Registration Document **2 December 2021**

Banca Comercială Română S.A.

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

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

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

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

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

BCR

TABLE OF CONTENTS

DOCUMENTS INCORPORATED BY REFERENCE

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

Document/Heading	Page reference in the relevant financial report
Romanian language version of the Banca Comerciala Romana S.A. Consolidated and Separate Financial Statements (The Group and the Parent Bank) Prepared in Accordance with International Financial Reporting Standards as endorsed by the European Union ("**IFRS-EU**") – being part of the Annual Report 2020 and further parts of the Annual Report 2020 (the "**Audited IFRS-EU Financial Statements 2020**")[1]	
Statement of Profit or Loss (*Situatia profitului sau pierderii*)	15
Statement of Other Comprehensive Income (*Situatia altor elemente ale rezultatului global*)	16
Statement of Financial Position (*Situatia pozitiei financiare*)	17
Statement of Changes in Equity (*Situatia modificarilor in capitalurile proprii*)	18 - 19
Statement of Cash Flows (*Situatia fluxurilor de trezorerie*)	20
Notes to the Financial Statements (*Note la Situatiile Financiare*)	21 - 164
Romanian language version of the Independent Auditor's Report for the Audited IFRS-EU Financial Statements 2020 (*Raportul Auditorului Independent*) (the "**Auditor's Report 2020**")[1]	3 - 14
Romanian language version of the Banca Comerciala Romana S.A. Consolidated and Separate Financial Statements (The Group and the Parent Bank) Prepared in Accordance with IFRS-EU – being part of the Annual Report 2019 and further parts of the Annual Report 2019 (the "**Audited IFRS-EU Financial Statements 2019**")[1]	
Statement of Profit and Loss (*Situatia profitului sau pierderii*)	17
Statement of Other Comprehensive Income (*Situatia rezultatului global*)	18
Statement of Financial Position (*Situatia pozitiei financiare*)	19
Statement of Changes in Equity (*Situatia modificarilor in capitalurile proprii*)	20 - 21
Statement of Cash Flows (*Situatia fluxurilor de trezorerie*)	22
Notes to the Financial Statements (*Note la Situatiile Financiare*)	23 - 161
Romanian language version of the Independent Auditor's Report for the Audited IFRS-EU Financial Statements 2019 (*Raportul Auditorului Independent*) (the "**Auditor's Report 2019**")[1]	3 - 16

[1] The officially signed Romanian language versions of the Issuer's Audited IFRS-EU Financial Statements 2019 and 2020 and Romanian language versions of the Auditor's Report 2019 and 2020 are solely legally binding and definitive.

2 The English language translations of the Audited IFRS-EU Financial Statements 2019 and 2020 and the English language translations of the Auditor's Report 2019 and 2020 are not legally binding and are incorporated into this Registration Document by reference for convenience purposes only.

Financial data	4

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

For the avoidance of doubt, such parts of the annual reports 2019 and 2020 respectively, of the interim report half year 2021, of the H1 2021 Disclosure Report and of the press release dated 2 November 2021 relating to BCR's financial results for the first nine months of 2021 which are not explicitly listed in the tables above, are not incorporated by reference into this Registration Document as these parts are either not relevant for the investor or covered elsewhere in this Registration Document.

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

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

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

The indicated page references in the tables above regarding the Audited IFRS-EU Financial Statements 2019 and 2020 and the Auditor's Report 2019 and 2020 (in each case Romanian language versions and English language translations) as well as the Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2021 and the press release dated 2 November 2021 correspond to the pdf page numbers of the relevant document. It is noted that the page references indicated above do not correspond to (i) the page references in the relevant table of contents and (ii) the page number indicated in the footer of the relevant document.

In relation to figures expressed in RON in this Registration Document, please see the following foreign exchange rates used for conversion of figures from RON into EUR as provided by the NBR as of the specified dates:

31 December 2019: 4.7793 RON/EUR

30 June 2020: 4.8423 RON/EUR

30 September 2020: 4.8698 RON/EUR

31 December 2020: 4.8694 RON/EUR

30 June 2021: 4.9267 RON/EUR

30 September 2021: 4.9471 RON/EUR

DOCUMENTS AVAILABLE FOR INSPECTION

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

(i) the Audited IFRS-EU Financial Statements 2020 and the Auditor's Report 2020 incorporated by reference into this Registration Document

("https://cdn0.erstegroup.com/content/dam/ro/bcr/www_bcr_ro/Investitori/Rapoarte-financiare/2020/Situatii%20financiare%20anuale%20consolidate%20si%20individuale%20IFRS%20pentru%202020.pdf?forceDownload=1");

(ii) the English language translations of the Audited IFRS-EU Financial Statements 2020 and of the Auditor's Report 2020 incorporated by reference into this Registration Document ("https://cdn0.erstegroup.com/content/dam/ro/bcr/www_bcr_ro/Investitori/Rapoarte-financiare/2020/Consolidated%20and%20Separate%20Financial%20Statements%202020.pdf?forceDownload=1");

(iii) the Audited IFRS-EU Financial Statements 2019 and the Auditor's Report 2019 incorporated by reference into this Registration Document

("https://cdn0.erstegroup.com/content/dam/ro/bcr/www_bcr_ro/Investitori/Rapoarte-financiare/2019/Situatii%20financiare%20anuale%20consolidate%20si%20individuale%202019.pdf?forceDownload=1");

(iv) the English language translations of the Audited IFRS-EU Financial Statements 2019 and of the Auditor's Report 2019 incorporated by reference into this Registration Document

("https://cdn0.erstegroup.com/content/dam/ro/bcr/www_bcr_ro/EN/Investors/Financial-reports/2019/Consolidated%20and%20separate%20Financial%20Statements%202019.pdf?forceDownload=1");

(v) the Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2021 incorporated by reference into this Registration Document

("https://cdn0.erstegroup.com/content/dam/ro/bcr/www_bcr_ro/Investitori/Rapoarte-financiare/2021/Financial-statements-June-30th-2021.pdf?forceDownload=1");

(vi) the English language translation of the H1 2021 Disclosure Report incorporated by reference into this Registration Document

("https://cdn0.erstegroup.com/content/dam/ro/bcr/www_bcr_ro/Investitori/Transparenta-si-publicare/Disclosure_Report_H1_2021.pdf?forceDownload=1");

(vii) the Press Release dated 2 November 2021 relating to BCR's financial results for the first nine months of 2021 incorporated by reference into this Registration Document

("https://cdn0.erstegroup.com/content/dam/ro/bcr/www_bcr_ro/Investitori/Informatii-financiare/2021/BCR-Financial-results-9M-2021.pdf?forceDownload=1");

(viii) this Registration Document and any supplement to this Registration Document

("https://bcr.ro/content/dam/ro/bcr/www_bcr_ro/Investitori/Obligatiuni/Registration_Document_02.12.2021.pdf");

("www .bcr.ro/en/investors/bcr-bond-issues");

(ix) (a) any securities note relating to securities issued or to be issued by the Issuer and any supplement thereto and (b) any summary of the individual issue annexed to the relevant final terms for the securities issued or to be issued by the Issuer

("www .bcr.ro/en/investors/bcr-bond-issues"); and

(x) the Issuer's articles of association

("www .bcr.ro/en/about-us/corporate-governance/bcr-charter").

SUPPLEMENT TO THIS REGISTRATION DOCUMENT

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

SOURCES OF INFORMATION

Statistical and other data provided in this Registration Document has been extracted from the websites of Fitch Ratings Ireland Limited ("**Fitch**") and Moody's Deutschland GmbH ("**Moody's**"), from the Audited IFRS-EU Financial Statements 2019 and the Audited IFRS-EU Financial Statements 2020 and the English language translations of the annual reports thereon as well as from the Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2021. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

FORWARD-LOOKING STATEMENTS

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

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

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

RESPONSIBILITY STATEMENT

The Issuer, with its registered office at 159 Calea Plevnei, Business Garden Bucharest, Building A, 6th Floor, 060013 Bucharest district 6, Romania, is responsible for the information given in this Registration Document.

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

1. RISK FACTORS

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

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

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

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

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

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

1.1 CREDIT RISKS

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

BCR may in the future continue to be exposed to the risk that its borrowers may not repay their loans according to their contractual terms, that the collateral or income stream securing the payment of these loans may be insufficient.

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

Macroeconomic events, such as recession, deflation or hyper-inflation, may lead to an increase in defaults by BCR's customers, which would adversely impact BCR's results of operations and financial condition. Political and economic instability resulting from, or causing, the occurrence of any of these risks would also adversely affect the market for BCR's products and services.

Negative economic developments could have a negative effect on the credit quality of BCR's loan portfolio. This is particularly true for customer loans in currencies other than the local currency of the customer's jurisdiction (FX loans), with real estate as collateral or adjustments in asset prices in general, a significant increase in unemployment rates and deteriorated financial conditions for BCR's corporate customers in Romania. Potential higher interest rates in Romania could result in more debtors to be unable to repay their loans according to their contractual terms and consequently lead to an increase of BCR's non-performing loans.

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

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

BCR may experience economic disruptions, as those for instance are induced by the worldwide corona virus (COVID-19) pandemic, which may have negative effects on BCR and its clients.

BCR is directly and through its clients and suppliers exposed to multiple risks in relation to the worldwide pandemic caused by the corona virus SARS-CoV-2 ("**COVID-19**") and the measures taken by sovereigns, companies and others to prevent the spread of COVID-19. The worldwide spread of the COVID-19 pandemic, the interim lockdowns and the resulting recession have led to deterioration of financial conditions of some BCR's customers, in general, and certain sectors/businesses, e.g. cyclical industries, transportation, hotels and leisure in particular. As a result, BCR's loan portfolio quality could deteriorate, and credit costs could suffer due to allocations for expected credit losses, unlikely-to-pay assessment and by negative rating migrations, which resulted in IFRS-EU 9 stage migrations. If the economic conditions worsen beyond the level foreseen, this could have a material adverse effect on the Issuer's business, financial condition and results of operations through a combination of less interest and fee income, credit losses exceeding the amount of the Issuer's loan loss provisions.

In response to the COVID-19 pandemic and the expected economic crises, the Romanian Government and the National Bank of Romania ("**NBR**") have already taken and are likely to take unprecedented state intervention measures, such as imposing payment moratoria, and other interfering into contractual relationships of BCR with its clients and suppliers and limiting or reducing the legal remedies to collect amounts due, and many more measures like borders closures and full or partial curfews, etc., to protect their citizens (health), national economies, currencies or fiscal income, thereby incurring high fiscal deficits. Any of these or similar state intervention measures could have a material adverse effect on BCR's business, financial condition and results of operations through a combination of less interest and fee income, higher risk costs or higher other costs.

Furthermore, the COVID-19 pandemic might lead to additional asset price adjustments as well as a rise in spreads, which might have a negative impact on the Issuer's refinancing costs.

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 BCR money, securities or other assets will not perform their obligations. This exposes BCR to the risk of counterparty defaults, which have historically been higher during periods of economic downturn.

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

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

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

1.2 BUSINESS RISKS

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

Incoming soft and hard data indicates that real gross domestic product ("**GDP**") growth in the Eurozone should recover after the sharpest drop recorded since the data is gathered due to the COVID-19 crisis, though the rebound might be uneven and slower than currently priced by the markets. This largely reflects the ongoing weakness in global trade in the context of prolonged global trade tensions and the corresponding uncertainty, which continues to weigh on already weak manufacturing activities around the world.

Romania's real GDP growth was affected by the COVID-19 crisis, posting a -3.9% GDP contraction in 2020. 2021 brought a swift recovery with the real GDP growth advancing by +6.4% during the first half of 2021 as compared with the same period of the previous year. The recovery was supported by pent-up household consumption and the rise in investments, while net exports contributed negatively to real GDP. Accommodative monetary and fiscal policies domestically and abroad in 2020 created favorable conditions for economic recovery. Combined inflows of EU funds of almost EUR 80 billion from the regular Multi-annual Financial Framework and the Next Generation EU Program should support strong growth over the next five years close to 5.0%. The fiscal outlook for 2022 and beyond is likely to be focused on budget consolidation efforts after the steep increase in rigid public spending in the past.The deficit rose above the Maastricht criteria of -3.0% of GDP since 2019, before the onset of the COVID-19 crisis. Hence, the fiscal adjustment process might take time, given the weak economic backdrop and the return within -3.0% deficit threshold might not happen before 2024.

The COVID-19 crisis which affected both advanced and emerging market economies could lead to a further rise in global debt levels and a build-up of financial imbalances, which may eventually affect BCR and its clients.

Some European economies continued to face structural challenges, as unemployment and structural debt levels remain elevated, which could lead to an unusually high political risk and polarization for European standards. Italy is a major part of the EU and the Eurosystem and is Romania's second largest foreign trade partner. Italy's credit institutions have subsidiaries in the local market. A crisis in relation to the sustainability of Italy's debt, its membership in the Eurosystem, losses in the financial system or even just prolonged and severe economic underperformance may impact the rest of Europe through trade and financial linkages and could impact BCR and its clients as well. Moreover, Italy is one of the hardest hit countries in the world by the COVID-19 crisis.

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

Monetary policy in the future will depend on further development of inflation and due to the fact that these policies could vary from the foreseen path in either direction quickly and without prior notice. Variances in monetary policy may also result in increased volatility in debt and foreign exchange markets. Global monetary policy might have helped to build significant exaggeration in various asset classes such as equity, housing and bonds and these asset prices could also correct swiftly and markedly, which would also indirectly affect BCR and its clients.

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

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

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

- In December 2018, the Romanian Government issued the Emergency Ordinance 114/2018 on the establishment of certain measures in the public investments sector and of certain fiscal – budgetary measures, the amendment and the supplement of certain laws and the prolongation of certain terms ("**GEO 114/2018**") requiring banks, *inter alia* BCR, to pay a tax on financial assets linked to the level of the Romanian Interbank Offer Rate ("**ROBOR**"), with tax rates between 0.1% and 0.5%. This legal initiative came with no prior consultations with the business environment and the Romanian Government took a hard line immediately after, refusing discussions with local banks (such as BCR).

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

- In May 2020, the Romanian Parliament adopted a law on the protection of consumers against excessive interest points ("**Draft Law**"). Under such Draft Law, the annual percentage rate for mortgage loans is capped to the interest rate for the refinancing operations used by NBR on the domestic market plus 2 percentage points; the annual percentage rate for consumer loans is capped at the interest rate for the main refinancing operations used by NBR plus 15 percentage points; and in case of consumer loans amounting to maximum RON 15,000, the debtor shall repay no more than double the volume of the lent amount (including the loan and interest, fees and other costs of the loan). The Draft Law has not entered into force and was declared unconstitutional in its entirety by the Romanian Constitutional Court. Subsequently, the Senate rejected the Draft Law. Decision is currently pending with the Chambers of Deputies of the Romanian Parliament, as the decisional forum for the Draft Law. Moreover, in September 2021 another bill, similar to the Draft Law, aiming to protect consumers against excessive interest, was proposed and is currently pending with the Senate, as the first legislative forum.

- Another bill offers debtors the opportunity to convert their foreign exchange loans into Lei-denominated loans or into loans denominated in other currency which is the currency for their main incomes, at the exchange rate from the origination of the loan plus maximum 20%. The bill is currently waiting for the final vote of the Romanian Parliament.

- Another bill removes the writ of execution feature of certain contracts concluded with consumers (such as credit agreements, mortgage agreements) used for foreclosure procedures by banks, *inter alia* BCR, with a view of protecting consumers against abusive actions. The house inhabited by the family of the debtor is protected by this bill because the senators consider this as an obligation of the state to protect the family. Foreclosure should be preceded by a rectification of the loan contract for easing the debt burden. The debtor has the right to inhabit the family house for another year after the end of the foreclosure process. The bill is currently waiting for the final vote of the Romanian Parliament.

- A separate bill limits the amounts recovered by debt recovery companies from banks' clients (*inter alia* BCR's clients) to the real price paid by the recovery company for the specific claim plus other expenses and the interest accrued from the payment by the debt recovery company (as assignee) of the assignment price. Debtors shall see their payment obligations erased if they pay this price to debt recovery companies. The bill is currently waiting for the final vote of the Romanian Parliament.

- The Romanian National Authority for Consumer Protection (ANPC) proposed for public consultation a draft law meant to implement Directive (EU) 2019/2161 as regards the better enforcement and modernisation of Union consumer protection rules. Such involves the amendment as of 28 May 2022 of several pieces of legislation on consumer protection, including the Law no. 193/2000 on unfair terms in consumer contracts ("**Law 193/2000**") and the Law no. 363/2007 on fighting unfair practices of enterprises in relation with consumers ("**Law 363/2007**"). The main amendments to Law 193/2000 include: (i) final court decisions attesting to clauses being abusive represent writ of execution not only for the winning party, but also for all other consumers who are direct beneficiaries of the effects of such final court decisions; and (ii) an increase of the level of fines for breaches of Law 193/2000, as well as the introduction of the possibility to apply a fine having a level of maximum 4% of the guilty business's annual turnover in Romania. The main amendments to Law 363/2007 include: (i) introduction of new types of information to be regarded as essential in the case of an invitation to purchase, when evaluating whether a commercial practice may be considered as a misleading omission; (ii) introduction of new types of sanctions e.g. the obligation to repair, replace, reduce the price or terminate the contract and refund the product or service, as appropriate; and (iii) the introduction of the possibility to apply a fine having a level of maximum 4% of the guilty business's annual turnover in Romania.
- The Romanian Parliament adopted an initiative imposing, among others, credit institutions (such as the Issuer) to register all agreements concluded as documents under private signature, validly concluded, which by law represent writs of execution (such as credit agreements and personal guarantee agreements under Romanian law) with the National Register for Movable Property ("**RNPM**") in Romania in order to enforce such agreements. Therefore, although credit agreements are deemed by law writs of execution in order to be enforced against debtors, such agreements must be registered with the RNPM (against a fee). However, this provision was subsequently found unconstitutional by the Romanian Constitutional Court.

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

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

Romania has been promised funds for infrastructure and other projects in substantial amounts by the EU through "Next Generation 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 economy could be adversely affected, which would, in turn, negatively affect BCR's business prospects. In the next EU budget period the disbursal of EU funds may be tied to the rule of law and/or the fulfilment of refugee quotas by recipient countries. Such measures could mean significantly lower EU funds for Romania. Lower EU funds mean less investments in sectors like infrastructure, research and development, small and medium sized enterprises ("**SME**"), health, education, etc., and cause financial stress for companies in these sectors which would, in turn, negatively affect BCR's business prospects.

Based on a memorandum of the Romanian Government, Romania is not a participating member state within the Pan-European Guarantee Fund launched by the EIB as part of the overall EU COVID-19 response package. Therefore, Romanian banks (including BCR) and final beneficiaries (SME, midcaps, public sector) will not have access to the related products (capped/un-capped guarantee and risk sharing facilities, equity products, debt funds) intended to tackle the economic consequences of the COVID-19 pandemic.

BCR’s business entails several forms of operational risks.

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

- Legal risk: In case of BCR, such risk, as a secondary risk, may materialise in any of the above risk types, as BCR may be the subject of a claim or proceedings alleging non-compliance with contractual or other legal or statutory responsibilities. The increase in complexity and constant change in the regulatory environment imposing more and more obligations on credit institutions (including BCR) to be fulfilled towards clients in particular in retail business, is coupled with regulatory scrutiny and legal actions by consumer protection associations and agencies. This is expected to increase the level of uncertainty and sources of legal risks.

- Conduct risk: In case of BCR, such risk arises from inappropriate supply of financial services including cases of willful or negligent misconduct or not acting in the best interest of its clients. BCR faced litigations tied to violations or alleged violation of consumer protection or consumer rights during and after the financial crisis in some of its entities. Such litigation risk increased if and when several risk components were occurring simultaneously (e.g. foreign currency appreciation and downturn of asset prices) resulting in increasing political risks coupled with market-wide common market practices among credit institutions (including BCR).

- Execution risk: In case of BCR, such risk can materialise in deficiencies and/or errors in the origination of products and transactions, or failed execution or omission of contractual obligations and constitutes a major risk driver for BCR. The increasing number of outsourcings and the complexity of services can significantly alter its risk profile, for example increase the ICT (as defined below) risk resulting from significant usage of cloud service providers. BCR has currently outsourced a wide range of activities, some of them including cloud components, with the tendency of increasing their usage, in line with international trend in banking industry. The outsourced services, products, activities executed wrongly or loss of internal management control over them or miscommunication for longer timespan with the retained organisation, can have an adverse impact on BCR. Its business continuity management plans might not be fully able to restore infrastructure or business, including third party vendors.

- Information and communication technology ("**ICT**") risk: BCR relies heavily on information systems to conduct its business. In case of BCR, ICT risk can lead to failure of hardware or software and processing which can compromise the availability, integrity, accessibility and security of such infrastructures and of data. ICT systems, the increasing usage of cloud services, project management and aging architecture have a potential impact from their failures on BCR and on the financial sector as a whole due to interlinkages between BCR and third party institutions, also in the cross-border context. It includes information security risk which could result in the compromise of assets, unauthorised use, loss, damage, disclosure or modification of IT-assets. ICT risk includes the increasing risk of cyber threats on BCR whereas the relevant corrective measures like improvement of technical security mechanisms, monitoring of cloud service usage, awareness campaign, customer authentication mechanism, disaster recovery plan might not be fully effective. As a result, the ability to serve some of its customers' needs on a timely basis could be negatively affected with potential impact on BCR's business relationships.

- Fraud risk: In case of BCR, if such risk materialises, this could be the result of intended acts to defraud, misappropriate property or circumvent regulations, the law or company policy, involving an internal or external party. Due to the constantly changing fraud schemes or internal frauds spanning for longer time or credit risk related external frauds due to increasing business activity, respective monitoring, reporting and screening activities might not be fully effective in certain cases for BCR.

- Compliance risk: In case of BCR, there is the possibility to incur legal or regulatory sanctions, including restrictions on business activities, fines or enhanced reporting requirements, in case of failure to comply with applicable laws, rules, regulations, related self-regulatory organisation standards and codes of conduct applicable to BCR's banking activities. Compliance risk materialises itself in fines imposed by the financial market authorities competent for BCR (i.e. NBR, the Romanian Financial Supervisory Authority (FSA)) where the amount of the monetary fines is on a record level in the industry and also BCR is in a better chance to be found liable to pay for damages and thus to lose civil law cases against its customers on the argument that it has not observed compliance rules. The regulatory scrutiny is not expected to decrease, neither in terms of additional duties BCR will have to observe nor in terms of the authorities' audit exercises. It is possible that the number of audits and subsequently also the number of audit findings and potential fines for BCR will increase.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BCR's risk management techniques may not be fully effective in mitigating BCR's risk exposure in all economic market environments or against all types of risks, including risks that it fails to identify or anticipate. Furthermore, regulatory audits or other regular reviews of BCR's risk management procedures and methods have in the past detected, and may in the future detect, weaknesses or deficiencies in BCR's risk management systems. Some of BCR's quantitative tools and metrics for managing risks are based upon its use of observed historical market behaviour. During the past global financial crisis as well as the ongoing COVID-19 crisis, the financial markets experienced unprecedented levels of volatility (rapid changes in price development) and the breakdown of historically observed correlations across asset classes, compounded by extremely limited liquidity. In the volatile market environment, BCR's risk management tools and metrics may fail to predict some of the losses to the full extent, and may only partially reflect future important risk exposures.

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

1.3 LEGAL AND REGULATORY RISKS

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

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

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

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

Apart from the legal proceedings described above, there is one significant dispute which can lead to material and reputational risks. In connection with the audit mission of the Romanian Courts of Accounts ("**CoA**") in case of BCR Banca pentru Locuinţe S.A. ("**BCR BpL**") over the way government mortgage saving subsidies were disbursed. BCR BpL challenged in court the decision of CoA. Whilst BCR BpL had won on the very large majority of the counts before the first court, the case was ultimately lost before in the appeal stage, where the Romanian High Court of Justice maintained the most relevant conclusions of the CoA's decision. BCR Group's profit or loss was negatively impacted as at 30 June 2019, due to booking of a provision in amount of RON 718 million. BCR BpL decided to challenge within the legal deadline by the means of two extraordinary appeals: (a) a contestation for annulment which was irrevocably rejected on 27 May 2021, and (b) a revision which was irrevocably rejected on 9 November 2021. On the other hand, BCR BpL filed at the beginning of 2020 a claim for damages before the European Court for Human Rights. On 21 September 2021, BCR was informed that the European Court of Human Rights (the "**ECHR**") decided to communicate the complaint filed by BCR BpL to the Government of Romania. The Government of Romania is invited by the ECHR to submit a statement with its position (facts, admissibility and merits of the case) until 10 January 2022.

In order to continue the activity, the share capital of BCR BpL was raised by BCR, in its capacity as main shareholder of BCR BpL. In this respect, BCR's supervisory board approved on 5 July 2019 the increase of BCR BpL's share capital by RON 673 million, from RON 122 million to RON 795 million, and thus, the total number of shares increased from 122,000,000 to 795,000,000. All new shares have a nominal value of RON 1.00 each. BCR BpL partially implemented the CoA's decision and paid an amount of approximately EUR 11.7 million.

For the measures to be implemented according to the decision of the CoA that were maintained by the Romanian High Court of Justice in June 2019, BCR obtained a postponement for the decision implementation until 2 February 2021. During August 2021, a control mission took place on the implementation of the measures by BCR BpL. The follow-up report issued by CoA revealed that BCR BpL has fully implemented some of the measures and others are only partially implemented. A deadline (5 November 2021) has been set for the measures that have not been fully implemented. BCR BpL is in the process of implementing the measures, in the sense that: (i) it will pay towards the Romanian Ministry of Development the amount of RON 432,698,572 representing the principal of the reimbursement obligation resulting from the CoA decision; (ii) it will initiate the necessary formalities in order to obtain an amnesty decision for the related accessories (RON 376,230,732), under the conditions of the Government Emergency Ordinance no. 69/2020; and (iii) it will continue the legal action filed against the Romanian State before the ECHR in order to recover any damages caused by the decision no. 17 from 10 December 2015, disposed by the CoA.

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

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

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

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

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

- *SREP Requirements*

  BCR Group is subject to SREP requirements stipulated in the relevant Romanian laws, implementing Articles 97, 98, 104 (1) and 113 of the Directive 2013/36/EU, as amended ("**CRD**") and Article 16 of the Council Regulation (EU) No 1024/2013 as amended (*Single Supervisory Mechanism Regulation*) determined by the annual Supervisory Review and Evaluation Process ("**SREP**") based on the NBR/European Central Bank joint decision. According to the business model, governance and risk management, capital adequacy and the liquidity situation of BCR, each year the NBR as competent authority in case of BCR sets an individual additional own funds requirement for BCR Group and BCR itself. This requirement needs to be met by the sort of capital (Common Equity Tier 1 ("**CET 1**") capital, Additional Tier 1 (AT 1) capital or Tier 2 capital) set by the NBR. Depending on BCR Group's situation, SREP requirements may vary annually. Increasing requirements for BCR Group could trigger additional pressure on its capitalisation, requiring unplanned adaptions.

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

- *Capital buffers*

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

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

  - Capital conservation buffer: As of 1 January 2021, the capital conservation buffer is 2.5% of the total risk exposure amount in accordance with Article 92 (3) CRR;
  - Countercyclical buffer: until further notice from the NBR, the countercyclical buffer rate for exposures situated in Romania is 0%. At this stage, while some jurisdictions have already implemented the countercyclical buffer in their respective legislation, the countercyclical buffer rates are set to zero in all cases relevant for BCR. The countercyclical buffer at BCR Group level will vary from period to period depending on the composition of underlying risk relevant exposures. Based on NBR Order No. 6/2021 published in Official Gazette No. 1130 on 26 November 2021, but as of the date of this Registration Document not entered into force, the countercyclical buffer rate for exposures situated in Romania is going to be set at 0.5% of the total risk exposure amount in accordance with Article 92 (3) CRR starting from 17 October 2022;
  - Global systemically important institutions (G-SII) / Other systemically important institutions ("**O-SII**") buffer: BCR Group is classified as an O-SII in Romania and the applicable buffer stands at 2.00% as of 1 January 2021. The O-SII buffer is revised annually.
  - Systemic risk buffer: currently, for O-SII institutions, the maximum between the systemic risk buffer and the O-SII buffer is to be applied. Based on this, as of 1 January 2021, BCR is subject to a 2.00% capital charge, as the systemic risk buffer is 0% and the O-SII buffer is 2%.

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

- *Bank Recovery and Resolution Legislation*

  The provisions of the Directive 2014/59/EU (*Bank Recovery and Resolution Directive* - "**BRRD**") have been transposed into Romanian legislation by law no.312/2015 regarding the recovery and resolution of credit institutions and investment firms (published in the Official Gazette, Part I No. 920 of 12/11/2015) (the "**Recovery and Resolution Law**"). The subsequent amendments to the BRRD via Directive (EU) 2019/879 ("**BRRD 2**") should have been transposed into Romanian law by 28 December 2020 but this has not been completed as at the date of this Registration Document. The Recovery and Resolution Law designates NBR as the resolution authority for the Romanian banking sector. Measures undertaken under the Recovery and Resolution Law may have a negative impact on debt instruments by allowing NBR as resolution authority to order the write-down of such instruments or convert them into instruments of ownership. BCR may be subject to resolution tools and other powers as set out under the Recovery and Resolution Law.

- *Single Resolution Mechanism for European Banks.*

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

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

- *EU Banking Reform Package*

  On 7 June 2019 a legislative package regarding a set of revised rules aimed at reducing risks in the EU banking sector ("**EU Banking Package**") was published which implements reforms agreed at international level following the 2007-2008 financial crisis to strengthen the banking sector and address outstanding challenges to financial stability. The EU Banking Package comprises amendments to the CRD and the CRR as well as the BRRD and the Regulation (EU) No 806/2014, as amended ("**SRMR**") and entered into force on 27 June 2019. The amendments to the CRR and the SRMR are already applicable. The EU member states had an obligation to implement the amendments to the BRRD and the CRD (so called "**CRD V**") into national law until 28 December 2020. CRD V has been partially implemented into Romanian legislation through NBR Regulation 11/2020 amending Regulation 5/2013 on prudential requirements for credit institutions. On 27 October 2021, the European Commission adopted a further review of the CRR and the CRD. These new rules are aimed to ensure that EU credit institutions become more resilient to potential future economic shocks, while contributing to Europe's recovery from the COVID-19 pandemic and the transition to climate neutrality. This legislative package will be discussed by the European Parliament and Council.

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

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

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

  The resolution plans (including resolution strategy and MREL decisions) are assessed and approved in the resolution college which is held on a regular basis. The effect of the COVID-19 crisis has the potential to diminish the financial strength of banks in general, including BCR, and the ability of markets to absorb the future issues needed to meet MREL requirements.

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

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

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

The bank resolution fund pools together regular (annual) contributions from credit institutions, whose level is set by NBR, as the resolution authority, in accordance with the provisions of the Recovery and Resolution Law and of the Commission Delegated Regulation (EU) 2015/63 so that the target level of 1.00% of the amount of covered deposits of all credit institutions (including the Issuer) authorised in Romania might be reached by 31 December 2023.

Furthermore, Directive 2014/49/EU (*Directive on Deposit Guarantee Schemes* – "**DGSD**") forms part of the measures adopted in the aftermath of the financial crisis in an effort to establish the Banking Union and aims to further strengthen the protection of depositors. In principle, the target level of *ex-ante* financed funds for Deposit Guarantee Schemes ("**DGS**") is 0.80% of covered deposits to be collected from credit institutions (including the Issuer) until 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 şi Fondul de garantare a depozitelor bancare*). In addition to *ex-ante* contributions, if necessary, credit institutions (including the Issuer) will have to pay extraordinary (*ex post*) contributions to a certain extent, set by NBR.

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

1.4 FURTHER RISKS RELATING TO THE ISSUER

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

As of the date of this Registration Document, the majority of voting rights in BCR is held by Erste Group Bank AG ("**Erste Group Bank**") (99.8856%). Hence, Erste Group Bank exercises direct control over BCR through the majority of voting rights and, implicitly, through the right to appoint most of the members in BCR's supervisory board.

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

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

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

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

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

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

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

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

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

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

2. BANCA COMERCIALĂ ROMÂNĂ S.A.

2.1 INTRODUCTION

The Issuer is registered as a joint-stock corporation (*societate pe acţiuni*) at the Bucharest Trade Register Office (*Oficiul Registrului Comerţului Bucureşti*) and has the registration number J40/90/1991 and the sole registration code 361757. The Issuer is established for an indefinite period of time and operates under Romanian law. Its commercial name is "BCR". The registered office of the Issuer is 159 Calea Plevnei, Business Garden Bucharest, Building A, 6th Floor, 060013 Bucharest district 6, Romania. Its telephone number is +0800.801.227 and and its website is "www .bcr.ro". The information on the Issuer's website does not form part of this Registration Document unless that information is incorporated by reference into this Registration Document (please see "*Documents Incorporated By Reference*" above). The Issuer's legal entity identifier (LEI) code is 549300ORLU6LN5YD8X90.

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

In 1991, as part of the overall reform of the Romanian banking system, the commercial banking activities of NBR were transferred to BCR. On 10 September 1999, the Romanian Bank for Foreign Trade (*Banca Română de Comerţ 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 2006, as a result of the privatisation process of BCR organised by the Romanian Government, Erste Bank der oesterreichischen Sparkassen AG ("**Erste Bank Oesterreich**") purchased 490,399,321 nominative shares with a face value of RON[3] 1.3 per share or 61.8825% of the share capital of BCR from the Authority for State Assets Recovery (*Autoritatea pentru Valorificarea Activelor Statului* - "**AVAS**"), the EBRD and the International Finance Corporation (IFC), pursuant to a share purchase agreement dated 21 December 2005, for a total consideration of RON 13.16 billion (EUR 3.75 billion equivalent). On 14 October 2009, Erste Bank Oesterreich transferred its participation in BCR (i.e. 549,230,910 nominative shares representing 69.3063% of BCR's share capital) to EGB Ceps Holding GmbH, a wholly owned indirect subsidiary of Erste Bank Oesterreich.

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

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

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

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

---

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

up share capital of BCR is of RON 1,625,341,625.40 divided into 16,253,416,254 nominative shares each with a value of RON 0.1.

Until June 2020, Erste Group Bank purchased further 38.0013% from employees and other shareholders of BCR, adding up to 99,8813%.

BCR is licensed by NBR to conduct banking activities.

2.2 BACKGROUND

2.2.1 BCR and BCR Group

As at 30 June 2021, BCR Group consists of the following companies: Banca Comercială Română S.A., BCR Leasing, BCR BpL, BCR Pensii Societate de Administrare a Fondurilor de Pensii Private S.A. ("**BCR Pensii**"), Suport Colect S.R.L. ("**Suport Colect**"), BCR Payments Services S.R.L. ("**BCR Payments Services**"), BCR Fleet Management S.R.L. ("**BCR Fleet Management**") (a direct subsidiary of BCR Leasing) and Banca Comercială Română Chişinău S.A. ("**BCR Chişinău**"). For further information on BCR Group, see section "*2.2.2 Subsidiaries*" below.

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

As at 30 June 2021, according to the Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2021, BCR Group's assets totalled RON 83,175,990 thousands, with decisive contribution from BCR (RON 81,712,310 thousands). BCR is not dependent on any other entities within BCR Group.

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

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

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

Selected historical key financial information as at and for the years then ended 31 December 2019 and 31 December 2020:

	BCR Group		BCR	
in RON thousands	**31 December 2019**	**31 December 2020**	**31 December 2019**	**31 December 2020**
Total liabilities and equity	74,938,359	81,986,672	71,440,952	79,538,233
Total equity	8,471,710	9,344,921	8,305,054	9,151,366
in RON thousands	**1 January 2019 to 31 December 2019**	**1 January 2020 to 31 December 2020**	**1 January 2019 to 31 December 2019**	**1 January 2020 to 31 December 2020**
Net interest income	2,256,271	2,371,025	2,139,209	2,248,995
Net result for the period	593,266	814,108	651,909	779,958
Net result attributable to non-controlling interests	6	(9)	-	-
Net result attributable to owners of the parent	593,260	814,117	651,909	779,958

Source: Audited IFRS-EU Financial Statements 2019 and Audited IFRS-EU Financial Statements 2020

Selected historical key financial information as at and for the six months then ended 30 June 2021 and for the six months ended 30 June 2020:

	BCR Group		BCR	
in RON thousands	**30 June 2021**	**31 December 2020**	**30 June 2021**	**31 December 2020**
Total liabilities and equity	83,175,990	81,986,672	81,712,310	79,538,233
Total equity	9,960,719	9,344,921	9,726,263	9,151,366
in RON thousands	**1 January 2021 to 30 June 2021**	**1 January 2020 to 30 June 2020**	**1 January 2021 to 30 June 2021**	**1 January 2020 to 30 June 2020**
Net interest income	1,196,032	1,187,833	1,140,572	1,125,579
Net result for the period	690,809	498,879	651,606	478,368
Net result attributable to non-controlling interests	2	2	-	-
Net result attributable to owners of the parent	690,807	498,877	651,606	478,368

Source: Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2021

Selected historical key financial information as at and for the 9 months ended 30 September 2021 and for the 9 months ended 30 September 2020:

	BCR Group	
in RON million	**30 September 2021**	**31 December 2020**
Total liabilities and equity	84,013.1	81,986.67
Total equity	10,349.3	9,344.92
in RON million	**1 January 2021 to 30 September 2021**	**1 January 2020 to 30 September 2020**
Net interest income	1,797.6	1,778.63
Operating income	2,776.9	2,618.45
Operating result	1,576.7	1,403.70
Net result attributable to owners of the parent	**1,141.8**	**845.83**

Source: Press Release dated 2 November 2021 relating to BCR's financial results for the first nine months of 2021 according to IFRS-EU (unaudited, not reviewed)

2.2.2 Subsidiaries

Group Structure as at 30 June 2021 and 31 December 2020

BCR has the following subsidiaries consolidated in the Audited IFRS-EU Financial Statements 2020 and Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2021, not reviewed:

Company's Name	Country of incorporation	Nature of the business	Shareholding (in %) 31.12.2020	Shareholding (in %) 30.6.2021
BCR Chişinău S.A.	Moldova	Banking	100.00	100.00
BCR Leasing IFN S.A.	Romania	Financial leasing	99.97	99.97
BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private S.A.	Romania	Pension funds administration	99.99	99.99
BCR Banca pentru Locuinţe S.A.	Romania	Housing loans	99.99	99.99
Suport Colect S.R.L.	Romania	Workout	99.99	99.99
BCR Fleet Management S.R.L.*	Romania	Operational leasing	99.97	99.97
BCR Payments Services S.R.L.	Romania	Payments processing	99.99	99.99

* Company held indirectly by BCR through BCR Leasing

Source: Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2021

The participation in BCR Fleet Management S.R.L. was reclassiefied as asset held for sale starting with May 2019.

The developments highlighted below are the most significant ones at the level of the individual companies within BCR Group in 2020 and the first half of 2021.

Banca Comercială Română Chişinău S.A.

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

As of 30 June 2021, BCR Chişinău registered a decrease in the operating result to RON 3.74 million compared to RON 5.07 million in the six months period ended 30 June 2020, mainly due to decrease in net trading result.

As of 30 June 2021, the total assets of BCR Chişinău amounted to RON 650.624 million, decreasing by 19.8% as compared to 30 June 2020, mainly from the cash and cash balances position. Loans to customers increased by 16.3% in the same period, to RON 242 million. The total equity of BCR Chişinău as of 30 June 2021 amounted to RON 118.4 million, 4.3% lower than 12 months before. The capitalisation of BCR Chişinău remains high and will support the growth of all business lines of BCR Chişinău in subsequent years.

Financial Summary based on IFRS-EU figures	**1 January 2020 to 31 December 2020**	**1 January 2019 to 31 December 2019**
	(RON thousands)*	
Interest and similar income	21,769	23,207
Interest expense and similar charges	(7,971)	(8,138)
Net interest income	13,798	15,069
Net (charge)/release of provision for impairment losses	1,464	428
Operating results	8,363	7,432
Profit/(loss) before taxation	6,099	5,074
Profit After Tax	5,818	4,626
	31 December 2020	**31 December 2019**
Total Assets	694,820	585,706
Total Equity	115,730	117,663

Source: BCR internal data unaudited, not reviewed.

Financial Summary based on IFRS-EU figures	**1 January 2021 to 30 June 2021**	**1 January 2020 to 30 June 2020**
	(RON thousands)*	
Interest and similar income	10,533	10,882
Interest expense and similar charges	(3,439)	(3,851)
Net interest income	7,093	7,031
Net (charge)/release of provision for impairment losses	(1,659)	(469)
Operating results	3,741	5,071
Profit/(loss) before taxation	749	4,213
Profit After Tax	1,057	3,971
	30 June 2021	**30 June 2020**
Total Assets	650,624	811,150
Total Equity	118,413	123,782

Source: BCR internal data unaudited, not reviewed.

BCR Leasing IFN S.A.

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

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

As of 30 June 2021, the total assets reached RON 2.75 billion, increasing by 15.7% as compared to 30 June 2020, sustained by enhanced new sales growth.

BCR Leasing profitability reached RON 16 million the six months period ended 30 June 2021, increasing by 81% as compared to 30 June 2020, due to the growth of the business. Operating profit increased as of 30 June 2021 by RON 6.3 million as compared to 30 June 2020, mainly due to increase in net interest income and net fees and commissions.

Financial Summary based on the IFRS-EU figures	**1 January 2020 to 31 December 2020**	**1 January 2019 to 31 December 2019**
	(*RON thousand*)	
Lease income	18,828	17,700
Operating profit	72,686	68,324
Net profit for the year	(43,483)	13,960
	31 December 2019	**31 December 2020**
Total Assets	2,570,091	2,312,436
Total Equity	160,130	198,913

Source: BCR internal data, unaudited, not reviewed

Financial Summary based on the IFRS-EU figures	**1 January 2021 to 30 June 2021**	**1 January 2020 to 30 June 2020**
	(*RON thousand*)	
Lease income	9,472	9,283
Operating profit	41,548	35,207
Net profit for the year	16,012	8,844
	30 June 2021	**30 June 2020**
Total Assets	2,753,511	2,380,182
Total Equity	176,143	212,458

Source: BCR internal data, unaudited, not reviewed

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

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

BCR Pensii was authorised by the Romanian Financial Supervisory Authority to carry out management activities for private pension funds in Romania, including mandatory (Pillar II) and voluntary (Pillar III) private pension funds.

As at 31 August 2021, BCR Pensii ranked 6th in the top of mandatory private pension funds management companies active on the Romanian market[4], in terms of total number of subscribers, with a market share of 9.14% and 705,932 subscribers with individual contributions.

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

In terms of total number of subscribers for voluntary pensions funds, as at 31 August 2021, BCR Pensii ranked 2nd, with a market share of 25.43%, corresponding to a number of 140,096 participants[5].

The strategy of BCR Pensii is to focus on increasing the Pillar III sales quality and promote innovative ideas as regards the customer experience both for Pillar II and Pillar III. Achieving consistently a top investment performance ranking remains a key perfomance indicator for the asset management provided by BCR Pensii.

As of 30 June 2021, the total assets reached RON 207 million, increasing by 18.3% as compared to 30 June 2020. Profitability reached RON 13.6 million in the fist half of 2021, increasing by 74.4% comparing to the same period in 2020, sustained by higher fees.

Financial Summary based on IFRS-EU figures	**31 December 2020**	**31 December 2019**
	(RON thousand)	
Total Assets	191,214	167,270
Total Equity	171,952	153,394
	1 January 2020 to 31 December 2020	**1 January 2019to 31 December 2019**
Profit for the year	18,558	5,285

Source: BCR internal data, unaudited, not reviewed

Financial Summary based on IFRS-EU figures	**30 June 2021**	**30 June 2020**
	(RON thousand)	
Total Assets	207,044	175,060
Total Equity	185,596	161,220
	1 January 2021 to 30 June 2021	**1 January 2020 to 30 June 2020**
Profit for the year	13,644	7,825

Source: BCR internal data, unaudited, not reviewed

BCR Banca pentru Locuinţe S.A.

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

As at 31 August 2021, BCR BpL customers' savings amounted to RON 660 million and the loans portfolio to RON 143.1 million.

As of 30 June 2021, the total assets decreased with 27% as compared with 30 June 2020, reaching RON 1,614 million. Profitability improved to RON 4,9 million in the first half of 2021 comparing with the same period in 2020, due to provisions reversal.

Financial Summary based on IFRS-EU figures	**31 December 2020**	**31 December 2019**
	(RON thousand)	
Total Assets	1,868,811	2,653,111
Total Equity	59,196	61,300
	1 January 2020 to 31 December 2020	**1 January 2019 to 31 December 2019**
Profit for the year	(2,104)	(746,604)

Source: BCR internal data, unaudited, not reviewed

Financial Summary based on IFRS-EU figures	**30 June 2021**	**30 June 2020**
	(RON thousand)	

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

Total Assets	1,613,970	2,210,715
Total Equity	64,108	61,230
	1 January 2021 to 30 June 2021	**1 January 2020 to 30 June 2020**
Profit for the year	4,913	(69)

Source: BCR internal data, unaudited, not reviewed

Suport Colect S.R.L.

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

As at 31 August 2021, Suport Colect's portfolio comprised around 585 clients.

As of 30 June 2021, the total assets decreased with 1.1% as compared with 30 June 2020 reaching RON 78.0 million. Profitability increased to RON 7.9 million in the first half of 2021 comparing with the same period in 2020, mainly due to release of credit risk provisions in amount of RON 4 million and release of litigation provisions RON 1.5 million.

Financial Summary based on IFRS-EU figures	**31 December 2020**	**31 December 2019**
	(RON thousand)	
Total Assets	71,368	76,194
Total Equity	49,762	40,925
	1 January 2020 to 31 December 2020	**1 January 2019 to 31 December 2019**
Profit for the year	8,838	9,373

Source: BCR internal data unaudited, not reviewed

Financial Summary based on IFRS-EU figures	**30 June 2021**	**30 June 2020**
	(RON thousand)	
Total Assets	78,092	78,974
Total Equity	57,686	43,915
	1 January 2021 to 30 June 2021	**1 January 2020 to 30 June 2020**
Profit for the year	7,924	2,991

Source: BCR internal data unaudited, not reviewed

BCR Fleet Management S.R.L.

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

As of 30 June 2021, the total assets of BCR Fleet Management amounted to RON 507 million, increasing by 17.2% as compared to 30 June 2020. BCR Fleet Management is reclassified as asset held for sale and subsidiaries' results are depreciated to fair value less costs to sell.

Financial Summary based on IFRS-EU figures	**31 December 2020**	**31 December 2019**
	(RON thousand)	
Total Assets	449,269	410,460
Total Equity	13,750	13,750
	1 January 2020 to 31 December 2020	**1 January 2019 to 31 December 2019**
Profit for the year	0	11,706

Source: BCR internal data unaudited, not reviewed

Financial Summary based on IFRS-EU figures	**30 June 2021**	**30 June 2020**

	(RON thousand)	
Total Assets	507,146	432,537
Total Equity	6,364	13,750
	1 January 2021 to 30 June 2021	**1 January 2020 to 30 June 2020**
Profit for the year	(7,386)	0

Source: BCR internal data unaudited, not reviewed

During 2019, the Issuer's management board approved the launching of the sale process of investment in shares in BCR Fleet Management as presented in the 2019 Financial Statements of BCR. BCR Fleet Management is classified as asset held for sale and the net assets of BCR Fleet Management are adjusted in order to represent the offered price.

BCR Payments Services S.R.L.

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

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

BCR Payments Services is responsible for centralised processing of payment transactions in local and foreign currency, debt instruments in local and foreign currency, and starting with July 2019 BCR Payments Services has included in its portfolio of services the archiving of documents from BCR units.

BCR Payments is following the direction established after the new target operating model implementation and the Retail and Corporate Strategy in BCR, approved in 2020. There are three main directions for action: domestic paper based pro reduction, 45% in 2021, digitalization of accounts opening and administration activities after launching various functionalities of George for private individuals and micros (digital onboarding of clients, client updates in know your customer ("**KYC**"), other account maintenance functionalities) as well as redefining the Corporate Service Model and Digital Inbox input channel.

Insourcing of reconciliation of internal and NOSTRO-LORO accounts has been successfully completed in 2021. The activities' transfer is planned to compensate the available capacity after the reduction of volumes of paper-based payments and to allocate the existing experienced and skilled staff to more complex and qualified tasks.

During 2021 BCR Payments has identified new initiatives aimed at improving efficiency, which include the automation of the processing of foreign currency intermediaries using robotic process automation (RPA) (approved and under development with the estimated implementation at the end of 2021).

During 2020, 3.7 million transactions were processed (domestic credit transfers, foreign credit transfers, debt instruments, clients' maintenance), as focus of the customers shifts from paper-based to electronic products.

Financial Summary based on IFRS-EU figures	**31 December 2020**	**31 December 2019**
	(RON thousand)	
Total Assets	5,293	6,292
Total Equity	2,837	2,474
	1 January 2020 to 31 December 2020	**1 January 2019 to 31 December 2019**
Profit for the year	772	329

Source: BCR internal data unaudited, not reviewed

Financial Summary based on IFRS-EU figures	**30 June 2021**	**30 June 2020**
	(RON thousand)	
Total Assets	5,167	5,425
Total Equity	2,591	2,638
	1 January 2021 to 30 June 2021	**1 January 2020 to 30 June 2020**

Profit for the year	475	164

Source: BCR internal data unaudited, not reviewed

2.3 SHARE CAPITAL OF BCR

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

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

2.4 ARTICLES OF ASSOCIATION

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

a) acceptance of deposits and other repayable funds;

b) granting of credits including, among others: consumer loans, mortgage loans, factoring with or without recourse, financing of commercial transactions, including forfeiting;

c) payment operations;

d) issuance and management of payment instruments such as: debit and credit cards, traveller's cheques and alike, including the issuing of electronic money;

e) issuance of guarantees and assuming commitments;

f) trading for own account and/or for the account of customers, according to the law, in:

- money market instruments such as cheques, bills of exchange, promissory notes, certificates of deposit,
- foreign currency,
- financial futures and options contracts,
- exchange and interest-rate based instruments, or
- transferable securities and other financial instruments;

g) participating in the issuance of securities and other financial instruments by underwriting and placement thereof or by placement and provision of ancillary services;

h) advisory services on capital structure, business strategy and other issues related to commercial businesses, services related to mergers and acquisitions as well as other consultancy services;

i) portfolio management for clients and consultancy related thereto;

j) custody and management of financial instruments;

k) interbank market brokerage;

l) provision of services related to supply of data and credit reference services;

m) rental of safe deposit boxes;

n) operations with precious metals, precious stones and objects manufactured out of precious metals or stones;

o) acquisition of participations in the share capital of other entities and

p) any other activities or services within the financial sector subject to special laws, as follows:

- acting as depositary in relation of assets of investment funds and investment companies,
- distribution of units and shares issued by investment funds and investment companies,
- acting as authorised operator of the National Register for Publicity of Security Interests over Movable Property for the purpose of registration with the National Register for Publicity of Security Interests over Movable Property of security interests created in relation to the operations carried out by BCR and/or the operations of the companies belonging to the same group as BCR,

- data processing services, database management or any other similar activities for third parties,
- acting as depositary in relation to assets of privately managed pension funds,
- acting as depositary in relation to financial assets of the optional pension funds,
- acting as marketing agent in relation to privately managed pension funds and as marketing agent in connection with the prospectuses of the optional pension schemes,
- acting on behalf and in the name of other credit/financial institutions in connection with crediting/lending financial operations or with other operations ancillary to credit /financial operations and
- acting in the name and on behalf of other entities to promote their services to BCR's clients, in subsidiary to services and products provided by BCR:
    - acting for and on behalf of other financial entities for the sale/distribution of their products/financial services, as well as providing the necessary support services for the sale/distribution of these types of products/services;
    - acting for and on behalf of other payment institutions/institutions issuing electronic currency as a paying agent/electronic currency payment agent.

Operations referred to in paragraphs f), g), h), i) and j) may be performed in relation to all investment services regulated by the law no. 24/2017 on issuers of financial instruments and market operations and the legal framework related thereto, to extent such operations relate to financial instruments regulated by it.

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

2.5 BORROWING AND FUNDING STRUCTURE

BCR continues to be self-funded in both, local currency and foreign currencies. The main source of funding is customer resources. Total client deposits at the end of June 2021 represented 78% of total liabilities (including equity), slightly decreasing from 79% at the end of 2020. Thus, there have been no material changes in the Issuer's borrowing and funding structure since the Issuer's last financial year.

2.6 EXPECTED FINANCING OF THE ISSUER'S ACTIVITIES

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

2.7 BUSINESS OVERVIEW

Strategy

BCR continues to be a top bank in Romania with a net loan book of RON 45 billion and about 2.8 million customers as of June 2021[6]. BCR provides financial products and services, through a network of 325 retail units as of August 2021 located in most cities across Romania which have more than 10,000 inhabitants.

BCR has an universal business model generating revenue through retail, corporate and capital markets segments. The lending portfolio is mainly represented by private individuals (RON 26 billion lending book, i.e. 58% of total exposure) and corporate presence in various industry sectors (RON 18 billion lending book, i.e. 42% of total exposure).

In terms of digitalisation in 2020, BCR reached 945,000 George active users and digital sales reaching 30%-40% of activities in unsecured lending, credit cards, overdraft, insurance, KYC. Being part of Erste Group allowed BCR to benefit from the applications, software and know-how on George which was originated at group level.

[6] Source: the Issuer's management report.

BCR's identity in the past years has been defined by 3 game changers which serve as a foundation for its future growth:

1. George – more than an electronic banking platform:

- George and the digital transformation of BCR significantly improved its perception in the desired target segment as BCR has 945,000 George active users as of July 2021.
- George for Micro was launched in 2021 and digital onboarding flow is live.

2. Transformation & Digital Labs:

- The transformation program introduced in 2019 focuses on cost discipline and increasing internal processes' efficiency through digitisation and optimization
- Digital Labs enabled BCR to continuously add new functionalities to the George platform, such as: unsecured lending (including refinancing), insurance, KYC, push messaging, top-up, MoneyBack program as well as to launch George for Micro.

3. Financial Education and Start-up & Innovation

- Scoala de Bani (Money School) running over the last 5 years, is the most complex financial literacy program for all ages in Romania, with over 500,000 people (adults and kids) trained in offline and online workshops, as of October 2021.
- Scoala de Business (Business School) launched at the beginning of 2020 as an online platform aims to increase the level of financial education of the entrepreneurs by offering them free access to online courses helping them become more aware of the factors influencing their financial decisions. As of October 2021, 17,000 users subscribed on the entrepreneurial platform BCR business school.
- BCR InnovX, an intensive business education and business acceleration program that concentrates years of development in just 3 months is dedicated to tech start-ups that can be scaled-up internationally. The program aimes to contribute to the Romania's transformation into a European business center & an entrepreneurial hub for innovation. 100 technology start-ups were incubated and accelerated in the program as of October 2021.

For the following years, BCR aims to become the Financial Health Advisor in Romania, enabled by technology & convenience, data and education.

BCR's intention is to reach the advisory excellence level that will enable it to support both the private individuals and the legal entities to improve their financial health and to realise new projects and dreams.

Moreover, BCR aims to make the banking experience easier and simpler, allowing its staff to engage in value adding dialogue with the clients and focus on their Financial Health & Prosperity.

This will be enabled by 4 main pillars:

1. **80% of clients' banking needs fully digitised for all its private individuals and corporate clients:** available for a large range of products, from digital mortgage for private individuals to the unsecure loans and to working capital for companies. BCR's vision does not limit to sales, but extends to the lifecycle banking operations such as modifying repayment schedules, restructuring credits, managing personal savings or company's cashflows.
2. **Omnichannel experience:** BCR aims to be available 24/7 in the digital world, through 300 branches and dedicated corporate centers, advisors on the ground and will be accessible through customer care platform with Interactive Voice Response (IVR) and live support. BCR will offer an omnichannel experience by the design of all its sale channels.
3. **Technology and data back-bone and attracting top talent in the field:** BCR aims to be in 2023 a tech- and data-driven bank intentionally leveraging the latest technology and attracting Romania's top digital talent, while generating results and efficiency that create shareholder value.
4. **People and Financial education:** multiskilling and up-skilling workforce aiming to prepare BCR staff to respond well to changes in today's New Reality (around Digital skills, Cognitive, Social & Emotional, Adaptability & Resilience).

Financial education continues to be part of BCR's brand equity, through "Scoala de Bani" and "Scoala de Business".

Capital Requirements

In order to ensure the effectiveness of bail-in and other resolution tools all institutions have to meet an individual MREL requirement, internal or external, depending on the applying resolution strategy (MPE or SPE), to be calculated (based on current legislation) as a percentage of total liabilities and own funds and set by the relevant resolution authorities. Under the new legislative framework of the EU Banking Package MREL shall be expressed as a percentage of the total risk exposure amount. In March 2020, the NBR has communicated the phase-in MREL target for 2020, equal to 12.83% of Total Liabilities and Own Funds (TLOF) recorded as of 31 December 2017, with a fully loaded target of 14.95% to be reached by 31 December 2023.

As of the date of this Registration Document, the BRRD 2 and the CRD V have not yet been fully implemented into national legislation in Romania. However, at the beginning of August 2021, NBR communicated to the Issuer a letter containing the MREL target set in the joint decision taken with the Single Resolution Board, the resolution authority for Erste Group Bank AG, and calibrated on balance sheet data as of 31 December 2019, according to BRRD 2 provisions. These MREL requirements will take effect after the entry into force of the national legislation implementing BRRD 2 in Romania. Until such implementation, the aforementioned MREL targets based on BRRD remain in effect.

Based on BRRD 2, the Issuer, as the resolution entity of the Romanian resolution group (i.e. the Issuer, as resolution entity together with its direct subsidiaries, as non-resolution entities, namely BCR Chisinau S.A., BCR Leasing IFN S.A., BCR Pensii Societate de Administrare a Fondurilor de Pensii Private S.A., BCR Banca pentru Locuinte S.A., Suport Collect S.R.L. and BCR Payment Services S.R.L.), must comply with binding interim MREL requirements equivalent to 20.76% (excluding the Combined Buffer Requirement ("**CBR**")) of the Total Risk Exposure Amount ("**TREA**") and 5.91% of the Leverage Ratio Exposure ("**LRE**") of the Romanian resolution group starting from 1 January 2022. The MREL requirements on fully loaded basis, effective from 1 January 2024, are equivalent to 24.9% of TREA (excluding CBR) and 5.91% of LRE of the Romanian resolution group, respectively. In addition, the minimum interim subordination requirements, effective from 1 January 2022, were set at a level of 19.58% of TREA (excluding CBR) and 5.91% of LRE, thereby specifying the amount of the total MREL requirements that must be met with subordinated instruments such as regulatory capital, subordinated debt and senior non-preferred debt. The final subordination requirements, effective from 1 January 2024, were set at a level of 21.4% of TREA (excluding CBR) and 5.91% of LRE.

BCR Segment Reporting

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

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

A. Retail banking

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

B. Corporate banking

The main Corporate segments are:

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

The main corporate banking segment are:

1. SME which represents clients with the following main characteristics:

    - companies having an annual turnover between EUR 1 to 50 million and a consolidated turnover of up to EUR 500 million;
    - companies part of a domestic group with at least one company having an individual yearly turnover between EUR 1 million to EUR 50 million;
    - companies part of an international group with at least one company having an individual yearly turnover between EUR 1 million to EUR 500 million;
    - clients with real estate financing for which total project value (including land acquisition, excluding value added tax) is less than EUR 8 million; and
    - companies having an individual/consolidated turnover below EUR 1 million.

2. Public Sector ("**PS**")

    PS comprises public sector, public corporations clients and non profit sector.

    PS includes the following institutions:

    - central ministries and state funded funds and agencies;
    - non-profit entities established by or under control of central government entities, state funded organizations, state universities or research & development institutions;
    - regional governments and organizations funded by them;
    - state capitals including city halls, regional capitals and other municipals and organizations funded by them; exceptions: elementary and primary schools, high schools, kindergartens, small hospitals and libraries, which are segmented as micro; and
    - public health and social insurance companies.

    Public corporations include:

    - all non-financial state companies and corporations with more than 50% share of state or regional governments or municipals excluding stock exchange listed companies and state-owned companies acting in energy & utilities industry with turnover more than EUR 50 million.

3. Large Corporates ("**LLC**") includes:

    - companies/groups with an annual individual turnover above EUR 50 million;
    - clients with operations in core markets where Erste Group operates or in extended core markets;
    - listed and to be listed state owned companies;
    - companies that meet the above-described criteria regarding the turnover with real estate financing for which total Real Estate project value, including land acquisition, excluding value added tax, is less than EUR 8 million;
    - financial sponsors (e.g. Private Equity Funds). The participations (in case of majority stake) of the financial sponsors will be grouped together with the financial sponsor, therefore treated within LLC;
    - international groups that have their headquarters outside the expanded Erste Group target market (target market where Erste Group is present plus Poland, Germany and Spain) with a consolidated annual turnover of over EUR 50 million are segmented by LLC only where Erste Group has a relationship with its headquarters. Extended core markets consist of the following countries: Austria, Czech Republic, Croatia, Hungary, Romania, Serbia and Slovakia.

4. Commercial Real Estate ("**CRE**") includes:

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

Other banking segments are:

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

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

7. Group Markets

   a. Group Markets Trading ("**GMT**"): principally providing money market and treasury operations, syndicated loans and structured financing transactions, foreign currency and derivative transactions, financial instruments trading; and

   b. Group Markets Financial Institutions ("**GMFI**"): companies that provide financial services for their clients or members and act as professional and active participants on financial markets for the purpose of proprietary trading or on behalf of their clients (banks, central banks, investment banks, investments funds, brokerages, insurance companies, pension funds, credit unions).

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

In order to split BCR Group results on business lines the following subsidiaries are allocated entirely on the Retail segment: BCR Pensii, BCR BpL, Suport Colect and some of the consolidation adjustments; BCR Leasing and BCR Chisinau are allocated on the Corporate segment. Intragroup eliminations and the rest of the consolidation adjustments are allocated on the Corporate Center.

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

Additional information on segment reporting can be found in the Audited IFRS-EU Financial Statements 2019 and 2020 and in the Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2021.

2.8 CREDIT RATINGS

The Issuer is rated on its request by Fitch and on an unsolicited basis by Moody's.

In January 2021 Fitch Ratings affirmed BCR's long term issuer default rating (IDR) at BBB+ with a negative outlook and Viability Rating (VR) at bb+. The affirmation of BCR's VR reflects relatively stable key credit metrics since the last review.

Fitch assigned the following credit ratings:

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

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

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

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

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

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

BCR is rated by Moody's on an unsolicited basis, i.e. exclusively based on publicly available information. Thus, the credit rating assigned by Moody's to BCR was not performed at the request or with the co-operation of BCR in the credit rating process. On 10 December 2020, Moody’s upgraded BCR’s long-term foreign currency deposit rating to Baa1 from Baa3 due to a change in methodology (aligned with foreign currency ceilings for debts) and maintained the outlook to negative. These changes reflect Moody’s view that the risks that affect access to bank deposits are not materially different from those that affect the ability of banks and non-banks to service their debt obligations.

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

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

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

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

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

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

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

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

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

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

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

2.9 RECENT EVENTS

In October 2021, the Romanian National Committee for Macroprudential Oversight recommended NBR to raise the countercyclical buffer rate to 0.5% from 0% previously. The additional capital requirement has been included in the updated capital plans of BCR and BCR expects that it will be able to fulfill the solvency requirements.

Except as disclosed above, there are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of its solvency.

2.10 TREND INFORMATION

Trends affecting the Issuer and the industries in which it operates are the difficult overall macroeconomic environment with decreasing growth rates and the continuing tense situation on the financial and capital markets which have had and may continue to have a negative impact on the Issuer's business activity and results of operations, as well as on the Issuer's refinancing costs.

2.11 SIGNIFICANT CHANGES AND MATERIAL ADVERSE CHANGES

There has been no material adverse change in the prospects of the Issuer since 31 December 2020 and no significant change in the financial performance and in the financial position of BCR Group since 30 June 2021.

2.12 SELECTED FINANCIAL INFORMATION

Key profitability and efficiency indicators

	31 December 2017	31 December 2018	31 December 2019	31 December 2020	30 June 2021	30 September 2021
Return on Equity (ROE) ratio, %	9.3%	15.2%	7%	9%	14.3%	15.4%
Net Interest Margin (NIM) (IBA) ratio, %	3.2%	3.5%	3.7%	3.6%	3.4%	3.4%
Net Interest Margin (NIM) (total assets) ratio, %	2.5%	2.9%	3.1%	3.0%	2.9%	2.9%
Cost/Income (C/I) ratio, %	53.5%	50.2%	48.8%	47.1%	44.2%	43.2%
Loan/deposit ratio net, %	63.8%	66.1%	69.3%	66.3%	69.3%	70.9%
Solvency ratio, %	21.9%	21.9%	20.2%	21.4%	20.8%	n/a

Source: Information of the Issuer

Key risk indicators

	31 December 2017	31 December 2018	31 December 2019	31 December 2020	30 June 2021	30 September 2021
Non-Performing Loan (NPL) ratio, %	8.1%	5.8%	4.1%	4.5%	4.3%	4.0%
Non-Performing Loan (NPL) coverage ratio, %	92.7%	100.3%	116.3%	122.5%	125.3%	130.8%

Source: Information of the Issuer

Alternative Performance Measures

Alternative Performance Measure	Description / Purpose	Calculation
Return on equity (ROE) ratio	Return on equity is a profitability measure which compares the net profit for the year to shareholder's equity after adjustment for AT1 payments and instruments.	The return on equity is calculated as follows: (Net result attributable to the owners of the parent - AT1 dividends) / Average (equity attributable to the owners of the parent - AT1).

Example for the third quarter 2021:

$$ROE\ ratio = \frac{(1{,}141.8\ -\ 0)\ /\ 9 * 12}{(9{,}897.7\ -0)}\ x\ 100 = 15.4\%$$

Cost Income (C/I) ratio	C/I ratio is an efficiency ratio which assesses how many units of cost must be invested to generate one unit of revenue.	C/I ratio is expressed as: Operating expense (Personnel expenses, Other administrative expenses, Depreciation and amortization) / Operating income (Net interest income, Net fee and commission income, Dividend income, Net trading and fair value result, Net result from equity method investments, Rental income from investment properties & other operating leases).

Example for the third quarter 2021:

$$C/I\ ratio = \frac{1,200}{2,777} x\ 100 = 43.2\%$$

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

Example for the third quarter 2021:

$$Loan/Deposit\ \text{ratio} = \frac{46,573}{65,668} x\ 100 = 70.9\%$$

Net Interest Margin (NIM) (IBA) ratio	NIM ratio is a profitability ratio which assesses how profitable investment (asset) is when compared to expenses used to fund it.	Net interest margin (IBA) ratio is expressed as: Net interest income / simple average of two quarter ends of interest-bearing assets (Financial assets held for trading + Non-trading financial assets mandatorily at fair value through profit or loss + Financial assets at fair value through other comprehensive income + Financial assets at amortized cost).

Example for the third quarter 2021:

$$Net\ interest\ bearing\ income\ forthe\ third\ quarted\ 2021 = 1,798$$

$$\begin{aligned} & Net\ interest\ bearing\ assets \\ & = 1,113\ (financial\ assets\ held\ for\ trading) \\ & + 66\ (non\ trading\ financial\ assets\ mandatorily\ at\ fair\ value\ through\ profit\ or\ loss) \\ & + 7,788\ (financial\ assets\ at\ at\ fair\ value\ through\ other\ comprehensive\ income) \\ & + 62,233\ (financial\ assets\ at\ amortized\ cost) \end{aligned}$$

$$NIM\ (IBA) ratio == \frac{1,798}{\text{Average}(69,787; 72,919)\ (simple\ average\ of\ interest\ bearing\ assets\ for\ Q2\ and\ \ Q3\ 2021)2021} x\ 100\ = 3.4\%$$

Net Interest Margin (NIM) (total assets) ratio	NIM ratio is a profitability ratio which assesses how profitable investment (asset) is when compared to expenses used to fund it.	Net Interest Margin (total assets) ratio is expressed as: Net Interest Income / simple average of two quarter ends of total assets.

Example for the third quarter of 2021 (annualized ratio):

$$\begin{aligned} & NIM\ (total\ assets) ratio = \\ & = \frac{1,798}{\text{Average}(83,176; 84,013)\ (simple\ average\ of\ volume\ of\ total\ assets\ for\ Q2\ and\ Q3\ 2021)} x100 \\ & = 2.9\% \end{aligned}$$

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

Example for the second quarter 2021:

$$\text{Solvency ratio} = \frac{8,086}{38,070} x\ 100 = 21\%$$

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

Example for the third quarter 2021:

$$\text{NPL ratio} = \frac{1,983.59}{49,083.67} x\ 100 = 4.0\%$$

Non-Performing Loan (NPL) coverage ratio	The non-performing coverage ratio is computed by dividing total loss allowances (calculated for both performing and non-performing loans and advances to customers) by the gross carrying amount of the non-performing loans and advances to customers. The non-performing loan coverage ratio reflects the bank's ability to absorb future losses.	NPL coverage ratio is expressed as: Total loss allowances (calculated for both performing and non-performing loans and advances to customers) / Gross carrying amount of the non-performing loans and advances to customers
	Example for the third quarter 2021: $\text{NPL coverage ratio} = \frac{2{,}595.26}{1{,}983.59} x\ 100 = 130.8\%$	

Source: Information and calculation of the Issuer on the basis of the Audited IFRS-EU Financial Statements 2020, the Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2021, the Press Release dated 2 November 2021 relating to BCR's financial results for the first nine months of 2021 and the H1 2021 Disclosure Report.

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

3. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

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

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

(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 "*3.1 Management Board*" and "*3.2 Supervisory Board*" below) with whom BCR has business relations are called to take decisions on or endorse matters concerning the business relations between BCR and the respective entities;

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

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

General Meeting of Shareholders

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

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

Supervisory Board

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

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

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

3.1 MANAGEMENT BOARD

Members of the Management Board

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

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

Source: Internal information of the Issuer

The members of the Management Board can be reached at the Issuer's business address 159 Calea Plevnei, Business Garden Bucharest, Building A, 6th Floor, 060013 Bucharest district 6, Romania.

3.2 SUPERVISORY BOARD

Members of the Supervisory Board

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

Name and position	Name of relevant company	Position held
Manfred Wimmer - Chairman	Erste Bank Hungary Zrt	Chairman of the Supervisory Board
	DIE ERSTE österreichische Spar-Casse Privatstiftung	Deputy Chairman of the Supervisory Board
	Salzburger Sparkasse Bank Aktiengesellschaft	Member of the Supervisory Board
Bernhard Spalt - Deputy Chaiman	Erste Group Bank AG	Chairman of the Management Board
	Erste Social Finance Holding GmbH	Member of the Advisory Board
	Česká spořitelna, a.s.	Chairman of the Supervisory Board
	Erste Mitarbeiterbeteiligung Privatstiftung	Chairman of the Advisory Board
	Haftungsverbund GmBH	Chairman of the Shareholder Committee Chairman of the Executive Committee (s-Steuerungsvorstand) Deputy chairman of the Advisory Board
	Wiener Städtische Wechselseitiger Versicherungsverein	Vereinsversammlung - member
	Osterreichischer Sparkassenverband	Member of the Board of directors/ Executive Board
Elisabeth Krainer Senger Weiss - Member	Erste Group Bank AG	Member of the Supervisory Board
	Gebrüder Weiss Holding AG	Deputy Chairwoman of the Supervisory Board, Member of the Nomination Committee, Member of the Audit Committee
	Gebrüder Weiss GmbH.	Deputy Chairwoman of the Supervisory Board, Member of the Nomination Committee, Member of the Audit Committee
	GW Immobilien GmbH	Managing director
	Krainer & Co. Immobilienverwaltungs OG	Managing director
	Krainer-Senger-Weiss Rechtsanwalts GmbH	Attorney at Law
	Senger-Weiss GmbH	Managing director
Daniela Camelia Nemoianu Istocescu - Member	Nemoianu Law Firm	Attorney at Law
	American Chamber of Commerce in Romania	Board member

Name and position	Name of relevant company	Position held
	Holde Agri Invest S.A.	Advisory Board member
	One United Properties S.A.	Shareholder
Hildegard Gacek - Member	-	-
Stefan Dörfler [7] – Appointed Member	Erste Group IT International GmbH	Deputy Chairman of the Supervisory Board
	Sparkassen-Haftungs GmbH	Member of the Supervisory Board
	Procurement Services GmbH	Deputy chairman of the Advisory Board
	Wiener Börse AG	Member of the Supervisory Board
	Česká spořitelna, a.s.	Member of the Supervisory Board
	Slovenská sporitel'ňa, a.s.	Chairman of the Supervisory Board
	EB-Restaurantsbetriebe Ges.m.b.H.	Chairman of the Advisory Board
	OM Objektmanagement GmbH	Chairman of the Advisory Board

Source: Internal information of the Issuer.

The members of the Supervisory Board can be reached at the Issuer's business address 159 Calea Plevnei, Business Garden Bucharest, Building A, 6th Floor, 060013 Bucharest, district 6, Romania.

3.3 POTENTIAL CONFLICTS OF INTEREST

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

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

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

3.4 AUDIT AND AUDITORS' REPORTS

PricewaterhouseCoopers Audit S.R.L., member of the Chamber of Financial Auditors of Romania, with registered seat at 1A B-dul Poligrafiei, Ana Tower, floor 24/3, 013704 Bucharest district 1, Romania, have audited and issued unqualified auditor's reports for the Audited IFRS-EU Financial Statements 2019 (dated 20 March 2020) and the Audited IFRS-EU Financial Statements 2020 (dated 19 March 2021). The financial year of BCR is the calendar year.

3.5 SHAREHOLDERS OF THE ISSUER

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

7 Currently under NBR approval process (the mandate as member of the Supervisory Board will become valid after receiving the NBR's approval).

	Number of shares	***Percentage of the share capital and voting rights***
Erste Group Bank AG	16,234,828,191	99.8856%
Other legal persons	240,612	0.0015%
(including SIF Muntenia and SIF Banat-Crisana each of them with one share)		
Individuals	18,446,824	0,1135%
TOTAL	**16,253,416,254**	**100%**

Source: Shareholders' Registry of BCR

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

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

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

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

4. LEGAL PROCEEDINGS

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

Arbitration proceedings

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

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

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

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

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

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

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

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

- RON 78,718,187 – penalties and deferred interest according to the legal provisions of law no. 76/1992 on measures for repayment of credits resulting from the action of clearing, payments to businesses, preventing the failure of payment and financial deadlock; or

- RON 8,656,712 – legal interest calculated until 5 September 2016 under the Civil Code of 1864; or
- RON 8,656,712 – legal interest calculated until 5 September 2016 as per Decree no. 311/1954 regarding the legal interest set-up.

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

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

On 31 October 2019, the dispute was solved by the International Court of Arbitration in favour of BCR. Against this solution, Bucharest Municipality filed a request for annulment, and the next hearing before the Bucharest Court of Appeal was scheduled for 12 October 2020 when the Bucharest Court of Appeal rejected the appeal. Against this decision the claimant filed a second appeal. The hearing in court is to be scheduled.

Consumer protection claims

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

These litigations concern the "abusive clauses" inserted in credit agreements, regarding both variable interest and fees charged. Even if each action refers either to all or only a part of the loan costs, BCR analysed and set up a covering provision for the entire ongoing litigation portfolio, taking into account all the costs charged for all loans in dispute. As a result, there is no substantial adverse material risk that could influence BCR's business activity in connection with these cases. For individual cases, BCR set up a provision in the amount of RON 80.9 million equivalent and for the cases filed by the National Authority for Consumer Protection (ANPC) having as object to force BCR to eliminate the unfair terms from all ongoing contracts signed between 2007 – 2010, a provision was established in the amount of RON 499 million equivalent for active loans and RON 15.4 million for closed loans.

Tax litigations - Transfer pricing

During the period 3 May 2016 to 9 July 2017, BCR was subject to a tax audit regarding corporate income tax and value added tax for the period 1 January 2012 to 31 December 2015. The main aspect verified by the Romanian tax authorities were the intragroup transactions performed by BCR with its related parties during the analysed period, mainly the financial transactions.

Based on the fiscal audit performed, the Romanian tax authorities established an additional corporate income tax expense of RON 102,581,852 as at 30 June 2017, for the entire audited period 2012 to 2015. The additional corporate income tax due was added to the existing amounts as at 30 June 2017.

BCR challenged the decision of the authority – file no. 6204/2/2018 – Bucharest Court of Appeal, next hearing being scheduled for 19 November 2021. Related to the same audit of the tax authority, BCR initiated a mutual agreement procedure ("**MAP**"), under the European Union Arbitration Convention, considering that the adjustment of transfer prices established by the National Agency for Fiscal Administration ("**NAFA**") for 2012 to 2015 generated double taxation in Austria and in Romania. The objective is to obtain the solution in order to eliminate the double taxation related to: (i) the deposits and loans received by BCR from Erste Group Bank during 2012 to 2015, namely, certain expenses being considered as non-deductible from a fiscal point of view at BCR level, and at the same time considered as taxable at Erste Group Bank level and (ii) sale of participation titles held by BCR in business capital for Romania – Opportunity Fund Cooperatief UA (BOF) to Erste Group Bank in 2014, namely, the sale price has been increased, the related revenues being considered as taxable from a fiscal point of view at BCR level, while, at the same time it is not recognised as deductible expense at Erste Group Bank level. In August 2018, NAFA confirmed that it had notified in April the Austrian authorities regarding BCR's mutual agreement application and that 27 April 2018 was established as start date of the procedure.

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

As the answer of NAFA was negative, on 22 June 2021, BCR challenged the decision before the local court. The hearing is to be scheduled.

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

In 2018, NAFA partially admitted BCR's contestation for the amount of RON 1,752,869, representing withholding tax owed by BCR, but not for the controlled period (2014-2015). Because BCR's contestation for the amount of RON 41,317,529 was rejected by NAFA, BCR challenged their decision in court with the next hearing before Bucharest Court of Appeal being scheduled for 17 January 2022. Considering the Romanian tax authorities decision to adjust the taxable base of corporate income tax, respectively to impose an additional corporate income tax for the period 2012 to 2015, BCR has analysed the necessity of booking a provision for a potential obligation regarding additional corporate income tax for the period 2016 to 2020. Based on the principles in IAS 37 "Provisions, contingent assets and liabilities", BCR recognized as of 31 December 2020 a provision amounting to RON 35,000,000, in relation with transactions performed in the period 2016-2020 which are similar to those for which the tax authorities adjusted the fiscal base in the previous tax audit. During the first half of the 2021, BCR increased the provision to a total amount of RON 85.9 million.

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

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

BCR BpL challenged in court the decision of CoA. Whilst BCR BpL had won on the very large majority of the counts before the first court, the case was ultimately lost before in the appeal stage, where, on 24 June 2019, the Romanian High Court of Justice maintained the most relevant conclusions of the CoA's decision.

BCR BpL decided to challenge within the legal deadline by the means of two extraordinary appeals: (a) a contestation for annulment which was irrevocably rejected on 27 May 2021; and (b) a revision which was irrevocably rejected on 9 November 2021. On the other hand, BCR BpL filed at the beginning of 2020 a claim for damages before the ECHR. On 21 September 2021 BCR was informed that the ECHR decided to communicate the complaint filed by BCR BpL to the Government of Romania. The Government of Romania is invited by the ECHR to submit a statement with its position (facts, admissibility and merits of the case) until 10 January 2022.

In order to continue the activity, the share capital of BCR BpL was raised. Also, specific provision of RON 718 million (EUR 151 million) were initially set up for covering the losses resulting from the execution of the CoA's decision and supporting the costs of potential litigations with individual clients.

As of 31 December 2019, the BCR Group recognised a related provision of EUR 138 million, reflected in the Audited IFRS-EU Financial Statements 2019.

On the other hand, BCR BpL partially implemented the CoA's decision, and paid an amount of approximately EUR 11.7 million. For the measures to be implemented according to the decision of the Romanian Court of Accounts that were maintained by the Romanian High Court of Justice in June 2019, BCR obtained a postponement for the decision implementation until 2 February 2021, after which the implementation deadline of the CoA Decision was no longer extended.

Regarding the point of the CoA's Decision which is not implemented, namely the collection of damages of approx. RON 661.9 million (as of 30 June 2021), BCR BpL sent a letter to the Ministry of Development requesting the Romanian State to collect the amounts (representing state premiums and accessories) directly from BCR BpL's clients, given that the Romanian State is the creditor of such amounts, and the clients are the main debtors. The Ministry of Development's answer mainly stipulates that (i) from its perspective, BCR BpL has not fulfilled yet the measures imposed through the decision of the CoA, as BCR BpL has to take certain client related measures in order to recover the damages (amounts representing state premiums and accessories); (ii) BCR BpL should send notification letters to the clients informing them on the state premium situation and that clients must return amounts representing the state premium paid to them; (iii) BCR BpL should regularly inform the Ministry of Development about the status of the recovery of amounts (e.g. the number of clients who: (a) returned the amounts representing state premium, (b) did not return the amounts; and (c) did not reply; the number of objections received from notified clients, the manner in which BCR BpL handled such objections; (iv) BCR BpL should send to the Ministry of Development an update status on the total value of the damage.

Other litigations

As at 30 June 2021, BCR was involved in 2,804 litigations (without seizures on the clients' accounts), out of which it was involved in 2,271 litigation cases as defendant. BCR recorded provisions for litigations in a total amount of RON 110.5 million equivalent for various cases (including the individual consumer protection cases) and RON 514.4 million equivalent for cross-portfolio cases. All litigations are monitored and all the cases with loss risk are evaluated and provisioned.

5. MATERIAL CONTRACTS

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

GLOSSARY AND LIST OF ABBREVIATIONS

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

Audited IFRS-EU Financial Statements 2020	the Romanian language version of the Banca Comerciala Romana S.A. Consolidated and Separate Financial Statements (The Group and the Parent Bank) Prepared in Accordance with IFRS-EU – being part of the Annual Report 2020 and further parts of the Annual Report 2020
Audited IFRS-EU Financial Statements 2019	the Romanian language version of the Banca Comerciala Romana S.A. Consolidated and Separate Financial Statements (The Group and the Parent Bank) Prepared in Accordance with IFRS-EU – being part of the Annual Report 2019 and further parts of the Annual Report 2019
AVAS	Authority for State Assets Recovery (*Autoritatea pentru Valorificarea Activelor Statului*)
Bancorex	Romanian Bank for Foreign Trade (*Banca Română de Comerţ Exterior – Bancorex – S.A.*)
Banking Union	an EU-level banking supervision and resolution system which operates on the basis of EU-wide rules. It consists of all Eurozone countries and those Member States that choose to participate.
BCR	Banca Comercială Română S.A.
BCR BpL	BCR Banca pentru Locuinţe S.A.
BCR Chişinău	Banca Comercială Română Chişinău S.A.
BCR Fleet Management	BCR Fleet Management S.R.L.
BCR Group	the Issuer and its subsidiaries and participations taken as a whole
BCR Leasing	BCR Leasing IFN S.A.
BCR Payments Services	BCR Payments Services S.R.L.
BCR Pensii	BCR Pensii Societate de Administrare a Fondurilor de Pensii Private S.A.
BRRD	Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council, as amended (*Bank Recovery and Resolution Directive*)
CET 1	own funds pursuant to Article 26 CRR (*Common Equity Tier 1*)
CoA	Romanian Court of Accounts (*Curtea de Conturi din România*)
COVID-19	the corona virus SARS-CoV-2
CRD	Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing

	Directives 2006/48/EC and 2006/49/EC, as amended (*Capital Requirements Directive IV*)
CRR	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended (*Capital Requirements Regulation*)
EBRD	European Bank for Reconstruction and Development
ECHR	European Court of Human Rights
Erste Bank Oesterreich	Erste Bank der oesterreichischen Sparkassen AG
Erste Group	consists of Erste Group Bank, together with its subsidiaries and participations, including Erste Bank Oesterreich in Austria, Česká spořitelna in the Czech Republic, BCR in Romania, Slovenská sporiteľňa in Slovakia, Erste Bank Hungary in Hungary, Erste Bank Croatia in Croatia, Erste Bank Serbia in Serbia and, furthermore, in Austria, Salzburger Sparkasse Bank AG, Tiroler Sparkasse Bankaktiengesellschaft Innsbruck, Bausparkasse der österreichischen Sparkassen Aktiengesellschaft, other savings banks of the Haftungsverbund, Erste Group Immorent GmbH, and others
Erste Group Bank	Erste Group Bank AG
EU	European Union
EU Banking Package	a legislative package regarding a set of revised rules (comprising the CRD, the CRR, the BRRD and the SRMR) aimed at reducing risks in the EU banking sector published on 7 June 2019 in the Official Journal of the EU
EUR	Euro
Fitch	Fitch Ratings Ireland Limited
FMA	Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*)
GDP	gross domestic product
IAS	International Accounting Standard
ICT	information and communication technology
IFRS-EU	International Financial Reporting Standards
Issuer	Banca Comercială Română S.A.
Management Board	the management board of the Issuer
Moody's	Moody's Deutschland GmbH
MPE	multiple-point-of-entry
MREL	minimum requirement for own funds and eligible liabilities
NBR	National Bank of Romania
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended
Recovery and Resolution Law	law no.312/2015 regarding the recovery and resolution of credit institutions and investment firms (published in the Official Gazette, Part I No. 920 of 12/11/2015)

Registration Document	this registration document, as supplemented from time to time
SME	small and medium sized enterprises
SPE	single-point-of-entry
SREP	Supervisory Review and Evaluation Process
SRMR	Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as amended (*Single Resolution Mechanism Regulation*)
Supervisory Board	the supervisory board of the Issuer
Suport Colect	Suport Colect S.R.L.
Tier 2	own funds pursuant to Article 62 CRR (*Tier 2*)
Unaudited Interim Condensed IAS 34 Financial Statements as at 30 June 2021	the English language translation of the Banca Comerciala Romana S.A. Interim Condensed Financial Statements Consolidated and Separate as at 30 June 2021 Prepared in Accordance with IAS 34 Interim Condensed Financial Reporting and Unaudited

REGISTERED OFFICE OF THE ISSUER

159 Calea Plevnei, Business Garden Bucharest, Building A, 6th Floor
060013 Bucharest district 6
Romania

AUDITORS

PricewaterhouseCoopers Audit S.R.L.
1A B-dul Poligrafiei, Ana Tower, floor 24/3
013704 Bucharest district 1
Romania

LEGAL ADVISER

WOLF THEISS
Rechtsanwälte GmbH & Co KG
Schubertring 6
1010 Vienna
Austria

Wolf Theiss Rechtsanwälte GmbH & Co KG
4 Vasile Alecsandri Street, The Landmark, Building A, 4^{th} floor,
010639 Bucharest, district 1
Romania

Signaturwert	cFgLEGsP6CDhgfhbZh2LRNdF9spba685dJmo9qE5PDSdH2eHtXzxXnB2kMcznDfV6gaq3BeyIRYM3qNuLrzPMdNKmGZGMBhSSou2bcQ9doc3Uev0/YKnj7SqUp9vuCF50Lx1wqq1rSQe0MsxY6wZ1enEydsTyCPquoRJYnN3ozNDu9Ju28LHhoqKqgmYF1a/FejWZwOeXxlowCnRigxvYT/UfogHGmK414CyP+d2KD0mSx3Po2fTu2LcWtjRFN1PTgHjNQB7vxzDOKnuoC2talU6+nMgR/PxNre4mhwLSq2QNvHQcmb5/zX15pX9+cd/0YmRPyttibbvz4eGJHtG/g==	
	Unterzeichner	Österreichische Finanzmarktaufsichtsbehörde
	Datum/Zeit-UTC	2021-12-02T08:15:00Z
	Aussteller-Zertifikat	CN=a-sign-corporate-light-02,OU=a-sign-corporate-light-02,O=A-Trust Ges. f. Sicherheitssysteme im elektr. Datenverkehr GmbH,C=AT
	Serien-Nr.	532114608
	Methode	urn:pdfsigfilter:bka.gv.at:binaer:v1.1.0
Prüfinformation	Informationen zur Prüfung des elektronischen Siegels bzw. der elektronischen Signatur finden Sie unter: http://www.signaturpruefung.gv.at	
Hinweis	Dieses Dokument wurde amtssigniert. Auch ein Ausdruck dieses Dokuments hat gemäß § 20 E-Government-Gesetz die Beweiskraft einer öffentlichen Urkunde.	