviewed.

The interim consolidated financial results prepared in accordance with IFRS-EU of BCR (the Group and BCR) as of and for the first nine months of 2016 ending on 30 September 2016 are incorporated in this Prospectus by reference and have not been audited or reviewed.

## ***Recent developments, trends and changes in the financial position of the Group***

The financial crisis has made Romanian banks turn towards local resources, in conjunction with the fact that NBR encouraged the shift to RON lending. In response, the banks focused on raising customer deposits and issuing bonds in local currency. However, interest rates on deposits followed the downward trend of NBR policy rate, reflecting the slow growth of banking assets.

According to the National Institute of Statistics ("**INS**")<sup>5</sup>, in 2015 the real Romanian gross domestic product growth stood at 3.7% per cent. as compared with 2014. For the first time over the past twenty years, annual inflation in Romania fell in the negative territory, driven by the cut in the standard VAT rate in January from 24 per cent. to 20 per cent.. In December 2015, the annual inflation remained negative at -0.9 per cent. The annual inflation rate turned negative in June 2015, under the impact of broadening the scope of the 9 per cent. reduced VAT rate to all food items, non-alcoholic beverages and food service activities. The overlapping of the effects of the two measures in the first half of 2016 accounts for the current magnitude of the temporarily negative annual inflation rates.

On 7 October 2016, Standard & Poor's reaffirmed the country's sovereign rating at BBB- with stable outlook. Annual deflation accelerated in December 2016 at -0.5 per cent., on the background of lower than expected prices in food, especially vegetables and fruits, as well as fuels. Under the impact of the same measures, the average annual inflation rate based on the Harmonised Index of Consumer Prices, which is relevant for assessing convergence with the European Union, came in at -0.5 per cent.

Starting with 1 July 2013, the NBR decided to lower the monetary policy rate from 5.25 per cent. per annum in June 2013 and gradually reached 1.75 per cent. per annum starting May 2015, and the minimum reserves rate to 8 per cent (applicable since May 2015) for RON-denominated liabilities of credit institutions and 10

<sup>5</sup> [http://www.insse.ro/cms/sites/default/files/com\\_presa/com\\_pdf/pib\\_tr4r2015\\_2\\_0.pdf](http://www.insse.ro/cms/sites/default/files/com_presa/com_pdf/pib_tr4r2015_2_0.pdf)

per cent. (applicable since October 2016) for foreign currency liabilities (from 15 per cent. and 20 per cent. respectively in December 2013).

Considering the diverging nature of the projected path of the annual inflation rate and its major determinants, as well as the accompanying risks induced by the potential fiscal and income policy stance, the changes to financial legislation, and by the uncertainty about global economic growth and the recovery of the euro area economy, NBR decided, in its 4 August 2016 meeting, to keep unchanged the monetary policy rate at 1.75 per cent. per annum.

In February 2015, the Government for the first time unveiled a four-year fiscal relaxation plan that included a cut in standard VAT to 20 per cent. as of 2016, reduced VAT (9 per cent.) for some staple food (meat, fish, vegetables and fruits) in 2016, the elimination of the corporate tax on special buildings in 2016, smaller social insurance contributions paid by employers and employees in 2017 and a lowered personal income tax to 14 per cent. in 2019. Both the IMF and the European Commission took a dim view of the relaxation – at that time the Romanian government and a joint team of the IMF and EU reached no agreement for another review of the precautionary stand-by arrangement, with no new macro assessment issued by IMF. In a turnaround, the government decided to put part of the initial plan on the fast track, advancing the date for the first VAT cut for food to June 2015, while increasing the scope to all food items instead of only the staples. Meanwhile, the Ministry of Finance managed to increase revenue collection and VAT-related income in particular. With the central bank raising serious alerts over immoderate fiscal easing plans amid the IMF and EU's warnings, the Parliament revisited the amendments of the Fiscal Code in early September, opting for a more staged-approach to fiscal easing. However, by late October, the former Cabinet had already reversed itself, re-including and altering some of the measures previously endorsed by the Parliament: reduced dividend taxation (5 per cent. from 16 per cent.); reduced VAT quota for 'water & sewerage' services paid by households and for irrigation water. 2016 ended with a budget deficit of 2.4 per cent. of GDP, below the initial estimates of 2.9 per cent. of GDP, due to cuts in certain categories of public investments and a limited increase in expenditures for goods and services. Total revenues fell by 3.4 percentage points of GDP in 2016 in the context of the loose fiscal policy followed by the government, while expenditures were kept under control to a certain extent and decreased by 2.3 percentage points of GDP. Tax collection remained disappointing in some areas and the strong economic growth from 2016 has not translated entirely into higher budget revenues.

In the banking sector, within the past year a series of legislative proposals aimed at consumer protection in financial and banking transactions were submitted to the Parliament for adoption or are at date already enacted and applicable.

In May 2016, the controversial law on debt discharge (Law 77/2016) allowing mortgage debtors that are consumers to write off their unpaid loans by handing over their household property to the banks was enacted. The law applies equally to new contracts as well as contracts entered into before it was enacted. European and international institutions have, from very early legislative stages, expressed concerns about the negative effects that the law would have on the Romanian economy in general and on the banking sector in particular. The credit institutions reacted almost immediately and as a result a large number of banks have increased the financial deposits required to secure a mortgage. In line with its competitors, BCR decided to adjust lending conditions in terms of minimum down payment required and maturities. However, because a more reduced number of clients than initially forecasted made use of the provisions of the law, BCR decided to re-adjust lending conditions closer to their initial levels. Adverse impacts on mortgage loan volumes could be partly offset by growth in consumer loans, following recent real wage hikes and tax cuts. Moreover, the Mortgage Credit Directive (2014/17/EU) was implemented through Government Ordinance 52/2016 (in force since 1 October 2016). The ordinance included several limitations (e.g. elimination of the prepayment fee), including enforcement limitations (e.g. contracts assigned to a debt collection entity will lose their enforceability capacity). Other legislative initiatives that may affect the banking sector in general, such as the draft new National Consumer Protection By-Law and the law implementing the Payment Accounts Directive are currently under parliamentary debate at various stages or with their initiator (e.g. National Consumer Protection Authority).

Starting with 2014 and reaching a peak in 2015, the NPLs portfolio sale, particularly corporate loans, by credit institutions in Romania significantly improved the banks' balance sheets. Starting 2014 BCR accelerated the resolution of the NPLs book, seeing this as the most important step towards restoring growth and financial performance. This is already fully reflected in the 2014 results, when the year-on-year risk costs were doubled which significantly increased the NPL provisioning coverage. This put BCR in a good position to dispose of fully provisioned NPLs through sales, write-offs and recoveries. In doing so, BCR benefited from an exceptionally strong capital position that allowed it to comfortably absorb balance sheet restructuring. As a result, both the NPL volume and NPL ratio of the Bank came down significantly as

reflected in the Unaudited Interim IFRS-EU Financial Statements as at 30 June 2016 as well as BCR's financial results for the first nine months of 2016 ending on 30 September 2016.

Since 31 December 2015, the date of its last published audited financial statements, there has been no material adverse change in the prospects of the Bank.

Since 30 September 2016, the end of the last financial period for which interim financial information has been published, there has been no significant change in the financial position of the Group.

There are no recent events particular to the Issuer that are to a material extent relevant to the evaluation of the Issuer's solvency.

## Legal Proceedings

Apart from the proceedings described below, BCR has not been involved during the previous 12 months preceding the date of this Prospectus in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BCR is aware) which may have, or have had in the recent past, significant effects on BCR and/or the Group's financial positions or profitability.

### Consumer protection claims

The Bank 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.

### Historical liabilities

When Bancorex merged with BCR in 1999 (please see subsection entitled "Description of Banca Comercială Română S.A. – Introduction" above), the losses and liabilities of Bancorex were transferred to BCR, alongside its assets, based on two government ordinances<sup>6</sup>. According to these government ordinances:

- (a) Bancorex' net losses (after carrying out certain acts of compensation and annulment of debt specifically provided by law) have been registered into the merger balance sheet and covered by treasury bills up to an amount of RON300m (Romanian Leu (the "ROL", which term refers to the legal currency of Romania before redenomination on 1 July 2005) 3bn) issued in favour of BCR;
- (b) Receivables under off balance sheet positions shall, upon becoming due and payable, be transferred by BCR to the Agency for Enhancement of Banking Assets, at nominal value, without BCR being entitled to recover such receivables from the debtors of such receivables; in exchange for the assets taken over by the Agency for Enhancement of Banking Assets, BCR will receive treasury bills of equal value, in local or foreign currency, as applicable. The value of the treasury bills so issued shall be deducted from the guarantee ceiling referred to in (c) below;
- (c) Payables under off-balance sheet positions, within the limits of RON 32,500,000,000 (ROL 325bn) and of the equivalent of USD875.6m shall be guaranteed by the Romanian State and are to be collected by BCR; with respect to litigations arising from the activity carried out by Bancorex until the date of the deregistration thereof from the trade registry, upon request of BCR, the Government may approve by means of a government decision the increase of the guarantee ceiling referred to above, in which case the Ministry of Public Finance shall issue (a) guarantee letter(s) upon BCR's request in this respect, accompanied by justifying documents (subject to certain requirements and limitations); such letters of guarantee shall be issued provided that: (i) such letters of guarantee are issued in connection with (x) the off-balance sheet positions resulting from or in relation to Bancorex and (y) all obligations, including direct and indirect damages, resulting from or in connection with the litigations arising from Bancorex's activity prior to deregistration of Bancorex from the trade registry for which BCR is liable and provided that such claims are notified to the Ministry of Public Finance prior to 31 December 2013 and (ii) the total value of such guarantee letters to not exceed 50 per cent. of the

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<sup>6</sup> Government Ordinance no. 39/1999 on the finalisation of the restructuring process of Romanian Bank for Foreign Trade (Banca Română de Comerț Exterior – Bancorex – S.A.) and merger thereof into Banca Comercială Română S.A as amended to date and Government Ordinance no. 33/2006 on certain measures for the finalisation of the privatisation of Banca Comercială Română S.A as amended to date.



total acquisition price paid by Erste Bank for the shares acquired in BCR in the privatisation process, as set out in the sale purchase agreement signed in this respect. No letters of guarantee or other indemnity shall be issued/granted for claims notified to the Ministry of Public Finance after 31 December 2013.

A notification was issued prior to 31 December 2013 for the amount of RON 1.4m and as at the date of this Prospectus no official answer has been received.

In respect of liabilities arising out of claims made in legal proceedings, in many cases BCR has been indemnified by the Romanian Government and in addition was given the right to require AVAS to replace BCR as defendant in the relevant court proceedings. As of the date of this Prospectus, the courts, in most cases, accepted the substitution (the principle of substitution and the reasons for this were understood and accepted by the courts with some exceptions which entailed discussions relating to other details of the cases – e.g. whether or not a specific claim resulted from Bancorex activity, etc.). In light of these arrangements, the management of BCR believes that BCR's financial condition is not susceptible to be adversely affected by any of the losses or liabilities that BCR acquired from Bancorex.

As at 30 September 2016, BCR was involved in 5,398 litigations, out of which in 4,796 litigations as defendant. BCR recorded provisions for litigations in a total amount of RON 48.10m. All litigations are monitored and all the cases with loss risk are evaluated and provisioned.

## Material Contracts

BCR has not entered into any material contracts, other than those entered into in the ordinary course of business, which could result in any Group member being under an obligation or entitlement that is material to BCR's ability to meet its obligation to Holders in respect of the Notes to be issued under the Programme.

## Credit Ratings

The Issuer is rated:

- (a) upon request by BCR, by Fitch Rating Ltd ("**Fitch**") with seat in 30 North Colonnade, Canary Warf, London E14 5GN, United Kingdom; and
- (b) on a non-solicited basis, by Moody's Deutschland GmbH ("**Moody's**") with registered office at An der Welle 5, 60322 Frankfurt am Main, Germany.

Moody's and Fitch are registered under Regulation (EC) No. 1060/2009 of the European Parliament and of Council of 16 September 2009 on credit rating agencies as amended (the "**CRA Regulation**") as registered 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 European Union within 30 days following the updates.

### Fitch Ratings

In October 2016, Fitch affirmed the following ratings of the Issuer:

Long term Issuer Default Rating	Short Term Issuer Default Rating	Outlook
BBB	F2	stable

According to the Rating Definitions as published by Fitch ([www.fitchratings.com](http://www.fitchratings.com)) as at the date of this Prospectus, the above 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 rating to denote relative status within major rating categories.

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

"**Stable 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.

### **Moody's Investors Services**

BCR is rated by Moody's on an unsolicited basis, i.e. exclusively based on publicly available information. Thus, the rating assigned by Moody's to BCR was not performed at the request or with the co-operation of BCR in the rating process. In September 2016, Moody's affirmed the ratings and changed the outlook to positive:

Long term bank deposits rating	Short Term bank deposits rating	Outlook
Ba1	NP (not prime)	positive (revised from stable)

According to the Rating Symbols and Definitions as published by Moody's ([www.moody.com](http://www.moody.com)) as at the date of this Prospectus, the above ratings have the following meanings:

**"Ba"** – Obligations rated Ba are judged to be speculative and are subject to substantial credit risk. **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.

**"NP"** – Issuers (or supporting institutions) rated Not Prime do not fall within any of the Prime rating categories.

**"Positive Outlook"** – A Moody's rating outlook is an opinion regarding the likely rating direction over the medium term. Rating outlooks fall into four categories: Positive, negative, stable, and developing. A positive outlook indicates a higher likelihood of an upward 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.

Information on the ratings can be retrieved on the Issuer's website (<http://http://www.bcr.ro/en/investors/rating-bcr>). General information regarding the meaning of the ratings 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 Ratings Ltd ([www.fitchratings.com](http://www.fitchratings.com)).

## **Other Information**

### **Independent Auditors**

Ernst & Young Assurance Services SRL, with registered seat at 15-17 Ion Mihalache Blvd., Bucharest Tower Centre, 21st floor, Sector 1, Bucharest, Romania have audited and issued unqualified auditor's reports in respect of the BCR consolidated and separate financial statements (The Group and The Parent Bank) prepared in accordance with International Financial Reporting Standards as endorsed by the European Union as of and for the year ended 31 December 2014 and BCR consolidated and separate financial statements (The Group and The Parent Bank) prepared in accordance with International Financial Reporting Standards as endorsed by the European Union as of and for the year ended 31 December 2015, respectively.

Ernst & Young Assurance Services SRL is a member of the Chamber of Financial Auditors of Romania, registration number 77/15 August 2001.

On 28 April 2014, the Ordinary GMS approved the reappointment of Ernst & Young Assurance Services SRL as BCR's external auditor with regard to the 2014 financial year and on 30 July 2014 the Ordinary GMS approved the re-appointment of Ernst & Young Assurance Services SRL as BCR's external auditor with regard to the 2015 financial year. On 26 August 2016, the Ordinary GMS approved the reappointment of Ernst & Young Assurance Services SRL as BCR's external auditor with regard to the 2016 financial year.

Ernst & Young Assurance Services SRL have given and have not withdrawn their consent to the inclusion of their report in this Prospectus in the form and context in which it is included.

### **Employees**

As at 30 September 2016, BCR had 7,835 employees (compared with approximately 5,000 in December 1990, when it was established). Approximately 48.02 per cent. of BCR's employees belong to one of the four trade unions established in BCR. Over recent years, relations between BCR and these trade unions have generally been good, with no working days lost due to industrial action. There is a collective labour agreement in place today. On 22 April 2016, the new collective labour agreement was registered with a duration of two years. Employees are provided with retirement bonuses, severance packages, childbirth bonuses and meal vouchers.

At present, the procedure for collective redundancy schemes in Romania and employee dismissals is slow and bureaucratic, since both trade unions and the labour authorities must be consulted in advance, and strict legal provisions must be observed.

The 2016 training plan for BCR employees has been designed in accordance with their individual training needs as well as the Bank's business objectives, with a view to maintaining high quality professional standards.

## **USE OF PROCEEDS**

The net proceeds from the issue of any Notes may be used by the Issuer for its general funding purposes or to enter into hedging transactions.

# THE ROMANIAN BANKING SYSTEM

The information in this chapter covers certain aspects of the banking regulations in Romania. It is intended to provide a brief overview of the banking regulations to which BCR is subject rather than a comprehensive description of the regulation and supervision of banking in Romania.

## Structure of the Romanian Banking System

As at 31 December 2015, there were 36 credit institutions on the Romanian market and under the supervision of the NBR, of which 2 were banks fully or majority state-owned, 4 were banks with domestic majority privately-owned capital, 23 were banks majority foreign-owned, 7 were foreign bank branches and one credit co-operative network (*rețea cooperatistă de credit*). The two remaining state-owned banks are the Romanian Savings Bank (*Casa de Economii și Consemnațiuni*) ("**CEC**") and Eximbank Romania. The absorption of Millennium Bank by OTP Bank Romania was finalised in October 2015, whereas the acquisition of Volksbank Romania by Banca Transilvania was completed on 30 December 2015. The number of foreign bank branches dropped to 7, after Montepio Credito and Royal Bank of Scotland stopped operating in August and end-October 2015 respectively. As a result, the total number of credit institutions decreased by 4 from end-2014 to 36 at end-2015 (*Source: NBR Monthly Bulletin no.12/2015*).

As at 31 December 2015, the five largest Romanian banks based on assets value had a combined market share of 57.8 per cent. (*Source: NBR 2015 Annual Report*). In addition to providing banking services, Romanian banks can also provide investment services to the extent registered in the public registry of the Romanian Financial Supervisory Authority – Financial Instruments and Investments Sector.

### Market share

	Share capital (per cent.)		Net assets (per cent.)	
	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015
Banks fully or majority state-owned	11.2	12.3	8.7	8.3
Banks with majority private capital (including foreign bank branches) and Creditcoop	88.8	87.7	91.3	91.7
<i>of which:</i>				
Majority foreign-owned banks,	86.3	85.9	89.9	90.3
<i>of which:</i>				
Foreign bank branches	1.2	1.3	9.8	10.8
<b>TOTAL Banking System</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

*Source: NBR Monthly Bulletin no. 12/2015*

## Bank Privatisation

Privatisations of Romanian banks are governed by the Banks Privatisation Act no. 83/1997, as amended (*Legea nr. 83/1997 pentru privatizarea societăților comerciale bancare la care statul este acționar*), which supplements the legal regime applicable to corporate privatisations (i.e. the Government Emergency Ordinance no. 88/1997 concerning the privatisation of trade companies and the Act on Measures for the Acceleration of Privatisation no. 137/2002, as amended). In addition, the Romanian Government usually enacts a special set of rules for each Romanian bank privatisation, setting out, among other things, the privatisation strategy.

## Legal and Institutional Environment

### Cornerstones of the Romanian Banking Regulatory Framework

Government Ordinance no. 99/2006 on credit institutions and capital adequacy, as amended to date (the "**Romanian Banking Act**") sets out the regulatory framework for all types of credit institutions (banks, state-supported savings and lending systems in the Romanian housing field, credit co-operatives, mortgage loan banks). Law no. 312/2004 regarding the Statute of the NBR (the "**NBR Act**"), Emergency Government Ordinance no. 113/2009 on payment services, Law 85/2014 on insolvency prevention procedures and on insolvency procedure, Law 312/2015 on recovery and resolution of credit institutions and investment firms and for amending and supplementing certain normative acts of financial matter, NBR Regulation no. 4/2005

on the foreign exchange regime as subsequently amended, NBR Regulation no. 05/2013 on prudential requirements for credit institutions, are other significant pieces of Romanian banking legislation.

### **Supervision of the Romanian Banking System**

The NBR is the central bank of Romania and is vested with regulatory and supervisory powers in the banking sector. The NBR's establishment, status and activities are regulated by the NBR Act.

The NBR is an independent public institution headed by a Board of Directors consisting of nine members. The executive management of the NBR is exercised by the Governor, the Senior Deputy Governor, two Deputy Governors, and five other members which are not employees of NBR. Members of the Board of Directors are appointed by the Romanian Parliament for a renewable five-year term.

To promote the efficiency of the decision-making process, four committees are organised within the NBR structures in order to support the main functions of the central bank: a monetary policy committee, a supervisory committee, a foreign reserves administration committee and an audit committee.

### **Role of the NBR**

The NBR has the following main powers and responsibilities:

- determining and implementing monetary and exchange rate policies;
- authorising, regulating and supervising credit institutions and promoting and supervising the smooth operation of payment systems with a view to ensuring financial stability;
- issuing bank notes and coins to be used as legal payment instruments in Romania;
- determining and supervising compliance with foreign exchange policy; and
- managing Romania's international reserves.

Any Romanian credit institution may only be established and operate in Romania after it receives NBR's authorisation. In addition, authorisation from the NBR is required in case of mergers between two or more credit institutions. The prior written approval of the NBR is also mandatory in the case of changes occurring within credit institutions related, *inter alia*, to: supplementing the object of activity, persons nominated to discharge managerial responsibilities, financial auditors, setting up a subsidiary in third countries or expanding a network of subsidiaries within Romania (if NBR imposes limitations in this respect on a credit institution due to risk management deficiencies or the inappropriate evolution of banking prudential indicators in relation to the credit institution). Any changes related, among others, to a credit institution's registered office, name, and increase and, in certain circumstances, decrease in share capital must be notified to the NBR.

Credit institutions authorised and supervised by competent authorities from other Member States may provide services directly in Romania, based on a notification sent to the NBR by the competent authority of the relevant Member State.

The NBR monitors compliance with the Romanian Banking Act and the regulations applicable to Romanian banks. NBR performs prudential supervision of credit institutions based, *inter alia*, on reports sent by the latter on a periodical basis. These reports reflect the activities carried out by credit institutions and their compliance with the regulations in force.

NBR is the resolution authority for the banking sector and has responsibilities regarding planning and carrying out of resolution actions. Banking resolution is the process of restructuring a credit institution in order to ensure the continuity of the critical function of the credit institution, to restore its viability, wholly or partially, and to liquidate the residual part under normal insolvency proceedings.

In order to ensure the efficiency of potential resolution actions, the NBR prepares resolution plans for credit institutions, which include measures that could be taken, if need be, in accordance with the established resolution strategy.

The resolution plan contains, mainly, the following elements: a demonstration of how critical functions could be maintained, identification of major impediments related to the assessment of resolvability and measures to remove them, different resolution strategies that could be applied, arrangements for financing the resolution tools, minimum requirements of own funds and eligible liabilities, options for preserving access to payment services and an estimation of the timeframe for executing each material aspect of the plan.

NBR carries out resolution actions only in case three cumulative conditions have been fulfilled:

- a) the credit institution fails or is likely to fail;
- b) having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures, taken in respect of the institution, would prevent the failure of the credit institution within a reasonable timeframe;
- c) the resolution action is necessary in the public interest.

A credit institution shall be deemed to be failing or likely to fail in one or more of the following circumstances:

- a) the institution infringes or there are objective elements to support a determination that the institution will, in the near future, infringe the requirements for continuing authorisation in a way that would justify the withdrawal of the authorisation by BNR including but not limited to because the institution has incurred or is likely to incur losses that will deplete all or a significant amount of its own funds;
- b) the assets of the credit institution are or there are objective elements to support a determination that the assets of the institution will, in the near future, be less than its liabilities;
- c) the institution is or there are objective elements to support a determination by NBR that the institution will, in the near future, be unable to pay its debts or other liabilities as they fall due;
- d) extraordinary public financial support is required.

Resolution actions, which include resolution tools and resolution powers, aim to fulfil any of the following objectives:

- a) to ensure the continuity of critical functions;
- b) to avoid a significant adverse effect on the financial system, in particular by preventing contagion, including to market infrastructures, and by maintaining market discipline;
- c) to protect public funds by minimising reliance on extraordinary public financial support;
- d) to protect depositors covered by the deposit guarantee scheme and of the investors covered by the compensation scheme according to capital markets' legislation.
- e) to protect client funds and client assets.

The resolution tools that can be used, individually or in any combination, are:

- a) the sale of business tool;
- a) bridge institution tool;
- b) the asset separation tool (this tool can only be used together with another tool);
- c) bail-in tool.

Within NBR the resolution function is structurally separated from and subject to separate reporting/subordination lines from the credit institution supervision function as well as from the other functions and activities of the central bank. The resolution function is organised within the Bank Resolution Department.

In the event of failure by a credit institution to comply with the applicable regulations, NBR may apply penalties ranging from written warnings to fines (of up to 10 per cent of the previous year net turnover for legal entities or up to the RON equivalent of EUR 5.000.000 for natural persons, as well as up to twice the amount of the benefit derived from the misconduct, if applicable). The NBR may also order temporary prohibition to exercise certain functions within the credit institution, order cease of misconduct, withdraw the approval granted to persons discharging managerial responsibilities within the credit institution or even withdraw the banking licence (thus leading to its winding up) or suspend the exercise by the responsible shareholders of its voting rights within the credit institution.

In case a credit institution undergoes significant deterioration of prudential and financial performance indicators, or to prevent a potentially significant deterioration thereof, the NBR may institute certain measures in relation to the respective credit institution and its stakeholders in order to restore or maintain its financial soundness. Such measures include requesting persons owning a qualified shareholding in the respective credit institution to financially support the institution by contributing to a share capital increase or by granting thereto loans or prohibiting distribution of profits to shareholders.

At the beginning of 2012 the Romanian banking system implemented IFRS-EU as the accounting basis and for the drawing up of individual financial statements. The classification of loans and investments based on

the NBR methodology continues to be performed only for the purpose of establishing whether there is a need for additional prudential value adjustments beyond those required by IFRS-EU adjustments.

## Banking Regulations

### Capital Adequacy

Credit institutions in Romania are required by NBR Regulation no. 5/2013 to have, upon incorporation, own funds at least at the level of the initial capital (*capitalul inițial*), currently set at a minimum of RON 37,000,000. The initial capital consists of one or more elements included in the Tier 1 own funds of a credit institution, i.e. the share capital (*capitalul social*) and reserves, less the value of own shares held by the credit institution.

According to CRR, credit institutions are required to maintain own funds (*fonduri proprii*) at their disposal in order to be able to use them in an immediate and unconditional manner to cover any potential risks or losses. Credit institutions must maintain own funds which consist of the following:

- (i) Tier 1 own funds, which include Common Equity Tier 1 ("**CET 1**") items (a): bank share capital and share premium (*primele de capital*), the positive net result for the previous financial years, other reserves, accumulated other comprehensive income, funds for general banking risk and other capital instruments which meet the eligibility criteria set out by the CRR, and Additional Tier 1 ("**AT 1**") items (b): capital instruments with related share premiums meeting the conditions of (EU) Regulation no. 575/2013. Common Equity Tier 1 instruments shall be evaluated by the local competent authorities as to whether their issuance meets the criteria for own funds inclusion;
- (ii) Tier 2 own funds which include capital instruments and subordinated loans with related share premiums which meet the eligibility criteria set out by the regulator.

In line with the CRD IV/CRR requirements, credit institutions shall at all times satisfy the following capital ratios for own funds: (i) a CET 1 ratio of 4.5 per cent.; (ii) a Tier 1 ratio of 6 per cent.; and (iii) a total capital ratio of 8 per cent., all expressed as a percentage of the total risk exposure amount. The total risk exposure amount is basically the sum of risk-weighted exposure amounts for credit risk, as well as own funds requirements for market risk and operational risk. Starting 2016, CET 1 ratio limit for BCR is 6.125 per cent. (including a capital conservation buffer of 0.625 per cent. applicable in 2016 and an Other Systemically Important Institutions ("**O-SII**") buffer of 1 per cent. applicable for all credit institutions identified as systemically important in 2015).

### Solvency Ratio

The solvency ratio, which is the ratio of a bank's own funds relative to its risk-weighted assets, must be at least 8 per cent., both on an individual and a consolidated basis (using individual and consolidated own funds). NBR's recommended solvency ratio is at least 10.0 per cent. BCR fulfils minimum regulatory ratios (as at 31 December 2015 the solvency ratio based on audited figures stood at 19.6 per cent. for BCR and at 18.9 per cent. for the Group).

### Liquidity Ratio

Basel III has introduced two new liquidity ratios: the Liquidity Coverage Ratio ("**LCR**") and the Net Stable Funding Ratio ("**NSFR**"). They are monitored by EBA from the beginning of 2012 on a quarterly basis, but since 2013 LCR has been switched to monthly monitoring. LCR and NSFR are reported on both standalone (individual) and consolidated levels.

By imposing limits to the LCR indicator, EBA ensures that a bank maintains an adequate level of high-quality liquid assets that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity pre-specified stress scenario.

NSFR focuses on the long-term funding and serves to define the minimum acceptable amount of stable funding, based on the bank's liquidity characteristics of assets and activities over a one year time horizon.

Additionally to EBA requirements, NBR requires the calculation and monitoring of a monthly liquidity indicator reported to NBR according to Regulation 25/2011.

The level of the liquidity indicator is calculated as a ratio between effective liquidity (on-balance sheet assets and off-balance sheet received commitments) and the necessary liquidity (on-balance sheet liabilities and off-balance sheet given commitments) for a predefined set of maturity bands. The indicator is calculated and reported per significant currencies (i.e. RON, EUR) and per total currencies and has a minimum regulatory



limit of 1 for the maturity bands of minimum 1 month, between 1 and 3 months, between 3 and 6 months and between 6 and 12 months.

### **Minimum Reserves ("MMR")**

All banks are obliged to calculate and maintain minimum reserves. Mandatory reserve is the average daily balances of the accounts held with NBR during the maintenance period. The reserve base is the average daily balances, during the observance period, of both RON and foreign currency-denominated liabilities (except interbank liabilities, obligations to the NBR, and own capital). The observance period and the maintenance period are one month long and successive (the observance period lasts from the 24th of the previous month to the 23rd of the current month, while the maintenance period lasts from the 24th of the current month to the 23rd of the subsequent month). The minimum reserve requirements imposed by the NBR and the interest rates for the deposits placed as reserves are an important tool for implementing its monetary policy, as it allows the NBR to influence the volume and structure of banking liabilities.

### **Loan Classification**

As at 1 January 2012 the legal framework for the classification of loans and investments, as well as the computing of prudential value adjustments, extends to Romanian credit institutions and to branches of non-EU credit institutions which for all/ a part of the loans/ investments determine the minimum capital requirements for credit risk according to the standardized approach.

Loans granted by credit institutions to their non-bank debtors are classified from an exposure perspective into five categories: standard, watch, sub-standard, doubtful and loss. Exposures (credits and investments) incurred by credit institutions to other credit institutions fall into two categories: standard and loss. Provisioning quotas are specified for each of these categories, ranging from zero (0) for "standard" to 1 for "loss". Credit exposures are generally classified by the reporting institutions according to debt service history (the number of past-due days from the maturity date), financial performance category (from A to E) and the commencement of legal proceedings against the debtor.

Institutions must send a report on the classification of credits and investments to the NBR, which comprises both the prudential value adjustments and the specific provisions for credit risk, no later than 20 days after the end of the month for which the report is issued.

### **Large Exposures**

The net exposure of a bank in relation to a single client (which includes a group of clients that, due to their special relationship, represent a single risk), or to a group of interconnected clients, must not exceed 25 per cent. of the bank's own funds. The maximum exposure towards a client or a group of interconnected clients must not exceed 25 per cent. of the bank's own funds.

A bank is deemed to have a large exposure to a single client or a group of interconnected clients if any such exposure exceeds 10 per cent. of the bank's own funds. Banks are required to notify the NBR of large exposures.

### **Reporting**

Banks in Romania must regularly file reports with the NBR, including, but not limited to, the following:

- monthly reports (on an individual basis) and quarterly reports (on a consolidated basis) on the level and composition of the bank's own funds;
- quarterly reports (on an individual basis) and half yearly reports (on a consolidated basis) on capital adequacy ratios;
- monthly reports on financial information consisting of: balance sheet, profit and loss account;
- quarterly reports (on both an individual and consolidated basis) on solvency ratios;
- annual audited financial statements and semi-annual financial data;
- monthly reports on the classification of financial assets representing loans/investments and related prudential value adjustments;
- quarterly reports (on an individual basis) and half yearly reports (on a consolidated basis) on large exposures to a single client or to a group of interconnected clients;
- monthly reports on liquidity ratios.

## **Participations in Credit Institutions**

Any persons (whether an individual or an entity or a group of such persons acting in concert) intending to become a significant shareholder of a bank (i.e. directly or indirectly holding 10 per cent. or more of the bank's share capital or voting rights) must notify the NBR in advance and must specify the value of the envisaged participation to be acquired and must also provide the NBR with certain information, as provided for under the relevant legal provisions.

Furthermore, any significant shareholder must notify the NBR in advance of its intention to increase its shareholding or voting rights to 20 per cent., a third, or 50 per cent. or more of that bank's share capital or voting rights (or to such an extent that the bank becomes its subsidiary) and must also provide the NBR with certain information, as provided for under the relevant legal provisions. The NBR may object to such acquisitions. Similarly, the NBR must be notified in advance of any decrease in a holding below the following thresholds: 50 per cent., a third, 20 per cent. or 10 per cent. (or to such an extent that the bank ceases to be its subsidiary). The voting rights of the prospective or current significant shareholder are automatically suspended if it fails to comply with these notification requirements or if the NBR objects to the transaction.

In cases where the provisions regarding the notification requirements are not observed in relation to the acquisition of a qualified participation (or in the case of the NBR's opposition to the relevant acquisition), the person that acquires shares or voting rights in excess of thresholds of 10 per cent., 20 per cent., a third or 50 per cent., must sell the participation within three months. If the acquirer does not comply, NBR instructs the relevant bank to cancel the shares in question. New shares (bearing the same number and series) will then be issued by such bank and sold, and the proceeds of the sale (net of related expenses) will be remitted to the acquirer whose shares have been cancelled. If such a sale of newly issued shares is not possible, either in full or in part, the share capital of the bank will be reduced accordingly.

## **Participations in Other Enterprises**

Any qualified participation held directly or indirectly by a bank in shares or other equities in non-financial entities (including entities that perform activities auxiliary to banking activities) may not exceed 15 per cent. of the bank's own funds. The total value of a bank's qualified participations in non-financial entities may not exceed 60 per cent. of the bank's own funds. Credit institutions are generally not allowed to hold participations granting control over non-financial entities.

In order to facilitate the performance of financial reconstruction or rescue operations of non-financial entities by means of debt-to-equity swap operations, the NBR adopted a regulation which, provided that several prudential requirements are met, allows derogations from the afore-mentioned limitations on holdings in non-financial entities. The value of shares temporarily held is fully deducted from the credit institution's own funds in order to avoid an artificial improvement in its prudential indicators for a maximum period of 36 months (which may be extended, subject to justified reasons, to 48 months).

## **Deposit Insurance**

Credit institutions in Romania are required to make contributions to the Bank Deposit Guarantee Fund (the "**Fund**"). If a bank is not capable of repaying a deposit for reasons directly related to its financial standing, or becomes subject to bankruptcy proceedings, the Fund will reimburse each of that bank's customers up to the RON equivalent of EUR 100,000 (legal provision applicable as at 30 December 2010).

## **Bankruptcy**

Romanian legislation regarding bankruptcy in general, and the bankruptcy of credit institutions in particular, grants Romanian courts exclusive jurisdiction with respect to bankruptcy proceedings commenced against a Romanian bank.

## **The standards introduced by the Basel Committee**

The Basel Committee on Banking Supervision (the "**Basel Committee**") provides a forum for regular cooperation between its member countries on matters relating to banking supervision. Its wider objective is to improve supervisory understanding and the quality of banking supervision worldwide. The Basel Committee does not possess any formal supranational supervisory authority. Instead, it publishes statements of best practice in the expectation that individual authorities will take steps to implement them through detailed arrangements which are best suited to their own national systems.

As at 1 January 2007, Romanian banking regulations largely reflected the Basel II framework implemented since 2008 by all Romanian credit institutions.

On 27 June 2013, CRD IV and CRR, adopted to strengthen the regulation of the banking sector and to implement the Basel III agreement in the EU legal framework, were published in the Official Journal of the European Union. Member States are required to adopt and publish the laws, regulations and administrative provisions necessary to comply with CRD IV by and, with a few exceptions, to apply those provisions transposing CRD IV from 1 January 2014. In December 2013 the NBR issued regulation no. 5/2013 to transpose CRD IV. The regulation stipulates that the main local prudential filter will be phased in during a transitional period from 2014 to 2017, with a yearly decrease of 20 per cent. For other prudential filters/deductions NBR has also established transitional provisions which should be applied gradually during the period from 2014 to 2018.

# TAXATION

The statements herein regarding certain tax issues in Austria, Germany, Luxembourg and Romania are based on the laws in force in those jurisdictions as of the date of this Prospectus and are subject to any changes in such laws which may even have retroactive effects. The following summaries do not purport to be comprehensive descriptions of all the tax considerations which may be relevant to a decision to purchase, own or dispose of Notes and further disclosure may be included in a supplement to this Prospectus. Prospective holders of Notes should consult their tax advisers as to the relevant tax consequences of the ownership and disposition of Notes.

## Austria

This section on taxation contains a brief overview of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the Notes in the Republic of Austria. This overview does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. This overview is based on the currently applicable tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential investors in the Notes consult with their legal and tax advisers as to the tax consequences of the purchase, holding or sale of the Notes. Tax risks resulting from the Notes (in particular from a potential qualification as equity for tax purposes instead of debt) shall in any case be borne by the investor. For the purposes of the following it is assumed that the Notes (*Forderungswertpapiere*) are legally and factually offered to an indefinite number of persons. In addition, the following information is based on the assumption that the Issuer neither has its seat nor its place of management in Austria.

### General remarks

Individuals having a domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*), both as defined in § 26 of the Austrian Federal Fiscal Procedures Act (*Bundesabgabenordnung*), in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*), both as defined in § 27 of the Austrian Federal Fiscal Procedures Act, in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations having neither their place of management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

### Income taxation of the Notes

Pursuant to § 27(1) of the Austrian Income Tax Act (*Einkommensteuergesetz*), the term investment income (*Einkünfte aus Kapitalvermögen*) comprises:

- income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to § 27(2) of the Austrian Income Tax Act, including dividends and interest; the tax basis is the amount of the earnings received (§ 27a(3)(1) of the Austrian Income Tax Act);
- income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to § 27(3) of the Austrian Income Tax Act, including gains from the alienation, redemption and other realisation of assets that lead to income from the letting of capital, zero coupon bonds and broken-period (accrued) interest; the tax basis amounts to the sales proceeds or the redemption amount

minus the acquisition costs, in each case including accrued interest (§ 27a(3)(2)(a) of the Austrian Income Tax Act); and

- income from derivatives (*Einkünfte aus Derivaten*) pursuant to § 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates. According to the interpretation of the Austrian Ministry of Finance, sec. 27(4) of the Austrian Income Tax Act) comprises all kind of certificates, including for example index certificates, alpha certificates, leverage certificates or so-called sport certificates (Income Tax Act Guidelines 2000, "EStR 2000", para 6173). The underlying may be shares, indices, commodities, currencies, bonds, metals, etc. In case of certificates, income from derivatives results from the difference between the acquisition costs and the sales prices or redemption value or settlement amount (all of the latter depending on the development in value of the underlying). Indexed bonds (*indexierte Anleihen*) or bonds with index-linked yield (*Anleihen mit indexorientierter Verzinsung*) are not deemed to be derivatives for purposes of sec. 27(4) of the Austrian Income Tax Act. Interest resulting from these bonds is treated as income from the letting of capital pursuant to sec. 27(2) of the Austrian Income Tax Act; the sale or redemption of these bonds is deemed to lead to income from realised gains and other increases in value pursuant to sec. 27(3) of the Austrian Income Tax Act (EStR 2000, para 6195 et seq.).

In case the Issuer may choose whether to redeem a bond either by handing out cash or by way of transferring (own or third party) shares, interest paid on these bonds is deemed to be income from the letting of capital pursuant to sec. 27(2) of the Austrian Income Tax Act. The exercise of the option by the Issuer is not deemed to be an exchange of bonds for stock and does therefore not result in a sale of the bond with a subsequent acquisition of the shares (EStR 2000, para 6183 et seq.). Income from the sale or redemption of cash or share bonds constitutes income from realised increases in value.

Income from securitised or non-securitised options/warrants (*Optionen, Optionsscheine*) is treated as income from derivatives. This includes income from cash settlements, option premiums, the sale of the derivative or any other event resulting in a settlement or set-off of positions. The mere exercise of options or the delivery of the underlying does not trigger a taxable event under sec. 27(4) of the Austrian Income Tax Act but may result in increased acquisition costs, reduced capital gains or reduced interest. In case of an actual delivery of the underlying, option premiums increase the acquisition costs of the underlying received. Any underlying received is deemed to be acquired upon the option's exercise (for a consideration). In this case a realisation event that may – depending on the respective underlying – lead to the taxation of hidden reserves does commonly not take place before the subsequent sale of the underlying.

Also the withdrawal of the Notes from a securities account (*Depotentnahme*) and circumstances leading to a restriction of Austria's taxation right regarding the Notes *vis-à-vis* other countries, e.g. a relocation from Austria (*Wegzug*), are in general deemed to constitute a sale (*cf.* § 27(6) of the Austrian Income Tax Act). In case of relocation of an individual to a Member State of the European Union or to certain Member States of the European Economic Area, a deferral of taxation may be available. The tax basis amounts to the fair market value at the time of withdrawal/restriction of Austria's taxation right minus the acquisition costs (§ 27a(3)(2)(b) of the Austrian Income Tax Act).

### **Individuals holding the Notes as non-business assets**

Individuals subject to unlimited income tax liability in Austria holding the Notes as non-business assets (*Privatvermögen*) are subject to income tax on all resulting investment income pursuant to § 27(1) of the Austrian Income Tax Act. In case of investment income from the Notes with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depottführende Stelle*), the income is subject to withholding tax (*Kapitalertragsteuer*) at a flat rate of 27.5 %; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to § 97(1) of the Austrian Income Tax Act). In case of investment income from the Notes without an Austrian nexus, the income must be included in the investor's income tax return and is subject to income tax at the flat rate of 27.5 %. In both cases upon application the option exists to tax all income subject to income tax at a flat rate pursuant to § 27a(1) of the Austrian Income Tax Act at the lower progressive income tax rate (option to regular taxation pursuant to § 27a(5) of the Austrian Income Tax Act). The acquisition costs must not include ancillary acquisition costs (*Anschaffungsnebenkosten*; § 27a(4)(2) of the Austrian Income Tax Act). Expenses having a direct economic nexus to income subject to a flat income tax rate pursuant to § 27a(1) of the Austrian Income Tax Act, such as bank charges and custody fees, must not be deducted (§ 20(2) of the Austrian Income Tax Act); this also applies if the option to regular

taxation is exercised. § 27(8) of the Austrian Income Tax Act, *inter alia*, provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives (*inter alia*, if being in the form of securities) may be neither offset against interest from bank accounts and other non-securitized claims *vis-à-vis* credit institutions (except for cash settlements and lending fees) nor against income from private foundations, foreign private law foundations and other comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*); income subject to income tax at a flat rate of 25 % or 27.5 % may not be set off against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already set off against positive investment income may not be set off against other types of income. The Austrian custodian agent is obliged to automatically effect the setting off of losses by taking into account all of a taxpayer's securities accounts with the custodian agent (cf. § 93(6) of the Austrian Income Tax Act) and to issue a written confirmation on the offsetting of losses to the taxpayer to this effect. Losses may not be carried forward.

### **Individuals holding the Notes as business assets**

Individuals subject to unlimited income tax liability in Austria holding the Notes as business assets are subject to income tax on all resulting investment income pursuant to § 27(1) of the Austrian Income Tax Act. In case of investment income from the Notes with an Austrian nexus (as described above), the income is subject to withholding tax at a flat rate of 27.5 %. While withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives if being in the form of securities must be included in the investor's income tax return (nevertheless income tax at the flat rate of 27.5 %). In case of investment income from the Notes without an Austrian nexus, the income must always be included in the investor's income tax return (generally income tax at the flat rate of 27.5 %). In both cases upon application the option exists to tax all income subject to income tax at a flat rate pursuant to § 27a(1) of the Austrian Income Tax Act at the lower progressive income tax rate (option to regular taxation pursuant to § 27a(5) of the Austrian Income Tax Act). Expenses having a direct economic nexus to income subject to a flat income tax rate pursuant to § 27a(1) of the Austrian Income Tax Act, such as bank charges and custody fees, must not be deducted (§ 20(2) of the Austrian Income Tax Act); this also applies if the option to regular taxation is exercised. Pursuant to § 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the alienation, redemption and other realisation of financial assets and derivatives in the sense of § 27(3) and (4) of the Austrian Income Tax Act, which are subject to special tax rates of 25 % or 27.5 %, are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets within the same business unit (*Wirtschaftsgüter desselben Betriebes*); only 55 % of the remaining negative difference may be offset against other types of income (the negative difference remaining after such setting off may be fully carried forward).

### **Corporations and Private Foundations**

Pursuant to § 7(2) of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*), corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on income in the sense of § 27(1) of the Austrian Income Tax Act from the Notes at a rate of 25 %. In case of income in the sense of § 27(1) of the Austrian Income Tax Act from the Notes with an Austrian nexus (as described above), the income is subject to withholding tax at a flat rate of 27.5 %. However, a 25 % rate may pursuant to § 93(1a) of the Austrian Income Tax Act be applied by the withholding agent, if the debtor of the withholding tax is a corporation. Such withholding tax can be credited against the corporate income tax liability. Under the conditions set forth in § 94(5) of the Austrian Income Tax Act withholding tax is not levied in the first place. Losses from the alienation of the Notes can be offset against other income (and carried forward).

Pursuant to § 13(3)(1) in connection with § 22(2) of the Austrian Corporate Income Tax Act, private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in § 13(3) and (6) of the Austrian Corporate Income Tax Act and holding the Notes as non-business assets are subject to interim taxation at a rate of 25 % on interest income, income from realised increases in value and income from derivatives (*inter alia*, if the latter are in the form of securities). Pursuant to the Austrian tax authorities' view, the acquisition costs must not include ancillary acquisition costs. Expenses having a direct economic nexus to investment income, such as bank charges and custody fees, must in general not be deducted (§ 12(2) of the Austrian Corporate Income Tax Act). Interim tax does generally not fall due insofar as distributions subject to withholding tax are made to

beneficiaries in the same tax period. In case of investment income from the Notes with an Austrian nexus (as described above), the income is in general subject to withholding tax at a flat rate of 27.5 %, which may be reduced to 25 % in case a corporation is the beneficial recipient of such income. Such withholding tax can be credited against the tax falling due. Under the conditions set forth in § 94(12) of the Austrian Income Tax Act withholding tax is not levied.

Individuals and corporations subject to limited (corporate) income tax liability in Austria are taxable on investment income from the Notes if they have a permanent establishment (*Betriebsstätte*) in Austria and the Notes as well as the income resulting from the Notes are attributable to such permanent establishment (*cf.* § 98(1)(3) of the Austrian Income Tax Act, § 21(1)(1) of the Austrian Corporate Income Tax Act). Individuals subject to limited income tax liability in Austria are also taxable on interest in the sense of the Austrian EU Withholding Tax Act (*EU-Quellensteuergesetz*, see below) from the Notes if withholding tax is levied on such interest (this does not apply, *inter alia*, to individuals falling within the scope of the Austrian EU Withholding Tax Act; *cf.* § 98(1)(5)(b) of the Austrian Income Tax Act). Under the conditions set forth in § 94(13) of the Austrian Income Tax Act no withholding tax is to be levied. Under applicable double taxation treaties, relief from Austrian income tax might be available. However, Austrian credit institutions must not provide for such relief at source; instead, the investor may file an application for repayment of tax with the competent Austrian tax office.

### **EU withholding tax**

§ 1 of the Austrian EU Withholding Tax Act (*EU-Quellensteuergesetz*) – implementing Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments – provides that interest payments paid or credited by an Austrian paying agent (*Zahlstelle*) to a beneficial owner who is an individual resident in another EU-Member State (or in certain dependent or associated territories, which currently include Anguilla, Aruba, the British Virgin Islands, Curaçao, Guernsey, the Isle of Man, Jersey, Montserrat, Sint Maarten and the Turks and Caicos Islands) are generally subject to EU withholding tax (*EU-Quellensteuer*) of 35 %. § 10 of the Austrian EU Withholding Tax Act provides for an exemption from EU withholding tax if the beneficial owner presents to the paying agent a certificate drawn up in his/her name by the competent authority of his/her EU-Member State of residence for tax purposes, indicating the name, address and tax or other identification number or, failing such, the date and place of birth of the beneficial owner, the name and address of the paying agent, and the account number of the beneficial owner or, where there is none, the identification of the security; such certificate shall be valid for a period not exceeding three years. Pursuant to Council Directive 2015/2060 of 10 November 2015 repealing Council Directive 2003/48/EC, Council Directive 2003/48/EC was in general repealed with effect from 1 January 2016. However, pursuant to detailed grandfathering provisions, Austria shall in general continue to apply it until 31 December 2016.

### **Tax treaties Austria/Switzerland and Austria/Liechtenstein**

The Treaty between the Republic of Austria and the Swiss Confederation on Cooperation in the Areas of Taxation and Capital Markets and the Treaty between the Republic of Austria and the Principality of Liechtenstein on Cooperation in the Area of Taxation provide that a Swiss, respectively Liechtenstein, paying agent has to withhold a tax amounting to 25 % (which may be increased in the future to 27.5 %) on, *inter alia*, interest income, dividends and capital gains from assets booked with an account or deposit of such Swiss, respectively Liechtenstein, paying agent if the relevant holder of such assets (*i.e.* in general individuals on their own behalf and as beneficial owners of assets held by a domiciliary company (*Sitzgesellschaft*)) is tax resident in Austria. The same applies to such income from assets managed by a Liechtenstein paying agent if the relevant holder of the assets (*i.e.* in general individuals as beneficial owners of a transparent structure) is tax resident in Austria. For Austrian income tax purposes this withholding tax has the effect of final taxation regarding the underlying income if the Austrian Income Tax Act provides for the effect of final taxation for such income. The treaties, however, do not apply to interest covered by the agreements between the European Community and the Swiss Confederation, respectively the Principality of Liechtenstein, regarding Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. The taxpayer can opt for voluntary disclosure instead of the withholding tax by expressly authorising the Swiss, respectively Liechtenstein, paying agent to disclose to the competent Austrian authority the income, which subsequently has to be included in the income tax return.

## **Austrian inheritance and gift tax**

Austria does not levy inheritance or gift tax.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*) if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of management in Austria. Certain exemptions apply in cases of transfers *mortis causa* of financial assets within the meaning of § 27(3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income from such financial assets is subject to income tax at a flat rate pursuant to § 27a(1) of the Austrian Income Tax Act. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate generally is 2.5 %, with a higher rate of 25 % applying in special cases. Special provisions apply to transfers of assets to non-transparent foundations and similar vehicles (*Vermögensstrukturen*) falling within the scope of the tax treaty between Austria and Liechtenstein.

In addition, there is a special notification obligation for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of management in Austria. Not all gifts are covered by the notification obligation: In case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Transfer Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may trigger fines of up to 10 % of the fair market value of the assets transferred.

Further, gratuitous transfers of the Notes may trigger income tax at the level of the transferor pursuant to § 27(6) of the Austrian Income Tax Act (see above).

## **Germany**

*The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This overview is based on the tax laws of Germany currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.*

*As each Series or Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Notes as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment.*

*Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposal of Notes, including the effect of any state, local or church taxes, under the tax laws of Germany and any country of which they are residents or whose tax laws apply to them for other reasons.*

### **German Tax Residents**

This section "*German Tax Residents*" refers to persons who are tax residents of Germany (*i.e.* persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

### ***Withholding tax on ongoing payments and capital gains***

Ongoing payments received by a private Holder of the Notes will be subject to German withholding tax if the Notes are kept or administered in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a "**Disbursing Agent**", *auszahlende Stelle*). The tax rate is 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon, the total withholding being 26.375 per cent.). For individual Holders who are subject to church tax an electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that church tax will be collected by the Disbursing



Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor will be assessed to church tax.

The same treatment applies to capital gains (*i.e.* the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal, redemption, repayment or assignment and the cost of acquisition) derived by a private Holder provided the Notes have been kept or administered in a custodial account with the same Disbursing Agent since the time of their acquisition. If similar Notes kept or administered in the same custodial account were acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purposes of determining the capital gains. Where Notes are acquired and/or sold or redeemed in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively with the result that any currency gains or losses are part of the capital gains. If interest claims are disposed of separately (*i.e.* without the Notes), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the payment of interest claims if the Notes have been disposed of separately.

To the extent the Notes have not been kept or administered in a custodial account with the same Disbursing Agent since the time of their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375 per cent. (including solidarity surcharge, plus church tax, if applicable) on 30 per cent. of the disposal proceeds (plus interest accrued on the Notes ("**Accrued Interest**", *Stückzinsen*), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution from another Member State of the European Union or the European Economic Area or from certain other countries in accordance with art. 17 para. 2 of the Council Directive 2003/48/EC on the taxation of savings income (*e.g.* Switzerland or Andorra).

Pursuant to a tax decree issued by the German Federal Ministry of Finance dated 18 January 2016 a bad debt-loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden capital contribution, shall not be treated like a disposal. Accordingly, losses suffered upon such bad debt-loss or waiver shall not be tax-deductible. The same rules should be applicable according to the said tax decree, if the Notes expire worthless so that losses may not be tax-deductible at all. A disposal of the Notes will only be recognised according to the view of the tax authorities, if the received proceeds exceed the respective transaction costs.

In computing any German tax to be withheld, the Disbursing Agent generally deducts from the basis of the withholding tax negative investment income realised by a private Holder of the Notes via the Disbursing Agent (*e.g.* losses from the sale of other securities with the exception of shares). The Disbursing Agent also deducts Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security by a private Holder via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent credits foreign withholding taxes levied on investment income in a given year regarding securities held by a private Holder in the custodial account with the Disbursing Agent.

Private Holders are entitled to an annual allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly) for all investment income received in a given year. Upon the private Holder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the Holder of the Notes has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporation while ongoing payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and capital losses incurred). The same may apply where the Notes form part of a trade or business, subject to further requirements being met.

### **Taxation of current income and capital gains**

The personal income tax liability of a private Holder deriving income from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in the case of Notes kept in custody abroad or if no Disbursing Agent is involved in the payment process, the private Holder must report his or her income and capital gains derived from the Notes on his or her tax return and then will also be taxed at a rate of 25 per cent. (plus solidarity surcharge and church tax thereon, where applicable). If the withholding tax on a disposal, redemption, repayment or assignment has been calculated

from 30 per cent. of the disposal proceeds (rather than from the actual gain), a private Holder may and in case the actual gain is higher than 30 per cent. of the disposal proceeds must also apply for an assessment on the basis of his or her actual acquisition costs. Further, a private Holder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemised basis is not permitted.

Losses incurred with respect to the Notes can only be off-set against investment income of the private Holder realised in the same or the following years.

Where Notes form part of a trade or business the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Notes form part of a trade or business, interest (accrued) must be taken into account as income. Where Notes qualify as zero bonds and form part of a trade or business, each year the part of the difference between the issue or purchase price and the redemption amount attributable to such year must be taken into account. The respective Holder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the Holder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the Holder. Where Notes form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax.

### **Non-German Tax Residents**

Interest and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Holder or (ii) the income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under "*German Tax Residents*" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and capital gains. However, where the income is subject to German taxation as set forth in the preceding paragraph and the Notes are kept or administered in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposal, assignment or redemption of a Note are paid by a Disbursing Agent to a non-resident upon delivery of the Notes, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

### **Inheritance and Gift Tax**

No inheritance or gift taxes with respect to any Notes will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

### **Other Taxes**

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

The European Commission and certain EU Member States (including Germany) are currently intending to introduce a financial transactions tax ("**FTT**") (presumably on secondary market transactions involving at least one financial intermediary). It is currently uncertain when the proposed FTT will be enacted by the participating EU Member States and when the FTT will enter into force with regard to dealings with the Notes.

### **Luxembourg**

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

## **Withholding Tax**

### ***(i) Non-resident holders of Notes***

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

### ***(ii) Resident holders of Notes***

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the "**Relibi Law**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law will be subject to a withholding tax at a rate of 20 per cent.

An individual beneficial owner of interest or similar income (within the meaning of the Relibi Law) who is a resident of Luxembourg and acts in the course of the management of his/her private wealth may opt in accordance with the Relibi Law for a final tax of 20 per cent. when he/she receives or is deemed to receive such interest or similar income from a paying agent established in another European Union Member State or in a member state of the EEA which is not a European Union Member State. In such case, the 20 per cent. levy is calculated on the same amounts as for the payments made by Luxembourg resident paying agents. The option for the 20 per cent. final levy must cover all payments of interest or similar income made by the paying agents to the Luxembourg resident beneficial owner during the entire calendar year. The individual resident that is the beneficial owner of interest is responsible for the declaration and the payment of the 20 per cent. final tax.

## **Romania**

This section on taxation contains a brief overview of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the Notes in Romania. This overview does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. These comments are not intended to be, nor should they be construed to be, legal or tax advice. It is based on the currently valid tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential purchasers of the Notes consult with their legal and tax advisers as to the tax consequences of the purchase, holding or sale of the Notes. Tax risks resulting from the Notes shall in any case be borne by the purchaser.

### **General Remarks - Romanian Tax Withholding on Interest Payments on the Notes**

In relation to Notes governed by German law, based on the currently applicable Romanian tax legislation (as detailed below) and the fact that the Issuer will not know on the relevant due dates the identity and tax status of the final beneficial recipients of interest payments on the Notes governed by German law, the Issuer shall withhold tax at a rate of 16 per cent. on all interest payments on Notes governed by German law. The final beneficial recipients of interest payments on the Notes governed by German law may receive a refund of such tax withheld by the Issuer subject to certain requirements described below.

In relation to Notes governed by Romanian law, the Issuer shall determine the fiscal status of the relevant Holders and withhold tax on the interest payments on Notes governed by Romanian law (as detailed below) based on the information available on the Holders shown in the Holders' Registry on the Payment Reference Date (as provided by the Romanian Central Depository to the Issuer) and the information provided by the Holders to the Issuer in accordance with the relevant provisions of the section entitled "Terms and

Conditions of the Notes" of this Prospectus. The final beneficial recipients of interest payments on the Notes governed by Romanian law may receive a refund of tax withheld by the Issuer subject to certain requirements described below.

### **Taxation of Holders resident in Romania for tax purposes**

Under Law No. 227/2015 on the Fiscal Code as subsequently amended and supplemented (the "**Romanian Fiscal Code**"), a Romanian "resident individual" means an individual that either (a) has his/her domicile in Romania, or (b) has his/her centre of vital interests (*centrul intereselor vitale*) located in Romania, or (c) is present in Romania for a period or several periods exceeding in aggregate 183 days during any twelve consecutive months, and that period(s) end(s) in the calendar year relevant for tax purposes, or (d) is a Romanian citizen who works abroad as an officer or an employee of the Romanian state. A Romanian "resident" means any Romanian legal entity, any foreign legal entity which has its place of effective management in Romania, any legal entity having its headquarters in Romania, incorporated according to European legislation and any resident individual.

#### ***Taxation on interest***

According to the Romanian Fiscal Code in force, interest is defined as "any amount required to be paid or received for the use of money, irrespective if this amount must be paid or received as a debt, in relation to a deposit account or in accordance with a financial leasing agreement, an installment sale or any late payment sale".

Income received on the Notes by resident legal entities in the form of interest on the Notes will be subject to corporate income tax (profit tax) at the rate of 16 per cent, at the level of said entity.

For the purposes of taxation of individuals, the interest income comprises income from bonds, interest on current accounts, escrow accounts, demand deposits, collateral and fixed-term, including deposit certificates, interest related to loans granted, interest derived from alternative investment instruments of the type of structures in which a derivative instrument is related to a deposit account, as well as other income derived from receivables. Interest income received by resident individuals on interest-bearing products, including saving instruments ("*instrumente de economisire*"), such as the Notes is subject to income tax at the rate of 16 per cent. The tax is withheld at source, at the moment of interest payment and resident individuals receive only the net amount. If there are elements determining the modification of the interest income and/or of the taxable base of a resident individual, for which the income payer made the calculation of the income tax, the income tax difference resulted from the elements determining the modification is made at the date of determining these elements. The adjustment of income tax is made by the income payer starting with the month of determining these elements.

Additionally, the individuals deriving income from interest are required to pay the social health insurance contribution, excepting the case when said individuals derive other income for which the social health insurance contribution is paid or the case when investment incomes (including interest incomes) and/or income from other sources, as defined by the Romanian Fiscal Code, are the only incomes received by individuals and their monthly level is below the level of the national minimum gross basic wage. Starting with 2017, the social health insurance will be due irrespective of other types of income derived for which said contribution is due, excepting the case when investment incomes (including interest incomes) and/or income from other sources, as defined by the Romanian Fiscal Code, are the only incomes received by individuals and their annual level is below the level of 12 times the value of the national minimum gross wage.

Holders who are resident legal entities will receive the gross interest, provided they provide the Issuer either (i), in case of Notes governed by Romanian law, the information set out in § 4 (Payments) paragraph (1) letter (c) (Payment Logistics) and § 11 (Notices) paragraph (3) of the section entitled "Terms and Conditions of the Notes" of this Prospectus, subject to the terms and conditions set out therein or (ii), in case of Notes governed by German law, the corporate name, registered seat, sole identification code or fiscal code, registration number with the Trade Registry (if any) and tax residence, at least 5 calendar days prior to the relevant due date, as the case may be (in each case the respective information shall be referred to as the "**Relevant Information on Residents**"). The gross interest will be subject to corporate income tax (profit tax) at the rate of 16 per cent.

Based on the Relevant Information on Residents, BCR will determine the fiscal status, the applicable tax regime and the payment of interest shall be made accordingly.

Should the Holders who are resident legal entities not provide the Relevant Information on Residents set out above, the interest payments would be subject to a 16 per cent withholding tax.

#### Refund procedure

Interest payments to Holders who are resident legal entities (and final beneficial owners) that could not provide the Relevant Information on Residents on time are subject to a 16 per cent. withholding tax, but they can submit a claim to the Issuer to recover the withheld amount. Such claim must be submitted by the respective Holder to the Issuer no later than the 20th day of the calendar month following the calendar month of the relevant due date, as applicable.

In case the aforementioned deadline (20th day of the following calendar month) cannot be complied with, upon the request of the respective Holder the Issuer may, on a reasonable efforts basis and as long as it does not, nor is it reasonably likely to, suffer any prejudice, apply for the standard refund procedure with the competent tax authorities subject to the five year status of limitation period. It should be noted that in this case the Issuer would withhold and pay the taxes to the fiscal authorities, without knowing the identity of the final beneficial recipient of the interest payments, so if the final beneficial recipient will request the Issuer to apply for the standard refund procedure, it will be difficult to prove that the Issuer withheld and paid the taxes in the name of the respective final beneficial recipient.

#### ***Taxation on capital gains***

Capital gains are not defined as such in the Romanian Fiscal Code. In general, the taxable income resulted from the transfer of securities is computed as the positive difference between the sale price and the acquisition price, less the costs related to the transaction.

Income received by resident legal entities as capital gains from the transfer of Notes, will be subject to corporate income tax (profit tax) at the rate of 16 per cent, at the level of said entities.

Capital gains obtained by resident individuals from the transfer of Notes will be subject to a tax at the rate of 16 per cent.

The tax is not withheld at source, the owner of the income being responsible for declaring and paying the tax. The annual tax due by individuals for the net taxable gain will be determined by the competent tax authority based on the annual income tax return filed by the individuals.

Additionally, the individuals deriving income from the transfer of Notes are required to pay the social health insurance contribution, excepting the case when said individuals derive other income for which the social health insurance contribution is paid or the case when investment incomes (including incomes from transfer of Notes) and/or income from other sources, as defined by the Romanian Fiscal Code, are the only incomes received by individuals and their monthly level is below the level of the national minimum gross basic wage. Starting with 2017, the social health insurance will be due irrespective of other types of income derived for which said contribution is due, excepting the case when investment incomes (including incomes from transfer of Notes) and/or income from other sources, as defined by the Romanian Fiscal Code, are the only incomes received by individuals and their annual level is below the level of 12 times the value of the national minimum gross wage.

#### **Taxation of Holders not resident in Romania for tax purposes**

Under the Romanian Fiscal Code, certain types of income from Romanian sources earned by non-residents are subject to Romanian tax at the rates prescribed by the Romanian Fiscal Code, irrespective of whether the income is received in Romania or abroad.

For the purposes of the Romanian Fiscal Code, "non-residents" are defined as any foreign legal entities, any foreign individuals and any other foreign entities, including undertakings for collective investments in transferable securities without legal persona, which are not registered in Romania, according to the law. Non-resident individuals are defined as individuals which do not meet the conditions for being considered resident individuals (as presented in the previous section), as well as any foreign citizens working as diplomats or consular officers in Romania, foreign citizens working as officials or employees of an international and intergovernmental body, foreign citizens working as officials or employees of a foreign state in Romania and their family members.

### ***Taxation on interest***

Interest income to be obtained by a non-resident legal entity or non-resident individual is subject to withholding tax in Romania if it qualifies as Romanian-sourced income. Interest paid by a Romanian resident, i.e. the Issuer, to a non-resident is taxable in Romania as Romanian-sourced income. Such interest income is subject to 16 per cent. tax rate to be withheld at source by the Issuer.

At the date of issuance of this prospectus interests on notes/debt securities, issued by Romanian companies are not taxable if notes/debt securities are issued under a prospectus approved by a competent regulatory authority and interest is paid to a person who is not an affiliated person to the issuer of the notes/ debt securities.

Depending on the country in which the non-resident has its tax residence, the tax on interest may be reduced or eliminated based on a double taxation treaty concluded between Romania and the country in which that person or legal entity is a tax resident. In order to benefit from the provisions of a double taxation treaty, the non-resident should obtain and provide to the Issuer a fiscal residency certificate (valid for the respective fiscal year) issued by the tax authorities of its country of residence, in original or notarised photocopy form, and a certified Romanian translation thereof evidence of its respective holdings of Notes on the relevant due date, as applicable, and any other documentary evidence as may be required from time to time by Romanian law and as notified by the Issuer in accordance with § 11 (*Notices*) of the section entitled "Terms and Conditions of the Notes" of this Prospectus (the "**Relevant Information on Non-Residents**"). In relation to Notes governed by Romanian law, the Relevant Information on Non-Residents should be provided to the Issuer at least five (5) calendar days prior to the relevant due date, as applicable.

Payments of interest on the Notes may be made without withholding on account of Romanian tax, if the interest income is attributable to a permanent establishment of the non-resident Holder in Romania, in which case such income will be taxed as explained above at "Taxation of Holders resident in Romania for tax purposes".

### **Refund procedure**

Should the Holders not provide the Relevant Information on Non-Residents on time (including in case of Notes governed by German law where the Relevant Information on Non-Residents may be provided only after the relevant due date, as applicable, to be able to evidence holdings of Notes on the respective due date), the interest will be subject to a 16 per cent. withholding tax.

Nevertheless, the respective Holders can submit a claim to the Issuer to recover the withheld amount. Such claim must be submitted by the respective Holder to the Issuer no later than the 20th day of the calendar month following the calendar month of the relevant due date, as applicable.

In case the aforementioned deadline (20th day of the following calendar month) cannot be complied with, upon the request of the respective Holder the Issuer will, on a reasonable efforts basis and as long as it does not, nor is it reasonably likely to, suffer any prejudice, apply for the statutory refund procedure with the competent tax authorities subject to the five year status of limitation period.

### ***Taxation on capital gains***

No capital gains tax is applicable to non-resident legal persons.

Capital gains obtained by non-resident individuals from the transfer of Notes will be subject to tax as described above under "Taxation of Holders resident in Romania for tax purposes", "Taxation on capital gains", unless the capital gains are derived from the transfer of Notes traded on a foreign capital market, in which case no tax on capital gains will be levied in Romania.

The non-resident individual having tax obligations in Romania must appoint a Romanian resident fiscal representative to declare and settle any tax liabilities in the name and on behalf of the non-resident individual.

Depending on the country in which the non-resident has its tax residence, the capital gains tax may be eliminated based on a double taxation treaty. In order to benefit from the provisions of a double taxation treaty, the non-resident should obtain and provide to its fiscal representative a fiscal residency certificate

(valid for the respective fiscal year) issued by the tax authorities of its country of residence, in original or in notarised photocopy form, and the certified Romanian translation thereof.

### **EU Council Directive on taxation of savings income**

Romania also implemented the concepts of the European Union Savings Directive as concerns the exchange of information, however the exemption from withholding at source the tax on interest income in case of resident individuals in other EU member states was cancelled in the middle of 2010. Moreover, the COUNCIL DIRECTIVE (EU) 2015/2060 repealing Directive 2003/48/EC on taxation of savings income in the form of interest payments was implemented in the Romanian legislation. Currently, domestic legislation does not provide such exemption and withholding tax imposed by Romanian domestic tax legislation should apply to interest payments made to non-resident individuals.

### **EU Savings Directive**

Under Directive 2003/48/EC (as amended) (the "**EU Savings Directive**") on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State. For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments, deducting tax at a rate of 35 %. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Directive (the "**Amending Directive**") amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017. Such changes would expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. Such changes would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the EU Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to ongoing requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the EU Savings Directive and a new automatic exchange of information regime to be implemented under Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Directive 2014/107/EU). The proposal also provides that Member States will not be required to apply the new requirements of the Amending Directive. In November 2015, the Council Directive 2015/2060/EU of 10 November 2015 repealing Directive 2003/48/EC on taxation of savings income in the form of interest payments was published in the Official Journal of the European Union and entered into force on the twentieth day following that of its publication.

### **The Proposed Financial Transactions Tax**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax ("**FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**Participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a

broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## **FATCA Disclosure**

### **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Romania) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. Further, Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "*Terms and Conditions of the Notes — Further Issues of Notes, Purchases and Cancellation*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.



# SUBSCRIPTION AND SALE

## General

The Issuer does not represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such sale.

Each Dealer to be appointed in connection with an issue of Notes pursuant to this Prospectus will be required to represent and agree that it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus or any offering material in relation to this Prospectus or the Notes and will obtain any consent, approval or permission required from it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries of Notes and neither the Issuer nor any other Dealer shall have any responsibility therefor.

With regard to each Tranche of Notes, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree.

## United States

The Notes have not been and will not be registered under the Securities Act. Except in certain transactions exempt from the registration requirements of the Securities Act, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")).

Each Dealer to be appointed in connection with an issue of Notes pursuant to this Prospectus will be required to represent and agree that it will not offer, sell or deliver a Note of any Series (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering or the closing date within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons to substantially the following effect:

"The securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the date of the commencement of the Offering and the Closing Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them in Regulation S."

Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes of the Tranche of which such Notes are a part, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each Dealer to be appointed in connection with an issue of Notes pursuant to this Prospectus will be required to represent and agree that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.

Bearer Notes which are subject to U.S. tax law requirements may not be offered, sold or delivered in the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meaning given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

## European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer to be appointed in connection with an issue of Notes pursuant to this Prospectus will be required to represent and agree that with effect from, and including, the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation hereto to the public in that Relevant Member State, except that it may, with effect from, and including, the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3 (2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3 (2) of the Prospectus Directive or pursuant to any applicable national law of any Relevant Member State,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948 as amended, the "**FIEA**") and each Dealer to be appointed in connection with an issue of Notes pursuant to this Prospectus will be required to represent and agree that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Contract Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## United Kingdom

Each Dealer to be appointed in connection with an issue of Notes pursuant to this Prospectus will be required to represent and agree that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is

reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have been published previously or are published simultaneously with this Prospectus and filed with the CSSF shall be incorporated by reference in, and form part of, this Prospectus, to the extent set out in the "*Table of Documents Incorporated by Reference*" below, provided that any information not specifically set out in the "*Table of Documents Incorporated by Reference*" but included in the documents incorporated by reference is either not relevant for an investor or is covered elsewhere in this Prospectus and shall therefore not be deemed to be included in this Prospectus. Any statement contained in a document incorporated by reference into this Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in this Prospectus modifies or supersedes such (earlier) statement (whether expressly, by implication or otherwise), and any statement contained in this Prospectus or in any information incorporated by reference into, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any information subsequently deemed to have been incorporated by reference modifies or supersedes such (earlier) statement (whether expressly, by implication or otherwise).

The documents set out in the "*Table of Documents Incorporated by Reference*" below and the information contained in such documents and incorporated by reference in this Prospectus are English language translations of their respective binding Romanian language counterparts.

### Table of Documents Incorporated by Reference

Document/Heading	Page reference in the header of the relevant document
<b>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 endorsed by the European Union (the "Annual Report 2014"), consisting of</b>	
Statement of Comprehensive Income	41
Statement of Financial Position	42
Statement of Changes in Equity	43
Statement of Cash Flows	44
Notes to the Financial Statements	45 - 133
Auditor's Report	38 - 40
(together, the " <b>Audited IFRS-EU Financial Statements 2014</b> ")	
<b>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 endorsed by the European Union (the "Annual Report 2015"), consisting of</b>	
Statement of Comprehensive Income	69
Statement of Financial Position	70
Statement of Changes in Equity	71

## Table of Documents Incorporated by Reference

Document/Heading	Page reference in the header of the relevant document
Statement of Cash Flows	72
Notes to the Financial Statements	73 - 170
Auditor's Report	66 - 68
<b>(together, the "Audited IFRS-EU Financial Statements 2015")</b>	
<b>Banca Comerciala Romana S.A. Consolidated and Separate Financial Statements – Unaudited (The Group and the Parent Bank) Prepared in Accordance with International Financial Reporting Standards as endorsed by the European Union (the "Interim Report H1 2016"), consisting of</b>	
Statement of Comprehensive Income	19
Statement of Financial Position	20
Statement of Changes in Equity	21
Statement of Cashflow	22
Notes to Financial Statements	23 - 28
<b>(together, the "Unaudited Interim IFRS-EU Financial Statements 30 June 2016")</b>	
<b>Press Release dated 7 November 2016 relating to BCR's financial results for the first nine months of 2016</b>	
Financial data	4

Electronic versions of all documents set out above will be viewable on, and obtainable free of charge from, the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

## GENERAL INFORMATION

### Documents for Inspection

Electronic versions of the following documents will be available on the website of the Issuer under "www.bcr.ro":

- (i) a copy of this Prospectus together with any supplement to this Prospectus;
- (ii) each set of Final Terms for Notes that are publicly offered or admitted to trading on a Market or on any other market or stock exchange; and
- (iii) the Annual Report 2014, the Annual Report 2015 and the Interim Report H1 2016, each incorporated by reference into this Prospectus.

The documents mentioned above under (i) to (iii) will be obtainable free of charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer.

For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at the registered office of the Issuer and the specified offices of the Paying Agents:

- (i) a copy of this Prospectus together with any documents incorporated by reference into this Prospectus and any supplement to this Prospectus;
- (ii) each set of Final Terms for Notes that are publicly offered or admitted to trading on a Market or on any other market or stock exchange;
- (iii) the Annual Report 2014;
- (iv) the Annual Report 2015;
- (v) the Interim Report H1 2016;
- (vi) the Press Release dated 7 November 2016 relating to BCR's financial results for the first nine months of 2016; and
- (vii) the articles of association of the Issuer.

Copies of this Prospectus will also be obtainable free of charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the specified offices of the Paying Agent in Luxembourg (BNP Paribas Securities Services, Luxembourg Branch, 60, avenue J.F. Kennedy, L-1855 Luxembourg (Postal Address: L-2085 Luxembourg)). Copies of this Prospectus together with any documents incorporated by reference into this Prospectus and any supplement to this Prospectus will also be viewable on, and obtainable free of charge from, the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

### Supplement to this Prospectus

The Issuer is obliged by the provisions of Article 13 of the Prospectus Act, that in the event of a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any Notes and which arises or is noted between the time when this Prospectus is approved and the final closing of an offer of such Notes to the public or, as the case may be, the time when trading on a regulated market begins, whichever occurs later, the Issuer shall prepare a supplement to this Prospectus or publish a replacement Prospectus for use in connection with such Notes and any subsequent offering of Notes and shall supply to the CSSF and the stock exchange operating the Markets such number of copies of such supplement or replacement hereto as relevant legislation requires.

### Third Party Information

Certain information included in this Prospectus is sourced from third parties. BCR has not verified the correctness of the information from third party sources which are referred to in this Prospectus. Particularly, the information and data about the industry included in this Prospectus was extracted from official third party sources considered reliable. Such information, data or statistics may include approximations, estimates, aggregate data or rounded figures. Potential investors are recommended to consider the information derived from third party sources with caution, as it has not been subject to an independent check or to an enquiry regarding the accuracy of processing such data or of the methodology based on which such information is

produced. In particular, market studies are often based on assumptions or information that may not be appropriate and, implicitly, their methodology is speculative.

As far as BCR is aware and is able to ascertain from information published by third parties, such information has been accurately reproduced from such third party sources, and no facts have been omitted which would render the reproduced information inaccurate or misleading. Notwithstanding the above, the information included in this Prospectus which has been sourced from third parties was accurately reproduced in this Prospectus as of the date when such third party sources have been consulted or the information included therein has been dated. Thus, certain information included in this Prospectus from third party sources may be outdated and may not reflect the current status of facts.

## **Approvals**

The issue of Notes under this Prospectus was authorised by a resolution of the Extraordinary General Meeting of the Shareholders of BCR dated 28 June 2013 and a decision of the Management Board dated 8 October 2013. The update of this Prospectus was approved by a decision of the Management Board dated 27 May 2016. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

## **Clearing Systems**

For German Law Governed Notes, CBL, Euroclear, OeKB and any other clearing system.

Romanian Law Governed Notes will in all cases be cleared through Depozitarul Central S.A., 34-36 Carol I Boulevard, floors 3, 8 and 9, district 2, Bucharest, Romania (the "**Romanian Central Depository**").

German Law Governed Notes have been accepted for clearance by CBL and Euroclear and application will be made for the acceptance of Romanian Law Governed Notes for clearance by the Romanian Central Depository.

The International Securities Identification Number (ISIN) and (where applicable) the Common Code and the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

## **Conflicts of Interest**

BCR may act in other capacities with regard to the Notes, such as calculation agent. Such functions may allow BCR to calculate the value of the reference asset or (where the reference asset is a basket) to determine the composition of the reference asset, which could raise conflicts of interest where securities or other assets issued by BCR itself or a group company can be chosen to be part of the reference asset, or where the Issuer maintains a business relationship with the issuer or obligor of such securities or other assets.

BCR may from time to time engage in transactions involving the reference asset for its proprietary accounts and for accounts under its management. Such transactions may have a negative effect on the value of the reference asset and consequently upon the value of the Notes. References in this section to the reference asset shall be deemed to include any of its components of the Index, if applicable.

BCR may issue other derivative instruments in respect of the relevant reference asset and the introduction of such competing products into the marketplace may affect the value of the Notes.

BCR may use all or some of the proceeds received from the sale of the Notes to enter into hedging transactions. It cannot be assured that BCR's hedging activities will not affect such value. The value of the Notes might in particular be affected by the liquidation of all or a portion of the hedging positions at or about the time of the maturity or expiration of the Notes.

BCR may acquire non-public information with respect to the reference asset, and BCR does not undertake to disclose any such information other than those required by law, such as price sensitive information, to any Holder. In addition, BCR may publish research reports with respect to the reference asset. Such activities could involve certain conflicts of interest and may affect the value of the Notes.

## **Dealers Transacting with the Issuer**

Certain of the Dealers to be appointed in connection with an issue of Notes pursuant to this Prospectus and their affiliates may in the future engage in investment banking and/or commercial banking transactions with,

and may perform services for, the Issuer in the ordinary course of business. In addition, in the ordinary course of their business activities, these Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer. Certain of the Dealers to be appointed in connection with an issue of Notes pursuant to this Prospectus or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under this Prospectus. Any such short positions could adversely affect future trading prices of Notes issued under this Prospectus. The Dealers to be appointed in connection with an issue of Notes pursuant to this Prospectus and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.



**REGISTERED OFFICE OF THE ISSUER**

Bulevardul Regina Elisabeta 5  
030016 Bucharest  
Romania

**FISCAL AGENT**

(in relation to German Law Governed Notes)

**BNP Paribas Securities Services,  
Luxembourg Branch**  
60, avenue J.F. Kennedy  
L-1855 Luxembourg  
(Postal Address: L-2085 Luxembourg)

**PRINCIPAL PAYING AGENT**

(in relation to Romanian Law Governed Notes)

**Banca Comercială Română S.A.**  
Bulevardul Regina Elisabeta 5  
030016 Bucharest  
Romania

**AUDITORS**

**Ernst & Young Assurance Services SRL**

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15-17 Ion Mihalache Blvd., Sector 1  
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Romania

**LEGAL ADVISERS TO BANCA COMERCIALĂ ROMÂNĂ S.A.**

*As to German law*

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