

## Base Prospectus dated 18 November 2024

This document contains a base prospectus ("**Prospectus**") within the meaning of Article 8(1) of 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 (the "**Prospectus Regulation**") of CEC Bank S.A. (hereinafter also referred to as the "**Issuer**" or the "**Bank**") relating to the



CEC BANK S.A.

*(a joint-stock company organised and functioning in accordance with the laws of Romania, administrated in unitary system, with its registered office at 13 Calea Victoriei, 030167 Bucharest, Romania, registered with the Trade Registry under no. J40/155/13.01.1997, sole registration code RO 361897, registered with the Credit Institutions Registry held by the National Bank of Romania under number RB-PJR-40-046 as of 17 September 1999, subscribed and paid-in share capital of RON 2,290,661,600)*

### EUR 1,500,000,000 Euro Medium Term Note Programme for the issue of Notes

Under the EUR 1,500,000,000 Euro Medium Term Note Programme described in this Prospectus (the "**Programme**"), the Issuer may from time to time issue notes in bearer form (the "**Notes**"), including: (i) ordinary senior notes (the "**Ordinary Senior Notes**"); (ii) ordinary senior eligible notes (the "**Ordinary Senior Eligible Notes**") and non-preferred senior eligible notes (the "**Non-Preferred Senior Eligible Notes**") and together with the Ordinary Senior Eligible Notes, the "**Eligible Notes**"); and (iii) subordinated notes (the "**Subordinated Notes**"). The maximum aggregate principal amount of Notes which may be outstanding under the Programme will not at any time exceed EUR 1,500,000,000 (or the equivalent in other currencies).

This Prospectus was prepared in accordance with the Prospectus Regulation, and other applicable legal provisions.

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* of the Grand Duchy of Luxembourg (the "**CSSF**") in its capacity as competent authority under the Prospectus Regulation and the Luxembourg act relating to prospectuses for securities dated 16 July 2019 (*Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières et portant mise en oeuvre du règlement (UE) 2017/1129, the "Luxembourg Prospectus Law"*). The CSSF only approves this Prospectus 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 or of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. By approving this Prospectus, the CSSF assumes no responsibility as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer pursuant to Article 6 (4) of the Luxembourg Prospectus Law.

The Issuer has requested the CSSF to provide the competent authority in Romania with a certificate of approval in accordance with Article 25 (1) of the Prospectus Regulation attesting that this Prospectus has been drawn up in accordance with the Prospectus Regulation and the Luxembourg Prospectus Law. The Issuer may request the CSSF to provide competent authorities in additional Member States within the European Economic Area (each a "**Member State**" and, together, the "**Member States**") with further notifications.

Application has been made to list Notes issued under the Programme on the official list of the Luxembourg Stock Exchange, to admit Notes to trading on the Regulated Market of the Luxembourg Stock Exchange and application may also be made to the Bucharest Stock Exchange for the Programme as a whole and for such issued Notes intended to be admitted to trading on the Regulated Market of the Bucharest Stock Exchange and may be made on any other stock exchange. These regulated markets are regulated markets for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**") (each, a "**Regulated Market**").

Notes will be issued in tranches (each a "**Tranche**"), each Tranche consisting of Notes which are identical in all respects. One or more Tranches, which are expressed to be consolidated and form a single series and are identical in all respects, but may have different issue dates, interest commencement dates, issue prices and dates for first interest payments may form a series ("**Series**") of Notes. Further Notes may be issued as part of an existing Series. The specific terms of each Tranche will be determined at the time of offering of such Tranche based on then prevailing market conditions and will be set forth in the applicable final terms (the "**Final Terms**") (a form of which is contained herein).

This Prospectus and any supplement hereto will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)) and on the website of the Issuer (<https://www.cec.ro/investor-relations-en>). For the avoidance of doubt, the content of the aforementioned websites does not form part of this Prospectus, unless that information is explicitly incorporated by reference into this Prospectus.

The validity of this Prospectus ends upon expiration on 18 November 2025. There is no obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies when this Prospectus is no longer valid.

Prospective investors should be aware that any website referred to in this Prospectus does not form part of this Prospectus and has not been scrutinised or approved by the CSSF. Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" herein.

### Arrangers and Dealers

Erste Group

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## IMPORTANT NOTICE

This Prospectus is to be read and construed together with (a) all supplements to this Prospectus, if any, (b) the relevant Final Terms in relation to any tranche of Notes. This Prospectus may only be used for the purposes for which it has been published.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of Erste Group Bank AG and ING Bank N.V. in their capacity as arrangers or dealers (including any entity appointed as an additional dealer, each a "**Dealer**" and, together, the "**Dealers**") or as approval of the use of this Prospectus.

Neither the delivery of this Prospectus or any Final Terms nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Issuer has undertaken with the Dealers to supplement this Prospectus or publish a new Prospectus if and when the information herein should become materially inaccurate or incomplete, and has further agreed with the Dealers to furnish a supplement to this Prospectus in the event of any significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Notes and which arises or is noted between the time when this Prospectus has been approved and when trading of any tranche of Notes on a regulated market begins, in respect of Notes admitted to trading on a regulated market on the basis of this Prospectus.

Neither the Dealers nor any other person mentioned in this Prospectus (other than the Issuer) has independently verified the information contained in this Prospectus or any supplement thereof, or any Final Terms or any other document incorporated herein by reference. Accordingly, none of these persons makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the Notes. Neither this Prospectus nor any other information supplied in connection with the Programme or any Notes nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or the Dealers that any recipient of this Prospectus or any recipient of any other information supplied in connection with the Programme or any Notes or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or prospective investor in the Notes of any information coming to the attention of any of the Dealers.

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply an amount equivalent to the net proceeds from the offer of those Notes to finance or re-finance certain loans with positive environmental, social or governance impact, all as described in a green finance framework which the Issuer is making steps to establish (the "**Green Finance Framework**") based on the recommendations included in the voluntary process guidelines for issuing green, social and sustainable bonds published by the International Capital Market Association ("**ICMA**") (the "**ICMA Green Bond Principles**", the "**ICMA Social Bond Principles**", the "**ICMA Sustainability Bond Guidelines**" and together, the "**ICMA Sustainable Bond Principles**"). Once the Green Finance Framework is established, the Issuer intends to obtain a second party opinion in relation to the Green Finance Framework (the "**Second Party Opinion**"). Prior to any issuance of green bonds, the Issuer will ensure that both its Green Finance Framework and the Second Party Opinion relating thereto will be published on its website to support the future issuance of any green bonds, as well as to support the Issuer's ESG corporate strategy.

The Green Finance Framework and the Second Party Opinion will not be incorporated into, and will not form part of, this Prospectus. None of the Issuer, the Dealers, any of their respective affiliates or any other person mentioned in the Prospectus makes any representation as to the suitability of such Notes to fulfil environmental, social and/or sustainability criteria required by any prospective investors. The Dealers have not undertaken, nor are responsible for, any assessment of the Green Finance Framework or the loans with positive environmental, social or

governance impact, any verification of whether any loans with positive environmental, social or governance impact meet the criteria set out in the Green Finance Framework or the monitoring of the use of proceeds.

Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

As at the date of this Prospectus, the specific benchmark applicable to an issue of Benchmark linked Notes has not yet been determined. However, interest amounts payable under the Notes may be calculated by reference to EURIBOR, which is currently provided by the European Money Markets Institute ("**EMMI**"), the Romanian Interbank Offered Rate ("**ROBOR**"), which is currently provided by the National Bank of Romania ("**NBR**"), €STR, which is published by the European Central Bank since 2 October 2019 or any other benchmark (the "**Other Benchmark**") (each a "**Benchmark**").

As at the date of this Prospectus EMMI appears on the register of administrators and benchmarks (the "**Benchmarks Register**") established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Regulation (EU) 2016/1011 (as amended, the "**Benchmarks Regulation**").

As at the date of this Prospectus, as far as the Issuer is aware, the exemption set out in item (a) of Article 2 (2) of the Benchmarks Regulation applies to the ECB and the NBR and, accordingly, none of the ECB or the NBR appear on the Benchmarks Register and ROBOR and €STR do not fall within the scope of the Benchmarks Regulation.

In case Notes are issued which make reference to any Other Benchmark, the relevant Final Terms will specify the name of the specific benchmark and the relevant administrator. In such case, the Final Terms will further specify if the relevant administrator is included in the ESMA Register or whether the transitional provisions in Article 51 of the Benchmark Regulation apply or whether an exemption pursuant to Article 2 (2) of the Benchmarks Regulation applies. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the prospective investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of the relevant underlying, if any, and the resolution regime applicable to the Issuer, including the possibility that the Notes may become subject to write-down or conversion if the resolution powers are exercised;
- (v) be able to evaluate (either alone or with the assistance of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (vi) not consider any information in this Prospectus to be investment, legal, tax, business or financial advice.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as standalone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolio. A prospective investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Notes will perform under

changing conditions, the resulting effects on the value of the Notes, the likelihood of cancellation of payment of principal, payment of distributions or a write-down of the Notes and the impact this investment will have on the prospective investor's overall investment portfolio. Each prospective investor in the Notes should determine the suitability of such investment in light of its own circumstances and have sufficient financial resources and liquidity to bear the risks of an investment in the Notes, including the possibility that the entire principal amount of the Notes could be lost.

In this Prospectus all references to "EUR", "cents", "€" and "Euro" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. References to "RON", "Leu" or "Lei" are to the currency of Romania. References to "USD" are to the currency of the United States of America. References to "CHF" are to the currency of Switzerland.

#### **Obligation of the Issuer with regard to a supplement**

Any significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of any Notes issued under the Programme and which arises or is noted between the time when this Prospectus is approved and the time when trading on a regulated market begins in respect of Notes admitted to trading on a regulated market on the basis of this Prospectus, will be included and published in a supplement to this Prospectus in accordance with Article 23 of the Prospectus Regulation.

Investors shall be aware that a supplement to this Prospectus may be published. Such a supplement will be published on the Issuer's website (<https://www.cec.ro/investor-relations-en>) and on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)).

#### **SELLING RESTRICTIONS**

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restriction. For a description of certain restrictions on offers and sales of the Notes and on the distribution of this Prospectus, see "*Subscription and Sale*".

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States of America (the "**United States**", "**U.S.**"). The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")).

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations.

#### **IMPORTANT – NATURAL PERSONS TAX RESIDENTS IN ROMANIA**

Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any natural person who is a Romanian tax resident.

#### **IMPORTANT – EEA RETAIL INVESTORS**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

## IMPORTANT – UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For the purposes of this provision retail investor means a person who is one (or more) of the following (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA; and an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which may outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the MiFID Product Governance rules under Commission Delegated Directive (EU) 2017/593, as amended (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

### UK MIFIR PRODUCT GOVERNANCE RULES / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any Distributor should take into consideration the target market assessment; however, a Distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

### STABILISATION

In connection with the issue of any tranche of Notes under the Programme, the Dealer or Dealers (if any) named as stabilisation manager(s) in the applicable Final Terms (or persons acting on behalf of a stabilisation manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the issue of the relevant tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the relevant tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant stabilisation manager(s) (or person(s) acting on behalf of any stabilisation manager(s)) in accordance with all applicable laws and rules.

### FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements. The words "anticipate", "believe", "expect", "plan", "intend", "targets", "aims", "estimate", "project", "will", "would", "may", "could", "continue" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Prospectus, including, without limitation, those regarding the financial position, business

strategy, management plans and objectives for future operations of the Issuer are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Issuer's actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer expects to operate in the future.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors" and "Description of the Issuer". Any forward-looking statements made by or on behalf of the Issuer speak only as at the date they are made. The Issuer does not undertake to update forward-looking statements to reflect any changes in their expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

### **ROUNDING**

Certain data included in this Prospectus have been subject to rounding adjustments; accordingly: (i) figures shown for the same category presented in different tables may vary slightly; (ii) figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures that precede them; (iii) percentages in tables have been rounded and accordingly may not add up to 100%; (iv) certain numerical figures, including financial and operational data presented in "million" and "thousand" have been subject to rounding adjustments; and (v) the calculations, variations and other percentages may differ slightly from their actual calculations due to rounding of underlying financial, statistical and operating information; and (vi) some percentages that included decimals have been rounded up or down to the nearest whole number as follows: if the tenth digit is equal to or above 5, the number is rounded up and if the tenths digit is below 5, the number is rounded down.

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## GENERAL DESCRIPTION OF THE PROGRAMME

*The following overview is a general description of the Programme, must be read as an introduction to this Prospectus, and is qualified in its entirety by the remainder of this Prospectus and the information incorporated by reference herein (and, in relation to any Tranche of Notes, the relevant Final Terms). Words and expressions defined in "Forms of the Notes" or "Terms and Conditions of the Notes" shall have the same meanings in this General Description of the Programme.*

### **Programme Amount**

Under this Programme, the Issuer may from time to time, issue Notes in accordance with and subject to all applicable laws and regulations and denominated in RON, EUR, USD, or in any other currency as the competent corporate bodies of the Issuer may approve, subject as set out herein.

The following description is an abstract presentation of the possible structures through which Notes may be issued under the terms of this Prospectus and does not refer to a specific issue of Notes which will be issued under the terms of this Prospectus.

The actual aggregate principal amount (in the case of Notes issued at a discount, their amortised face amount) of all Notes issued and from time to time outstanding will not exceed EUR 1,500,000,000 (or the equivalent in other currencies at the date of issue). Notes will be issued in such denominations as may be agreed and specified in the relevant Final Terms, save that the minimum denomination of the Notes will be EUR 100,000 or, if in any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of EUR 100,000. Under this Programme, the senior non-preferred and senior preferred Notes will have a maximum outstanding amount of EUR 1,500,000,000 (or its equivalent in other currencies), while the subordinated Notes will have a maximum outstanding amount of EUR 500,000,000 (or its equivalent in other currencies). The Notes may be issued either directly by the Issuer to the investors or to one or more of the Dealers which expression shall, where used in this Prospectus, include any additional Dealer(s) appointed under this Programme from time to time.

Notes will be issued with a minimum maturity of 24 months or more.

The Issuer will have the option at any time to increase the amount of the Programme, subject to the provisions of a dealer agreement of even date herewith (the "**Dealer Agreement**") (including the preparation of a supplement to this Prospectus or a new Prospectus) as the Dealers, the relevant competent authority or the relevant Stock Exchange may reasonably request.

### **Distribution of Notes**

Notes are freely transferable in accordance with the rules and regulations of the relevant clearing system and may be offered to investors on a non-syndicated or a syndicated basis. The method of distribution of each Tranche will be stated in the relevant Final Terms.

### **Listing and Admission to Trading of Notes**

In relation to Notes intended to be listed and issued under this Programme, application (i) has been made to the Luxembourg Stock Exchange to list the Programme and such Notes on the Official List (*Cote Officielle*) of the Luxembourg Stock Exchange and to admit to trading on the Regulated Market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) and (ii) may also be made to the Bucharest Stock Exchange for the Programme as a whole and for such Notes intended to be admitted to trading on the Regulated Market of the Bucharest Stock Exchange. Application may be made additionally to any other or further stock exchange to admit such Notes to trading on any other or further regulated market or other market segment of such other or further stock exchange. The Issuer intends to/may apply for listing and trading of the Notes in Romania. The trading and settlement of the Notes in Romania will be organised in accordance with the Bucharest Stock Exchange and rules and regulations adopted by the central depository, Depozitarul Central S.A. In this Prospectus, references to "**Listed Notes**" (and all related references) shall mean, in relation to Notes issued under the Programme, that such Notes are listed on the Official List of the Luxembourg Stock Exchange and/or on the Regulated Market of the Bucharest Stock Exchange or any other or further stock exchange, as the case may be.

The Programme allows for Notes to be listed on such other or further stock exchange(s) or traded on other market segments (e.g. unregulated market (*Freiverkehr*)) as may be agreed between the Issuer and the relevant Dealer(s) or as determined by the Issuer. Notes not listed on any stock exchange may also be issued.



The issue specific details applicable to the Notes are determined in the relevant Final Terms.

### **Clearing Systems**

Either the Notes have been accepted for clearance through Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A., Luxembourg ("**CBL**") (together, the "**ICSDs**") and/or may be accepted for clearance through the Romanian Central Securities Depository, Depozitarul Central S.A. ("**DC**") if the Notes will be listed on the Regulated Market of the Bucharest Stock Exchange (or their legal successors as the case may be).

### **Security Code**

The International Securities Identification Number ("**ISIN**"), Financial Instrument Short Name ("**FISN**") (if any), the Classification of Financial Instruments ("**CFI Code**") (if any), Common Code (if any), and the German Security Code Number (if any) for each Series of Notes or any other security code will be set out in the relevant Final Terms.

## **RISK FACTORS**

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider the risk factors associated with any investment in the Notes, the Issuer's business and the industry in which it operates, including, in particular, the risk factors described below, together with the information contained elsewhere in this Prospectus.*

*The Issuer has described below certain risks and uncertainties that it believes are specific and material as at the date of this Prospectus and that may affect the Issuer's ability to fulfil its obligations under the Notes. The occurrence of any of the following events could have a material adverse effect on the Issuer's business, prospects, results of operations and financial conditions. The Issuer describes only those risk factors it is aware of at the date of this Prospectus. However, additional risks and uncertainties relating to the Notes that are not currently known to the Issuer, or that the Issuer currently deems immaterial or non-specific, may individually or cumulatively also have a material adverse effect on the Issuer's business, results of operations and/or financial condition and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. New risks can emerge from time to time, and it is not possible for the Issuer to predict all such risks. It is also possible that risks described herein may combine and intensify one another. An investment in the Notes involves complex financial risks and is suitable only for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this section and in line with their personal circumstances.*

*The risk factors are divided into the following categories depending on their nature:*

### **1. RISKS RELATING TO THE ISSUER**

#### **1.1 Risks relating to the business of the Issuer**

#### **1.2 Risks relating to the environment in which the Issuer operates**

#### **1.3 Risks relating to legal and regulatory matters and litigation**

### **2. RISKS RELATING TO THE NOTES**

#### **2.1 Risks relating to the regulatory classification of the Notes**

#### **2.2 Risks relating to the nature of the Notes**

#### **2.3 Risks relating to the specific Terms and Conditions of the Notes**

#### **2.4 Other related risks**

*In each of these categories specific risk factors are described with the most significant risk factor being mentioned first in each category. The Issuer has assessed the materiality of risks based on the probability of their occurrence and the expected magnitude of the negative impact such occurrence may cause to the Issuer and the effect on the Issuer's ability to meet its obligations under the Notes.*

*Investors should consider the following specific and material risk factors and in addition all other information contained in this Prospectus and consult their own professional advisers prior to any decision to acquire Notes.*

### **1. Risks relating to the Issuer**

#### **1.1 Risks relating to the business of the Issuer**

*The Issuer is exposed to credit risk and may experience deterioration in credit quality of its loan portfolio.*

The Issuer is generally exposed to credit risk, considering the nature of its crediting activity, if borrowers fail to pay their loans and the collateral or income stream securing such payment turns out to be insufficient. Borrowers and counterparties may fail to fulfil their obligations towards the Issuer because of various reasons, such as insolvability or insolvency, downturns in the economy and real estate values or operational failure. Any material deterioration in borrower creditworthiness, or a sharp fall in the

values of the collateral securing their obligations, are likely to affect the recoverability of the Issuer's assets and could require an increase in its provisions, which in turn could have a negative impact on the Issuer's financial performance.

Historically, credit risk and defaults rates have been higher during periods of economic downturn, such as the aftermath of the global financial crisis which followed the Lehman collapse in 2008 or more recently because of the outbreak of the COVID-19 pandemic. Volatile economic conditions, including as a result of geopolitical crises or military conflicts, such as the one currently ongoing in Ukraine, may substantially aggravate credit risk resulting in an increase of non-performing exposures ("NPE") for the Issuer. Such developments could be amplified by changes to foreign exchange rates and/ or money market interest rates which would negatively affect the ability of borrowers to repay their loans and thus contribute to an increased credit risk. In particular, surging inflation and, as a result, a potentially rapid and persistent increase in interest rates, could also determine an increase in the rate of NPEs. Due to increases in benchmark interest rates, in June 2022, the Issuer conducted an analysis on the impact which the rising interest rates may have on private individuals' debt to income ratios. As a result, at that time, a portfolio of approximately RON 545 million was considered to have a significant increase in credit risk since origination and was reclassified from Stage 1 to Stage 2. As of 30 June 2024, the total exposure of this Stage 2 portfolio decreased to RON 399 million, with RON 2.9 million having further migrated to Stage 3.

In line with regulatory requirements and accounting standards the Issuer evaluates the need and allocates credit risk provisions on its balance sheet to cover expected losses on its loan portfolio. Provisions are determined by updating cash flows using an update rate that reflects the amount of time the financial resources are committed to the Issuer's activity. This process is critical to protecting the Issuer's results and financial condition, requires complex judgements and calculations, including forecasts of how changing macroeconomic conditions might impair the ability of borrowers to repay their loans, the value of collaterals considered when computing the credit risk provisions and other professional judgements. There is a risk that the Issuer fails to adequately identify the relevant factors or accurately estimate the impact and/or magnitude of identified factors, which could materially adversely affect the Issuer's business, results of operations, financial condition and/or prospects.

A deterioration in the quality of the Issuer's credit portfolio (following an increase in NPEs) results in more credit risk costs and increased capital requirements for addressing such risk. The Issuer regularly monitors credit portfolio quality and performs different scenario analyses and stress tests where the financial resilience of its business model is tested. However, there can be no assurance that these procedures are sufficient to ensure that the Issuer's NPEs and the corresponding capital requirements for addressing them will remain at the appropriate level in the future or that the current provisioning ratio will not increase in the future. A breach by the Issuer of capital adequacy requirements due to a decreasing loan portfolio quality might also lead to corrective measures imposed by the NBR that may affect the Issuer's financial condition, results of operations, cash flows and prospects. For more details please see risk factor entitled "*The Issuer may be required to increase its capital in future for a range of different reasons, including as a result of changing regulatory requirements (including MREL requirement), and may experience material difficulty in raising any such additional capital and thus be in temporary breach of such requirements*" below.

Any negative developments in the credit portfolio of the Issuer resulting in defaults and arrears in payments on loans and/or increased credit costs and capital requirements could constrain the Issuer's operations, thereby reducing its ability to service payments under the Notes and potentially adversely affecting the trading price of the Notes.

***The Issuer is subject to the risk that in adverse market conditions it will suffer a downgrade of its liquidity ratios and may face difficulties in funding.***

Liquidity risk represents the current or future risk of a material adverse change affecting the profit and capital of the Issuer, triggered by its incapacity to meet obligations, including funding commitments, as they fall due. This can be caused by several potential events, such as insufficient liquid assets, the Issuer's incapacity to liquidate existing assets or the Issuer's incapacity to obtain adequate financing. This risk can be heightened by several factors affecting the Issuer, including over-reliance on a particular source of funding (for example short-term deposits from retail customers which can be subject to unpredictable fluctuations), establishment of lower alert levels for liquidity ratios, funding at a higher cost, a higher crediting appetite or market-wide phenomena such as major disasters. For example, the outbreak of the

ongoing Ukraine military conflict and the resulting economic and financial uncertainties in the Central and Eastern European region ("CEE") have determined a temporary systemic change in customers' behaviour in Romania, such as exchanging local currency deposits to hard currency deposits and cash withdrawals for a limited period of time; the withdrawal of the deposited money for cash led to a general, temporary decrease in money market liquidity.

Given that deposits from customers (particularly retail deposits), including current and savings accounts represent 92.40% of total Issuer's liabilities as at 31 December 2023 (92.37% of the liabilities of the Bank and its subsidiary, Rural Credit Guarantee Fund – IFN SA, ("FGCR" and together with the Issuer the "Group")) and 89.03% as at 30 June 2024 (88.96% of Group liabilities)" excluding equity, and are the Issuer's principal source of funds, if there is a material decrease in the Issuer's customer deposits or a large and unexpected outflow of deposits, the Issuer may not be able to maintain its current levels of funding without disposing of a number of the Issuer's assets or having to raise additional funding through other, potentially more expensive, sources, such as collateralised borrowing or asset sales. The Issuer's ability to sell assets or to sell them at a commercially desirable price may be impaired if other market participants are seeking to sell similar assets at the same time or are not able to finance themselves, or when the market value of assets is difficult to ascertain.

At the same time, a material decrease in the Issuer's retail deposits could also cause a decrease of the Issuer's liquidity coverage ratio ("LCR") below accepted commercially (internal) thresholds. For example, the Issuer's LCR, which as at June 2024, was of 254.17%, could fall to 239.64% in the scenario of a decrease of retail deposits by 15%, and thus fall below the average level recorded at the national banking system level of 244.51% (although significantly above the level recommended by NBR). It is considered that the Issuer has an adequate liquidity level when it can timely obtain necessary funding so that its profitability is not affected, and to this end the Issuer calculates and continuously monitors liquidity ratios (such as the LCR) and implements strict policies and strict and permanent monitoring systems to keep them above the required thresholds, with positive effects in recording optimal LCR values. However, in the current and future geo-political context, objective situations may appear that can lead to a possible worsening of the LCR.

Disruptions, uncertainty or volatility in the capital and credit markets could limit the Issuer's ability to refinance maturing liabilities with long-term funding. The availability to the Issuer of any additional financing may depend on a variety of factors, such as market conditions, the availability of credit both generally and to borrowers in the financial services industry specifically, the volume of trading activities, the Issuer's financial condition, its credit ratings and its credit capacity. It would also be affected by the possibility that customers or lenders could develop a negative perception of the Issuer's financial prospects if, for example, the Issuer experiences material deposit outflows or if the level of the Issuer's business activity decreases due to a market downturn. In particular, the Issuer's access to funds may be impaired if regulatory authorities impose additional regulatory capital requirements or if rating agencies downgrade the Issuer's debt rating.

Furthermore, should the Issuer seek to diversify further its source of funds, for example through the issuance of Notes under this Programme, the Issuer may be exposed to refinancing liquidity risks such that it is not able to refinance its liabilities on time or is only able to refinance such liabilities at a higher-than expected cost. Funding costs could also increase due to new regulatory requirements, including the amendments on the minimum requirement for own funds and eligible liabilities ("MREL") under the EU Banking Package (a legislative package for the regulatory requirements (including the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (*Capital Requirements Regulation*), as amended or replaced from time to time ("CRR") as well as CRD IV, CRD V and BRRD, each as defined below) and the respective amendments of the EU legal acts (in particular the EU Banking Package 2021 including the Basel III reforms) regarding the Banking Union), which entails the Issuer increasing its long-term funding requirements.

If the Issuer is not able to comply with the applicable regulatory and commercial liquidity requirements including due to impossibility to find adequate sources of short- and long-term liquidity or funding or if it were subject to material deposit outflows, this may have a material adverse effect on the Issuer's financial condition, results of operations and cash flows and its ability to fulfil its obligations under the Notes.

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

The Issuer works to implement comprehensive risk management strategies and systems aimed at adequately identifying and measuring the risks it faces and at mitigating those risks. However, such strategies and systems may fail in some circumstances, particularly when confronted with risks that are not identified or anticipated correctly or in a timely fashion. Also, the Issuer applies statistical and other tools to reality observations to arrive at quantifications of risk exposures. During the most recent financial crisis, the financial markets experienced unprecedented levels of volatility (rapid changes in price direction) and the breakdown of historically observed correlations (the extent to which prices move in tandem) across asset classes, compounded by extremely limited liquidity. In this volatile market environment, some risk management tools and metrics failed to predict some of the losses the banks experienced, especially when confronted with hazard risks.

In addition, quantitative modelling does not take all risks into account and makes numerous assumptions regarding the overall environment, which may or may not materialise. As a result, risk exposures have arisen and could continue to arise from factors not anticipated or correctly evaluated in statistical models.

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

Any such failure of the risk management system and strategies of the Issuer may lead to unexpected losses from unidentified or incorrectly evaluated market developments, trends or other circumstances, which in turn may affect the Issuer's ability to fulfil its obligations under the Notes.

***The Issuer may be required to increase its capital in future for a range of different reasons, including as a result of changing regulatory requirements (including MREL requirement), and may experience material difficulty in raising any such additional capital and thus be in temporary breach of such requirements.***

The Issuer is required to satisfy several capital and MREL requirements. Since 30 December 2022, the Issuer issued bonds totalling a nominal value of RON 2,063 million and an accounting value of RON 2,113 million as of 30 June 2024, qualifying as MREL eligible liabilities according to the provisions of Law no. 312/2015 on banking recovery and resolution. The own funds and eligible liabilities ratio as of 30 June 2024 was at a level of 30.01%, thus above the minimum required threshold applicable in 2024 (including the applicable value of the combined buffer) of 26.31%.

On a consolidated level, the capital indicators are not materially different from those of the Bank: MREL ratio as of 30 June 2024 was at a level of 29.98%.

However, as the regulations or risk profile of the Issuer may additionally change in the future, capital requirements could change as well. Should the Issuer be required to increase its capital in the future for any reason, including changes in regulatory capital requirements and continued significant losses, no assurance can be given that it will be successful in doing so on favourable terms, in a timely manner or at all. The Issuer's ability to obtain additional capital may be restricted by a number of factors, including: (i) its ability to obtain any required regulatory approvals; (ii) decisions of its shareholder with respect to the approval of future capital increases or granting of subordinated debt; (iii) general market conditions for capital-raising activities by commercial banks; (iv) the financial condition, results of operations and cash flows of the Issuer at the time of the proposed capital increase; and (v) the Issuer's credit rating at the time of the proposed capital increase.

Any failure by the Issuer to comply with applicable capital or MREL requirements or otherwise to maintain sufficient levels of capital or MREL to conduct its business could have a material adverse effect on the Issuer and its business, financial condition and results of operations. Moreover, a breach of capital requirements and other regulatory ratios could result in the Issuer being subject to administrative sanctions. These sanctions could adversely affect its business strategy or even reputation and,

consequently, could have a material adverse effect on the Issuer or its business, operating costs, financial condition, results of operations, cash flows and prospects.

***The Issuer is subject to operational risks.***

The Issuer is exposed to operational risk, which is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including in particular legal, regulatory, compliance and outsourcing risks. The Issuer's businesses are dependent on the ability to process a very large number of transactions efficiently and accurately. Operational risk and losses can result from fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisations, failure to comply with the applicable regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of external systems, for example, those of the Issuer's suppliers or counterparties.

The Issuer's risk control and loss mitigation actions may prove to be ineffective in preventing and controlling each of the operational risks. The Issuer may also suffer service interruptions from time to time due to failures by third-party service providers and natural disasters, which are beyond its control, which may affect the services provided to customers. If the Issuer would have such difficulties in its operational activity, this could have a material adverse effect on its business, financial condition and results of operations.

***The Issuer may be adversely affected by changes in interest rates.***

The Issuer places excess liquidity mainly into banking book securities with fixed interest rates (currently Romanian Government securities and securities of EU governments), while in the current interest rate environment there is still a high degree of demand for products with fixed interest rate (for instance mortgage loans with fixed rate in the first years). At the same time, in recent years the Issuer has encouraged customers' appetite towards sight deposits rather than term deposits due to its business strategy and excessive liquidity.

Interest rates are sensitive to many factors beyond the Issuer's control, such as inflation, monetary and fiscal policies set by the NBR and by the Romanian government, monetary policy decisions of the European Central Bank ("ECB") in connection with the EUR, the liberalisation of financial services, increased competition, as well as domestic and international economic and political conditions. For example, although the Issuer does not have exposures to Russia or Ukraine, the military conflict in Ukraine affects the Bank indirectly. Also see "*The military conflicts in Ukraine, in and near Israel, the related negative economic and financial spillover effects, and the outbreaks and continuation of diseases can have severe and lingering impact on banking operations, the social and economic environment, and financial market developments.*" In the case of future high inflation environment, interest rates could increase and therefore this may slow down credit demand, together with increasing the Non Performing Loan ("NPL") ratio and the level of provisions.

Changes in interest rates can affect the spread between the rate of interest that a financial institution pays to borrow funds from its depositors and other lenders and the rate of interest that it charges on loans it extends to its customers. While competitive pressure on margins is a factor, changes in the absolute level of the interest rate environment can also affect the spread. If the interest margin decreases, net interest income will also decrease, unless the Issuer is able to compensate such decrease by increasing the total amount of funds it lends to its customers. Ultra-low interest rate monetary policy accompanied by quantitative easing brings additional challenges to interest margin stability as the potential to re-price customers' deposits might be exhausted sooner than lending rates find their new equilibrium.

An increase in rates charged to customers can also negatively impact interest income if it reduces the amount of customer borrowings. For competitive reasons, the Issuer may choose to raise rates of interest it pays on deposits without being able to make a corresponding increase in the interest rates it charges to its customers. A mismatch in the structure of interest-bearing assets and interest-bearing liabilities in any given period could, in the event of changes in interest rates, reduce the Issuer's net interest margin. Moreover, an increase in market interest rates may lead to a negative mark-to-market of securities held at fair value through profit or loss or through other comprehensive income with a negative impact on the Issuer's capital position.

Various regulatory authorities (for example, the NBR) or the government of Romania may introduce new requirements or ceilings in relation to the interest rates that the Issuer charges for lending. In July 2024, the NBR decreased its policy rate to 6.75%, followed by another decrease in August 2024 to 6.50%. These consecutive cuts were driven by a reduction in inflation and continued concerns over economic growth, as the NBR aimed to balance the need for economic stimulus with the risks of ongoing inflationary pressures.

As a result of the above, interest rate fluctuations and, in particular, decreasing interest rate margins could negatively affect the Issuer's net interest income and capital position, resulting in a material adverse effect on the Issuer's ability to fulfil its obligations under the Notes.

***The Issuer may be negatively affected by increased competition and changes in the market landscape for banking services.***

The Issuer is in competition with a large number of financial institutions, of both international and local calibre (banks with retail and wholesale customers, mortgage banks, investment banks, as well as other non-banking financial institutions which are active in the Romanian financial services sector), competition which is expected to intensify further, especially among top tier banks, on the background of an ongoing consolidation process in the market and implementation of the European single market in the financial services sector. Increased competition may determine a higher attrition of the Issuer's current customers and may also limit the Issuer's potential to attract new customers, with adverse impact on the Issuer's net revenues and profitability.

Existing competitors, as well as others that may enter the market in the future, may enjoy certain competitive advantages that the Issuer does not, such as having greater economies of scale, larger financial and non-financial resources and portfolios, access to more advanced technological and operational resources, more comprehensive product offerings in certain business lines, greater personnel resources, better brand name recognition and more experience or longer-established relationships with regulatory authorities and customers or access to lower cost funding, attracting deposits on more favourable terms than CEC. The majority of the Issuer's main competitors in the Romanian banking sector are part of large international financial groups, such as the local subsidiaries of Erste Group (Banca Comercială Română S.A.), Société Générale (BRD – Groupe Société Générale S.A.), UniCredit (UniCredit Bank S.A.), ING (ING Bank N.V. Amsterdam Sucursala București), Raiffeisen Bank International (Raiffeisen Bank S.A.) and others. Competitors with wider regional presence might seem more attractive for some institutional customers which have an established relationship with the respective international financial groups in other jurisdictions. In addition, in the context of the development of the Romanian financial services market in recent years, local financial institutions, such as Banca Transilvania S.A. (the largest bank in Romania by asset size as of end of June 2024) have gained market shares by positioning themselves with a national-centric branding and also by increasing the customers' base through mergers and acquisitions.

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

The economic market landscape in which the Issuer operates is also evolving, with fintech companies entering the competition by offering current accounts, free-of-charge currency exchange, and instant peer-to-peer payments (such as Revolut, Monese, Salt Bank, Raiffeisen Digital). These entities bring to market a completely digital, non-traditional-bank experience, characterised by offering low margins and high flexibility in adapting the transactional platform with new benefits. The Issuer's market may thus be affected by price competition for existing services and rapid development of new products, services and distribution channels.

The Issuer's market position will also depend on effective marketing initiatives and its ability to anticipate and respond to various competitive factors affecting the financial services industry, including new services, pricing strategies by competitors, changes in consumer preferences and economic, political and social conditions in the market in which it operates.

The Issuer's success relies on its capacity to maintain high levels of loyalty among its customer base and to offer a wide range of competitive and high-quality products and services to its customers. Intense competition and an increased emphasis on cost reduction may result in an inability to maintain high loyalty among the Issuer's customer base, to provide competitive products and services, or to maintain high customer service standards, each of which may adversely affect the Issuer's business, financial condition, results of operations and prospects.

Strong competition may lead to increased pressure on the Issuer to lower prices or fees for products and services offered to customers, or to increase interest payable to customers for deposits, all of which may have an impact on the Issuer's capacity to maintain or increase its profitability. The competitiveness of the Issuer in the current environment will depend largely on its capacity to adapt quickly to the market's new developments and tendencies. To the extent the Issuer will not be able to effectively cope with pressure exerted by competitors, or to the extent the Issuer fails to respond to, or effectively anticipate consumer sentiment, this may have an adverse effect on the Issuer's market share, earnings and cost structure and thus, its business, financial condition, results of operations and prospects.

***The banking business is subject to reputational risks and if the Issuer does not maintain or improve its reputation for the quality of its service, its ability to attract new customers and retain existing customers may be harmed.***

Reputational risk is inherent to the Issuer's business activity. The ability to retain customers and to attract new customers depends in part on the Issuer's and its brand recognition, as well as its reputation for the quality of service. Negative public opinion towards the Issuer or the financial services sector as a whole could result from real or perceived practices in the financial sector in general, such as negligence during the provision of financial products or services, or even from the way that the Issuer conducts, or is perceived to conduct, its business operations. In addition, any objective or perceived negative aspects of the Issuer's business, financial condition, results of operations and prospects could in its turn have an adverse effect on the Issuer's reputation.

The Issuer is also one of the ten Romanian credit institutions approved by the NBR to be part of the panel establishing ROBID/ROBOR. Although there is a very strict legislation and applicable rules, sometimes uncertainties regarding the level of ROBID/ROBOR can occur in the market (especially if there is a rising yield curve or the yields established at any given time seem to "decouple" from the NBR official monetary policy rate). In such circumstances, negative perception may affect the entire banking system. Also, there are regulatory entities that may perform either pre-established audits or unexpected controls, to verify the correctness of the trading process that has as result the level of interests used by the independent calculation agent to calculate the official ROBID and ROBOR. For example, the Romanian Competition Council performed such a control involving all ten banks (including the Issuer) which contribute to the determination of the ROBID/ROBOR reference interest rate. As of the date of this Prospectus, the Issuer has not received any new updates on the case and is unable to predict when or how any developments may occur.

In such cases, even in the absence of any sanctions imposed by relevant entities, news of such controls (especially unexpected ones) or rumours relating to the possibility of rigging of the ROBID/ROBOR calculation by one or more participants may trigger negative opinions with regards to the entire panel of banks, including the Issuer. In September 2023 the Romanian Competition Council launched an antitrust investigation involving eighteen banks (including the Issuer), shareholders of Biroul de Credit S.A., in relation to calculating and applying the FICO score, used for determining the creditworthiness of a consumer, in the process of granting consumer loans. Given the early stage of the investigations, the Romanian Competition Council has not issued its investigation reports or any preliminary conclusions, thus there is no indication from the Romanian Competition Council in relation to an alleged breach by the Issuer of the applicable competition legislation.

Negative publicity and negative public opinion could adversely affect the Issuer's ability to maintain and attract customers, which could have a material adverse effect on the Issuer's business, financial condition and prospects.

***Fluctuations in exchange rates could adversely affect the Issuer's results of operations.***

A significant portion of the Issuer's assets and liabilities is denominated in foreign currencies, mainly in EUR, namely as of 30 June 2024, 33.23% (33.21% at a consolidated level) of monetary assets and 39.90%



(39.90% at a consolidated level) of monetary liabilities were denominated in foreign currency, out of which EUR denominated monetary assets represented 32.26% (32.23% at a consolidated level) of total monetary assets and EUR denominated liabilities accounted for 38.43% (38.44% at a consolidated level) of total monetary liabilities. The Issuer translates such assets and liabilities, as well as interest earned or paid on such assets and liabilities, and gains/losses realised upon the sale of such assets to RON in preparing its financial statements.

The Russia-Ukraine conflict has led to considerable volatility in the financial markets, in particular shifts in credit spreads, interest rates and foreign exchange rates. Regarding the Issuer's FX positions, no material movements were observed so far. Current developments, market observations and potential mitigations are monitored and movements may occur in the future if the conflict continues for a prolonged period of time. However, the Issuer may not be able to identify significant changes in a timely manner and mitigate them adequately due to limited scope of disposable measures.

Fluctuations in the rate of exchange of such currencies into RON may have a negative impact on the Issuer's reported consolidated results of operations, financial position and yearly cash flows, limited to the extent that there would be large currency imbalances between the assets and liabilities side or large open FX positions.

***The Issuer may be subject to onerous tax liabilities.***

In its business activities, the Issuer is required to pay various taxes and contributions, such as corporate income tax, value added tax, local taxes, income tax, various social security contributions and others. If the Romanian Government or Parliament increases tax rates or imposes additional taxes, this could thus reduce the Issuer's after-tax profitability. For example, a supplementary tax on banking turnover (of 2%) was introduced in October 2023 which resulted in a RON 56.7 million turnover tax booked as of 30 June 2024. The tax on banking turnover directly affects the Issuer and, potentially, the entire Romanian banking system, by lowering banks' profitability. Banking turnover is defined as the sum of interest income, dividend income, fee and commission income, gains (losses) on derecognition of financial assets and liabilities that are not measured at fair value through profit or loss (net), gains or losses on financial assets and liabilities held for trading and non-trading (net), gains or losses on financial assets and liabilities designated as measured at fair value through profit or loss (net), hedge accounting gains or losses (net), exchange differences (gain or loss), extra net; net gains or losses on derecognition of non-financial assets, and other operating income.

Revisions to tax legislation or to its interpretation might also affect the Issuer's financial condition in the future. While the Issuer believes it has paid its taxes when due, interpretation of applicable rules by tax authorities may differ.

In addition, the Issuer is subject to tax audits. In practice, tax inspections typically result in tax authorities requiring payment of additional amounts as well as late payment interest and/or penalties. With the exception of few ad-hoc tax inspections from local authorities, the Issuer was not subject to a tax inspection in the past ten years, therefore potential tax inspections for the entire statutory limitation period (*i.e.* past five years) may occur in the future.

As a general matter, negative rulings from tax authorities or unanticipated changes to financial reporting regulations and tax liabilities in Romania could have a material adverse effect on the Issuer's business, prospects, financial condition, results of operations or cash flow.

***The Issuer is exposed to risk of internal or external fraud.***

Considering the nature of its business, the Issuer is exposed to various risks resulting from fraudulent activities, particularly in connection with loan approval processes, procurement and client account processing. The Issuer may be negatively affected by, *inter alia*, instances of stolen or misappropriated Issuer or customer funds, manipulation of the Issuer's objective evaluation processes (e.g. for the valuation of collateral, credit risk, etc.), the breach or falsification of data and documentation or any other types of deception, such as false documents presented by customers during the loan approval processes; payments made by customers in wrong accounts indicated purposefully by third parties or internal fraud, e.g. non-registration in the Issuer's accounting/IT system of the customers' operations by the Issuer's employees.

In addition, criminals continue to adapt their techniques and are increasingly focused on targeting customers through ever more sophisticated methods of social engineering, whereas external data breaches also provide criminals with the opportunity to exploit the growing levels of compromised data. A possible violation, or even any suspicion of a violation of these rules, may have serious negative legal and financial consequences as well as negative impact on the Issuer's reputation, which could have a material and adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer has implemented anti-fraud mechanisms and has taken additional steps to enhance its internal control and compliance systems, including measures aimed at improving fraud risk management. For card transactions, which are authorized and processed through a third-party processor, the Issuer utilizes a specialized anti-fraud module to reduce the risk of fraudulent activity. Despite these preventive efforts, there is a possibility that some fraudulent activities may go undetected, which could negatively impact the Issuer's financial performance, operations and reputation.

***The Issuer's operational systems and networks may become vulnerable to an increasing risk of continually evolving cyber security or other technological risks.***

A significant portion of the Issuer's operations rely heavily on the secure processing, storage and transmission of confidential and other information as well as the monitoring of a large number of complex transactions on a constant basis. The Issuer stores an extensive amount of information (including personal data) specific to its customers (natural or legal persons) for its retail, corporate and governmental customers and must accurately record and reflect their extensive account transactions. At the same time, due to the additional technical interfaces required for "open banking" which provides services, there is an increased risk of cyberattacks and failure in the IT structure.

The specific cyber security risk management implies constant attention, information gathering, knowledge, identification, and concentration on the risk elements that must be addressed as a priority and urgently from the perspective of the impact and the probability of manifestation. Therefore, the Issuer, through the resources at its disposal, must carry out permanent measures to know the threats, vulnerabilities, and qualitative analysis of the cyber security risk, to adapt to the dynamics of this field and ensure the resilience of the IT infrastructure of the Bank.

The proper functioning of the Issuer's payment systems, including the processing of card transactions (such as authorization, settlement, issuing, and acquiring), financial and sanctions controls, risk management, credit analysis and reporting, accounting, customer service and other information technology systems and other IT systems, as well as the communication networks existent between the branches and working points of the Issuer and its main data processing centres, is critical to the Issuer's operations. If the respective services cannot be supplied uninterruptedly, particularly in the case where updates may be necessary for a proper delivery of new or extended products and services, then these systems might not support the Issuer's activity entirely, as this activity is conditional upon their continuous and uninterrupted performance.

These activities have been, and will continue to be, subject to an increasing risk of cyber-attacks, the nature of which is continually evolving. The financial sector remains a primary target for cyber criminals, there being an increasing level of sophistication in both, criminal and nation state hacking for the purpose of stealing money, stealing, destroying or manipulating data, and/or disrupting operations. The Issuer's computer systems, software and networks may become vulnerable to unauthorised access, loss or destruction of data (including confidential client information), account takeovers, unavailability of service, computer viruses or other malicious code, cyber-attacks and other events. These threats may derive from its outdated IT infrastructure, human error, fraud or malice on the part of employees or third parties or may result from accidental technological failure. If one or more of these events occur, it could result in the disclosure of confidential client information, damage to the Issuer's reputation with its customers and the market, additional costs to the Issuer (such as repairing systems or adding new personnel or protection technologies), regulatory penalties and financial losses to the Issuer. For instance, although no fine was applied, the Issuer has been formally warned in writing regarding the malfunction of banking services between 7 July 2023, at 11:15 AM and 8 July 2023, at 3:00 AM, which, according to the NBR, caused a significant operational risk related to information and communication technology and security.

Such events could also cause interruptions or malfunctions in the operations of the Issuer (such as the lack of availability of the Issuer's online banking systems), as well as the operations of its customers or

other third parties. Disaster recovery, security and service continuity protection measures that the Issuer has undertaken or may undertake in the future may be insufficient to prevent losses caused. Given the volume of transactions at the Issuer, certain errors or actions may be repeated or compounded before they are discovered and rectified, which would further increase these costs and consequences.

The Issuer may be subject to various audits, including internal audits as well as audits conducted by regulatory authorities. In 2022, NBR requested that the Issuer carry out an external audit to assess the credit institution's exposure to information technology and security risks. In 2023, the Issuer provided NBR with the audit reports, which concluded that the overall risk level was moderate. The auditor identified certain areas in need of improvement, although none were considered to present a high degree of risk.

Moreover, an on-site solution audit by a regulator could result in the imposition of additional regulatory requirements relating to payment services on the Issuer. For example, an NBR visit revealed that there is a software risk in case of emergency affecting the Issuer's business continuity, given that the back-up architecture ensuring such continuity requires human intervention and can thus be adversely influenced by human error and personnel shortage. In addition, third parties with which the Issuer does business under stringent contractual agreements may also be sources of cyber security or other technological risks. Unauthorised access, loss or destruction of data or other cyber incidents could occur, resulting in similar costs and consequences to the Issuer as those discussed above.

The risks associated with cyber security and other technological risks might generate disruptions that, if persistent, may affect the Issuer's business, prospects, results of operations and financial condition.

***The Issuer may be unable to attract and retain key personnel, directors, managers, employees and other individuals without whom the Issuer may not be able to manage its business effectively.***

The Issuer depends on the availability and continued service of a relatively small number of key managers, employees and other individuals. These key individuals are heavily involved in the daily operation of Issuer's business and are, at the same time, required to make strategic decisions, ensure their implementation and manage and supervise the Issuer's development. The loss of any of these key individuals could impact the Issuer's financial plans, product development, network expansion, marketing and other plans.

In addition, competition for qualified executives in the Romanian financial services industry is intense. The Issuer's future results depend, in a significant part, upon the continued contributions of its existing management and its ability to expand the senior management team by adding highly skilled new members, who may be difficult to identify and recruit, especially given the complex process concerning the appointment of senior management under the regulatory framework governing Romanian financial institutions. If any of the Issuer's senior executives or other key individuals ceases their employment or engagement, the Issuer's business, prospects, results of operation and financial condition could be materially adversely affected. Additionally, this may result in disruption to service which could in turn lead to disenfranchising certain customer groups, customer detriment and reputational damage.

If the Issuer is unable to attract and retain new talent or if competition for qualified employees increases its labour costs, this could have a material adverse effect on Issuer's business, financial condition and results of operations.

***The Issuer may be unable to adapt sufficiently quickly to technology developments.***

Rapidly shifting consumer behaviours and the proliferation of internet, social and device (mobile, tablet) technologies are changing the way customers research, purchase and maintain the products and services they consume in their day to day lives, and this is reflected in the evolving banking models for consumers and businesses, both in Romania and internationally. These developments affect the manner in which customers manage their financial affairs and core products (from operating accounts to deposits to credit facilities and wealth management instruments).

Money transmission and data driven integrated services are also forecast to evolve rapidly in the coming years with numerous new players entering the payments environment, facilitated by regulatory and market forces such as the revised Payment Services Directive (EU) 2015/2366 ("PSD2") which aims to reduce fraud while opening up payment markets to new entrants. On 28 June 2023, the European

Commission published a draft proposal of a payment services package which should replace PSD2. The package is comprised of: (i) a draft Payment Services Regulation in the internal market, aiming to address all rules concerning payment services provider's activities, and also embedding some requirements from the Regulatory Technical Standards for Strong Customer Authentication and Common and Secure open standards of Communication, as well as requirements from European Banking Authority guidelines and opinions; and (ii) a draft Directive on Payment Services and Electronic Money Services in the internal market ("**PSD3**"), that will incorporate electronic money institutions as a sub-category of payment institutions and therefore embed, and subsequently repeal, the existing Electronic Money Directive (Directive 2009/110/EC). There is a high degree of uncertainty with regards to the proposed new framework, and subsequently how and when this will be implemented in the EU.

At the same time, analytically driven and customer focused new entrants are changing the way financial services companies are approaching their routes to market, service and fulfilment value chains, operating models and core competencies so that they remain relevant and compete in the newly enhanced digital arena.

Although the Issuer's ability to adapt to such technology developments and related regulatory requirements is a constant priority for its management, the Issuer may not be able to respond to external developments in a sufficiently timely manner, which may negatively affect the Issuer's results, financial conditions and prospects.

***The Issuer may be exposed to strategic risk and may undertake future acquisitions on a synergic basis.***

Strategic risk is the current or future risk for profits and capital to be negatively affected by changes in the business environment, by unfavourable business decisions, improper implementation of decisions or poor adaptability to changes. In order to ensure effective strategic risk management, the Issuer conducts regular reassessments of its business strategy, draws up plans for the introduction of new business lines, products and services, for the expansion of existing services and for the infrastructure consolidation.

Moreover, the Issuer has undertaken and may undertake additional acquisitions in the future in other complementary businesses (with the view to integrate the respective business lines in the Issuer's activity). However, the acquisitions may partially divert management attention or financial or other resources away from the existing business of the Issuer or require additional expenditures. Such developments may adversely impact the Issuer's business and financial condition.

The acquisition of new businesses or assets may be limited by many factors, including availability of financing, the prevalence of complex ownership structures among potential targets, government regulation and competition from other potential acquirers. If acquisitions are made, there can be no assurance that the Issuer will be able to maintain the customer base of businesses it acquires, generate expected margins or cash flows or realize the anticipated benefits of such acquisitions, including growth or expected synergies. The analyses conducted in relation to potential acquisition targets are subject to a number of assumptions concerning profitability, growth, interest rates and valuations. There can be no assurance that the Issuer's assessments of and assumptions regarding acquisition targets will prove to be correct, and actual developments may differ significantly from its expectations.

Even if the Issuer successfully acquires new businesses, the integration of new businesses may be difficult for a variety of reasons, including differing management styles and systems, inadequate infrastructure and poor records or internal controls. In addition, integrating any potential acquisitions may require significant initial cash investments and present significant costs, as well as tax liabilities or regulatory fines.

***Any suspension, downgrade or withdrawal of the Issuer's or Romania's credit ratings by an international rating agency could have a negative impact on its business.***

Any adverse revisions to the Issuer's credit ratings for domestic or international debt by international rating agencies may adversely impact the credit rating of its indebtedness (including the Notes), the Issuer's ability to raise additional financing via debt issuances and the interest rates and other commercial terms under which such additional financing is available. Any suspension, downgrade or withdrawal of the Issuer's credit ratings by an international rating agency could have a material adverse effect on the Issuer's business, liquidity position, competitive position, prospects, results of operations and financial condition.

At the same time, any adverse revisions to Romania's credit ratings for domestic or international debt by international credit rating agencies may materially adversely impact the Issuer's credit rating, its ability to raise additional financing and the interest rates and other commercial terms under which such additional financing is available. This could hamper the Issuer's ability to obtain financing, which could have an adverse effect on the Issuer's business, liquidity position, competitive position, prospects, results of operations and financial condition.

***There may be certain deficiencies regarding compliance with the rules of corporate governance in respect of the appointment of members of the governing bodies of the Issuer.***

Currently, the Issuer has seven directors and four managers, while the statutory documents require eleven directors and five managers. The Issuer must abide by strict regulations when appointing its governing bodies. For example, the candidates must undergo an internal evaluation for adequacy, performed by the Nominee Committee that is formed by three non-executive members of the Board of Directors Committee, and, if the candidate passes this evaluation, the process continues by obtaining the NBR's prior approval for appointment. One person nominated as non-executive director and one person nominated as executive director are undergoing evaluation for adequacy at the date of this Prospectus.

In 2023, the NBR noted that the Issuer must appoint a member to the senior management team with distinct and exclusive responsibilities for coordinating the risk management function (Chief Risk Officer). The implementation deadline has been extended successively until 31 December 2024. Furthermore, in 2024, the NBR also recommended that the Issuer reviews its internal policies concerning gender diversity in relation to the number of male and female members within the Management Committee and the Board of Directors. As of the date of this Prospectus, the internal regulations have been amended so that the management body must include at least two female members and two male members out of a total of five members on the Management Board, as well as at least two female members and two male members out of a total of eleven members on the Board of Directors.

The complex process that must be completed for the appointment of members of the Issuer's governing bodies may result in the operation of the management with a number of members below that required by the statutory documents, which may in turn lead to slower decision-making process in the Issuer's activity.

***The Issuer might face difficulties to fully comply with legal measures and demands regarding the use of public funds, as well as with fixing irregularities found by certain public control institutions.***

Given that its sole shareholder is the Romanian State, the Issuer must comply with a very broad and strict legal framework in respect of using public funds and administration of the goods of the public and private domain. In order to monitor the compliance with this framework, the Romanian Court of Accounts undertakes financial audits, performance audits and control actions for both for auditing the annual financial statements and for verifying the use of public funds by the Issuer.

Failure to comply with the recommendations and measures ordered by the Romanian Court of Accounts, total or partial non-admission of appeals filed by the Issuer against some of the measures ordered by the Romanian Court of Accounts or an increase in irregularities and non-compliances with the applicable legislation could result in the inability of the Issuer to recover all or part of the claims or to correct certain inappropriate expenditures, which could lead to decreased ability of the Issuer to lower the cost of resources or to enhance financial results. In the end, this could have a negative impact on the activity and financial situation of the Issuer, as well as on the ability of the Issuer to perform the obligations under the Notes.

***Liquidity problems experienced by certain CEE countries may adversely affect Romania and the broader CEE region and could negatively impact CEC's business results and financial condition.***

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

have a material adverse effect on CEC's business, financial condition, results of operations, liquidity or prospects.

## 1.2 Risks relating to the environment in which the Issuer operates

***The Issuer is subject to risks arising from the regional, national and international macroeconomic environment.***

The financial services industry generally prospers in conditions of economic growth, stable geopolitical conditions, transparent, liquid and buoyant capital markets and positive investor sentiment. During recessionary periods, there may be less demand for loan products and a greater number of customers may default on their loans and other obligations or may withdraw bank deposits. Interest rate rises may also have a negative impact on the demand for mortgages and other loan products.

The Issuer is affected by general economic and geopolitical conditions, which can cause its financial condition and the results of its operations to fluctuate from year to year, as well as on a long-term basis. At the same time, the Romanian economy is fully integrated in the global trade and financial flows, with EU member countries accounting for the bulk of these flows. As a result, the performance of the Romanian economy depends to a large extent on the developments in the global economy and the global financial markets. In addition, potential downward trends in the global macroeconomic environment, the risk of any new migration crisis, similar to the ones seen in the past, are downside risks to the economies of CEE. The war in Ukraine and the related economic implications have emerged as additional downside risks to the global economy as well as economies of Romania. Any decline in the economic situation of the main eurozone countries could in turn affect the Issuer's business. Currently, the European economic growth model is under scrutiny as it faces intense competition from the US and China. The German manufacturing sector has been hit hard by adverse economic conditions in recent years, leading to a recession. Contributing factors include the loss of access to affordable energy following the onset of the Russia-Ukraine war, supply chain disruptions, weak global demand, and rising interest rates. These challenges have reduced demand for German exports, particularly in the automotive and machinery sectors, which has also led to a decline in demand for Central and Eastern European (CEE) exports. In September 2024, former ECB President Mario Draghi addressed the EU's loss of competitiveness and proposed EUR 800 billion in spending to revitalize the region's economy.

***The military conflicts in Ukraine, in and near Israel, the related negative economic and financial spillover effects, and the outbreaks and continuation of diseases can have severe and lingering impact on banking operations, the social and economic environment, and financial market developments.***

Events in the Black Sea region, including in Ukraine or other neighbouring countries, such as the military conflict started in February 2022 by Russia against Ukraine, the rising tensions in the Transnistria region, as well as the imposition of extensive sanctions created tensions between Russia and the U.S., the North Atlantic Treaty Organization ("NATO"), the European Union (the "EU") and the UK to an unprecedented level. The U.S., the EU and the UK have imposed, and are likely to impose additional material financial and economic sanctions and export controls against certain Russian organisations and individuals. In the near future, both the EU and the US are expected to impose additional trade tariffs on China, driven by concerns over unfair trade practices or intellectual property violations. China's close relationship with Russia, particularly in the context of the ongoing Russia-Ukraine conflict, has further strained its ties with Western nations. As China is increasingly perceived as a geopolitical ally to Russia, this has heightened scrutiny and tensions in economic relations. These tensions could adversely affect the industries in which the Issuer's clients operate, potentially impacting the Issuer's business and operations. The consequences of such actions have already caused and may continue to cause material negative disruptions, affecting areas such as energy markets, global supply chains, economic growth, and access to wholesale funding. These disruptions could have unpredictable effects on the Issuer's business activities and its customers.

Similarly, pandemics, epidemics and outbreaks of infectious diseases, such as the outbreak of COVID-19, can have unforeseen impact on banking operations, the social and economic environment, and financial market developments. Although these risks decreased considerably in the recent period, the possibility for virus mutations, future workforce disruptions due to illness or employee refusal to work on-site due to perceived risk of contagion remains.

A protracted uncertainty or disruptions caused by the above risk factors may include several negative consequences for the Issuer: (i) temporary moratoria on the credit obligations of customers towards the

Issuer, such as the one instituted by the Government Emergency Ordinance no. 37/2020 on awarding certain relief measures in relation to loans granted by credit institutions and non-banking financial institutions to certain classes of debtors, as amended and supplemented, the effects of which on the repayment period of the instalments are still likely to occur (although at present it is no longer possible to apply for suspension of reimbursement under the above-mentioned ordinance), may temporarily affect the Issuer's financial revenue streams; (ii) economic downturn, shifts in consumer behaviour, diminished business and consumer confidence, inflation and market volatility, currency exchange rate fluctuations; (iii) increasing levels of temporary unemployment among the Issuer's customers, which may lead to their inability to service their debt obligations towards the Issuer.

Further, there is a risk that borrowers are unable to meet their commitments as they fall due as a result of specific circumstances, macro-economic factors or other external factors, including the military conflicts in Ukraine and Israel. The risk of counterparty defaults has historically been higher during periods of economic downturns.

As at the date of this Prospectus, the military conflicts in Ukraine and Israel are ongoing and its scale and economic impact still pose many uncertainties. The resulting disruption of market conditions globally, the potentially severe impact on many, if not most, business segments, the Issuer's operational capabilities, as well as valuation of market assets and market access to manage liquidity could materially adversely affect the Issuer's business, prospects, results of operations or financial condition, as well as its ability to meet its obligations under the Notes. There can be no assurance that governmental or other actions would result in prompt and adequate improvement of such market conditions in the future, should the situation deteriorate further or additional restrictions be imposed, or current or new restrictions persist for a prolonged period.

***The economy of Romania is more vulnerable to fluctuations in the global economy than more developed markets, which may have a direct negative impact on the debt servicing capabilities of the Issuer's customers.***

The impact of global economic developments historically is often felt more strongly in emerging markets, such as Romania, than it is in more mature markets. As it happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could lead the Romanian economy to face severe liquidity constraints, causing it to, among other things, raise tax rates or impose new taxes. Also, recession episodes on external markets will have a negative impact on exporting companies. Negative developments in, or the general weakness of, the Romanian economy, in particular increasing levels of unemployment, may have a direct negative impact on the debt servicing capabilities of the Issuer's customers. The Issuer can provide no assurances that a deterioration of the Romanian economy will not lead to a higher number of defaulting customers.

Therefore, the performance of the Romanian economy remains largely dependent upon the developments in the global economy, equity and credit markets, as well as effectiveness of economic, financial and monetary measures undertaken by its government, together with tax, legal, regulatory, and political developments. A weak economy and negative economic development may jeopardise the Issuer's growth targets and may have a material adverse effect on the Issuer's business, prospects, results of operations and financial condition. Any potential Issuer's failure to manage the risks associated with its business in emerging markets could have a material adverse effect on its business, reputation, operational results and financial position.

***High levels of corruption throughout public bodies in Romania can lead to a difficult business climate in Romania and may directly affect the Issuer's business, prospects, operational results or financial position.***

Corruption is a significant risk impacting companies with business operations in Romania. International and local media, as well as international organisations, have issued numerous alerting reports on the level of corruption. For example, the 2023 Transparency International Corruption Perceptions Index, which evaluates data on corruption in countries throughout the world and ranks countries from 0 (very clean) to 100 (highly corrupt), ranked Romania in 63 position (2023 score: 46; 2021 score: 45; 2020 score: 44; 2019 score: 44; 2018 score: 47; 2017 score: 48).

Corruption has been reported to affect the judicial systems and some of the regulatory and administrative bodies in Romania, which may be relevant for the Issuer's business. Although it is difficult to predict all

of the effects of corruption on the Issuer's operations, it can, among other things, slow down approvals of regulatory permits and licenses needed to conduct the business. Therefore, corruption could have an adverse effect on the Issuer's business, prospects, operational results or financial position.

***Concerns related to the sustainability of the public finances could increase if large public budget deficits persist, keeping the public debt on an upward trajectory. Increase in borrowing costs of the Romanian government could have a negative impact on the Issuer's profitability.***

Romania's public budget deficit saw a slight increase in 2023, rising to 6.6% of GDP (in ESA terms), driven by a modest growth in overall expenditures as a percentage of GDP, with the most notable rise attributed to increased investments. On the revenues side there was also a small decrease, triggered by lower direct taxes as percentage in GDP. Public deficit is likely to remain elevated also during 2024-2025, being fuelled by its large structural component. In June 2024, the European Commission issued a recommendation for a Council decision stating that Romania has taken no effective action to put an end to the excessive deficit by 2024, as it was recommended by the Council in June 2021. The Council had recommended Romania to reduce its headline deficit to 8.0% of GDP in 2021, 6.2% of GDP in 2022, 4.4% of GDP in 2023 and 2.9% of GDP in 2024.

A failure of the Romanian Government to put in place a credible and sustainable fiscal consolidation plan could trigger an increase in risk aversion of investors for Romania. In this case, covering the public funding needs (the public budget deficit and the rollover of the maturing debt) could become more difficult to achieve, while borrowing cost of the Romanian Government could increase. A sharp increase in yields of Romanian government bonds would result in losses for the Issuer given its holdings of such financial instruments, according to the applicable accounting treatment related to the portfolios where they are allocated; for instance, marking to market of securities held in FVTOCI (Fair Value Through Other Comprehensive Income) or FVTPL (Fair Value Through Profit or Loss portfolios) in an increasing rate environment would affect the profit and loss or equity directly, as opposed to holding such instruments in the AC portfolio. Regardless of the accounting treatment, the impact on economic value of the Issuer is directly correlated with the average duration of the bond portfolio. Borrowing cost in the economy will increase as well in this case, limiting economic growth and making it difficult for individuals and companies to take new loans or to service their debt, which would have a negative impact on the profitability of the Issuer.

The Issuer's trading strategy focuses mainly on Romanian government bonds/notes, considering (i) the specificities of the local market in which the Issuer operates, (ii) that the Issuer is not a subsidiary of a foreign bank, and (iii) the Issuer's capacity as primary dealer in the Romanian government bonds/notes market. Such instruments are eligible collateral for transactions with other counterparties (especially NBR) and are weighted 100% as high-quality liquid instruments in the LCR. Exposure of the Issuer to sovereign securities is generally correlated with excess liquidity available in the banking book, measured as excess non-financial customer deposits over loans to non-financial customers. Because of the relatively low loan-to-deposit ratios in CEE and in Romania, the Issuer has relatively large holdings of government securities on their books.

Over the following years, Romania is eligible to receive funds (transfers and loans) from the European Commission as part of the EU budgets for the period 2021-2027, and as part of the Next Generation EU package. Such foreign capital inflows should foster economic potential and economic growth and ensure funding for the public investments and for the public deficit. A failure to increase the absorption of EU funds would make the fiscal consolidation process more difficult and result in higher borrowing cost in economy and lower profitability of the companies and of the bank. Although Romania had a low absorption rate on programmes potentially financeable from EU accession funds, the management and control system for EU funds in Romania has been improved and the absorption rate has significantly increased since 2012. For example, as of 30 April 2024, Romania's absorption rate was 97.2% of the total EU budget allocation for the 2014-2020 Cohesion Policy. Nevertheless, a failure to fully access and utilize available EU funds, or to access them to a lesser extent in the future, may have a detrimental impact on the economy, as it would make the fiscal consolidation process more difficult and result in higher borrowing cost in economy and lower overall profitability.

Indirect taxes (VAT and excises) and direct taxes could be hiked if the fiscal consolidation process fails and the Romanian government faces difficulty to cover public funding needs. This would have a negative impact on the disposable income and financial position of individuals and companies, lowering their



capacity to borrow new money or to repay existing debt. Therefore, revenues of the Issuer could be negatively impacted by an increase in taxation aiming to reduce the public deficit.

The failure of the fiscal consolidation process could trigger a downgrade of the Romania's sovereign rating to non-investment category, making external funding of Romania more difficult and more expensive. This would have a negative impact on the economic growth, lowering demand for loans and capacity of debtors to repay their debt. Revenues of the Issuer would be negatively impacted by a downgrade of sovereign rating to non-investment category.

***The Romanian Leu can be subject to high volatility.***

The Romanian currency (i.e. the Romanian Leu) is subject to a managed-floating exchange rate regime, whereby its value against foreign currencies is determined in the interbank foreign exchange market. The official monetary policy strategy of the NBR is inflation-targeting. The managed-floating exchange rate regime is in line with using inflation targets as a nominal anchor for monetary policy and allowing for a flexible policy response to unpredicted shocks likely to affect the economy. The NBR does not officially target any level or range for the exchange rate. The ability of the NBR to limit volatility of the Romanian Leu is contingent on a number of economic and political factors, including the availability of foreign currency reserves and foreign capital inflows, as well as developments in market sentiment and investors' risk aversion on Romanian economy or on the global financial markets.

The Romanian Leu has gradually depreciated against the Euro over the past years (1.3% on average per year during 2019-2023) though this represents rather low level of volatility. However, larger fluctuations of the Leu exchange rate should not be excluded, especially in moments of international crises. Large macroeconomic imbalances (public budget deficit, current account deficit) suggest that pressures for Leu depreciation against the Euro are more likely than for Leu appreciation going forward. Risks for Leu depreciation could be amplified by a failure of the fiscal consolidation process or by a failure to use the funds made available by the EU in the regular multi-annual budgets or in the Next Generation EU recovery package.

A significant depreciation of the Romanian Leu, in an unstable internal and external economic environment could adversely affect Romania's economic and financial position. Any higher than expected inflation resulting from the depreciation of the Leu could lead to a reduction in customer purchasing power and erosion of customer confidence in the local currency, which may have a material adverse effect on the Issuer's business, operational results and financial position.

In addition, the economy, the banking system, as well as the Issuer may be negatively affected by the increase of indebtedness and the deterioration of the financial situation of its debtors who have contracted loans in foreign currency, as a result of the RON depreciation.

***Dislocations and liquidity disruptions in EU financial markets or elsewhere.***

Any period of unpredictable movements, severe dislocations and liquidity disruptions in the financial markets in the EU or elsewhere, as seen in early August 2024 when major European indexes recorded significant one-day losses, could lead to a reduction in the demand for some of the Issuer's banking services and products and may also impede the Issuer's ability to raise capital or funding. This could result in, among other things, the issuance of capital and funding of different types or under less favourable terms than otherwise would have been issued or realised, or the incurrence of additional or increased funding and capital costs compared to the costs borne in a more stable market environment. These impacts could adversely affect the Issuer's net interest income position and, therefore, its financial performance which, eventually, may impair its ability to lend to customers.

**1.3 Risks relating to legal and regulatory matters and litigation**

***Romania may react to economic and financial crises with increased protectionist measures including in the field of consumer protection.***

As per the general dynamics of the regulatory environment impacting financial institutions, there are a few legal initiatives (some of which are domestic while some are aimed at transposing certain EU directives) that may have an adverse effect on banking operations in Romania. The proposed changes may have effects on the following key aspects: making the assignment of non-performing credit loans less attractive, repealing the current legal provisions which stipulate that loan agreements concluded by

credit institutions qualify as a writ of execution and therefore making the recovery of defaulting loans lengthier and more costly, capping interest rates in relation to consumer loans and increasing the "powers" of the consumer protection authority. These effects are triggered by the legal provisions encapsulated in the following recent draft laws:

- the draft law on the protection of consumers against speculative assignments of claims (registered with the Chamber of Deputies under no. PL-x nr. 665/2019): the draft law concerns the speculative transfer (by way of assignment or otherwise) by a financial creditor (i.e. credit institutions, non-banking financial institutions or authorised collection agencies) of its loan receivables against a consumer to any third party which is not a financial creditor;
- the draft law on the protection of consumers against unfair or untimely enforcement (registered with the Chambers of Deputies under no. PL-x no. 663/2019). Aside of other provisions, the draft law provides that credit agreements and related security/collateral agreements shall no longer be deemed writs of execution by virtue of law. Further, it also stipulates that if the "family home" is being foreclosed, the family is entitled to remain in their home until it finds a "decent" replacement but not more than a period of one year after foreclosure. Despite limited parliamentary activity on this legislative proposal in recent years, following nearly two years of inactivity, the Romanian Government issued an unfavorable report. After another period of inactivity, the Specialized Commissions of the Deputy Chamber issued a favorable report in May 2024. Therefore, although it initially seemed that the proposal was stalled, it is now possible that the law could be adopted in the near future, potentially with significant amendments;
- the draft law on protection of consumers (registered with the Chambers of Deputies under no. PL-x no. 776/2022): the draft law seeks to replace the general framework on the protection of consumers regulated by Government Ordinance no. 21/1992 on consumer protection, as republished and further amended. Among others, the draft law seeks to introduce fines for breaches of the said legislation, which in the case of legal entities with a turnover exceeding RON 10,000,000 which are found to include abusive clauses in agreements with consumers may range from RON 10,000 to RON 160,000;
- the draft law to supplement Law no. 193/2000 on unfair terms in contracts concluded between professionals and consumers (registered with the Chambers of Deputies under no. PL-x no. 446/2023); The draft law provides that in contracts between professionals and consumers it is prohibited to fix the price in a currency other than the national currency. In this context, a clause providing otherwise would be considered abusive;
- the draft law to amend article 95 of G.E.O no. 50/2010 on credit agreements for consumers and article 135 para. (2) of Emergency Ordinance no. 52/2016 on credit agreements offered to consumers for real estate property ("G.E.O. no. 52/2016") and to amend and supplement G.E.O no. 50/2010 on consumer credit agreements (registered with the Chamber of Deputies under no. PL-x no. 723/2023); under the current legislative framework, during the enforcement, the charging of interest and penalty interest is prohibited. However, this prohibition is only applicable in relation to contracts concluded after the entry into force of G.E.O. no. 50/2010 and G.E.O. no. 52/2016. This legislative proposal aims to standardize application of this prohibition also to credit agreements concluded before the entry into force of the relevant legislation;
- the draft law for amending and supplementing Law no. 77/2016 on the datio in solutum of real estate in order to settle the obligations assumed through loans (adopted by the Senate and registered with the Chambers of Deputies under no. PL-x no. 341/2023); The legal initiative proposes to repeal the provisions of the previously mentioned law that exempt loans issued under the "Prima Casă" program from its application. Additionally, the initiative stipulates that if the creditor initiates enforcement proceedings against the debtor and the debtor subsequently submits a notice of datio in solutum, the creditor will be responsible for covering the enforcement costs, including the enforcement officer's fee.

Further, the above draft laws (except for the draft law on protection of consumers, registered with the Chambers of Deputies under no. PL-x no.776/2022) provide for a retroactive application, in particular with respect to ongoing enforcement procedures.

There is also a legislative proposal regarding the responsibilities of the NBR in the field of consumer protection for financial and banking products and services (registered with Romanian Senate under L222/2024). The legislative initiative proposes that the NBR assume the responsibilities currently held by the National Authority for Consumer Protection (“ANPC”), but with respect to financial and banking products and services offered by entities under the NBR’s jurisdiction, without altering the substance or manner in which these responsibilities are exercised. The NBR's main responsibilities regarding consumer protection include: a) overseeing compliance with consumer protection legislation, including directly applicable EU regulations; b) conducting market surveillance for financial and banking products and services through audits, reviews of reports, and on-site inspections; and c) issuing regulations to implement legal provisions related to the consumer protection of financial and banking products and services.

The Directive (EU) 2020/1828 of the European Parliament and of the Council of 25 November 2020 on representative actions for the protection of the collective interests of consumers and repealing Directive 2009/22/EC (“**Class Action Directive**”) has also been transposed in Romania, by way of Law no. 414/2023 on representative actions for the protection of consumers’ collective interests. This law aims to safeguard the collective interests of consumers, ensuring a high level of protection and the smooth functioning of the EU internal market. Entities and especially consumer associations, including those representing members from multiple Member States, can be designated as qualified entities to bring domestic or cross-border representative actions. Additionally, it stipulates that professionals provide to consumers, among others, compensation, price reduction, contract termination, or refunds when applicable. Notably, these actions can be financed by third parties without compromising consumer interests. Class actions may apply to areas such as financial services and consumer credit. As of the date of this Prospectus, the Bank has not been the subject of any actions of this nature.

The initiatives and recent legislative enactments presented above may result in significant losses for creditors (such as the Issuer), affecting profitability and solvency, and may lead to systemic risks becoming manifest. The legislative uncertainty associated with the banking sector also leads to tighter credit standards and lower financial intermediation.

***The Issuer is subject to substantial regulation and supervision. Any new governmental or regulatory requirement and/ or any change in perceived levels of adequate capitalisation and leverage could subject the Issuer to increased capital and MREL requirements and require the Issuer to obtain additional capital or liquidity in the future.***

The Issuer has to comply with complex regulatory requirements at all times. Such requirements tend to evolve and become more extensive and stricter. Compliance with such requirements, including the ongoing monitoring and implementation of new or amended rules and regulations, causes significant costs and effort for credit institutions, such as the Issuer. Breaches of such requirements may result in major regulatory measures and may trigger considerable legal and reputational risks. Legislative or regulatory actions and any required changes to the business operations of the Issuer resulting from changes to applicable regulation, as well as deficiencies in the Issuer's compliance with applicable regulation, could result in significant loss of revenue, limit the Issuer's ability to pursue business opportunities in which it might otherwise consider engaging, affect the value of assets that it holds, require the Issuer to increase the prices for its services (and thereby adversely impact the demand for its products and services), impose additional compliance and other costs on the Issuer or otherwise adversely affect its business. The Issuer may be requested to comply with higher capital and liquidity requirements and may incur substantial costs related to the monitoring and meeting these requirements, as detailed below.

Revised rules on capital and liquidity, i.e., Regulation (EU) No. 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No. 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No. 648/2012 (“**CRR2**”) and Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (“**CRD V**”) were published in the Official Journal on 7 June 2019 following a legislative process which began at the end of 2016.

As of the date of this prospectus, the requirements stipulated by CRD V have been implemented into Romanian law.

The new rules in CRR 2 and the Romanian implementation of CRD V impose, *inter alia* (i) a binding leverage ratio requiring institutions to maintain Tier 1 capital of at least 3% of their non-risk-weighted assets and (ii) a new approach to market risk, which reflects the Basel Committee's Fundamental Review of the Trading Book ("**FRTB**"). Pursuant to CRR 2, the FRTB framework applies as a reporting requirement to ensure that institutions adequately prepare for the implementation of the FRTB framework as binding capital requirements.

Additionally, on 19 June 2024, Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 amending the Capital Requirements Directive IV as regards supervisory powers, sanctions, third country branches, and environmental, social and governance risks ("**CRD VI**") and Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending the Capital Requirements Regulation as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor ("**CRR III**") were published in the Official Journal of the EU. Among the numerous changes, the following may prove of particular relevance to the Issuer:

- comprehensive requirements on ESG: CRD VI will now require banks to (i) explicitly take into account the short, medium and long term for the coverage of ESG risks in their strategies and processes to assess and maintain on an ongoing basis the amounts, types and distribution of internal capital, (ii) draw up and implement specific plans, quantifiable targets and processes to monitor and address the financial risks arising from ESG factors in the short, medium and long term, (iii) provide for specific requirements for strategies, policies, processes and systems regarding ESG risks, taking into account their specificities such as their forward-looking nature and their distinctive impacts over short, medium and long-term time horizons;
- more rigorous methods of assessing customer credit risk, requiring banks to adopt sophisticated risk assessment processes for greater accuracy. At the same time, there's an increased emphasis on transparency, the bank being required to disclose detailed information about risk exposures and capital adequacy, to foster trust and understanding among stakeholders;
- by 28 June 2025, the Net Stable Funding Ratio (NSFR) Required Stable Funding (RSF) factors applied to short-term securities financing transactions (SFTs) will be aligned with those envisaged by the Basel standards. For reverse repos with terms shorter than six months, this would take the RSF factors of transactions secured by Level 1 High Quality Liquid Assets (HQLA) from 0% to 10%, and the RSF of transactions secured by non-Level 1 HQLA from 5% to 15%;
- The new Standardised Approach for Counterparty Credit Risk (SA-CCR) determines the counterparty risk via three factors: the regulatory scaling factor alpha, which was set at 1.4, the replacement cost (RC) and an add-on for the potential future exposure (PFE), which continues to depend on the underlying - but is weighted with a factor that takes into account the risk-reducing effects of overcollateralisation and negative market.

Member states (including Romania) have 18 months to transpose CRD VI into national legislation, whilst CRR III will apply from 1 January 2025, other than the FRTB standards for banks' calculation of own funds requirements for market risk, which has been postponed by one year, until 1 January 2026.

At this stage, it is too early to draw firm conclusions regarding the impact of these latest capital requirements, and how will they affect the Issuer.

The risk of non-compliance with different legal and regulatory requirements and any adverse changes thereto, may potentially negatively affect the Issuer's current business model, internal policies and results, this risk being particularly relevant for the Issuer.

Any non-compliance or failure to address these issues properly, could lead to additional legal risk and financial losses, as a result of regulatory fines or reprimands, litigations, or reputational damage and, in extreme scenarios, to the suspension of operations or even withdrawal of authorisation to pursue business. Additional regulations or changes in the applicable laws could add significant costs or operational constraints that may have a negative impact on the Issuer's business, financial condition and prospects.

The Bank Recovery and Resolution Directive (the "**BRRD**", Directive 2014/59/EU on the Bank Recovery and Resolution of credit institutions and investment firms) has been transposed into Romanian law through Law no 312/2015, as amended or replaced from time to time (the "**Romanian Recovery and Resolution Act**"). Such provisions may have a material adverse effect on the investment in the Notes, which may in turn be a risk for any holder of the Notes (each a "**Holder**") of losing their investment, as well as on the Issuer's business, financial condition, results of operations and prospect.

The BRRD has been modified, among others, by Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the Bank Recovery and Resolution Directive as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC ("**BRRD 2**"). Romanian law provisions transposing BRRD 2 provide for a 180 days period as of the date of their entry into force (i.e. 3 January 2022) for the fulfilment of the intermediate target levels.

The BRRD regime is designed to provide the resolution authorities with a set of tools to intervene early and swiftly in the affairs of an unsound or failing bank to ensure the continuity of the bank's critical financial and economic functions, whilst minimising the impact of a bank's failure on the economy and financial system.

The main resolution tools identified for the Issuer pursuant to the resolution regime under the Romanian Recovery and Resolution Act are bridge bank and sale of business. NBR can transfer shares or other ownership instruments issued by the bank under resolution, as well as any of its assets, rights or liabilities, either to a bridge bank or, in the case of a sale of business, to a buyer that is not a bridge bank. The powers granted to the resolution authorities may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

To ensure that banks always have sufficient loss-absorbing and recapitalisation capacity, the BRRD and the Romanian Recovery and Resolution Act provide for the relevant resolution authority (the NBR in the case of the Issuer) to set minimum requirements for MREL for each institution, based on, among other criteria, its size, risk and business model.

In November 2023, the NBR, in its role as Resolution Authority, has communicated to the Issuer the new MREL targets in accordance with local law. The Issuer is required to comply with an MREL target of 20.81% (excluding combined buffer) in terms of Total Risk Exposure Amount ("**TREA**") and 5.58% in terms of total exposure measurement ("**TEM**") starting 1 January 2024, calculated based on the 2022 Annual Financial Statements.

The Issuer is compliant with the MREL requirements in TEM as of 30 June 2024. The realised level of indicator was 9.41% as at 31 December 2023 and 7.98% as at 30 June 2024 versus 5.58% which is the minimum required level. The consolidated capital indicators are not materially different from those of the Issuer, respectively 9.42% as of 31 December 2023 and 7.98% as of 30 June 2024.

During 2024, the Issuer's MREL ratios in terms of TREA were above the minimum required level, mainly due to its strategy of maintaining a satisfying level of own funds and eligible liabilities and at the same time keeping the evolution of TREA under control.

Since 30 December 2022, the Issuer issued bonds totalling a nominal value of RON 2,063 million and an accounting value of RON 2,113 million for the Bank as of 30 June 2024, qualifying as MREL eligible liabilities according to the provisions of Law no. 312/2015 on banking recovery and resolution. The own funds and eligible liabilities ratio in terms of TREA as of 31 December 2023 was at a level of 32.21%, thus above the minimum required threshold (including the value of the combined buffer) of 24.36%. The own funds and eligible liabilities ratio in terms of TREA as of 30 June 2024 was at a level of 30.01%, thus above the minimum required threshold applicable starting 1 January 2024 (including the applicable value of the combined buffer) of 26.31%. The consolidated MREL ratios are not materially different from those of the Issuer, 32.17% as of 31 December 2023 and 29.98% as of 30 June 2024.

The relevant minimum requirement is determined yearly by the competent resolution authority under the applicable banking laws. If the competent resolution authority requests an increase of the Issuer's MREL, this could require the Issuer to issue additional eligible liabilities at substantial costs. This could have a material adverse impact on the Issuer's profitability and financial situation. Moreover, there is a risk that the Issuer may not be able to meet these minimum requirements for own funds and eligible liabilities,

which could materially adversely affect the Issuer's ability to make payments on the Notes. In addition, under the bail-in tool, the resolution authorities may order a write-down of the Notes or convert them into CET 1 instruments. See also "*Holder's of the Ordinary Senior Notes are exposed to the risk of statutory loss absorption*", "*Holder's of the Subordinated Notes are exposed to the risk of statutory loss absorption*" and "*Holder's of the Eligible Notes are exposed to the risk of statutory loss absorption*" below for further details.

Apart from potentially being subject to resolution tools and exercise of other powers as set out in the Romanian Recovery and Resolution Act, the Issuer may also be subject to the regime instituted by the general national bankruptcy proceedings for credit institutions.

***Anti-money laundering, anti-terrorism financing and anti-corruption***

The Issuer is subject to rules and regulations regarding anti-money laundering, anti-terrorism financing and anti-corruption. These rules and regulations have been tightened in recent years following the implementation of the fourth anti-money laundering directive (Directive (EU) 2015/849 of the European Parliament and of the Council) and the fifth anti-money laundering directive (Directive (EU) 2018/843), as enacted in Romania by Law no. 129/2019 on the prevention and combating of money laundering and terrorist financing, amending and supplementing certain legal acts ("**Law no. 129/2019**"), as further amended and supplemented. Monitoring compliance with anti-money laundering, anti-corruption and anti-terrorism financing rules can result in a significant financial burden on banks and other financial institutions and can pose significant technical problems.

After the pandemic period, NBR started in 2022 the onsite supervision across the national banking industry, thus all Romanian banks received warnings with respect to the AML findings they had. In April 2024, the Issuer was fined RON 50,000 by the NBR due to certain deficiencies identified in relation to Law no. 129/2019. The primary issues noted were the failure to perform the Know Your Customer (KYC) procedure for a few clients. As of the date of this Prospectus, the Issuer drew a plan in order to remedy the deficiencies identified by NBR, which contains several specific measures with implementation deadline. The Issuer periodically reports the implementation status to the NBR and, with respect to the identified deficiencies, they have all been addressed by the date of this Prospectus.

Although the Issuer is constantly working on upgrading the AML/CTF systems in order to address vulnerabilities (including having in plan to acquire new apps and features to streamline the manual controls as much as possible), any violation of anti-money laundering, anti-corruption or anti-terrorism financing rules, or even alleged violations, may have severe legal, monetary and reputational consequences and could have a material adverse effect on the Issuer's business, financial condition, results of operations, liquidity or prospects.

***The Issuer may be subject to fines, awards of damages or other penalties arising from legal proceedings, contractual claims and disputes, as well as negative publicity arising therefrom.***

In the context of its day-to-day operations as credit institution, the Issuer is exposed to litigation risk, among others, as a result of changing and developing consumer protection legislation and legislation on the provision of banking and investment services. The Bank is involved in numerous legal proceedings and is expected to be involved in such in the future, some of which, if resolved adversely to the interests of the Issuer, could have a material adverse effect on its business. For example, ANPC investigated allegedly misleading commercial practices related to the calculation of interest due on loans on medium and long term. Sanctions were issued for several banks, including the Issuer, however decisions were challenged in court. The fine of RON 50,000 applied to the Issuer is currently suspended until the final court decision. If such decision is unfavourable court decision upholding the ANPC order and the measures imposed thereby may result in additional costs for the Issuer and reputational damage, which may in turn affect the Issuer's results of operation and financial condition.

According to its internal rules, the Issuer establishes provisions in its financial statements for certain proceedings in which it is involved based on an assessment of the possible outcome of the proceedings. While management believes that the Issuer's financial statements make adequate provision for pending legal proceedings, a worse than expected outcome in any legal proceedings would mean that such provisions, or the absence of any provision, could insufficiently cover any of the Issuer's liabilities arising from such proceedings.

In addition, credit institutions such as the Issuer may be adversely affected by other claims (contractual or otherwise), complaints and litigation, including from counterparties with whom it has contractual relationships, customers, competitors or regulatory authorities, as well as any adverse publicity that it may attract. Any such litigation, complaints, contractual claims, or adverse publicity could have a material adverse effect on the Issuer's business, reputation, results of operation and financial condition.

***Applicable Romanian insolvency and bankruptcy laws, as well as other laws and regulations governing creditors' rights may limit the Issuer's ability to obtain payments on defaulted loans and advances.***

Romanian bankruptcy and enforcement laws and practice may make it difficult and time-consuming for the Issuer to recover amounts in respect of its secured and unsecured claims before the Romanian courts, due to the several degrees of jurisdiction, duration of proceedings in each such step of the process and workload of the Romanian courts. Considering that a significant part of the Issuer's assets are due from debtors and/or secured by assets that may be subject to Romanian bankruptcy and enforcement laws, the above could adversely affect the Issuer's business, financial condition, results of operations, liquidity or prospects and its ability to make payment under the Notes.

Inability to recover claims in a reasonably timely manner may adversely affect the Issuer's business, financial condition, results of operations or liquidity.

***Handling customer personal data represents a significant part of the Issuer's daily activity, and a leakage of such data might violate the applicable laws and regulations.***

The Issuer accumulates, stores and uses in its operations data which are protected by data protection laws. Although the Issuer takes precautions to protect customer data in accordance with the applicable privacy requirements, it is possible that there may be data leakages in the future. In addition, the Issuer works with service providers or third-party commercial partners, which may not fully comply with the relevant contractual terms and all data protection obligations imposed on them.

The financial services sector has become increasingly digitalised, automated and online based in recent years, increasing the Issuer's exposure to risks of unauthorised or unintended data release through hacking and general information technology system failures. Unanticipated information technology problems, system failures, computer viruses, intentional or unintentional misuses, hacker attacks or unauthorised access to the Issuer's network or other failures could result in a failure to maintain and protect customer data in accordance with applicable regulations and requirements and could affect the quality of the Issuer's services, compromise the confidentiality of its customer data or cause service interruptions, and may result in the imposition of fines and other penalties. Also, starting with the application of the General Data Protection Regulation (EU) 2016/679 on 25 May 2018, the Issuer is subject to extensive data processing requirements, the breach of which may entail several types of sanctions, including fines of up to EUR 20 million or up to 4% of the total worldwide annual turnover (whichever is the greater); in addition, if they have suffered damage, the persons concerned may obtain compensation to cover the amount of such damage and their rights may also be represented by collective bodies.

Therefore, should any violations of data protection laws be identified to have been committed by the Issuer, they may result in fines, claims for damages, prosecution of relevant employees and managers, reputational damage and loss of customers and may have a material adverse effect on the Issuer's business, prospects, results of operation and financial condition.

***The Issuer is exposed to risks in relation to market impacts on collateral value and the enforcement of such collateral.***

The Issuer generally seeks collateral for its loans. A significant proportion of this collateral takes the form of mortgages or other security over assets and there are particular risks associated with this form of collateral when a client defaults. In addition, part of the collateral taken by the Issuer comprises share pledges. The value of this collateral can be adversely affected by falling stock market values (in the case of listed shares) or adverse developments in a business (in the case of non-listed shares). In addition, the Issuer may experience difficulty in enforcing certain collateral, particularly in the case of non-listed shares.

Procedures in Romania for the sale or other enforcement actions in relation to mortgages on real property in particular may be protracted and difficult to practically implement. In cases where the Issuer is unable to enforce effectively against real estate or other collateral granted to it, this will delay recovery of the relevant loan and could expose the Issuer to increased losses on the relevant loan, especially in the case of falling property markets.

If the Issuer is not able to enforce security over collateral in a timely manner or at all, it may have an adverse effect on the Issuer's business, prospects, financial condition, results of operations or cash flow.

***A substantial portion of the Issuer's loans are secured by property interests and the Issuer is therefore exposed to any downturn in the property markets in which it operates, including various disrupting factors in CEE which influence volatility in the local real estate market.***

Of the Issuer's loan portfolio secured by collateral as recorded in its Annual Financial Statements (as defined below in the section "*Financial Information*") as at 31 December 2023, RON 7.13 billion loans granted to private individuals were secured by real estate collateral. Residential real estate prices continued to rise and mortgage loans granted by the Issuer continued to hold a steady pace. Price growth is continuing in 2024, but the mortgage loans granted by end-June indicate a descending trend in their average value. Although the real estate market is currently in a stable condition, a downturn in economic activity and subsequently in the real estate market could adversely affect the value of the collateral pool.

Any economic downturn in Romania, including declines in the value of real estate and increases in unemployment rates, could adversely affect the Issuer's collateral coverage of its loan portfolio with respect to new and existing loans and generate increases in impairment losses, which could materially affect the Issuer's financial condition and results of operations.

***The Issuer may be exposed to losses if critical accounting judgements or estimates are subsequently found to be incorrect or inaccurate.***

The preparation of the Issuer's financial statements requires management to make estimates and assumptions and to exercise judgement in selecting and applying relevant accounting policies, each of which may directly impact the reported amounts of assets, liabilities, income and expenses, to ensure compliance with the International Financing Reporting Standards, as adopted by the European Union, ("**IFRS**") and with the NBR's Order no. 27 /2010 for the approval of the accounting regulations in accordance with IFRS, each as amended. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with applicable standards. Estimates and judgements are evaluated on a continuing basis, and are based on past experience and other factors, including expectations with regard to future events. Some areas involving a higher degree of judgement, where assumptions are significant to the financial statements, include the recognition of the expected losses for all financial instruments, not measured at fair value through profit and loss, including loan commitments and financial guarantees, recognition of deferred tax assets and the fair value of unquoted financial instruments and investments in subsidiaries, associates and joint ventures.

At the same time, errors may appear in the calculations inserted in the Issuer's financial statements. In 2022, the Issuer identified a significant error in the recognition of the deferred tax related to the revaluation reserve on the financial assets measured at fair value through other comprehensive income as at 31 December 2021, namely the recognition of a deferred tax liability instead of a deferred tax asset as of that date. The Issuer prepared historical financial information as a second set of financial information relating to the financial year ended 31 December 2021 so as to correct such error.

While the Issuer's management exercises several levels of control, and the approach to risks generally is cautious, with low applicable thresholds, it cannot be excluded that some assumptions may turn out to be wrong, in turn triggering errors in judgments and estimates made. If the judgements, estimates and assumptions used by the Issuer in preparing its financial statements or if any calculation in the Issuer's financial statements are subsequently found to be incorrect there could be a significant loss to them beyond that anticipated or provided for or an adjustment to those financial statements, which could have a material adverse effect on the Issuer's business, financial condition and results of operations.



## 2. Risks relating to the Notes

### 2.1 Risks relating to the regulatory classification of the Notes

#### Particular risks relating to the Ordinary Senior Notes

*Holders of the Ordinary Senior Notes are exposed to the risk of statutory loss absorption.*

The relevant resolution authorities are provided with uniform and effective resolution tools and resolution powers in order to achieve the resolution objectives.

One of the resolution tools available to the relevant resolution authority is the bail-in tool. When applying the bail-in tool, the resolution authority pursuant to Article 4(1)(130) CRR which is responsible for recovery or resolution of the Issuer on an individual and/or consolidated basis (the "**Resolution Authority**") shall exercise the write-down and conversion powers according to the reverse order of priority of claims in normal insolvency proceedings (bankruptcy proceedings) (*faliment*) in the following sequence (also called "loss absorbing cascade"): (i) Common Equity Tier 1 ("**CET 1**") items; (ii) Additional Tier 1 ("**AT 1**") instruments; (iii) Tier 2 instruments (such as the Subordinated Notes); (iv) subordinated debt that is not AT 1 or Tier 2 capital; (v) unsecured claims resulting from debt instruments within the meaning of Article 234<sup>1</sup> of Law no. 85/2014, as amended or replaced from time to time (the "**Romanian Insolvency Act**") (such as the Non-Preferred Senior Eligible Notes); and (vi) the rest of bail-inable liabilities (such as the Ordinary Senior Notes and the Ordinary Senior Eligible Notes) in accordance with the order of the payment of claims in bankruptcy proceedings, including the ranking provided for in Article 234 of the Romanian Insolvency Act, to the extent required.

If the bail-in tool is applied to the Issuer, the principal amount of the Ordinary Senior Notes may be fully or partially written down or converted into instruments of ownership. Accordingly, the actual or anticipated exercise of any of these resolution actions in relation to the Issuer or any Ordinary Senior Notes could materially adversely affect the value of any Ordinary Senior Notes and could lead to Holders losing some or all of the value of their investment in the Ordinary Senior Notes and/or a delayed recovery of their investment in the Ordinary Senior Notes.

*In case of an insolvency of the Issuer, certain deposits and other claims have a higher ranking than claims resulting from the Ordinary Senior Notes.*

According to Article 234 of the Romanian Insolvency Act, in normal insolvency proceedings (bankruptcy proceedings) (*faliment*) opened over the Issuer's assets, the following insolvency hierarchy applies to deposits and senior unsecured claims:

- (a) (i) covered deposits; and (ii) deposit guarantee schemes subrogating to the rights and obligations of covered depositors in insolvency;
- (b) (i) that part of eligible deposits from natural persons and micro, small and medium-sized enterprises which exceeds the coverage level provided for in the legislation regarding deposit guarantee schemes; and (ii) deposits that would be eligible deposits from natural persons, micro, small and medium-sized enterprises if they had not been made through branches (located outside the EU) of institutions established within the EU;
- (c) ordinary unsecured claims (such as any claims resulting from the Ordinary Senior Notes); and
- (d) unsecured claims resulting from debt instruments within the meaning of Article 234<sup>1</sup> of the Romanian Insolvency Act (so-called "non-preferred senior debt instruments"), i.e. debt instruments that meet the following conditions: (i) the original contractual maturity of the debt instruments is of at least one year; (ii) the debt instruments contain no embedded derivatives and are not derivatives themselves; (iii) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to the lower ranking towards the ordinary unsecured claims under Article 234 paragraphs 1 to 7 of the Romanian Insolvency Act.

In addition, the insolvency hierarchy under the Romanian Insolvency Act stipulates further claims that rank senior to claims listed above at point (c) (e.g. claims to stamp duties and stamp taxes, fees, costs and expenses regarding the bankruptcy proceedings, budgetary claims, claims of NBR and certain employment claims) ("**Further Preferred Claims**"). Therefore, in case of normal insolvency

proceedings (bankruptcy proceedings) (*faliment*) opened in relation to the Issuer, claims resulting from the Ordinary Senior Notes are junior to (i) the Further Preferred Claims (to the extent applicable) and (ii) the claims listed in points (a) and (b). For this reason, any payments on claims resulting from the Ordinary Senior Notes would only be made, if and to the extent any senior ranking claims have been fully satisfied.

In addition, the ranking of Ordinary Senior Notes in a normal insolvency proceeding (bankruptcy proceeding) (*faliment*) of the Issuer is also expected to impact on the losses imposed on Holders if resolution powers are exercised in respect of the Issuer, as such resolution powers are required to be applied in a manner that respects the hierarchy of capital instruments under CRD IV and otherwise respects the hierarchy of claims in an ordinary insolvency. See also "*Holder's of the Ordinary Senior Notes are exposed to the risk of statutory loss absorption*" above.

***Holder's of the Ordinary Senior Notes are exposed to the risk that the Issuer may issue further debt instruments or incur further liabilities.***

There may be no restrictions (contractual or otherwise) on the amount of debt or other liabilities that the Issuer may (or may have to) issue, borrow and/or incur, ranking *pari passu* with the Ordinary Senior Notes.

Any issue of such instruments and/or any incurring such liabilities may reduce the amount recoverable by Holders of the Notes upon the Issuer's insolvency (bankruptcy proceedings) (*faliment*).

***The Ordinary Senior Notes may be redeemed early, where provided in the Final Terms, on specified call redemption dates or for reasons of taxation.***

The applicable Final Terms will indicate whether the Issuer will have the right to call the Ordinary Senior Notes prior to maturity on specified call redemption date(s), whether the Issuer does not have the right to call such Notes at all or whether such Notes will be subject to early redemption upon the occurrence of an event indicated in the applicable Final Terms (early redemption event). In addition, if such right is provided in the Final Terms, the Issuer will have the right to redeem the Notes, at its sole discretion, if the Issuer is required to pay additional amounts on the Notes for reasons of taxation.

If the Notes are redeemed early, a Holder of such Note is exposed to the risk that due to early redemption the investment may have a lower yield than expected. Holders may be subject to the risk that interest/redemption proceeds earned/received from an investment in the Notes may not in the event of early redemption of any Notes be able to be reinvested in such a way that they earn the same rate of return as the redeemed Notes.

#### **Particular risks relating to the Subordinated Notes**

***Holder's of the Subordinated Notes are exposed to the risk of statutory loss absorption.***

The relevant resolution authorities are provided with uniform and effective resolution tools and resolution powers in order to achieve the resolution objectives.

One of the resolution tools available to the relevant resolution authority is the bail-in tool. When applying the bail-in tool, the Resolution Authority shall exercise the write-down and conversion powers according to the reverse order of priority of claims in normal insolvency proceedings (bankruptcy proceedings) (*faliment*) in the following sequence (also called "loss absorbing cascade"): (i) CET 1 items; (ii) AT 1 instruments; (iii) Tier 2 instruments (such as the Subordinated Notes); (iv) subordinated debt that is not AT 1 or Tier 2 capital; (v) unsecured claims resulting from debt instruments within the meaning of Article 234<sup>1</sup> of the Romanian Insolvency Act (such as the Non-Preferred Senior Eligible Notes); and (vi) the rest of bail-inable liabilities (such as the Ordinary Senior Notes, the Ordinary Senior Eligible Notes) in accordance with the order of the payment of claims in bankruptcy proceedings, including the ranking provided for in Article 234 of the Romanian Insolvency Act, to the extent required.

Furthermore, where the Issuer meets the relevant conditions for resolution or is at the point of non-viability, the Resolution Authority may exercise the write down or conversion power in relation to the relevant capital instruments (i.e. CET 1, AT 1 and Tier 2 instruments) before, or at the same time as, applying any resolution tool.

If the power of write-down or conversion of relevant capital instruments or the bail-in tool is applied to the Issuer, the principal amount of the Subordinated Notes may be fully or partially written down or converted into instruments of ownership, although claims of other creditors of the Issuer might not be affected. Accordingly, the actual or anticipated exercise of any of these resolution actions in relation to the Issuer or any Subordinated Notes could materially adversely affect the value of any Subordinated Notes and could lead to Holders losing some or all of the value of their investment in the Subordinated Notes and/or a delayed recovery of their investment in the Subordinated Notes.

***In case of an insolvency of the Issuer, deposits and senior unsecured claims have a higher ranking than claims resulting from the Subordinated Notes.***

According to Article 234 of the Romanian Insolvency Act, in normal insolvency proceedings (bankruptcy proceedings) (*faliment*) opened over the Issuer's assets, the following insolvency hierarchy applies to deposits and senior unsecured claims:

- (a) (i) covered deposits; and (ii) deposit guarantee schemes subrogating to the rights and obligations of covered depositors in insolvency;
- (b) (i) that part of eligible deposits from natural persons and micro, small and medium-sized enterprises which exceeds the coverage level provided for in the legislation regarding deposit guarantee schemes; and (ii) deposits that would be eligible deposits from natural persons, micro, small and medium-sized enterprises if they had not been made through branches (located outside the EU) of institutions established within the EU;
- (c) ordinary unsecured claims; and
- (d) unsecured claims resulting from debt instruments within the meaning of Article 234<sup>1</sup> of the Romanian Insolvency Act (so-called "non-preferred senior debt instruments"), i.e. debt instruments that meet the following conditions: (i) the original contractual maturity of the debt instruments is of at least one year; (ii) the debt instruments contain no embedded derivatives and are not derivatives themselves; (iii) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to the lower ranking towards the ordinary unsecured claims under Article 234 paragraphs 1 to 7 of the Romanian Insolvency Act.

In addition, the insolvency hierarchy under the Romanian Insolvency Act stipulates further claims that rank senior to claims listed above at point (c) (e.g. claims to stamp duties and stamp taxes, fees, costs and expenses regarding the bankruptcy proceedings, budgetary claims, claims of NBR and certain employment claims) ("**Further Preferred Claims**").

Therefore, in case of normal insolvency proceedings (bankruptcy proceedings) (*faliment*) opened in relation to the Issuer, claims resulting from the Subordinated Notes are junior to (i) the Further Preferred Claims (as applicable) and (ii) the claims listed in points (a) to (d). For this reason, any payments on claims resulting from the Subordinated Notes would only be made, if and to the extent any senior ranking claims have been fully satisfied.

Moreover, pursuant to the Romanian implementation of Article 48(7) of BRRD (introduced by BRRD 2) through Article 234<sup>2</sup> of the Romanian Insolvency Act, all claims resulting from own funds items of relevant institutions (such as the Issuer) are to rank lower than any claim that does not result from an own funds item. Therefore, the implementation of Article 48(7) of the BRRD 2 in Romania may affect the amount of recovery (if any) a Holder of Subordinated Notes may expect to receive in a normal insolvency proceeding (bankruptcy proceedings) (*faliment*) or liquidation (*lichidare*) of the Issuer. Although the precise scope of this implementation has not yet been tested in the Romanian courts and its impact remains unclear, it is expected that, in certain circumstances, it may have an impact on the effective ranking of own funds instruments, such as the Subordinated Notes. For example, if any own funds instruments issued by the Issuer, such as AT 1 instruments or Tier 2 instruments (including any Subordinated Notes), cease in full to be eligible to qualify as own funds instruments of the Issuer, such disqualified instruments are likely to be adjusted so as to rank ahead of any instruments which continue to qualify as own funds in whole or in part (such as any Subordinated Notes, as the case may be). In such circumstances, if the Issuer is bankrupt or liquidated, the claims of Holders of Subordinated Notes which qualify (in whole or in part) as Tier 2 instruments of the Issuer may be subordinated to claims of holders of such disqualified instruments (if any), and accordingly any recovery of amounts in respect of such

qualifying Subordinated Notes in a normal insolvency proceeding (bankruptcy proceedings) (*falliment*) or liquidation (*liquidare*) of the Issuer may be adversely affected.

In addition, the ranking of Subordinated Notes in a normal insolvency proceeding (bankruptcy proceedings) (*falliment*) of the Issuer is also expected to impact on the losses imposed on Holders if resolution powers are exercised in respect of the Issuer, as such resolution powers are required to be applied in a manner that respects the hierarchy of capital instruments under CRD IV and otherwise respects the hierarchy of claims in an ordinary insolvency. See also "*Holderes of the Subordinated Notes are exposed to the risk of statutory loss absorption*" above.

***The Subordinated Notes do not give the right to accelerate future payments and are not subject to set-off or any guarantee.***

The Terms and Conditions of the Subordinated Notes do not provide for any events of default and Holders of the Subordinated Notes do not have the right to accelerate any future scheduled payment of interest or principal.

Furthermore, the Subordinated Notes are not subject to any set off or netting arrangements that would undermine their capacity to absorb losses in resolution and are neither secured nor subject to a guarantee or any other arrangement that enhances the seniority of the claims under the Subordinated Notes.

***The Subordinated Notes may not be redeemed at the option of the Holders.***

Holderes of the Subordinated Notes will have no rights to call for the early redemption of their Subordinated Notes.

Therefore, prospective investors should not invest in the Subordinated Notes in the expectation that they have an early redemption right. Furthermore, Holders of the Subordinated Notes should be aware that they may be required to bear the financial risks of an investment in the Subordinated Notes until their final maturity.

***Holderes of the Subordinated Notes are exposed to the risk that the Issuer may issue further debt instruments or incur further liabilities.***

There may be no restrictions (contractual or otherwise) on the amount of (ordinary unsecured or subordinated) debt or other liabilities that the Issuer may (or may have to) issue, borrow and/or incur, ranking *pari passu* with or senior to the Subordinated Notes.

Any issue of such instruments and/or any incurring such liabilities may reduce the amount recoverable by Holders of the Subordinated Notes upon the Issuer's insolvency (bankruptcy proceedings) (*falliment*).

***Where provided in the Final Terms, the Subordinated Notes may be redeemed at any time for reasons of taxation, regulatory reasons or on specified call redemption dates.***

If such right is provided in the Final Terms, the Issuer may redeem, at its sole discretion, the Subordinated Notes early before their stated maturity (even before five years after the date of their issuance), at any time for reasons of taxation.

Similarly, if such right is provided in the Final Terms, the Issuer may redeem, at its sole discretion, the Subordinated Notes early before their stated maturity (even before five years after the date of their issuance), at any time for regulatory reasons.

In addition, if such right is provided in the Final Terms, the Issuer may redeem, at its sole discretion, the Subordinated Notes before their stated maturity, but not before five years after the date of their issuance, on specified call redemption date(s).

An early redemption feature is likely to limit the market price of the Subordinated Notes. During any period when the Issuer may elect to redeem the Subordinated Notes, the market price of the Subordinated Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. Furthermore, during periods of perceived increased likelihood that the Subordinated Notes would be redeemed early, the market price of the Subordinated Notes may be adversely affected.

Any decision by the Issuer as to whether it will exercise its option to redeem the Subordinated Notes will be made at the absolute discretion of the Issuer taking into account factors such as, but not limited to, the economic impact of exercising such option to redeem the Subordinated Notes, any tax consequences, the regulatory requirements and the prevailing market conditions. Holders should be aware that they may be required to bear the financial risks of an investment in the Subordinated Notes until maturity.

***Any rights of the Issuer to redeem early or repurchase the Subordinated Notes are subject to the prior permission of the Competent Authority or the Resolution Authority, as applicable.***

Prospective investors should not invest in the Subordinated Notes in the expectation that any early redemption right will be exercised by the Issuer.

Early redemption of the Subordinated Notes either for reasons of taxation or regulatory reasons, or early redemption of the Subordinated Notes before their stated maturity on a specified call redemption date, is, if such right is provided in the Final Terms, at the sole discretion of the Issuer.

Any early redemption and any repurchase of the Subordinated Notes is subject to the prior permission of the NBR as the Competent Authority (as defined in the Terms and Conditions). Under the CRR, the Competent Authority may only permit institutions to redeem early or repurchase Tier 2 instruments (such as the Subordinated Notes) if certain conditions prescribed by the CRR are complied with. These conditions, as well as a number of other technical rules and standards relating to regulatory capital requirements applicable to the Issuer, should be taken into account by the Competent Authority in its assessment of whether or not to permit any early redemption or repurchase. It is uncertain how the Competent Authority will apply these criteria in practice and such rules and standards may change during the maturity of the Subordinated Notes. It is therefore difficult to predict whether, and if so, on what terms, the Competent Authority will grant its prior permission for any early redemption or repurchase of the Subordinated Notes.

In the case that the Subordinated Notes, in whole or in part, no longer qualify as Tier 2 Instruments pursuant to Article 64 CRR, but as eligible liabilities items pursuant to Article 72a(1)(b) CRR, any early redemption and any repurchase of the Subordinated Notes is subject to the prior permission of the Resolution Authority (as defined in the Terms and Conditions).

Furthermore, even if the Issuer is granted the prior permission of the Competent Authority or the Resolution Authority, any decision by the Issuer as to whether it will redeem the Subordinated Notes early will be made at the sole discretion of the Issuer with regard to external factors (such as the economic and market impact of exercising an early redemption right, regulatory capital requirements and prevailing market conditions). The Issuer disclaims, and investors should therefore not expect (and not invest in the expectation), that the Issuer will exercise any early redemption right in relation to the Subordinated Notes.

***Market making by the Issuer for the Subordinated Notes is subject to the prior permission of the Competent Authority and certain conditions and thresholds.***

The Subordinated Notes may be repurchased by the Issuer (also for market making purposes) only subject to certain conditions, such as the prior permission of the NBR as the Competent Authority (as defined in the Terms and Conditions), and within certain thresholds.

These conditions and thresholds restrict the Issuer's possibility for market making for the Subordinated Notes. Such restrictions may have a negative impact on the liquidity of the Subordinated Notes and may lead to inadequate or delayed market prices for the Subordinated Notes.

***Holders agree to be bound by the exercise of any Bail-in Powers by the Resolution Authority***

In recognition of the resolution powers granted by law to the Resolution Authority (as defined in the Terms and Conditions), by acquiring the Subordinated Notes, each Holder acknowledges and accepts that the Amounts Due (as defined in the Terms and Conditions) arising under the Subordinated Notes may be subject to the exercise of the Bail-in Powers by the Resolution Authority and acknowledges, accepts, consents and agrees to be bound by the effect of the exercise of any Bail-in Powers, that may result in (i) the reduction, in full or a portion, of the Amounts Due in respect of the Subordinated Notes; (ii) the conversion of all, or a portion, of the Amounts Due on the Subordinated Notes into shares or other securities or other obligations of the Issuer or another person and the issue to, or conferral on, it of such shares, securities or obligations; (iii) the cancellation of the Subordinated Notes; or (iv) amendment or

alteration of the maturity of the Subordinated Notes or amendment of the amount of interest payable on the Subordinated Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period. Each Holder further acknowledges, accepts, consents and agrees to be bound by the variation of the terms of the Subordinated Notes, if necessary, to give effect to the exercise of the Bail-in Power by the Resolution Authority.

### **Particular risks relating to the Eligible Notes**

#### ***Holder of the Eligible Notes are exposed to the risk of statutory loss absorption.***

The relevant resolution authorities are provided with uniform and effective resolution tools and resolution powers in order to achieve the resolution objectives.

One of the resolution tools available to the relevant resolution authority is the bail-in tool. When applying the bail-in tool, the Resolution Authority shall exercise the write-down and conversion powers according to the reverse order of priority of claims in normal insolvency proceedings (bankruptcy proceedings) (*faliment*) in the following sequence (also called "loss absorbing cascade"): (i) CET 1 items; (ii) AT 1 instruments; (iii) Tier 2 instruments (such as the Subordinated Notes); (iv) subordinated debt that is not AT 1 or Tier 2 capital; (v) unsecured claims resulting from debt instruments within the meaning of Article 234<sup>1</sup> of the Romanian Insolvency Act (so-called "non-preferred senior debt instruments", such as the Non-Preferred Senior Eligible Notes); and (vi) the rest of bail-inable liabilities (such as the Ordinary Senior Notes and the Ordinary Senior Eligible Notes) in accordance with the order of the payment of claims in bankruptcy proceedings, including the ranking provided for in Article 234 of the Romanian Insolvency Act, to the extent required.

If the bail-in tool is applied to the Issuer, the principal amount of the Eligible Notes may be fully or partially written down or converted into instruments of ownership, although claims of other creditors of the Issuer might not be affected. Accordingly, the actual or anticipated exercise of any of these resolution actions in relation to the Issuer or any Eligible Notes could materially adversely affect the value of any Eligible Notes and could lead to Holders losing some or all of the value of their investment in the Eligible Notes and/or a delayed recovery of their investment in the Eligible Notes.

#### ***In case of an insolvency of the Issuer, certain deposits and potentially also other senior unsecured claims have a higher ranking than claims resulting from the Eligible Notes.***

According to Article 234 of the Romanian Insolvency Law, in normal insolvency proceedings (bankruptcy proceedings) (*faliment*) opened over the Issuer's assets, the following insolvency hierarchy applies to deposits and senior unsecured claims:

- (a) (i) covered deposits; and (ii) deposit guarantee schemes subrogating to the rights and obligations of covered depositors in insolvency;
- (b) (i) that part of eligible deposits from natural persons and micro, small and medium-sized enterprises which exceeds the coverage level provided for in the legislation regarding deposit guarantee schemes; and (ii) deposits that would be eligible deposits from natural persons, micro, small and medium-sized enterprises if they had not been made through branches (located outside the EU) of institutions established within the EU;
- (c) ordinary unsecured claims (such any claims resulting from the Ordinary Senior Eligible Notes); and
- (d) unsecured claims resulting from debt instruments within the meaning of Article 234<sup>1</sup> of the Romanian Insolvency Act (so-called "non-preferred senior debt instruments", such as the Non-Preferred Senior Eligible Notes), i.e. debt instruments that meet the following conditions: (i) the original contractual maturity of the debt instruments is of at least one year; (ii) the debt instruments contain no embedded derivatives and are not derivatives themselves; (iii) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to the lower ranking towards the ordinary unsecured claims under Article 234 paragraphs 1 to 7 of the Romanian Insolvency Act.

In addition, the insolvency hierarchy under the Romanian Insolvency Act stipulates further claims that rank senior to claims listed above at point (c) (e.g. claims to stamp duties and stamp taxes, fees, costs and

expenses regarding the bankruptcy proceedings, budgetary claims, claims of NBR and certain employment claims) ("**Further Preferred Claims**").

Therefore, in case of normal insolvency proceedings (bankruptcy proceedings) (*faliment*) opened in relation to the Issuer, claims resulting from the Ordinary Senior Eligible Notes are junior to (i) the Further Preferred Claims (as applicable) and (ii) the claims listed in points (a) and (b); and claims resulting from the Non-Preferred Senior Eligible Notes are junior to (i) the Further Preferred Claims (as applicable) and (ii) the claims listed in points (a) to (c). For this reason, any payments on claims resulting from the Eligible Notes would only be made, if and to the extent any senior ranking claims have been fully satisfied.

In addition, the ranking of Eligible Notes in a normal insolvency proceeding (bankruptcy proceedings) (*faliment*) of the Issuer is also expected to impact on the losses imposed on Holders if resolution powers are exercised in respect of the Issuer, as such resolution powers are required to be applied in a manner that respects the hierarchy of capital instruments under CRD IV and otherwise respects the hierarchy of claims in an ordinary insolvency. See also "*Holders of the Eligible Notes are exposed to the risk of statutory loss absorption*" above.

***The Eligible Notes do not give the right to accelerate future payments and are not subject to set-off or any guarantee.***

The Terms and Conditions of the Eligible Notes do not provide for any events of default and the Holders of the Eligible Notes do not have the right to accelerate any future scheduled payment of interest or principal.

The Holder's remedies under the Eligible Notes are more limited than those typically available to the Issuer's unsubordinated Notes.

Furthermore, the Eligible Notes are not subject to any set off or netting arrangements that would undermine their capacity to absorb losses in resolution and are neither secured nor subject to a guarantee or any other arrangement that enhances the seniority of the claims under the Eligible Notes.

***The Eligible Notes may not be redeemed at the option of the Holders.***

Holders of Eligible Notes will have no rights to call for the early redemption of their Eligible Notes.

Therefore, prospective investors should not invest in the Eligible Notes in the expectation that they have an early redemption right.

***Holders of the Eligible Notes are exposed to the risk that the Issuer may issue further debt instruments or incur further liabilities.***

There may be no restrictions (contractual or otherwise) on the amount of ordinary unsecured or subordinated debt or other liabilities that the Issuer may (or may have to) issue, borrow and/or incur, ranking *pari passu* with or senior to the Eligible Notes.

Any issue of such instruments and/or any incurring such liabilities may reduce the amount recoverable by Holders of the Eligible Notes upon the Issuer's bankruptcy proceedings (*faliment*).

***Where provided in the Final Terms, the Eligible Notes may be redeemed at any time for reasons of taxation or regulatory reasons or otherwise on specified call redemption dates.***

If such right is provided in the Final Terms, the Issuer may redeem, at its sole discretion, the Eligible Notes early before their stated maturity, at any time for reasons of taxation.

Similarly, if such right is provided in the Final Terms, the Issuer may redeem, at its sole discretion, the Eligible Notes early before their stated maturity, at any time for regulatory reasons.

In addition, if such right is provided in the Final Terms, the Issuer may redeem, at its sole discretion, the Eligible Notes before their stated maturity on specified call redemption date(s).

An early redemption feature is likely to limit the market price of the Eligible Notes. During any period when the Issuer may elect to redeem the Eligible Notes, the market price of the Eligible Notes generally

will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. Furthermore, during periods of perceived increased likelihood that the Eligible Notes would be redeemed early, the market price of the Notes may be adversely affected.

Any decision by the Issuer as to whether it will exercise its option to redeem the Eligible Notes will be made at the absolute discretion of the Issuer taking into account factors such as, but not limited to, the economic impact of exercising such option to redeem the Eligible Notes, any tax consequences, the regulatory requirements and the prevailing market conditions. Holders should be aware that they may be required to bear the financial risks of an investment in the Eligible Notes until maturity.

***Any rights of the Issuer to redeem early or repurchase the Eligible Notes are subject to the prior permission of the Resolution Authority.***

Prospective investors should not invest in the Eligible Notes in the expectation that any early redemption right will be exercised by the Issuer.

Early redemption of the Eligible Notes either for reasons of taxation or regulatory reasons or, if such right is provided in the Final Terms, early redemption of the Eligible Notes before their stated maturity on a specified call redemption date, is at the sole discretion of the Issuer.

In addition, any early redemption and any repurchase of the Eligible Notes is subject to the prior permission of the Resolution Authority, all if and as applicable from time to time to the Issuer. Under the CRR, the Resolution Authority may only permit institutions to redeem early or repurchase eligible liabilities instruments (such as the Eligible Notes) if certain conditions prescribed by the CRR are complied with. These conditions, as well as a number of other technical rules and standards relating to regulatory capital requirements applicable to the Issuer, should be taken into account by the Resolution Authority in its assessment of whether or not to permit any early redemption or repurchase. It is uncertain how the Resolution Authority will apply these criteria in practice and such rules and standards may change during the maturity of the Eligible Notes. It is therefore difficult to predict whether, and if so, on what terms, the Resolution Authority will grant its prior permission for any early redemption or repurchase of the Eligible Notes.

Furthermore, even if the Issuer is granted the prior permission of the Resolution Authority, any decision by the Issuer as to whether it will redeem the Eligible Notes early will be made at the sole discretion of the Issuer with regard to external factors (such as the economic and market impact of exercising an early redemption right, regulatory capital requirements and prevailing market conditions). The Issuer disclaims, and investors should therefore not expect (and not invest in the expectation), that the Issuer will exercise any early redemption right in relation to the Eligible Notes.

***Market making by the Issuer for the Eligible Notes is subject to the prior permission of the Resolution Authority and certain conditions and thresholds.***

The Eligible Notes may be repurchased by the Issuer (also for market making purposes) only subject to certain conditions, such as the prior permission of the Resolution Authority, and within certain thresholds.

These conditions and thresholds restrict the Issuer's possibility for market making for the Eligible Notes. Such restrictions may have a negative impact on the liquidity of the Eligible Notes and may lead to inadequate or delayed market prices for the Eligible Notes.

***Holders agree to be bound by the exercise of any Bail-in Powers by the Resolution Authority***

In recognition of the resolution powers granted by law to the Resolution Authority (as defined in the Terms and Conditions), by acquiring the Eligible Notes, each Holder acknowledges and accepts that the Amounts Due (as defined in the Terms and Conditions) arising under the Eligible Notes may be subject to the exercise of the Bail-in Powers by the Resolution Authority and acknowledges, accepts, consents and agrees to be bound by the effect of the exercise of any Bail-in Powers, that may result in (i) the reduction, in full or a portion, of the Amounts Due in respect of the Eligible Notes; (ii) the conversion of all, or a portion, of the Amounts Due on the Eligible Notes into shares or other securities or other obligations of the Issuer or another person and the issue to, or conferral on, it of such shares, securities or obligations; (iii) the cancellation of the Eligible Notes; or (iv) amendment or alteration of the maturity of the Eligible Notes or amendment of the amount of interest payable on the Eligible Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period. Each Holder



further acknowledges, accepts, consents and agrees to be bound by the variation of the terms of the Eligible Notes, if necessary, to give effect to the exercise of the Bail-in Power by the Resolution Authority.

## 2.2 Risks relating to the nature of the Notes

### *Liquidity risk.*

Application for the Programme has been made in order for any Notes to be issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange, to be traded on the Regulated Market "Bourse de Luxembourg" of the Luxembourg Stock Exchange and application may be made to admit the Notes on the Regulated Market of the Bucharest Stock Exchange or on any other stock exchange. Notably, the Programme provides that Notes may not be listed at all. Regardless of whether the Notes are listed or not, there can be no assurance that any liquid secondary market for the Notes will develop. Further, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, the Issuer's operating results, the market for similar securities and other factors, including general economic conditions, performance and prospects, as well as recommendations of securities analysts. The liquidity of, and the trading market for, the Notes may also be adversely affected by declines in the market for debt securities generally. Such a decline may affect any liquidity and trading of the Notes independent of the Issuer's financial performance and prospects.

The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. If the Notes are not listed on any stock exchange, pricing information for such Notes may, however, be more difficult to obtain which may affect the liquidity of the Notes adversely. In an illiquid market, an investor might not be able to sell its Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons. Further, the listing of any Notes on the official list of the Luxembourg Stock Exchange, or the Regulated Market "Bourse de Luxembourg" of the Luxembourg Stock Exchange or the Regulated Market of the Bucharest Stock Exchange or any other stock exchange may, dependent on the circumstances of an individual case be suspended or discontinued.

Investors should note that difficult global credit market conditions may adversely affect the liquidity not only in the primary market but also in the secondary market for debt securities issued by the Issuer and may affect the liquidity of any primary or secondary market in which Notes to be issued by the Issuer may be traded. The Issuer cannot predict when these circumstances will change.

### *Market price risk.*

The development of market prices of the Notes depends on various factors, such as changes of levels of the current market interest rate on the capital market for issues of the same maturity ("**Market Interest Rate**"), the development of an underlying, the policy of central banks, overall economic developments, inflation rates or the lack of or excess demand for the relevant type of Note. Holders are therefore exposed to the risk of an unfavourable development of market prices of their Notes which materialises if the Holder sells the Notes prior to the final maturity of such Notes. If the Holder decides to hold the Notes until final maturity the Notes shall be redeemed at the amount set out in the relevant Final Terms.

Holders of Fixed Rate Notes are particularly exposed to the risk that the price of such Notes falls as a result of changes in the Market Interest Rate levels. While the nominal interest rate of a Fixed Rate Note as specified in the applicable Final Terms is fixed during the life of such Notes, the current interest rate on the capital market typically changes on a daily basis. As the Market Interest Rate changes, the price of Fixed Rate Notes also changes, but in the opposite direction. If the Market Interest Rate increases, the price of Fixed Rate Notes typically falls, until the yield of such Notes is approximately equal to the Market Interest Rate of comparable issues. If the Market Interest Rate falls, the price of Fixed Rate Notes typically increases, until the yield of such Notes is approximately equal to the Market Interest Rate of comparable issues. If Holders of Fixed Rate Notes hold such Notes until maturity, changes in the Market Interest Rate are without relevance to such Holders as the Notes will be redeemed at a specified redemption amount, usually the principal amount of such Notes.

Holders of Floating Rate Notes are particularly exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of Floating Rate Notes in advance. Neither the current nor the historical value of the relevant floating rate

should be taken as an indication of the future development of such floating rate during the term of any Notes.

Holders of Zero Coupon Notes are exposed to the risk that the price of the Notes falls as a result of changes in the Market Interest Rate. Prices of Zero Coupon Notes are more volatile than prices of Fixed Rate Notes and are likely to respond to a greater degree to Market Interest Rate changes than interest bearing Notes with a similar maturity.

***Currency risk.***

A Holder of Notes denominated in a foreign currency is exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. Changes in currency exchange rates result from various factors such as macroeconomic factors, speculative transactions and interventions by central banks and governments.

A change in the value of any foreign currency against the local currency of the Holder, for example, will result in a corresponding change in the local currency value of Notes denominated in a currency other than the local currency and a corresponding change in the local currency value of interest and principal payments made in a currency other than in the local currency in accordance with the terms of such Notes. If the underlying exchange rate falls and the value of the local currency correspondingly rises, the price of the Notes and the value of interest and principal payments made thereunder expressed in the local currency fall.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

**2.3 Risks relating to the specific Terms and Conditions of the Notes**

***Fixed to Floating Rate Notes or Fixed to Fixed Rate Notes.***

Fixed to Floating Rate Notes or Fixed to Fixed Rate Notes bear interest at a rate that converts from one fixed rate to a floating rate or from a fixed rate to a different fixed rate. Such conversion may affect the secondary market and the market value of the Notes. The spread on the Fixed to Floating Rate Notes or Fixed to Fixed Rate Notes may be less favourable than then prevailing spreads on comparable Floating or Fixed Rate Notes relating to the same reference rate. In addition, the new floating or fixed rate at any time may be lower than the interest rates payable on other Notes.

***Zero Coupon Notes.***

Zero Coupon Notes do not pay interest periodically. Instead, the difference between the redemption price and the issue price constitutes interest income until maturity. A holder of Zero Coupon Notes is exposed to the risk that the price of such Notes falls as a result of changes in the Market Interest Rate. Prices of Zero Coupon Notes are more volatile than prices of Fixed Rate Notes and are likely to respond to a greater degree to Market Interest Rate changes than interest bearing Notes with a similar maturity.

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

Pursuant to the Terms and Conditions, the Issuer will withhold or deduct for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Romania or any political subdivision or any authority thereof or therein having power to tax, to the extent such withholding or deduction is required by law.

Under Romanian tax law, at the date of this Prospectus, interest on notes/debt securities issued by Romanian companies (such as the Issuer):

- (a) payable to Romanian Tax Non-Residents is tax exempt if notes/debt securities are issued under a prospectus approved by a competent regulatory authority (such as this Prospectus) and the interest is paid to a Holder who is a Romanian Tax Non-Resident and who is not an affiliated person to the Issuer. Tax law and practice are subject to change.

If the above exemption is not applicable or is repealed, withholding tax on gross interest would be due at the tax rates provided by the Romanian law/Double Tax Treaties, as the case may be. At the date of this Prospectus, the withholding tax rates for interest payments towards Romanian Tax Non-Residents in accordance with the Romanian law are as follows:

- 16% for Romanian Tax Non-Resident legal entities;
- 10% for Romanian Tax Non-Resident individuals, who are resident in the European Union or a jurisdiction with which Romania has concluded a treaty for avoidance of double taxation;
- 16% for any other Romanian Tax Non-Resident individuals.

Specific exceptions to the above tax treatment are applicable in case of interest paid to a Holder who is a Romanian Tax Non-Resident but holds the notes through a permanent establishment set up in Romania. In such cases, any tax in relation to the interest paid by the Issuer will be the responsibility of that Holder, in accordance to the Income Taxes Act and Tax Treaty.

- (b) payable to Romanian tax resident individuals is subject to a 10% withholding tax.
- (c) payable to Romanian tax resident legal entities is not subject to any withholding tax, the Holder having the obligation related to taxation of the interest.

Even though § 8 of the Terms and Conditions stipulates that a gross-up obligation of the Issuer applies, there are carve outs under which no gross-up obligation in respect of the Notes will apply, for example where the Holder or the Beneficial Owner has not provided information and documentation on the identity and country of tax residence of an income beneficiary (including a tax residency certificate), if and where this would be required.

At the same time, potential investors should be aware that neither the Issuer nor any other person will be liable for or otherwise obliged to pay, and the Holders of the Notes will be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer and/or any payment in respect of the Notes, except as otherwise provided thereunder.

***Risks associated with evidencing the entitlement to Tax Relief of the Beneficial Owner of income from the Notes***

Under Romanian tax law, the Issuer is liable for (i) any Withholding Tax payments required to be withheld or deducted at source at the appropriate rate from any payment of interest and principal in respect of the Notes as well as (ii) the granting of any Tax Relief. The Issuer bears the related burden of proof, which necessitates, before any Tax Relief can be granted, collection of the Beneficial Ownership Information. Accordingly, for so long as this requirement is stipulated by Romanian tax law, unless the Issuer receives, the Beneficial Ownership Information in relation to a payment of principal and interest in respect of a Note (whether this is because the relevant Beneficial Owner fails to provide such or for any other reason, except where this is caused by actions or omissions of the Issuer or its agents), the Issuer will withhold Withholding Tax of up to 16% from any payment of interest on such Note unless the Issuer has the necessary information (by virtue of other means) enabling the Issuer not to apply the Withholding Tax (or to apply it at a lower rate) and the Issuer will not be obliged to gross up payments in respect of any such withholding.

As a result, the Beneficial Owner will be required to provide, in order to be entitled to any Tax Relief, the Beneficial Ownership Information. If the Beneficial Ownership Information is not delivered to the Issuer (by or on behalf of the Beneficial Owner) in respect of each interest payment or it is incorrect, incomplete or inaccurate, payments of interest to such Beneficial Owner will be subject to Withholding Tax of up to 16%. However, if the Beneficial Owner is otherwise entitled to any Tax Relief, it may then make use of the Quick Refund Procedure to recover any such tax withheld.

Should the Beneficial Owner, who would otherwise be entitled to any Tax Relief, fail for any reason to make use of the Quick Refund Procedure, the Beneficial Owner may make use – with respect to Withholding Tax only – of the Standard Refund Procedure. There is a risk, however, that such Beneficial Owner may not, in spite of duly providing the Beneficial Ownership Information, obtain a refund of any

amounts withheld, as under the Standard Refund Procedure, it is conditional on the ability of the Issuer to successfully obtain a corresponding refund of the amounts originally withheld and paid to the Romanian tax authorities. The use of the Standard Refund Procedure is also subject to a fee in respect of the Issuer's administrative costs in following this procedure.

Further, the Issuer accepts no responsibility and will not be liable for any damage or loss suffered by any Beneficial Owner who would otherwise be entitled to a Tax Relief, but payments on the Notes to whom are nonetheless paid net of any Withholding Tax withheld by the Issuer because the information and documentation on the identity and country of tax residence of an income beneficiary was not provided, except where this is caused by actions or omissions of the Issuer or its agents.

Where the Beneficial Owner does not hold Notes directly on an account in the books of an ICSD, it may not be able to benefit from the Tax relief if the intermediary through which it holds the Notes in the ICSD has not provided to the Issuer information and documentation on the identity and country of tax residence of an income beneficiary.

In addition, in accordance with the terms and conditions between the ICSDs and the participants to the ICSDs, the ICSDs are not obliged to provide tax assistance and may unilaterally decide to discontinue the application of tax services, for which no liability for any consequences is accepted.

See section "Taxation" for a fuller description of certain tax considerations relating to the Notes and the formalities which Beneficial Owners must follow in order to claim exemption from Withholding Tax as well as the procedures and formalities for claiming a refund of amounts that have been withheld, where applicable.

#### ***Risks associated with transfer of the Notes following the certification deadline***

Pursuant to the Terms and Conditions, the Payment Reference Date in respect of the Notes, if applicable according to the Final Terms, shall be close of business on a Business Day prior to each relevant Interest Payment Date (normally expected to be the fifteenth Business Day prior). The certification deadline for providing the relevant certification and information, documentation or other evidence of the same is no later than close of business on the business day that is nine business days preceding each relevant Interest Payment Date for the relief at source procedure. As a result, an investor who acquires the Notes after the Payment Reference Date, shall not be entitled to payments in respect of the Notes. An investor who holds the Notes on the relevant Payment Reference Date but does not make use of the relief at source procedure may only make use of the refund procedures.

## **2.4 Other related risks**

#### ***Risks associated with the reform of EURIBOR and other interest rate 'benchmarks'.***

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed "benchmarks" (each a "**Benchmark**" and together, the "**Benchmarks**") have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a Benchmark.

International regulatory guidance and proposals for reform of Benchmarks include the Benchmarks Regulation which is fully applicable since 1 January 2018.

The Benchmarks Regulation could have a material impact on Notes linked to a Benchmark, including in any of the following circumstances:

- a rate or index which is a Benchmark may only be used if its administrator obtains authorisation or is registered and in case of an administrator which is based in a non-EU jurisdiction, if the administrator's legal benchmark system is considered equivalent (Article 30 of the Benchmarks Regulation), the administrator is recognised (Article 32 of the Benchmarks Regulation) or the Benchmark is endorsed (Article 33 of the Benchmarks Regulation) (subject to applicable transitional provisions). If this is not the case, Notes linked to such Benchmarks could be

impacted, and might have to be delisted, adjusted, redeemed prior to maturity or otherwise impacted; and

- the methodology or other terms of the Benchmark could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could impact the Notes, including Calculation Agent determination of the rate or level in its discretion.

On 3 July 2019, the Belgian Financial Services and Markets Authority authorised EMMI as the administrator for the EURIBOR. This authorisation as an administrator confirms, that the requirements contained in the Benchmarks Regulation regarding the new hybrid methodology for determining the EURIBOR have been met.

The EURIBOR hybrid methodology complements the former quote-based determination by a methodology based on, whenever possible, actual transactions. In November 2019, EMMI confirmed that all panel banks successfully have implemented the new hybrid EURIBOR methodology. The new hybrid calculation of EURIBOR has already been adapted to the requirements of the Benchmarks Regulation. However, EURIBOR is also subject to constant review and revision. It is currently not foreseeable whether EURIBOR will continue to exist permanently and beyond 2025. The ECB is currently consulting regarding a EUR-STR-based fallback for EURIBOR.

If a Benchmark were to be discontinued or otherwise unavailable, the rate of interest for Floating Rate Notes which are linked to such Benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes. Such Discontinuation Event as set out in the Terms and Conditions could lead, *inter alia*, to the replacement of the Benchmark by another reference rate determined as the successor rate by any applicable law or regulation or administrator or authority, or, to the determination of a comparable successor reference rate by an independent adviser in its reasonable discretion, or, to the determination of the applicable interest rate on the basis of another benchmark determined by the Issuer in its reasonable discretion or to an early termination of the relevant Notes at the option of the Issuer.

Any changes to a Benchmark as a result of the Benchmarks Regulation or other initiatives, could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Although it is uncertain whether or to what extent any of the above-mentioned changes and/or any further changes in the administration or method of determining a Benchmark could have an effect on the value of any Notes linked to the relevant Benchmark, investors should be aware that any changes to a relevant Benchmark may have a material adverse effect on the value or liquidity of, and the amounts payable on, Floating Rate Notes whose rate of interest is linked to such Benchmark.

Further, under the terms of the Benchmarks Regulation, the European Commission was also granted powers to designate a replacement for certain critical benchmarks contained in contracts governed by the laws of an EU member state (such as the Notes), where that contract does not already contain a suitable fallback. There can be no assurance, that the fallback provisions of the Notes would be considered suitable. Accordingly, there is a risk that any Notes linked or referencing a Benchmark would be transitioned to a replacement Benchmark selected by the European Commission. There is no certainty at this stage what any such replacement Benchmark would be.

Notwithstanding any provision of § 1 of the Terms and Conditions, no successor reference interest rate, successor quotation rate and/or successor reference rate (each as determined in accordance with § 1 of the Terms and Conditions) will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the relevant Series of Subordinated Notes as Tier 2 Instruments or the relevant Series of Senior Eligible Notes or Non-Preferred Senior Eligible Notes as Eligible Liabilities Instruments.

Additionally, in the case of Senior Eligible Notes and Non-Preferred Senior Eligible Notes, no successor reference interest rate, successor quotation rate and/or successor reference rate (each as determined in accordance with § 1 of the Terms and Conditions) will be adopted, and no other amendments to the terms and conditions of any Series of Instruments will be made pursuant to § 1 of the Terms and Conditions, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Resolution Authority treating an Interest Payment Date as the effective maturity date of such Notes.

The application of the fallback provisions, in cases where the relevant Benchmark is no longer available, could result in the same interest rate being applied to such Notes until their maturity, effectively turning such Floating Rate Notes into Notes with a fixed rate of interest.

***Risks associated with new reference rates such as €STR.***

Interest rates of floating rate Notes may be linked to, *inter alia*, €STR (the "**Alternative Reference Rate**").

The Governing Council of the ECB has decided to develop a euro short-term rate ("€STR") based on data already available to the Eurosystem. €STR reflects the wholesale euro unsecured overnight borrowing costs of euro area banks, complements existing benchmark rates provided by the private sector and was first published on 2 October 2019. Given that it cannot be excluded that further changes will be implemented and, in particular, that there is no historical data or trends that investors could rely on and that the transition from existing reference rates to €STR could result in further uncertainties and limitations. Investors in the Notes should consider all these factors when making their investment decision with respect to any such Notes.

Since €STR is a relatively new market index, the Notes may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to such €STR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such debt securities may be lower than those of later issued indexed debt securities as a result. Further, if €STR does not prove to be widely used in securities like the Notes, the trading price of the Notes may be lower than those of debt securities linked to indices that are more widely used. Investors in Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that €STR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Notes. If the manner in which €STR is calculated is changed, that change may result in a reduction of the amount of interest payable on the Notes and the trading prices of the Notes.

Further, investors should note that interest on any Notes referencing €STR is only capable of being determined at the end of the relevant Interest Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in such Notes to reliably estimate the amount of interest that will be payable on such Notes.

***In respect of any Notes issued with a specific use of proceeds, such as a Green Bond, Social Bond, Sustainable Bond or other ESG Bond there can be no assurance that such use of proceeds will satisfy the investment criteria of an investor.***

In respect of any Notes issued with a specific use of net proceeds, such as a green bond, social bond, sustainable or other ESG bond, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor.

The Final Terms relating to any specific tranche of Notes may provide that it will be the Issuer's intention to apply an amount equivalent to the proceeds from an offer of those Notes to finance or re-finance loans with positive environmental, social or governance impact.

The Issuer has taken preliminary steps to establish a Green Finance Framework which further specifies the eligibility criteria for such loans based on the ICMA Sustainable Bond Principles. The Issuer intends to publish the Green Finance Framework and any Second Party Opinion (as defined below) on its website. For the avoidance of doubt, neither the Green Finance Framework nor the content of the website or any Second Party Opinion or any other document related thereto will be incorporated by reference into or form part of this Prospectus.

Prospective investors should refer to the information set out in the relevant Final Terms and in the Green Finance Framework regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary.

*Compliance with future voluntary or regulatory initiatives*

Due to the intention to apply the proceeds from the issuance of such tranche of Notes to finance or re-finance loans with positive environmental, social or governance impact, the Issuer may refer to such Notes as "green bonds", "social bonds", "sustainable bonds", or "ESG bonds". Furthermore, notwithstanding the current legislative efforts on EU level regarding the regulation of sustainable finance, there is currently no clearly defined term (legal, regulatory or otherwise) of, nor market consensus as to what constitutes or may be classified as, a "green", "social", "sustainable" or an equivalently-labelled project. It is an area which has been, and continues to be, the subject of many and wide-ranging voluntary and regulatory initiatives to develop rules, guidelines, standards, taxonomies and objectives. Even if such voluntary or regulatory initiatives should arrive at a definition of "green", "social", "sustainable" they are not necessarily meant to apply to such Notes nor will the Issuer necessarily seek compliance for any of the Notes with all or some of such rules, guidelines, standards, taxonomies or objectives.

For example, at the EU level, Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the "**EU Taxonomy Regulation**"), which was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020, defined six environmental objectives and established a framework to facilitate sustainable investment in the EU. The EU Taxonomy Regulation tasked the European Commission with establishing the actual list of environmentally sustainable activities by defining technical screening criteria for each environmental objective through delegated acts. A first delegated act on sustainable activities for climate change adaptation and mitigation objectives was formally adopted on 4 June 2021. A second delegated act for the remaining objectives was recently published in the Official Journal of the European Union on 21 November 2023 and applies from 1 January 2024. The EU Taxonomy Regulation sets mandatory requirements on disclosure for companies and financial institutions and forms the basis for the European standard for green bonds as enshrined in Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the "**EU Green Bond Standard**"), which was published in the Official Journal of the European Union on 9 January 2024 and applies from 21 December 2024.

The EU Green Bond Standard provides for a uniform set of specific requirements for bonds issued by issuers that wish to use the designation "European Green Bond" or "EuGB". Nothing in this Prospectus implies that any green bonds to be issued under this Programme may comply with the EU Green Bond Standard. Any future green bonds to be issued under this Programme may not at any time be eligible for the Issuer to be entitled to use the designation of "European Green Bond" or "EuGB" nor is the Issuer under any obligation to take steps to have any green bonds become eligible for such designation.

No assurance is given by the Issuer or the Dealers that the envisaged use of proceeds of the relevant Notes by the Issuer for any loans with positive environmental, social or governance impact in accordance with the Issuer's Green Finance Framework will satisfy, either in whole or in part, (i) any existing or future legislative or regulatory requirements or standards such as the EU Green Bond Standard, or (ii) any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental impact of any projects or uses, the subject of or related to, the relevant loans with positive environmental, social or governance impact. Further, no assurance or representation is or can be given by the Issuer or the Dealers that any reporting under a green finance framework will meet investor needs or expectations.

Moreover, in light of the continuing development of legal, regulatory and market conventions in the green, sustainable and positive social impact markets, there is a risk that the Issuer's Green Finance Framework may (or may not) be modified after its establishment to adapt any update that may be made to the ICMA Sustainable Bond Principles and/or the EU Green Bond Standard. Such changes may have a negative impact on the market price and the liquidity of the Notes issued prior to the amendment.

#### *Failure to comply with the intended use of proceeds*

It is the intention of the Issuer to apply an amount equivalent to the net proceeds of any relevant Notes for financing and/or refinancing loans with positive environmental, social or governance impact in, or substantially in, the manner that will be described in the relevant Final Terms and the Green Finance Framework. However, circumstances and events outside of the control of the Issuer may impact the application of the net proceeds and the implementation of the relevant use(s) or project(s). Consequently, there can be no assurance by the Issuer, the Dealers or any other person that the relevant project(s) or

use(s) the subject of, or related to, any loans with positive environmental, social or governance impact will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be disbursed in whole or in part for financing and/or refinancing such loans. Neither can there be any assurance by the Issuer, the Dealers or any other person that any projects or uses the subject of, or related to, any loans with positive environmental, social or governance impact will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer or that any adverse environmental and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, such loans. Furthermore, under its terms and conditions, green bonds, social bonds, sustainable bonds or other ESG bonds may provide for the right of the Issuer to redeem the green bond, social bond, sustainable bond or other ESG bond early. If such redemption occurs prior to the full allocation of the proceeds of such Notes, such allocation may not take place in full or not at all and, in that case, the Notes may no longer be able to contribute to any loans with positive environmental, social or governance impact. The Dealers have undertaken, nor are they responsible for, any assessment of the loans with positive environmental, social or governance impact or the application, impact or monitoring of the use of proceeds of the relevant Notes.

(i) Any such event or any failure by the Issuer to do so or (ii) any failure to provide or publish any reporting or any (impact) assessment, or (iii) any failure to obtain any certification or label (or the withdrawal of any such certification or label or of the Second Party Opinion (as defined below)), or (iv) any loans with positive environmental, social or governance impact ceasing to be classed as such prior to maturity of the relevant Notes, or (v) the fact that the maturity of such loans may not match the minimum duration of the Notes, will not (a) constitute an event of default under the Notes, nor (b) give the Holders the right to otherwise early terminate and demand redemption of the Notes, nor (c) lead to an obligation of the Issuer to redeem the Notes or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Notes, nor (d) affect the qualification of any Notes as Eligible Liabilities Instruments or as Tier 2 Instruments, if applicable.

Payment of principal and interest in respect of relevant Notes will be made from the Issuer's general funds and will not be directly linked to the performance of any loans with positive environmental, social or governance impact (or any other environmental or similar targets set by the Issuer).

#### *Second Party Opinion*

No assurance or representation can be given by the Issuer or the Dealers as to the suitability or reliability for any purpose whatsoever of the Second Party Opinion to be provided in relation to the Issuer's Green Finance Framework or any other opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any loans with positive environmental, social or governance impact to fulfil any environmental, social, sustainability and/or other criteria (each a "**Second Party Opinion**"). Any such Second Party Opinion may not address risks that may affect the value of any Notes issued under the Green Finance Framework or any loans with positive environmental, social or governance impact against which the Issuer may assign the proceeds of any Notes.

Any such Second Party Opinion provides an opinion on certain environmental and related considerations and is not intended to address any credit, market or other aspects of an investment in any Notes, including without limitation market price, marketability, investor preference or suitability of any security. Any such Second Party Opinion is a statement of opinion, not a statement of fact. Any such Second Party Opinion is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any Notes. Any such Second Party Opinion is only current as of the date that opinion was initially issued and may be updated, suspended or withdrawn by the relevant provider(s) at any time. Prospective investors must determine for themselves the relevance of any such Second Party Opinion and/or the information contained therein and/or the provider of such Second Party Opinion for the purpose of any investment in any Notes.

Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. There can be no assurance that Holders will have any recourse against the provider(s) of any Second Party Opinion.

*Listing of Notes on dedicated stock exchange segments or platforms or inclusion in dedicated indices*



In the event that any Series of Notes is listed or admitted to trading on the Luxembourg Green Exchange or any other dedicated "ESG", "green", "environmental", "sustainable", "social" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated) or included in any index so labelled, no representation or assurance is given by the Issuer, the Dealers or any other person that such listing, admission or inclusion satisfies, whether in whole or in part, any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates. Furthermore, it should be noted that the criteria for any such listing, admission to trading or inclusion in any index may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such listing, admission to trading or inclusion in any index will be obtained in respect of any Series of Notes or, if obtained, that any such listing, admission to trading or inclusion in any index will be maintained during the life of that Series of Notes.

*Regulatory treatment of Subordinated Notes and Eligible Notes.*

Notes issued with a specific use of net proceeds, such as a green bond, social bond, sustainable or other ESG bond can be Subordinated Notes or Eligible Notes, as specified in the relevant Final Terms. As such, they are issued on the terms and conditions applicable to Subordinated Notes or Eligible Notes, respectively, as set out in this Prospectus and completed by the relevant Final Terms.

Such Notes are intended to qualify as Eligible Liabilities Instruments or Tier 2 Instruments, as the case may be, for the purposes of, and in accordance with the eligibility criteria and requirements of, the CRR and the Romanian Recovery and Resolution Act. Therefore, such Notes will be fully subject to the application of CRR eligibility criteria and the requirements for own funds and eligible liabilities instruments of the Romanian Recovery and Resolution Act and will be subject to the bail-in tool and to write down and conversion powers, as applicable, and, in general, to the powers that may be exercised by the Resolution Authority, to the same extent and with the same ranking as any other equivalent Notes without specific use of proceeds – see " *Holders of the Subordinated Notes are exposed to the risk of statutory loss absorption* " and " *Holders of the Eligible Notes are exposed to the risk of statutory loss absorption* " above). As such, the proceeds of issue of any such Notes will be fully available to cover any and all losses arising on the balance sheet of the Issuer regardless of their "green", "sustainable", "social", "ESG" or other similar label and of whether the losses stem from "green", "sustainable", "social" or "ESG" assets or other assets of the Issuer without any such label.

*Summary of potential implications for Holders*

Any of the risks mentioned above and in particular (i) the non-compliance of the Notes with any future voluntary or regulatory standard for sustainable instruments, (ii) a failure to apply an amount equivalent to the proceeds of any issue of Notes for any loans with positive environmental, social or governance impact, (iii) the withdrawal of any Second Party Opinion or (iv) the Notes ceasing to be listed, admitted to trading on any dedicated stock exchange or securities market or included in any dedicated index may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance or refinance similar loans with positive environmental, social or governance impact and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

***Ratings of the Notes, if any, may not reflect all risks - ratings of the Notes may be subject to change at all times.***

One or more independent credit rating agencies may assign credit ratings to the Notes, as may be specified in the Final Terms. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be reduced or withdrawn entirely by the credit rating agency if, in its judgment, circumstances so warrant. Rating agencies may also change their methodologies for rating securities in the future. Any suspension, reduction or withdrawal of the credit rating assigned to the relevant Notes by one or more of the credit rating agencies could adversely affect the value and trading of such Notes.

Rating agencies may also change their methodologies for rating securities with features similar to the Notes in the future. If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes. In any case, the ratings of the Notes may not reflect the potential impact of all risks related to structure, market, additional factors described above, and other factors that may affect the value of the Notes.

Furthermore, as a result of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**"), if the status of a rating agency rating the Notes changes or the rating is not endorsed by a credit rating agency registered under the CRA Regulation, European regulated investors may no longer be able to use the rating for regulatory purposes. Any such change could cause the Notes to be subject to different regulatory treatment. This may result in such European regulated investors selling the Notes, which may impact the value of the Notes and any secondary market.

***Holders may be unable to effect service of process or enforce foreign judgments against the Issuer or its assets.***

The Issuer is incorporated in Romania and the Notes are issued pursuant to German law, which may limit the legal recourse that investors in the Notes may enjoy against it.

Romanian law may require additional formalities to be performed or conditions to be met in order to enforce judgments against the Issuer that were obtained in foreign courts. The laws of Romania permit an action to be brought before a court of competent jurisdiction in Romania for the recognition and enforcement of a final and conclusive judgment *in personam* rendered by a court from an EU member state, provided that the relevant conditions set forth in Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, as amended, are met. However, other conditions may be applicable with respect to specific matters, under special Romanian legislation or international conventions. Similar rules on the recognition and enforcement of foreign court judgments apply to judgments issued in non-EU member states which are parties to the 2007 Lugano Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters.

Judgments rendered by courts in the United States and other non-EU member states (which includes the United Kingdom), which are not parties to the 2007 Lugano Convention are subject to different requirements and may be more difficult to enforce. Subject to special internal legislation (including ratified international conventions) regulating the recognition and enforcement of foreign judgments on specific matters, Romanian law allows an action to be brought before a court of competent jurisdiction in Romania for the recognition of a judgment *in personam* rendered by a court of a non-EU member state, provided that the relevant conditions in respect of recognition of foreign judgments set out under the Romanian Civil Procedure Code are met. Furthermore, the recognition and enforcement of foreign judgments in administrative, customs, criminal or other public law related matters is subject to special legislation and certain conditions may need to be fulfilled. The limitations set out above may deprive investors in the Notes of effective legal recourse for claims related to their investment.

***The Notes are not covered by any (statutory) deposit guarantee scheme.***

Notes which qualify as own funds instruments (pursuant to the CRR) (such as the Subordinated Notes) or as transferable securities (including listed Senior Ordinary Notes) are not covered by the statutory deposit guarantee scheme pursuant to the Romanian Act no. 311/2015 on deposit guarantee schemes and the guarantee fund for banking deposits, as amended (*Legea nr. 311/2015 privind schemele de garantare a depozitelor si Fondul de garantare a depozitelor bancare*). Therefore, in the event of insolvency or resolution, Holders may lose their entire investment.

***Risks related to the German Act on Debt Securities of 2009 and Romanian corporate law provisions.***

Since the Terms and Conditions of Notes issued under the Programme provide for meetings of Holders of a series of Notes or the taking of votes without a meeting, the Terms and Conditions of such Notes may be amended (as proposed or agreed by the Issuer) by majority resolution of the Holders of such Notes and any such majority resolution will be binding on all Holders. Any Holder is therefore subject to the risk that its rights against the Issuer under the Terms and Conditions of the relevant series of Notes

are amended, reduced or even cancelled by a majority resolution of the Holders. Any such majority resolution will even be binding on Holders who have declared their claims arising from the Notes due and payable based on the occurrence of an event of default but who have not received payment from the Issuer prior to the amendment taking effect. According to the German Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz* – "**SchVG**"), the relevant majority for Holders' resolutions is generally based on votes cast, rather than on the aggregate principal amount of the relevant Notes outstanding. Therefore, any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the relevant Notes outstanding.

To the extent that any amendments by majority resolution to the Terms and Conditions may affect the eligibility criteria for the Notes to qualify as Tier 2 Instruments or Eligible Liabilities Instruments, such amendments are subject to the prior approval of the Competent Authority or the Resolution Authority, respectively.

Under the SchVG, an initial common representative (*gemeinsamer Vertreter*) of the Holders (the "**Holders' Representative**") may be appointed in the terms and conditions of an issue.

However, no initial Holders' Representative might be appointed in the Terms and Conditions at the issue date. Any appointment of a Holders' Representative at a later stage will, therefore, require a majority resolution of the Holders of the Notes. If the appointment of a Holders' Representative is delayed, this will make it more difficult for Holders to take collective action to enforce their rights under the Notes.

If a Holders' Representative will be appointed by majority decision of the Holders it is possible that Holders may be deprived of their individual right to pursue and enforce their rights under the Terms and Conditions against the Issuer, if such right was passed to the Holders' Representative by majority vote who is then exclusively responsible to claim and enforce the rights of all the Holders.

In case of certain events of default, any notice to the Issuer declaring the Notes due and payable shall become effective only when the Paying Agent has received such default notices from Holders representing at least 25% of the aggregate principal amount of the Notes then outstanding. Under the SchVG, even if a default notice is given by a sufficient number of Holders, it could be rescinded by majority resolution within three months. A simple majority of votes would be sufficient for a resolution on the rescission of such acceleration but, in any case, more Holders would have to consent to a rescission than have delivered default notices. Holders should be aware that, as a result, they may not be able to accelerate their Notes upon the occurrence of certain events of default, unless the required quorum of Holders with respect to the Notes delivers default notices and such acceleration is not rescinded by majority resolution of the Holders.

Finally, there is some degree of residual legal uncertainty as to whether the aforesaid provisions on meetings of Noteholders pursuant to the SchVG may also be affected by provisions of the Romanian companies law no. 31/1990 (as currently in force) ("**Law 31**") regulating similar aspects under Romanian law.

Romanian law grants noteholders broad powers at meetings, which include appointing a noteholders' representative, establishing funds for common interests, opposing amendments to the terms of the Notes, and expressing opinions on future bond issuances by the Issuer (the "**Romanian Law Meeting Powers**"). However, the exercise of these powers is subject to statutory minimum thresholds. For example, a resolution regarding the appointment of a noteholders' representative, or actions taken in defence of the common interests of the noteholders, may be passed by the majority of votes cast at a meeting, provided that such votes represent at least one-third of the aggregate principal amount of the Notes outstanding.

More stringent thresholds apply to other powers, such as opposing amendments to the terms of the Notes or the articles of association of the Issuer or expressing an opinion on new bond issuances by the Issuer. In these cases, a resolution requires at least 80% of the votes cast at a noteholders' meeting to be in favour, provided that two-thirds of the aggregate principal amount of the Notes outstanding are present at the meeting.

Certain of these Romanian Law Meeting Powers, and/or the statutory minimum thresholds at which they may be exercised, differ from the rights, duties, powers, authorities or discretions that are customarily

provided for in indentures and related documents for offerings of instruments similar to the Notes and/or from the specified thresholds or circumstances under which the latter may customarily be exercised or performed. Consequently, it is possible that the Romanian Law Meeting Powers could interfere with the customary exercise or performance of rights, duties, powers, authorities or discretions in indentures and related documents for offerings of instruments similar to the Notes in unpredictable ways.

While the Issuer is not aware of judicial interpretation to that effect, it cannot be entirely excluded that a Romanian court may take the view that certain provisions of Law 31 should apply to meetings of Noteholders despite the relevant Terms and Conditions of the Notes being governed by German law. There is no judicial authority or market practice apparent on how any potential conflicts, if any, between the SchVG and Law 31 would be handled by German or Romanian courts.

## DESCRIPTION OF THE ISSUER

### 1. INFORMATION ABOUT THE ISSUER

#### 1.1 Corporate history and development overview of the Issuer

The Issuer is the oldest bank in Romania, originally established under the name of "Casa de Depuneri și Consemnațiuni" (*Deposits and Consignments House*) by the royal decree signed by Alexandru Ioan Cuza on 24 November 1864, with an initial function similar to that of a central bank. Following the establishment of the NBR in 1880, the Issuer was redesigned as a savings institution whose network expanded throughout Romania during the next century, with the scope of activities gradually broadening from providing savings products and services to retail customers, to granting housing loans, loans to banks, performing government securities transactions and corporate banking operations.

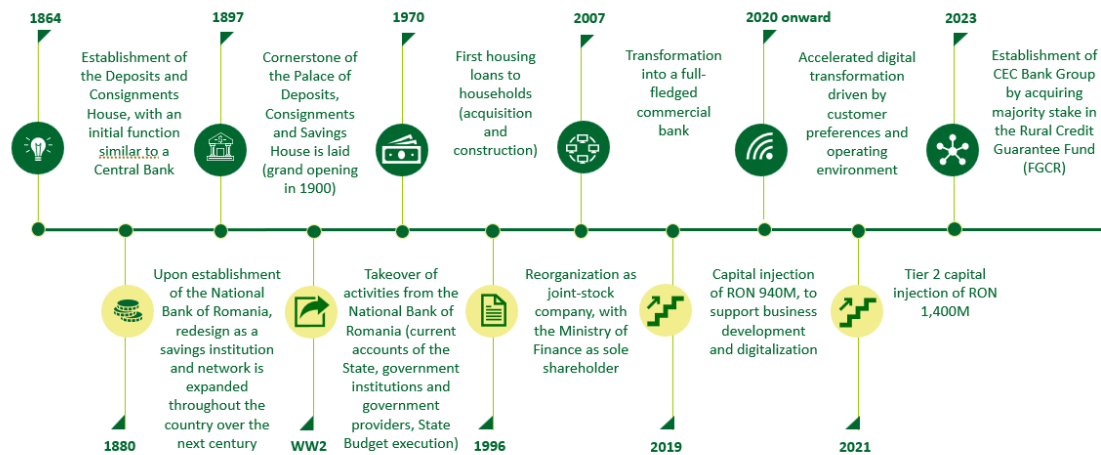
Between 1930 and 1949 the Issuer operated under the name "Casa Națională de Economii și Cecuri Poștale" (*National Savings and Postal Cheques House*), later changed to "Casa de Economii și Consemnațiuni" (*Savings and Consignments House*) and "Casa de Economii și Consemnațiuni C.E.C. S.A.".

The Issuer was reorganised as a state owned Romanian joint stock bank (*societate bancară pe acțiuni*) established for an indefinite period pursuant to Law no. 66 of 3 July 1996, and subsequently registered as a credit institution with the Register of Credit Institutions held by the NBR, under registration number R. B.-PJR-40-046/17.09.1999, being licensed by the NBR to conduct banking activities.

During 2007 and 2008 the Issuer underwent an extensive rebranding process aimed at positioning itself on the market as a full-fledged commercial bank, in line with its strategic business development over the previous years. The main goal of the rebranding campaign was to improve sales and consolidate market share, capitalising on the Issuer's nationwide presence and historical brand awareness. Aside from the name change to the current "CEC Bank S.A." and the new visual identity, the most important step in the rebranding process related to the transformation of the organisational culture, shifting to a more customer-centric business model.

Following several years during which the Issuer's capital ratios was close to the minimum regulatory levels, thus impeding the lending and the deposit-taking business, in 2019 the Issuer's share capital was increased by the Romanian Ministry of Finance by RON 940 million following approval from the European Commission, aiming at capitalising on the Issuer's financial intermediation potential and thus supporting market-share improvement, with the goal to consolidate its position in the top 5 banks in Romania, but also to finance the previously initiated technical upgrade projects and the digital transformation of CEC Bank. In December 2021 the Issuer received a RON 1,400 million subordinated loan from its sole shareholder in order to comply with the MREL requirements. The Romanian state budget for 2024 includes RON 1 billion earmarked for a new capital injection into the Issuer, which will be subject to approval by the European Commission.

The graphic below highlights the main corporate history and development milestones:



The Issuer's sole shareholder is the Romanian state, acting through the Ministry of Finance.

CEC Bank currently operates on the basis of its Statute approved by the Order of the Ministry of Finance no. 425 from 14 February 2008, as further amended and supplemented to date (the "Statute"), as well as the applicable laws and regulations issued by the NBR.

## 1.2 General information about the Issuer

The Issuer operates under the legal name CEC Bank S.A. and commercial name of "CEC Bank" and is organised as a Romanian joint-stock company (*societate pe acțiuni*) managed in a unitary system, registered with the Bucharest Trade Registry Office (*Oficiul Registrului Comerțului din București*) under the number J40/155/13.01.1997 and having the sole registration code RO 361897 and the legal entity identifier code LEI 2138008AVF4W7FMW8W87.

The Issuer's head office is located at 13 Calea Victoriei, 030167 Bucharest, 3rd District, Romania, supported by a network of 48 county branches and 962 rural and urban agencies as of 30 June 2024.

The Issuer's general telephone number is +40 021 311 11 19 and its website is "www.cec.ro". The information on the Issuer's website does not form part of this Prospectus unless explicitly incorporated by reference hereunder (please see section "*Financial Information and Documents Incorporated by Reference*" below).

Since 27 July 2023, the Issuer has one subsidiary, after completing the acquisition of 99.993% of the share capital of FGCR from BRD Groupe Société Générale, Banca Comercială Română and Raiffeisen Bank. FGCR's objective is the undertaking of guarantee commitments and the issuance of guarantees, including on account of public funds made available mainly by the Romanian Ministry of Agriculture and Rural Development, in order to support agricultural and fishery production by farmers and processors of agricultural products, investments in agriculture, aquaculture, as well as the implementation of cofinanced projects from the National Rural Development Program and the Operational Program for Fisheries and Maritime Affairs.

The other shareholdings held by the Issuer in other companies are minority stakes, respectively in Biroul de Credit (4.74%), Societatea de Transfer de Fonduri si Decontari Transfond (2.69%), Visa Inc and SWIFT (<0.01%).

## 1.3 Independent auditors

The Issuer's independent auditor is KPMG Audit S.R.L., with its registered office located at DN1 Bucuresti-Ploiesti Road no 89A, 1<sup>st</sup> District, Bucharest, Romania, registered with the Trade Registry under No. J40/4439/2000, having the sole registration code RO12997279 ("KPMG"). KPMG is a member of the Romanian Chamber of Financial Auditors and is subject to the supervision and

authorisation of the Romanian Statutory Audit Public Oversight Authority, being registered in the Public Registry of Financial Auditors under number FA9.

KPMG has audited the Annual Financial Statements (as defined below) of the Issuer and issued independent auditor's reports thereon and reviewed the Interim Financial Information and issued a review report thereon. The audit and review reports issued for the Annual Financial Statements (as defined below) and Interim Financial Information respectively, include emphasis of matter paragraphs and the translation of the reports are incorporated by reference. For more details please refer to the section "Documents Incorporated by Reference".

#### 1.4 Any recent events particular to the Issuer which are to a material extent relevant for the evaluation of its solvency

The Issuer is not aware of any recent events which are particular to the Issuer that are to a material extent relevant to the evaluation of its solvency.

#### 1.5 Credit ratings

The Issuer has obtained long and short-term Issuer Default Ratings (IDR) from Fitch Ratings Ireland Limited ("**Fitch**")\*. On 21 August 2024, Fitch affirmed the previous ratings. As of the date of this Prospectus, such ratings are as follows:

Type	Rating	Outlook
Long-Term IDR	BB	Stable
Short-Term IDR	B	-

(\*) Fitch Ratings Ireland Limited with its seat in Dublin, operating in Poland via its branch office - Fitch Ratings Ireland Limited Spółka z ograniczoną odpowiedzialnością oddział w Polsce, is established in the European Union, is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published by the European Securities and Markets Authority ("**ESMA**") on its website.

According to the rating definitions as published by Fitch ([www.fitchratings.com](http://www.fitchratings.com)) as at the date of this Prospectus, the above ratings have the following meanings:

"BB" - BB ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments.

"B" - B ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

Outlooks indicate the direction a credit 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 outlooks do not imply that a credit rating change is inevitable and, similarly, credit 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 outlook may be described as evolving.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

## 2. BUSINESS OVERVIEW

### 2.1 Business strategy

#### Mission

The Issuer aims to position itself as a bank serving the local communities, adapted to the economic, social and demographic specifics, as well as the Romanian public administration, including by implementing various government support initiatives.

The Issuer's lending strategy has a key focus on SMEs, micro-enterprises and retail customers, aiming to support the development of entrepreneurship and consolidation of the domestic capital base, while in terms of industries the focus is on underserved or strategic sectors, such as agriculture, energy, industry or transport. Product strategy focuses on certain customer segments (such as Agri Concept for farmers and customers in agriculture) or specific business concepts (such as the Mortgage Shop), as presented in more details in section "General presentation of the main categories of products sold and services performed" below.

Moreover, through the acquisition of FGCR, the Issuer aims to increase its support to agriculture and rural areas which represent important development segments for the Issuer. With an integrated development strategy, FGCR's activity can be developed both in terms of typology and volume, so that its role becomes increasingly important among customers. This can also be achieved by involving FGCR in guarantee projects with European support, which are not accessible at the moment for privately-owned guarantee funds, and which would stimulate financing under favourable risk and cost conditions for both the clients and the guarantee institution.

As part of development plans, the Issuer also intends to establish a general insurance company, which will primarily focus on capitalizing on opportunities in a field closely linked to the banking sector.

#### Main strategic pillars

*Organic and Sustainable growth:* The capital injections (Tier 1 and Tier 2) by the Romanian State in 2019 and 2021 consolidated the basis for sustainable growth and improved profitability, contributing to the Bank's potential to absorb further economic shocks in the event of an economic downturn. This action is unique in the recent history of the Issuer and positions the Romanian State amongst the shareholders who contribute to the development of the local banking sector in compliance with the EU market conditions and legal framework.

The Romanian state budget for 2024 allocates RON 1 billion for a planned capital injection into the Issuer, aimed at (i) growing the Issuer's business while maintaining the market position in top five banks and (ii) improving productivity, by optimizing the processes in the Bank, supported by the IT Transformation Program. Such a share capital increase is contingent upon approval from the European Commission, as such measures must comply with EU regulations, particularly state aid rules. It is expected that the capital injection would also have an impact of 3.7 pp on the own funds ratio and MREL ratio as of 30 June 2024, as follows: total own funds ratio would increase from 22.38% to 26.08%, Tier 1 ratio would increase from 17.21% to 20.90% and MREL ratio would increase from 30.01% to 33.71%, and of approximately +3.0% as of the end of 2025.

The high percentage of small retail deposits sitting at the core of the Issuer's deposits supports the growth of its loan book. Further balance sheet expansion may also be financed by wholesale funding, which the Bank has not yet accessed apart from bilateral programs with international financial institutions. Wholesale funding via capital markets is targeted at enabling compliance with the MREL requirements, as it addresses the need to operatively manage amongst various layers of capital, in keeping with the actual dynamics of loans and deposits.

*Operational efficiency and digital transformation:* Operational efficiency and profitability are prerequisites for sound and consistent business development, therefore the Issuer monitors specific key performance indicators, as set out at local (branch / agency) or central level in its yearly business plan.



The Issuer is striving to simplify and automate processes in order to minimise costs and uses digitalisation as its main tool. The focus on digitalisation is to enable quicker and better customer service, a higher level of internal processes efficiency, and consequently additional cost savings.

The Issuer has implemented and continues to focus on various initiatives and programs targeting network optimisation, technical upgrade of systems and applications and accelerated transition to digital banking services, as briefly described in section "General presentation of the main categories of products sold and services performed" below. The Bank aims to offer the same range of products and the same experience for its customers regardless of the channel chosen to communicate with the Bank (omnichannel strategy).

In 2023, digital transformation continued to be a strategic direction and a priority for the Bank. Some of the specific projects undertaken are:

- (i) updating and improving the general IT infrastructure and systems (CRM updates, updating ATM/MFM equipment, workstations, etc.);
- (ii) debit/Credit Cards management tool updates and improvements;
- (iii) internet and Mobile Banking updates and new developments;
- (iv) IT security solutions;
- (v) marketing campaigns and new brand image for branches;
- (vi) headquarter office: refurbishments and modernizing investments.

*Enhanced customer experience for the target segments:* In order to improve end-to-end performance, the Issuer has implemented and continues to focus on programmes on staff training, improved customer service and recalibration of products and services, as well as of internal processes and procedures.

### **Competitive strengths**

In executing its strategy, the Issuer capitalises on: (i) broad brand awareness and longstanding presence on the market, closely linked to the history and development of modern Romania; (ii) stable client base, trusting the stability and financial health of the Issuer; (iii) most extensive branch network locally; (iv) diversified and competitive offer of products and services for both retail and corporate customers (universal bank); (v) hybrid business model, with diversified communication channels; and (vi) experienced staff focused on best customer experience, from first interaction to after-sales assistance and maintenance of business relationships.

## **2.2 Main areas of activity**

Monetary activities and monetary intermediation constitute the Issuer's core activities, according to its Statute. At the same time, the Issuer's general statutory purpose is to engage in banking and financial business of any kind and in other related activities, as per its NBR license and in accordance with the applicable laws, including in particular: (i) attracting deposits and other repayable funds, (ii) lending, (iii) monetary transfer services, (iv) issuing and managing means of payment, (v) issuing guarantees and credit commitments, (vi) performing transactions on its own account or on its customers' account, (vii) intermediation on the interbank market, (viii) settlement and custody services for Treasury-bills ("**T-bills**"), and (ix) placement or underwriting of T-bills.

## **2.3 General presentation of the main categories of products sold and services performed**

The Issuer offers a wide range of services (retail and wholesale banking, public sector lending, international banking and treasury transactions) and operates a hybrid business model whereby customers may be serviced either in the brick-and-mortar network and use cash-in / cash-out equipment or access digital channels for onboarding and for lending, as well as mobile and internet banking applications. Payment services are also available through "Soft POS", an easy-to-use card payment acceptance tool.

The Bank's omnichannel strategy, where branches will still play a key role in the medium term, allows the Bank to offer customers a personalised experience, and turns sales into an advisory process, aiming to adapt to customers' needs. The new products and services available include product bundles, dedicated

concept areas (Self-service 24/7, Mortgage shop, Agri shop), as well as an online portal (www.cec.ro) which allows real time access to information on the whole range of products and services.

At the same time, the Issuer's Call Centre is another alternative channel through which customers are offered more accessible services (such as active payment transaction banking via phone), as well as personalised access to their current and card accounts, loans and savings.

The Issuer also has a strong commitment towards Social Responsibility and ESG Principles. This is reflected through:

- extensive lending to private individuals, micro enterprises and SMEs under national aid programs with social or sustainable focus (Prima / Noua Casa, Student Invest, Family Invest, Start-up Nation, Innovation, Women Entrepreneur etc);
- cross-selling of financial instruments developed by the European Investment Fund and steps taken to be selected as financial intermediary for the Sustainable Portfolio Guarantee under InvestEU;
- its targeted social objectives through loans granted to start-ups and transition to green housing, as well as the support of strategic sectors, such as agriculture;
- using of 95% degradable PVC materials for all cards production and issuing of virtual cards;
- facilitating the access of visually and speech impaired persons to banking products and services, providing sign interpretation services with the support of authorized interpreters from the National Association of the Deaf in Romania.

At the same time, CEC Bank offers the Figo.Pay package which mainly addresses special needs individuals, thus promoting social inclusion. Customers may access the package both online and in any CEC Bank branch and enjoy a range of services and facilities through the Figo.Pay app. CEC Bank also offers consumer loans to special needs individuals, in compliance with the legislation applicable to this customer segment.

Moreover, the Issuer is in process of establishing a Sustainability Bond Framework which will further specify the eligibility criteria for Eligible Projects based on the International Capital Market Association ("ICMA") Sustainable Bond Principles.

### ***Retail (private individuals) Banking***

CEC Bank has an established position in the Romanian retail banking market, with approximately 5.4% market share in retail lending and 10.9% deposit-taking, in each case as of 31 December 2023 internally calculated by the Issuer on the basis of internal data and publicly available information. As of end-June 2024, the market share for retail lending accounted for approximately 5.3%, while the market share in deposit-taking accounted for approximately 10.9%. The Issuer's retail banking offers includes a variety of products and services tailored to natural persons including lending products (e.g., for multiple destinations / purposes, real estate investment, durable goods acquisition, loans to sole traders), savings and deposit taking (term deposits, call deposits), payment services (direct debit, standing order), credit / debit cards, overdraft facilities, funds transfer facilities, mobile banking, internet banking, e-commerce, escrow accounts, bundled products and services, products for young people, students and the elderly.

### ***Transaction banking solutions***

CEC Bank was amongst the first banks to introduce new tools and services in Romania such as viewing (and instructing payments from) accounts held with other banks through its Mobile and Internet Banking applications (open banking), tax payments by using the Internet and Mobile Banking applications, payments using personal phone numbers and, since 2022, the first bank in Romania making Braille documentation available at its counters for visually-impaired customers (the only bank on the local market).

The Issuer prioritised the offering to its customers of instant payment services, allowing for instant 24/7 interbank settlement of local currency transactions, as well as full online opening of accounts and full online-accessed consumer loans and credit cards. The latest initiatives include:

- The e-Shop CEC\_IN facilitates CEC Bank's business process in order to allow new customers to use a full online onboarding flow.

This feature is included in the **Complete Care** package and it includes RON and EUR current accounts, the LEI VISA Classic debit card, deposit with subsequent deposits, Mobile Banking, Internet Banking (with eToken app), InfoSMS service and free intra and interbank collections and payments denominated in local currency when using the Internet and Mobile Banking.

- **Student Free** package facilitates access to a current account in local currency, a current account in EUR, a VISA Classic debit card, free intra and interbank collections in RON, as well as Internet Banking and Mobile Banking services.

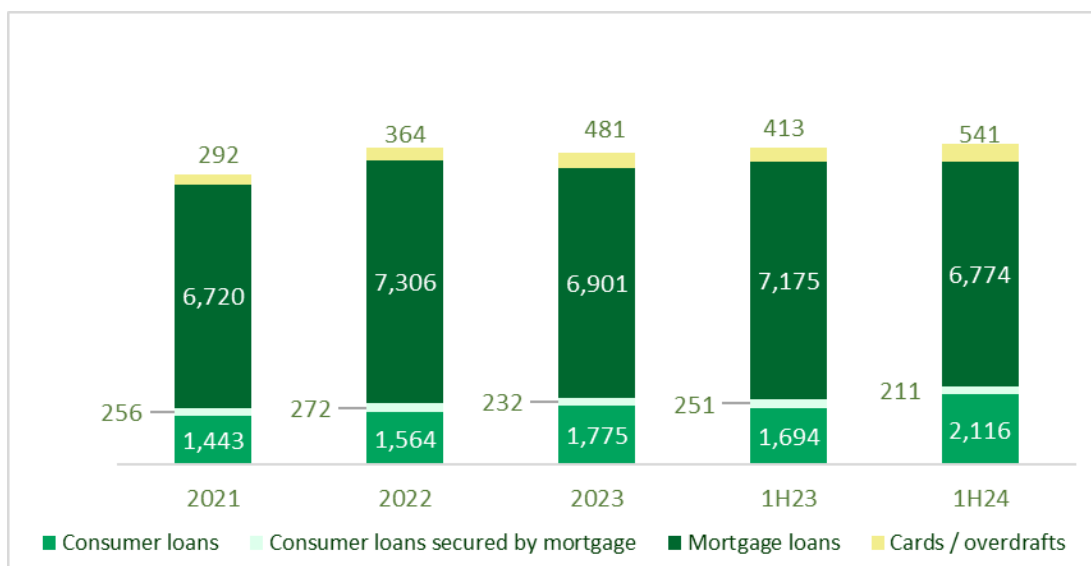
The Student Free package also enables access in the Play and Win gamification program through the Mobile Banking application. Thus, young people with domicile/residence in Romania and aged between minimum 18 and maximum 24 years. After purchasing the package, customers get the chance to earn points by spinning the "Play&Win" wheel in the Mobile Banking CEC app, if they perform a series of banking operations.

- The new **Mortgage Loan solution** for originating lending products will be offered through the e-Shop CEC\_IN, improving CEC Bank's standard business process and facilitating the use of online flows by new and existing individual customers.
- Introducing flexible conditions for the **Grija Completa** bundle by adding a new requirement, i.e. holding deposits of at least EUR 20,000, which increased the sales of packages and term deposits; Following the flexibility of the conditions for the Grija Completa, in the period between 12 February 2024 and 31 August 2024, there was a 3.6% increase in deposits, respectively a 13.8% increase in purchased packages, compared to the period before the introduction of these conditions, (11 August 2023 – 11 February 2024).
- Optimization of account bundles, by offering improved cost conditions on certain types of transactions.
- Introducing the option of purchasing savings products/current account packages through digital channels: CEC\_app and CEC\_IN.
- Applying competitive, market-aligned interest rates on savings products.
- Implementation of new types of consumer loans with sustainable destinations (currently the "Casa mea verde" green mortgage loan)
- Development of specific products, services and functionalities, aligned with market requirements and technological developments (Visa Multicurrency for legal persons, Cryptocurrency/CDBC, BNPL, Visa direct Cash Deposit - implementation of a deposit application on existing ATM equipment and/or POS devices to cash on any card issued in Romania, softPOS developments, advanced transaction monitoring modules/applications for fraud prevention, considering PSD3, Ropy alternative scheme, European instant/A2A payment scheme).
- Maintaining/developing the Bank's acceptance network (ATM/MFM/cash-in equipment, which allow card and non-card transactions and, respectively, the merchant network - equipped with physical POS and softPOS equipment).

### *Access to financing products*

The Issuer has a large portfolio of financing products dedicated to retail customers, including personal loans, mortgage loans, credit cards and overdrafts. Benefits aimed to incentivise loyalty with the Bank include preferred interest rates for customers holding salary accounts with the Bank, first-installment grace periods for mortgage loans, monthly grace period and up to 24 free instalments on credit cards.

Mortgage loans remain the preferred product by retail customers, making up 70.3% of the total retail (retail customers) loan book of RON 9641.9 million as of 30 June 2024. The following chart shows the gross retail loans by product:



Source: Annual Financial Statements and unaudited Interim Financial Information of the Bank

Several initiatives have been rolled out during 2024 in order to support further consolidation of the mortgage loan book, such as: (i) a new Mortgage Loan solution for origination of lending products offered through the e-Shop CEC\_IN, improving CEC Bank's standard business process and facilitating the use of online flows by new and existing individual customers; (ii) aligning the fixed interest rate on mortgages to market levels, to boost sales and increase customer retention; and (iii) launching and expanding the 5-year fixed interest real estate mortgage campaign.

The Issuer supports the transition to green housing, by offering competitive conditions for green home-improvement investment loans and energy-efficient home mortgage loans to retail customers.

The energy efficiency of "green homes" financed through green home-improvement investment loans and energy-efficient home mortgage loans is certified by the Romanian Green Building Council, an organisation that develops and implements a national system of standards and certifications for green buildings, supporting the development of green constructions in an effort to position Romania as a leader in the sustainable construction sector in the region.

Since 2021, the eligibility criteria for granting credits for green houses has been the building permit, together with the energy certificate issued by authorised energetic auditors indicating that the building has an energy consumption below 162 kw/m<sup>2</sup>.

Continuing its campaign dedicated to special-needs customers, the Issuer launched a dedicated lending offer for customers falling into this category and who collect their income with the Bank and a new Special Needs sub-category of personal needs loans for people with severe disabilities.

Given its significant territorial coverage, but also as a result of increased attention paid to compliance with the environmental and social legislation in force, the Issuer also supports economic development in the rural areas of Romania.

The Issuer supports economic development in the rural environment both as a result of a significant territorial coverage, as well as a result of increased attention paid to compliance with the environmental and social legislation in force.

The Issuer considers that green financing can create competitive advantages for companies and represents an opportunity to change the current economic structure, by focusing on more sustainable areas in terms of environmental impact and with greater added value.

The Issuer has also been involved in the state-financed programme First Home Programme ("Prima Casa") since its inception, a programme that offers state guarantees for mortgage loans to those who buy their first home. The programme, launched in 2009, has played a key role in fostering mortgage lending in the first years after the financial crisis. Recently, the programme is becoming relevant in the

current macro-economic conditions, by supporting consumers through easy access to financing for the acquisition of their first home. Other Government initiatives supported by the Issuer in the recent years are StudentInvest and FamilyStart.

The impact financing granted by the Issuer also covers areas considered strategic, such as agriculture, for which the Issuer has a diversified credit offer, including guarantees issued in the name and account of the Romanian state and attractive interest rates, but also targets social objectives through loans granted to start-ups.

### ***Savings products***

The Issuer has historically had a strong savings franchise and a longstanding tradition of servicing retail customers. Accelerated transition to digital products and services, as well as periodic campaigns run by the Issuer to attract new customers are designed to naturally support the consolidation of the deposits base, providing funding for the development of the Bank's activities.

The Issuer offers a wide range of savings products in RON and foreign currencies (EUR/USD), from savings accounts to term deposits on different maturities, which address various customer segments (from youth to elderly) and may also be accessed through the digital channels CEC App and CEC Online. In 2023, the Issuer adjusted its interest rates based on analyses of market rate trends. These adjustments were implemented in phases, affecting both term deposits and savings accounts in local currency (RON) as well as foreign currencies.

Given that certain saving products were decommissioned by the Issuer, during 2023 and 2024, the process of removing these products from the Bank's portfolio continued. Such products include savings books, executor accounts, and certain term deposits. Clients were given the option to either transfer their funds to competitive products from the current offering, tailored to their needs, or receive a refund. The first phase of the decommissioning of products took place in 2022, respectively the decommissioning of products for private individual customers, withdrawn from the Bank's offer, from the category of term deposits and current accounts represents a weight of 0.76% of the total balance sheet on December, 31, 2021. The second stage of product decommissioning took place in 2023. Decommissioning of products for private individual customers, withdrawn from the Bank's offer, from the category of savings books, savings accounts, guarantee accounts/other accounts represents 0.20% of the total balance sheet on December, 31, 2022.

### ***Other products***

In the area of bancassurance and partnerships, the Issuer has concluded partnerships with some of the most important insurers on the market, through which clients may access various insurance policies attached to banking products, such as Life and unemployment insurance, as well as General insurance (Property insurance for private individuals - optional and PAD, Property Insurance for legal entities – for premises, machinery, equipment, agricultural crops etc). To accelerate the growth in sales of insurance products, around 350 employees from the network have been certified as of 30 June 2024, representing an increase of more than 60% when compared to the same period of 2023.

In terms of partnerships, the process of selling digital signature certificates to both individuals and legal entities (in order to sign various documents in relation to third parties for commercial purposes) increased significantly (+60% in 2023 compared to 2022). Also, the Issuer continues to offer money transfer services in partnership with specialised companies, as an alternative to support incoming remittances mainly from Europe.

Throughout 2024, the Issuer's focus turned to increasing the number of customers and transaction volumes.

In the area of bancassurance and partnerships, the Bank plans to launch/implement new actions/projects with the role of diversifying the bancassurance activity and at the same time simplifying/optimizing digital/workflows by:

- Launching of travel insurance in CEC mobile banking;
- Development of the portfolio of products sold through the online CEC\_IN digital marketplace:

- Implementation of a workflow with the insurance partners to allow intermediation of additional types of insurance products, besides those attached to lending products;
- Extending the current partnership regarding the sale of digital certificates for non-CEC customers as well.

### **Corporate (legal entities) customers**

The Issuer focuses on developing long-term relationships with its corporate (legal entities) customers and provides a service level appropriate to the profile, size of activity, complexity as well as the transactional and financial needs of such customers.

In line with the capital requirements calculation for loan customers, the Issuer uses the applicable CRR standards at EU level for segmentation between retail and corporate customers, in terms of size, number of employees, annual turnover / total assets and shareholder structure. The corporate customers portfolio comprises SMEs, corporates and public entities and is under administration at branch level, with full support from the headquarters for lending, transaction banking or capital markets solutions (acquisition, structuring, negotiations, internal approvals, implementation and continuous servicing).

For lending purposes, the value of the Group lending exposure, currently set at RON 30 million (approximately EUR 6 million), is the internal segmentation criteria between SMEs and corporates.

#### ***Transaction banking solution***

The Issuer offers a wide variety of service and products to its corporate customers, including access to current, collecting or distribution accounts, bundled products and services, deposits, cash management, investment instruments, cards and related services, as well as financial consultancy.

Aiming to implement a new business model for its SME customers, in the last two years the Issuer focused on launching several new packages of services, including tailored current accounts, remote advisory services, online digital onboarding and benefits for such SME customers that bring their business partners to bank with the Issuer.

The "Start-Up Localnicii" packaged current account launched in 2021 addresses the needs of newly established companies by offering a series of advantages and benefits including fee-free services for the first 12 months, unlimited payments in RON via Internet Banking/Mobile Banking, unlimited income payments in RON.

Starting in 2021, the Bank introduced the cash management flexible offer for companies owned by the Romanian state, with fee-free internet banking and mobile banking services, as well as other discounts for daily operations. In 2023, several optimizations were implemented for corporate (legal entities) customers to enhance efficiency and client service. These include introducing new functionalities for salary accounts, enabling clients to fund employee accounts at CEC Bank or other banks through Internet Banking. The process for opening relationships with customers who do not qualify for SME account packages was also simplified, allowing a single form to be used without additional contracts. Lastly, the standardization of OPC (Order of Payment for Creditors) processes was aligned with banking system workflows, ensuring simultaneous transmission of funds during loan refinancing. Also, the Issuer continued to optimise existing products such as collection accounts to which multiple collection channels have been added and defined the interest negotiation mechanism on the collateral cash account.

In 2023 the Issuer also launched the guarantee account with multiple functionalities, including the option to open with zero balance, subsequent supply/decrease balance through intrabank and interbank transfers and the option of interest negotiation.

At the same time, the Issuer continued to optimise existing products, such as collection accounts, to which multiple collection channels have been added, and defined the interest negotiation mechanism on the collateral cash account.

#### ***Deposits***

The Issuer offers a wide range of deposit products for corporate customers in RON, EUR and USD, including current accounts, overnight deposits, term deposits on different maturities and escrow accounts,

all offered in digital channels like internet banking or mobile banking. Since 2021, corporate customers have an interest bonus for the standard deposit products opened in online channels.

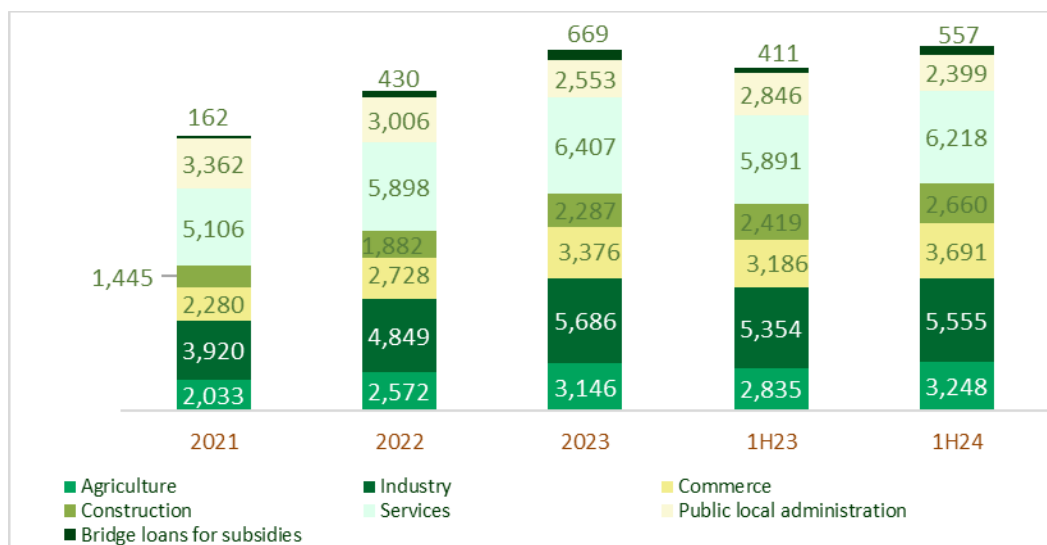
In order to sustain and encourage customers' saving behaviour, the Bank also offers the possibility of negotiating interest rates.

In 2023, the Issuer cut the interest rate on deposits in RON and increased the interest rate in foreign currency, mainly for EUR.

### ***Access to financing products***

Corporate customers can access the full range of traditional financing products of the Issuer, including revolving loans, term loans for the current/operational activity, investment loans, international trade finance products (letters of credit, letters of guarantee, factoring), project and structured finance and syndicated loans. The most important product in the gross corporate (legal entities) lending book is the investment loan, with a share of 28.97% as of June 2024.

The following chart shows the gross corporate loan book by industry:



Source: The Annual Financial Statements and the unaudited Interim Financial Information of the Bank

In line with its digitalisation strategy, starting in 2021 the Issuer implemented an automated process for issuing letters of guarantee, offering to its customers online access to this product through a website portal which can be accessed with the same credentials as those used for internet banking. In 2024, the Bank plans to introduce an automated process for modifying guarantee letters.

The Issuer is in a continuous effort to streamline its flows and processes by creating, modifying, and decommissioning products (such as financial product developed with the European Investment Bank (EIB)), as well as implementing standardized, automated workflows for the analysis, approval, and disbursement of APIA loans (short-term financing solution for farmers, based on state aid, through European Agricultural Guarantee Fund).

CEC Bank is an important player on the domestic market in terms of EU-funded projects, having over 20 years of experience of active involvement in the absorption of funds allocated before and after Romania's accession to the European Union. In this regard, the Issuer has developed dedicated financing products such as amongst others pre-financing loans, co-financing loans, investment credit lines, letters of guarantee for grant pre-financing and special accounts for the project. The Issuer has also provided specialised assistance through its central and local (country branches) dedicated teams. The number of facilities offered by the Issuer for investment projects supported by European funds was over RON 3,700 per transaction as of 30 June 2024, with a total value of approximately RON 9.3 billion, while the non-reimbursable component was approximately RON 20 billion (in each case as of 30 June 2024). Further, the Issuer granted over 76,000 bridge loans to companies in the agricultural field for subsidies from European funds, with a total value of RON 5.3 billion.

The Issuer acts as a local financial intermediary selected by the European Investment Fund for the implementation of several financial instruments developed at EU level under different operational programs. Such instruments aim at offering improved access to finance for SMEs that face difficulties in accessing bank loans due to cost conditions or insufficient guarantees. Starting in 2013, the Bank offered loans with subsidised interest rates and free guarantees under programs such as the JEREMIE Initiative, the SME Initiative, the Competitiveness of Enterprises and Small and Medium-sized Enterprises ("COSME") and Invest EU-MS Compartment Romania, under which more than 1,400 credit facilities representing at least EUR 160 million were granted.

*JEREMIE* is a joint initiative set up in 2007 by the European Commission (Directorate-General for Regional and Urban Policy) in co-operation with the European Investment Bank Group and other financial institutions to enhance cohesion across the EU. The JEREMIE instrument was set up to deploy part of the EU Structural Funds allocated to the regional and national Managing Authorities through new risk finance initiatives for SMEs. In this regard, JEREMIE is a predecessor to the current ESIF-backed programmes managed by EIF under the new 2014-2020 programming period. JEREMIE offered EU Member States, through their national or regional Managing Authorities, the opportunity to use part of their EU Structural Funds to finance SMEs in a more efficient and sustainable way.

*SME Initiative* is a joint financial instrument of the European Commission and the EIB Group (the European Investment Bank and European Investment Fund) which aims to stimulate SME financing by providing partial risk cover for SME loan portfolios of originating financial institutions. Alongside the European Structural and Investment Funds ("ESIF") resources contributed by the Member States, the SME Initiative is co-funded by the European Union through COSME and/or Horizon 2020 resources as well as EIB Group resources.

*COSME* is the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises running from 2014 - 2020 with a budget of EUR 2.3 billion. COSME supports SMEs in the following areas: facilitating access to finance; supporting internationalisation and access to markets; creating an environment favourable to competitiveness; encouraging an entrepreneurial culture. COSME is a programme implementing the Small Business Act (SBA) which reflects the Commission's political will to recognise the central role of SMEs in the EU economy.

*InvestEU* is part of the NextGenerationEU and the multiannual EU budget which had been designed with the overarching objective of repairing the immediate economic and social damage caused by the coronavirus pandemic. The investment focus in the EU is towards greener, more digital, more resilient, and better fit economy for the current and forthcoming challenges. The Recovery and Resilience Facility (RRF) is the key instrument of Next Generation, making available EUR 723 billion in loans and grants to support reforms and investments undertaken by Member States. Romanians invest part of their RRF funds through the Member State Compartment of InvestEU into dedicated financial products offered by European Investment Bank Group and EBRD.

In order to further support SMEs, as well as mid-caps (*i.e.* enterprises with at least 250 and fewer than 3,000 employees) and municipalities, the Issuer accessed funding from the European Investment Bank under four financing agreements amounting to EUR 245 million, further on-lent to finance customers' working capital and investment needs during 2013-2022, supporting their business projects. The Issuer supports businesses aiming at developing sustainably produced green energy from renewable resources for both self-consumption and to support transition to sustainable energy sources. The purpose of the loans may be the acquisition of photovoltaic panels or making other green investments such as thermal rehabilitation, modernisation and rehabilitation of the premises and halls, purchase of electric or hybrid vehicles and investment in the installation of special charging sockets. Such financings are provided at lower interest rates.

At the same time, the Issuer is one of the traditional partners of the Romanian Government as regards its initiatives to support entrepreneurship and retail customers, by acting as a financier and an intermediary under various national aid programs and schemes. The Issuer is the only bank involved in all such programs launched since 2009, addressing retail customers (First House, First Car, Invest in Yourself, etc.), start-ups (Start, SRL-d, Start Up Nation) and SMEs (M. Kogalniceanu, Microindustrialisation, Commerce, Women Entrepreneurs, Romanian-Swiss Program, etc.).

Over the past four years, the Issuer was actively involved in the relief programs and schemes approved at national level (e.g.: IMM Invest, Farmer, Start Up Nation, Women Entrepreneurs, APIA,



StudentInvest, FamilyStart etc) with the Bank providing over 8,000 loans to SMEs amounting to RON 8.6 billion (for which state guarantees were issued for a total of RON 7.2 billion) and over 4,500 loans to private individuals amounting to RON 370 million (for which state guarantees were issued for a total value of RON 295 million).

The Issuer's involvement in national and European programs has supported the financing of micro-companies and start-ups, large companies and municipalities, in relation to projects from various sectors such as industry, agriculture, services and constructions, while emphasis on the ESG component of the financed projects has gained significant importance over the past years.

SMEs and large corporates can access customised financial solutions, while specific products are also available for municipalities and other public sector entities, as well as for non-profit organisations.

### ***Digital daily banking products***

The Issuer aims to create an omni-channel experience, where retail and corporate customers can interact with the Bank across all channels and all transaction types. Starting in 2020, the Bank increased investment in digitisation and remote platforms to complement traditional channels.

In 2020, the Issuer was the first bank in Romania to launch digital onboarding for retail customers and the first bank in Romania to launch an Open Banking platform within a Mobile Banking application called the "CEC App", allowing customers to see their accounts from other Romanian banks and perform transactions directly from the Mobile Banking application.

Currently, customers may perform their day-to-day operations remotely through the available digital channels, the Mobile Banking application and the Internet Banking application "CEC Online".

Selected corporate customers may also use the CECOnline Multi Business (MultiCash Transfer AutoClient) application which automates the workflows between their internal Enterprise Resource Planning Software and the Bank, facilitating regular and bulk payments with no manual intervention from the user.

CEC App offers customers advanced functionalities including: payments and transfers using the mobile phone number of the recipient instead of their International Bank Account Number (IBAN) (to any bank in Romania); open banking (customers can add their accounts from other banks and financial institutions, check the available funds and completed transactions, and make payments); applying for personal loans, credit cards and overdrafts; integration with the Romanian public platform "ghiseul.ro", where customers can pay taxes, fines, and other public administration costs directly; viewing the status of accounts, cards, deposits, and loans; making payments and transfers in Romania and abroad, in RON or other currencies; opening of accounts in several currencies and performing foreign exchange transactions, while benefiting from a better rate than in a branch; setting up and liquidating deposits and fund savings accounts; generating bank statements and viewing transaction history; the application accepts biometric (fingerprint and face ID) authorisation for online card payments, as well as the possibility to authorize transactions using biometric data; diverse customisable settings for cards; reduced fees by 60% compared to the standard fees applied in branches; option to pay road taxes directly from the application; an additional security solution, which provides protection against a range of cyber-attacks; scanning and transfer of debit instruments by legal entities to the bank; early repayment of loans; cardless cash withdrawal from ATM/MFM, via QR code; issuance of virtual cards.

CEC Online offers access 24/7 to all banking services for daily operations and makes it very easy for customers to make payments or perform other transactions, similar to the CEC App.

The Issuer has also set up CEC-IN.ro, a virtual bank for retail customers and SMEs, where customers may access the most important banking products 100% online. The virtual bank covers the main banking products and services intended for retail customers, while SME customers may apply for packaged current accounts and letters of guarantee through a simplified and fast flow. A dedicated platform allows the issuance of letters of guarantee on the same day by any unit in the network.

The Issuer also offers a digitised alternative to the traditional point of sale ("**POS**"), by allowing SME customers to use their mobile devices as POSs (SmartPhone POS) and automatically create an end-of-day settlement sent to the client by email.

Payment experience is supported by payment solutions such as Apple Pay, Google Pay, and Garmin Pay, while cash digitisation is also addressed by extension of the multi-functional machine (MFM) fleet (which also facilitates EUR depositing and withdrawal), while the ATM fleet is periodically upgraded.

In 2023, CEC Bank made significant advancements in its digital platforms, particularly through the eShop CEC\_IN and associated services. Key developments include the introduction of various onboarding flows such as the StudentFree Package Flow and the Complete Care package, which streamlined the process for young customers and new clients, making it easier to open accounts and manage deposits online. Additionally, new functionalities like advance repayment and FSU (Flow Short Units) updates were implemented to enhance user experience and efficiency. As of 30 June 2024, the Bank registered 80,000 new individual customers using CEC\_APP (mobile bank lending) and CEC\_IN (virtual bank).

Throughout the year, the Bank's digital initiatives saw substantial customer engagement, with over 66,000 current account packages acquired through online flows. The Bank also expanded its lending products online, granting over 18,000 loans worth approximately RON 372,148,000, with a notable increase in personal loans and credit card products. These efforts contributed to a 2.6-time increase in digital lending products compared to the previous year, underscoring the success of CEC Bank's digital transformation strategy. Moreover, for legal entities, CEC Bank introduced fully online account packages, leading to the opening of 100 new current accounts tailored to SMEs and startups.

Accessing banking products and services 100% digital has continued its diversification and online technology with automatic decision-making engines has been extended to services in territorial units, allowing the Issuer to provide banking services wherever the customers need them.

During 2024, the migration to the Cloud instances of the Product Origination lending platform was completed, followed by the Early Repayment flow for individuals available in the e-Shop CEC\_IN.

As a result of accelerated digitization, in the first half of 2024 the number of customers who accessed lending products through 100% or partially digital flows (online channels and network of territorial units) tripled compared to the same period of 2023, and at the level of territorial units, 50% of consumer credit products granted to individual customers are through short unit flows with a quick time-to-yes for the customer, on average 30 minutes.

Also, there was a tripling of the number of customers who accessed packages of products and services online or updated services acquired through digital flows (online channels and the network of territorial units) has tripled during the first half of 2024 compared to the similar period of 2023, At the level of territorial units, 60% of the packages accessed by customers are opened through short unit flows, 100% paperless.

## **2.4 Dividend policy**

The Ministry of Finance is strategically involved in the funding and capital plans of CEC Bank, including through flexibility in the dividend pay-out policy, in an effort to contribute to an optimal Tier 1 capital level required for the proper business development of CEC Bank. After a period of no dividend pay-outs, in early January 2022 CEC Bank paid dividends in amount of RON 634 million due for 2019, 2020, 2021 financial years.

## **2.5 Treasury and Capital Markets**

The Issuer's approach to Foreign Exchange and Money Market treasury products is in alignment with the IT TO BE model (digital transformation strategy) of the Issuer and market trends, with the development and introduction of fully digital solutions for customers with a low friction, low profitability and high-volume approach.

Following the successful implementation of Pluridio Treasury Sales System + Pricing Engine, foreign currency prices and deposits are now available online to customers, with a high level of customisation possibilities, thus establishing the Issuer as one of the main choices for corporate and SME customers.

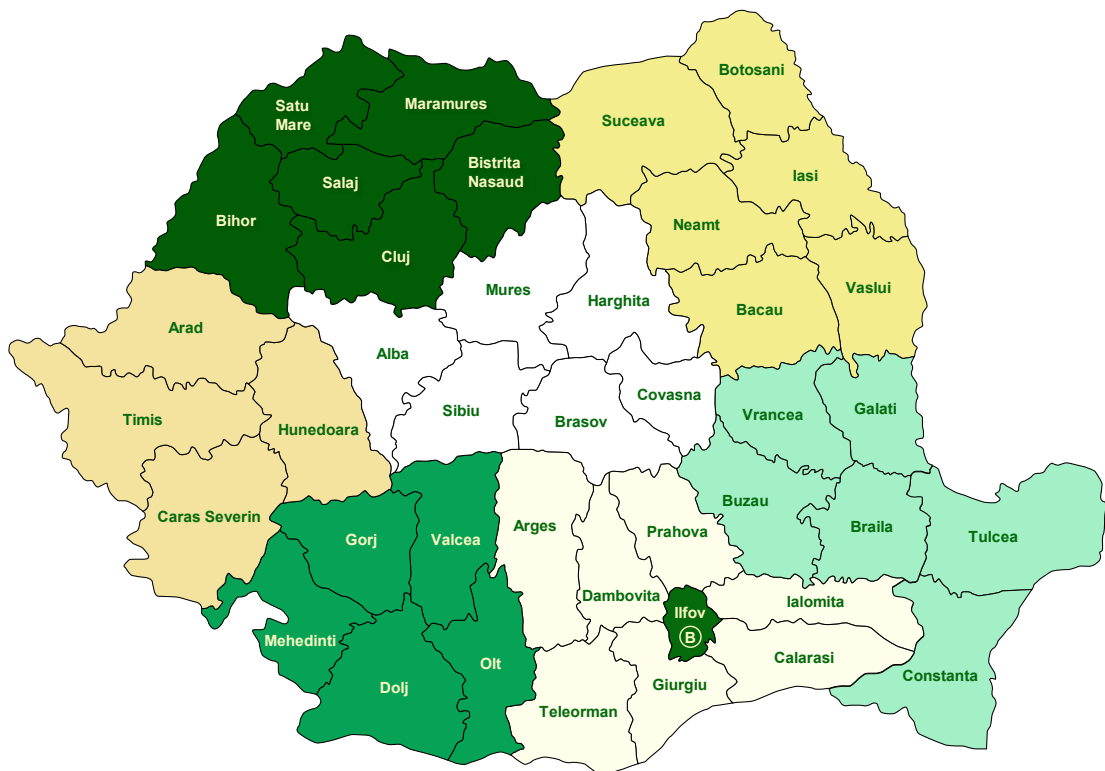
Automation of flows has also extended at branch level, leading to improved customer experience and increases in foreign currency volumes traded. Current projects target further automation and digitalisation of flows, the introduction of more complex derivatives instruments and the deployment of such products

through online low friction environments (Internet Banking, Phone Banking) to all clientele, corporate, SME and retail alike.

The Issuer has also been an active participant in both the Romanian Primary and Secondary bond market, facilitating client's tender offers for the primary market and secondary market bond transactions. During 2024, the Issuer consolidated its position, reaching several times the first place in the top of primary dealers drawn up by the Ministry of Finance, a ranking that monitors their activity from the last twelve months on the domestic market of state securities. The evaluation of the activity of the primary dealers was carried out from the perspective of their performances on the primary and secondary market of government securities, as well as from a qualitative point of view.

## 2.6 Unit network coverage (footprint) and transformation

As of 30 June 2024, the Issuer has a total of 1,010 banking units (48 county branches, urban agencies and rural agencies), servicing 2.3 million customers:



	Total units	Of which rural
North - West	142	68
North - East	158	88
South - East	151	80
South - Muntenia	149	78
Bucuresti - Ilfov	69	4
Center	143	63
South - West Oltenia	114	54
West	84	25

The local management of the network is done under the umbrella of the 48 county branches (out of which 7 are located in Bucharest) which act both as operational banking units serving customers and also have

support functions for the allocated network including lending, current account operations and logistic support.

With certain exceptions, the Issuer remains the only banking service provider in rural areas for both retail and corporate customers, supporting financial inclusion. While the level of financial intermediation in rural and small urban areas is low, there is significant development potential, as this implies the Issuer's competitive and brand image advantages.

The Issuer's strategy is to create a coherent ecosystem of territorial units and alternative distribution channels. As more customers migrate to digital platform, the branch network may be reduced. The Bank has started a thorough and extensive network transformation process aimed at designing and implementing more flexible and customer-oriented front-office structures. As a result, the Issuer transitioned from a purely regional set-up to a new organisation with a strong focus on customer segments. While aiming to maintain its current presence in the market and to pursue its mission of increasing financial inclusion in the Romanian market, the Issuer has already deployed strategic initiatives of revamping or relocating existing units, as well as creating specialised points of interaction with customers, within the current branch network, such as:

- The Mortgage Shop – which ensures high standards in servicing the mortgage segment by boosting sales and increasing customer satisfaction, offering dedicated advisory services, as well as digital flows. At the end of June 2024, three Mortgage Shop units were commissioned;
- The AgriCEC – involving the development of service areas and dedicated flows for customers in the agribusiness, providing access to dedicated banking products and services, to government programs, but also to integrated solutions related to different suppliers / partners in their field of activity. The first AgriCEC location was commissioned in 2023.
- The 24/7 self-service area – which ensures permanent availability of services for simple and complex cash and noncash operations, by use of ATM / MFM equipment.

## 2.7 Market Position

Based on publicly available data as of end of June 2024, the Issuer ranks 3rd in top banks in terms of asset size (RON 93.3 billion total assets, as per financial reporting ("FINREP")), with a market share of 11.2%. The total net assets (for the avoidance of doubt, total net assets equals total assets according to financial reporting statements, meaning it is equal to total liabilities plus equity) in the Romanian banking system used in this market share calculation was approximately RON 834.6 billion.

The official annual ranking of Romanian banks is published by NBR. The latest figures for 2023 are presented below:

Rank	Bank	Total assets (RON million)	Market share
1	Banca Transilvania	161 857.2	20.15%
2	Banca Comercială Română	108 008.1	13.44%
3	CEC Bank	83 625.7	10.41%
4	BRD – Groupe Société Générale	81 381.3	10.13%
5	ING Bank N.V., Amsterdam	71 704.9	8.93%
6	Raiffeisen Bank	70 157.7	8.73%
7	UniCredit Bank	67 712.1	8.43%

Source: NBR, "Raport anual 2023" based on FINREP.

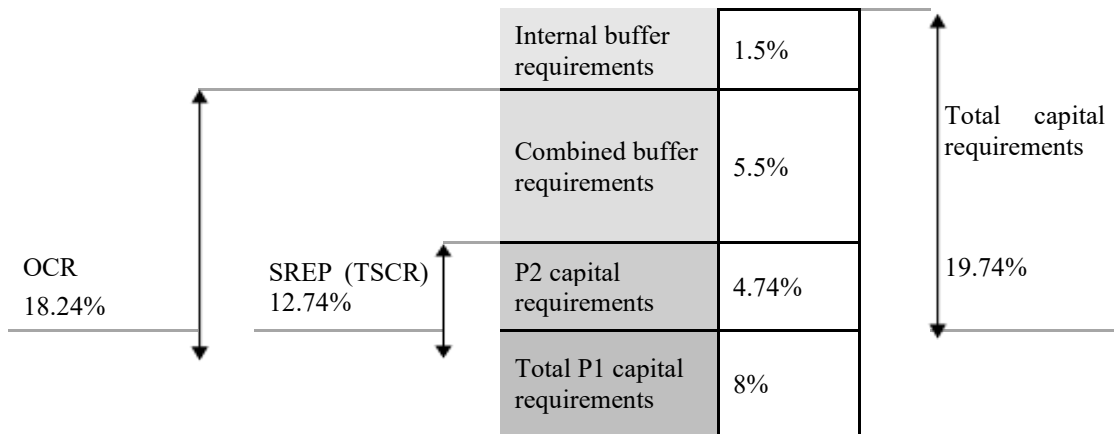
The Issuer faces strong competition from local banks and international banking groups with a local presence, as well as from other types of non-banking financial institutions (e.g. leasing companies in certain segments) operating in the financial services sector. The main competitors are Banca Transilvania S.A., Banca Comercială Română S.A., BRD Groupe Société Générale S.A., ING Bank N.V. Amsterdam Sucursala București, Raiffeisen Bank S.A. and UniCredit Bank S.A.

In addition, as the financial market has been rapidly evolving, fintech companies (such as Revolut, Monese or Salt Bank) became active competitors of banks, offering current accounts, currency exchange transactions at favourable rates and free instant payments. Such entities bring to the market a complete digital experience, different from that of a traditional bank, characterised by low margins and high flexibility in adapting transactional platforms with new benefits.

## 2.8 Capital requirements

### *Adequacy with capital requirements*

The below tables present the structure of own funds requirements as of 30 June 2024, which the Issuer is required to comply with Regulation (EU) No 575/2013 (pillar 1, Basel III), the additional capital requirements established by the NBR following the process of supervision and evaluation ("**SREP**"), the requirements regarding capital buffers and the internal threshold monitored by the Issuer:



Capital requirements as of 30 June 2024*	Level (%)	Obs.
<b>P1 capital ratios</b>		
CET 1 capital ratio	4.5%	P1 capital ratios (capital requirements for credit risk, market risk and operational risk)
T1 capital ratio	6%	
Total capital ratio	8%	
<b>SREP (TSCR) capital ratios</b>		
CET 1 - SREP (TSCR) requirements	7.17%	4.5% - CET 1 ratio (P1) and 2.67% - CET 1 SREP requirements
T1 - SREP (TSCR) requirements	9.56%	6% - T1 (P1) and 3.56% - SREP (TSCR) requirement
Total - SREP (TSCR) requirements	12.74%	8% - total capital requirements (P1) and 4.74% - SREP (TSCR) requirements
<b>Overall Capital ratio (OCR)</b>		
CET1 - (OCR) requirements	12.67%	7.17% - CET1 SREP (TSCR) and 5.5% - for covering combined buffer
T1 - (OCR) requirements	15.06%	9.56% - CET1 SREP (TSCR) and 5.5% - for covering combined buffer
Total overall capital requirements (OCR)	18.24%	12.74% - SREP (TSCR) requirements and 5.5% - for covering combined buffer
Internal threshold	19.74%	18.24% OCR and 1.5% internal buffer

\*Same capital requirements are applicable for the entire year 2024.

As of 30 June 2024	Standalone values of the Bank (RON million)	Consolidated values of the Group (RON million)
Own funds - total	6,054.03	6,058.47
Tier 1 own funds	4,654.03	4,658.47
Basis Tier 1 own funds (CET 1)	4,654.03	4,658.47
Tier 2	1,400.00	1,400.00
TREA	27,047.48	27,087.99

Source: Internal data of the Bank and of the Group as of 30 June 2024

Indicators as of 30 June 2024	Standalone Ratio of the Bank	Consolidated ratio of the Group	TSCR	OCR	Internal threshold
Total CAR	22.38%	22.37%	12.74%	18.24%	19.74%
Tier 1 CAR	17.21%	17.20%	9.56%	15.06%	
Tier 1 basis (CET1)	17.21%	17.20%	7.17%	12.67%	

Source: Internal data of the Bank and of the Group as of 30 June 2024

Abbreviations: P1 - Pillar 1; P2 - Pillar 2; CET 1 - Common Equity Tier 1; T1 - Tier 1 capital; SREP - Supervisory Review and Evaluation Process; TSCR - Total SREP Capital Requirement; OCR - Overall capital requirement; TREA - Total risk exposure amount; CAR - Capital Adequacy Ratio

All the mentioned capital ratios are at levels above the minimum requirements.

### ***MREL requirements***

In the second half of 2023 and the first half of 2024, the Issuer's TREA was compliant with the minimum required level. Since 30 December 2022, the Issuer issued several bonds totalling a nominal value of RON 2,063 million and an accounting value of RON 2,113 million as of 30 June 2024, qualifying as MREL eligible liabilities according to the provisions of Law no. 312/2015 on banking recovery and resolution.

The own funds and eligible liabilities ratio as of 31 December 2023 was at a level of 32.21%, thus above the minimum required threshold (including the value of the combined buffer) of 24.36%. The own funds and eligible liabilities ratio as of 30 June 2024 was at a level of 30.01%, thus above the minimum required threshold applicable in 2024 (including the applicable value of the combined buffer) of 26.31%. With respect to the second half of 2024, the applicable minimum required threshold is 26.31%. On 30 June 2024, the Issuer had a total equity ratio of 22.38%. The consolidated capital indicators are not materially different from those of the Bank, MREL ratio was 32.17% as of 31 December 2023 and 29.98% as of 30 June 2024, while total equity ratio was 22.37% as of 30 June 2024.

The Issuer is currently compliant with the MREL requirements and is conducting funding activities to maintain a buffer for continued compliance with MREL.

## **2.9 Risk management**

The Board of Directors of the Issuer has the overall responsibility for the establishment and monitoring of the Issuer's risk management framework. The Board of Directors analyses, reviews and approves, at least annually, the Issuer's risk management strategies and policies to reflect changes in internal and external factors, as well as changes in the economic environment in which the Issuer operates. The Board of Directors also reviews and approves the risk profile, setting acceptable levels for significant risks and

ensures that the necessary steps are taken to identify, assess, monitor and control significant risks, including for outsourced activities.

The Executive Committee, the Asset and Liability Committee ("**ALCO**"), the Risk Management Committee and Operational Risk Management Committee function, within the limits of the powers delegated by the Board of Directors, which are responsible for developing and monitoring the Issuer's risk management policies in areas specified by them. All committees report regularly to the Board of Directors.

The Issuer's risk management policies are established to identify and analyse the risks to which the Issuer is exposed, to set appropriate risk limits and controls, and to monitor risks and adherence to risk limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered.

The Issuer's Audit Committee is responsible for monitoring the compliance with the Issuer's risk management procedures. The Audit Committee is assisted in fulfilling these functions by the Internal Audit, which undertakes both regular and ad-hoc reviews of risk management controls and procedures and reports results to the Audit Committee.

The Issuer manages the risks related to its activities in accordance with its Statute and the specific legislation applicable to Romanian credit institutions. Potential risks are evaluated at least on an annual basis, when the Issuer's Risk Management Policy and Risk profile are revised, and risks are classified as significant/not significant, depending on the probability of their occurrence and their estimated impact on the Issuer's activity.

The Issuer's risk profile is employed by establishing a strategy for each significant risk and implementation of corresponding policies, as per the Issuer's internal policies for managing significant risks. On such basis, the assessment of the general risk profile corresponding to the risk appetite for each significant risk is carried out based on a four-level risk classification as low/moderate/ medium/high. Key risk indicators, having different weights in the risk profile depending on their importance, are used to determine the risk profile related to each significant risk. To maintain the risk at an optimal level, the Issuer additionally monitors level II indicators. The Issuer's risk appetite, in line with its business and strategy, was set up for 2023 and 2024 to the medium risk profile into the Risk Management Policy and Risk Profile in force.

The risks identified as significant and which are included in the Issuer's risk profile include credit risk (default risk /concentration risk), market risk, interest rate risk arising from activities that are outside the trading portfolio, liquidity risk, operational risk (includes legal risk, information and communication technology (ICT) and security risk, model risk and conduct risk), reputational risk, strategic risk, risk associated to outsourced activities, the risk of money laundering and the financing of terrorism and compliance risk.

### ***Credit risk***

Credit risk is the risk of financial loss of the Issuer if a customer or a counterparty of a financial instrument fails to meet its contractual obligations and is unable to pay amounts in full when due. In order to minimise this risk, the Issuer has established exposure limits and procedures in order to screen the customers before granting the loans and to monitor their ability to repay the principal and interest during the lifetime of the loan. Exposure to credit risk is mitigated by obtaining collateral, corporate and personal guarantees.

The Board of Directors of the Issuer has delegated, through the Executive Committee, the responsibility of monitoring the credit risk to its Credit Committee (including Restructuring Committee). Separately, the Risk Management Division, reporting to the Executive Committee, is responsible for oversight of the Issuer's credit risk, including:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities, approval of changes in the contract terms (restructuring): authorisation limits are allocated to levels of

credit approvers. Greater credit facilities require approval by the highest level of the Credit Committee, the Executive Committee or the Board of Administrators as appropriate.

- Reviewing and assessing credit risk: the Credit Committee assesses all credit exposures in excess of designated limits, prior to facilities being approved or recommended for approval by the Board of Directors. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentration of exposure to counterparties, geographical areas and industries (for loans and advances to customers).
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries and product types.
- Providing regular reports on the credit quality of portfolios to the Board of Directors and taking appropriate corrective actions.
- Providing advice, guidance and specialist expertise to business units to promote best practices for credit risk management.

Credit risk associated with trading and investing activities is managed through the Issuer's market risk management process. The risk is mitigated through selecting counterparties with good credit rating standings, monitoring their activities and ratings and through the use of exposure limits and when appropriate, the obtaining of collaterals.

According to the Risk Management Policy and Risk Profile in force, the assumed Issuer's credit risk appetite is medium and it is revised annually or whenever the economic and financial environment impose.

In the development of the credit risk management policy one of the important tools is represented by the key indicators for setting the credit risk profile which are covering the default risk monitoring (the quality of the loan portfolio) and the credit risk concentration. These indicators are supported by other more granular indicators, which are additionally monitored and they refer to maintaining the credit risk at an optimum level. The limits accepted by the Bank for the key indicators, as well as the considered intervals/thresholds for assessing the achieved value, are established taking into account the Bank's strategy for credit risk correlated with the NBR/EBA limitations in this respect, the evolution of the indicators, assets and liability's structure, results obtained from various forecasts, budget provisions and business, economic and financial market developments.

#### *Credit risk classification*

According to the requirements of the IFRS 9 standard, the Issuer currently classifies the financial assets into the following stages:

- Stage 1 – performing assets without significant increase in credit risk since initial recognition;
- Stage 2 – performing financial assets with significant increase in credit risk since initial recognition but not credit-impaired;
- Stage 3 – non-performing, credit-impaired assets; and
- POCI – purchased or originated credit impaired.

During the loan analysis process, both qualitative factors (the quality of the shareholders, the assessment of the level of qualification and continuity within the company of the management, the concentration of the customers, the debtor's experience in managing the borrowed funds) and quantitative factors (current liquidity, solvency, return on turnover, general indebtedness, hedging rate) are considered.

Thus, taking into account the qualitative and quantitative factors for the assessment of default risk, customers are classified in one of the five financial performance classes A to E, where A is the lowest risk class and E is the highest risk class. The financial performance class of legal entities is updated every 6 months based on the updated financial statements and qualitative factors.



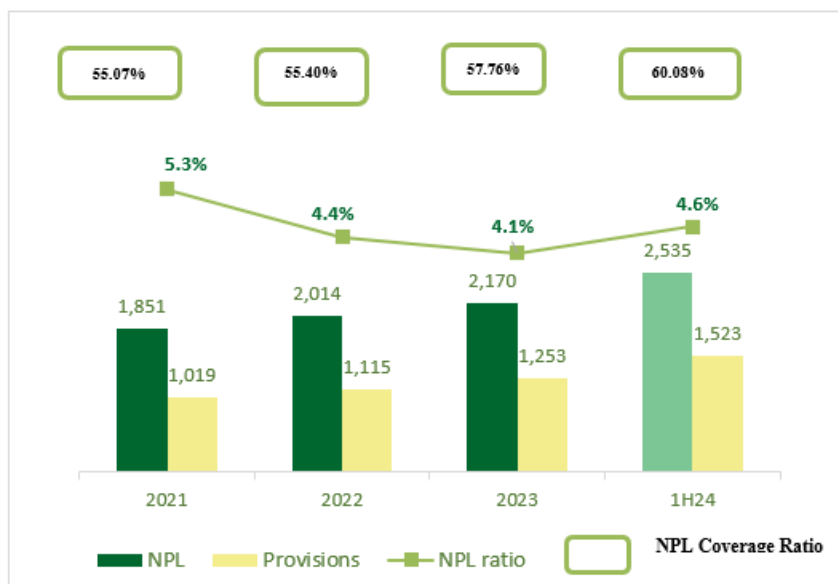
In the case of retail (private individuals) customers, financial performance is determined based on the credit rating and is reassessed during the credit cycle according to the information obtained on the fluctuation of income.

Outstanding loans that are more than 30 days past due, loans that are on the watch list and restructured performing loans are classified as loans for which credit risk has increased significantly since initial recognition, unless impairment indicators have been identified leading to their classification as impaired credit.

When loss allowance is calculated in respect of exposures classified into stages the following process is followed:

- Stage 1 (performing): loss allowance at an amount equal to 12-month expected credit loss is recognised;
- Stage 2 (significant increase in credit risk): loss allowance at an amount equal to lifetime expected credit loss is recognised; and
- Stage 3 (non-performing): loss allowance at an amount equal to lifetime expected credit loss is recognised.

For lifetime expected credit losses, an entity must estimate the risk of a default occurring with respect to the financial asset during its expected life. 12-month expected credit losses are a portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if a default occurs in the 12 months after the reporting date (or a shorter period if the expected life of a financial instrument is less than 12 months), weighted by the probability of that default occurring.



Source: Internal data of the Bank

Despite the COVID-19 and Ukrainian war crises, the Bank maintained relatively stable levels of NPLs.

The Bank's NPL volumes are affected, among others, by slower selloffs, the Issuer's policy to maximize recoveries and the absence of any group support which translates into no sales outside local market.

#### ***Asset liability management – liquidity position***

The Assets and Liabilities Management Department ("ALM") oversees the execution of the strategy set out by the ALCO in respect to the Issuer's assets and liabilities, with the role of managing liquidity, interest rates and currency risks generated by the commercial activity of the Issuer.

ALM functionally reports to the ALCO, which is responsible for the strategic management of the Issuer's assets and liabilities with the goal of ensuring a stable net interest income while maintaining a sustainable medium and long-term liquidity and capital position of the Issuer, according to the Bank's strategy.

The management of the balance sheet considers both the liquidity and interest rate perspective and is performed by using/developing a set of tools, including a system of internal funds transfer pricing for both liquidity and interest rate risk management. The internal funds transfer pricing system is based on market rates and is designed to allocate all costs and benefits to the business segments in a way that incentivises the efficient use of liquidity.

The main currency for customer deposits is RON (59% of total as of June 2024 at Bank level), followed by EUR (39% of total as of June 2024 at Bank level) and other currencies (representing 2 % at Bank level).

The main currency for customer net loans is RON (76.7 % of total as of June 2024 at Bank level), followed by EUR (22.9 % of total as of June 2024 at Bank level) and USD (0.4% at Bank level).

### ***Liquidity risk***

The Issuer operates on financial markets where unforeseen events may cause critical liquidity situations. Therefore, the Risk Management Policy and the Issuer's risk profile targets a liquidity risk profile of a medium level for the period 2023 - 2025 and 2024-2026.

As part of the overall risk management framework, the Issuer's assets and liabilities are modelled and analysed to adequately reflect its liquidity and interest rate risk profile.

In order to ensure an adequate level of liquidity under stress conditions, the Issuer maintains a liquidity reserve comprised of High-Quality Liquid Assets ("**HQLA**"), including cash held at the central bank and bonds eligible as collateral for central bank liquidity facilities, by which it ensures alignment with internal requirements and liquidity risk regulations for stress conditions.

The Liquidity Coverage Ratio ("**LCR**"), the regulatory standard for stress conditions, aims to ensure sufficient liquid assets to meet stress-free liquidity needs for 30 days. While regulatory requirements provide for a minimum LCR level of 100%, the value of the liquidity buffer held by the Issuer amounted to RON 40,762.88 million as of 30 June 2024, meaning a corresponding liquidity ratio of 254.17% on a standalone basis, significantly higher than the regulatory level and above the average on the national banking system of 244.51% as of June 2024. The impact of the FGCR on the consolidated basis is marginal, the LCR on consolidated level is 254.86% as of 30 June 2024.

The Net Stable Funding Ratio ("**NSFR**") focuses on the long-term funding and serves to define the minimum acceptable amount of stable funding, based on the credit institution's liquidity characteristics of assets and activities over a one-year time horizon. As of 30 June 2024, the Issuer had an NSFR ratio of 252.62%, significantly above the regulatory level of 100% regulatory limit. The NSFR on a consolidated level is 252.47% as of 30 June 2024 (marginal impact of the consolidation).

	<b>As of 30 June 2024</b>
High-Quality Liquid Assets (RON mn)	40,762.90
Net Outflows (RON mn)	16,037.80
LCR value (%)	254.17
NSFR (%)	252.62

*Source: Internal data of the Bank*

As of June 2024, both Basel III liquidity ratios - LCR and NSFR - are at levels situated above the minimum regulatory requirements.

### ***Interest rate risk***

The issuer manages the interest rate risk with the objective to balance the net interest rate sensitivity and economic value of equity. The strategy is to invest in both fixed rate and floating rate assets within the

risk limits approved for economic value of equity. The issuer builds and monitors an interest rate gap with the aim of maximising net interest return per unit of acceptable interest rate risk. Optionality risk is not managed separately since most loans are floating.

The risk appetite of the IRRBB (interest rate risk in the banking book) and its mitigation are part of the Risk Management Policy and Risk Profile in force. The risk appetite of the IRRBB is set up to the medium level and is monitored monthly. The issuer duly assesses proposals to use new products and engage in new activities, prior to acquisition or implementation in the context of the IRRBB.

The portfolio of securities issued by the Romanian Government in RON, EUR, and USD (27.06% of total assets as of 30 June 2024 for the Bank, HQLA from liquidity perspective), is manageable from the IRRBB point of view, due to its low average maturity around 2.8Y.

The main IRRBB ratio is the potential change of the economic value (EV) due to changes in the interest rate level, calculated according with the standardised approach of the NBR Regulation no 5/2013. The applicable standard shock is 200bp, upward and downward, regardless of the currency.

Economic Value was below 8% as of 31 December 2023 (6.61%) and 30 June 2024 (7.32%) and below 5% as of 30 June 2023 (3.51%), compared to the NBR limit of 20% of total own funds and the internal limit of 12% of total own funds. The Economic Value was below any of the threshold imposed by NBR, for the period 2022 – June 2024. The impact of FGCR consolidation is marginal, the Economic Value on a consolidated basis as of 30 June 2024 is 7.32%.

In addition to parallel shocks of +/- 200 bps, starting June 2021 the Bank has implemented the EVE (Economic Value of Equity) calculated based on the six shocks scenarios as set out in the EBA Guideline GL/2018/02 replaced by EBA GL/2022/14 and the EVE was below any of the threshold imposed by NBR/EBA, for the period 2022 – June 2024.

### ***Market risk exposure***

According to its Risk Management Policy and the Risk Profile, the Issuer assumes a market risk profile of a medium level and it monitors on monthly/quarterly basis the market risk indicators (price risk and currency risk) through two sets of indicators: (i) key indicators underlying the determination of the market risk profile (price risk and currency risk); (ii) level II indicators, which are more granular.

The key indicators underlying the establishing of the market risk profile are: (i) Hypothetical loss that would result from the immediate sale of the portfolio of government securities (FVTOCI) and (ii) Total net FX position. The total net FX position recorded values below 2% of the own funds level so that, in accordance with Regulation no. 575/2013 on prudential requirements for credit institutions, it was not necessary to put on capital for currency risk.

The Issuer's strategic objective in terms of managing market risk is to optimise both the portfolio of government securities and the volume of FX transactions and achieve a portfolio with low sensitivity to changes in prices, exchange rate and VaR (Value at Risk).

The Issuer holds positions on Romanian Government securities within a small trading portfolio with a total current maximum position limit of RON 200 million equivalent.

### ***Operational risk***

The Issuer is exposed to operational risk, which is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, and which include legal risk, risk related to IT technology, information and communications (ICT) and security risk, model risk and conduct risk. The Issuer is susceptible to, among other things, fraud by employees or outsiders, including unauthorised transactions and operational errors, clerk or record-keeping errors and errors resulting from faulty computer or telecommunication systems.

The operational risk profile is revised annually or whenever necessary, depending on the evolution of the ratio between the assumed risk profile and the realised risk level, combined with the context of the financial-banking market and the macroeconomic evolution.

Considering the digitisation process in which the Issuer is involved, changing operational environment, including technological developments, and the ever increasing need to meet the challenges of the digital era, there are increased operational risks and reputational risks. To limit these kinds of risks, the Issuer maintains a complex cyber-security programme including defence systems and solutions.

According to the Risk Management Policy and the Risk Profile for the period 2024-2026, the Bank's operational risk profile is monitored quarterly, and the operational risk profile threshold is set as medium.

Within the operational risk assessment process, the determination of the profile is based on a scoring system of key risk indicators related to operational risk, depending on their recorded historical values. As at 30 June 2024 the Bank was classified with a moderate operational risk profile.

In accordance with the regulations in force, the Issuer analyses, determines and submits the provisions and contingent liabilities related to the operational risk in accordance with the IAS 37 standard for approval of the Management Committee. As at 30 June 2024, the final balance of provisions related to operational risk was RON 3,513.01 thousand and it was structured in: (i) provisions for litigation balance - RON 1,735.21 thousand, and (ii) provisions for fraud/other incidents balance - RON 1,777.80 thousand.

### ***Other risks***

According to its Risk Management Policy and the Risk Profile, the Issuer's reputational risk profile threshold, the strategic risk profile threshold and the outsourced activities risk profile threshold were set as moderate.

As of 30 June 2024, the reputational risk profile and the strategic risk profile was classified by the Issuer as low and the outsourced activities risk profile were classified by the Issuer as moderate, while the compliance risk was assessed as low.

## **3. TREND INFORMATION**

### **3.1 Material adverse changes in the prospects of the Issuer since the date of its last published audited financial statements**

Since 31 December 2023, there have been no material adverse changes in the prospects of the Issuer other than those listed in 3.3 below.

### **3.2 Significant change in the financial performance and financial position of the Group since the end of the last financial period for which financial information has been published**

Since 30 June 2024, there have been no significant changes in the financial performance and financial position of the Group to the date of this Prospectus.

### **3.3 Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year**

The Issuer has identified the following trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on its prospects for the current and next financial year:

- The ongoing Russian-Ukrainian war has a lasting impact on the future economic growth in the region, generating a large shock in the energy sector and other raw materials markets, which put significant upward pressure on inflation. While after four years into war the inflation is coming down and probably come back to target in the eurozone and CEE by the end of 2025, the lack of cheap energy supply for Germany is affecting its industry and this translates in lower demand from Germany for industrial products manufactured in CEE. In turn, this lowers economic activity and demand for loans. The below potential growth seen in the eurozone and CEE, is affecting customers' ability to pay loans, together with the still high interest rates and therefore the NPL ratio in the EU started to climb modestly in 2024.
- The regulatory requirements are changing and increasing with time. The regulatory requirements (implied by the CRR, CRD V, BRRD and now the CRR III and CRD VI) and the respective amendments (such as the EU Banking Package 2021 including the Basel III reforms), as well as

any stress tests conducted by the relevant authorities, could lead to higher capital and liquidity requirements for the Issuer, which may diminish the Issuer's margin and potential for growth.

- In terms of general trends regarding the financial services industry, the financial services sector is mainly impacted by the uncertainty of the future macroeconomic environment development, in the context of ongoing war, the length of very high interest rate period, given that the US and the Eurozone are currently just past the peak interest rates of the current tightening cycle of the monetary policy. The activity in the financial services sector is affected by the instability and volatility on the financial markets, and by the potential general economic downturn, given that the central banks cannot estimate with precision how many quarters into the future the economy is affected by the tightening of the monetary policy. Therefore, the Issuer may not be able to avert the effects of customers' insolvencies, deteriorations in the creditworthiness of borrowers and possibly lower valuations in the context of higher interest rates. The initial effect of higher interest rates had a positive impact on the net interest income of the banking sector. However, this development could be more than offset by lower amounts of loans, higher risk costs, to which we add the negative impact from mark-to-market of securities held at fair value through profit or loss or through other comprehensive income.

Although the Romanian authorities have so far publicly stated that there will be no tax change in 2025, fiscal measures seem to be required as Romania must re-enter on a sustainable budget deficit path. According to the economic forecast for Romania from the European Commission website, Romania is expected to have a 7% budget deficit for 2024 and 6.6% for 2025. Romania has exceeded the initially planned deficit path for 2023 and 2024 and it is no longer likely to obtain a budget deficit of a maximum of 3% in 2024, as recommended by the European Commission in June 2021. The Council's recommendation was that by 2024 Romania exits the excess deficit procedure (EDP) in which it has been since 2020, and discussions with the IMF, World Bank, and the European Commission have led to the country choosing to implement starting 2024 a fiscal package with a view to re-enter on the path of a maximum 3% budget deficit as soon as possible.

Multiple tax streams were affected, and a tighter fiscal policy is expected to weigh down on GDP growth, together with a more prolonged period of high interest rates, so that monetary policy will also put pressure on economic activity. A tax that directly affects the banking system is the 2% tax on banking turnover, which could lower banking system profitability altogether, especially since lending growth is already very modest, due to higher interest rates and slower GDP growth. The latest fiscal package introduced in October 2023 and, in order to improve the fiscal stance even more in 2024, a fiscal amnesty for individuals and companies was granted, provided that they pay their past due taxes by 25th November 2024. For 2025 onwards, the Council will adopt recommendation for member states of the EU to take effective actions to reduce the deficit in 4 up to 7 years. Romania will be presented with these recommendations by the end of 2024.

Romania could settle on a lower mid-term GDP growth path if the EU funds were to have a lower than initially expected absorption. Another trend that is already taking shape in 2024 is the difficult absorption of EU Recovery and Resilience Facility funds. Romania could have hypothetically received the third and fourth tranche of Recovery and Resilience Facility funds, but it only received the second tranche in 2023. The main GDP forecasts for the mid-term encompass the success of receiving and using the EU funds and failure to do so could change the planned public and private investments, lowering the expected GDP growth and furthermore making it more difficult to achieve the planned budget deficit, while also inhibiting the lending and deposit growth in the banking sector. At the same time, Romania is more advanced than its peers, especially Poland and Hungary and, based on the 2023 CSRs and the NRRP-related section of the 2023 country report, the assessment was that in Romania implementation was "underway".

As of September 2024, Romania has fulfilled 23% of milestones and received EUR 5.78 billion in grants (out of the EUR 13.6 billion) and EUR 3.63 billion in loans (out of EUR 14.9 billion). Last actions taken by Romania is in relation of a EUR 2 billion payment request for the third tranche in December 2023. In January 2024, the Commission disbursed EUR 288 million to Romania in REPowerEU pre-financing.

#### 4. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

##### 4.1 Members of the administrative, management and supervisory bodies of the Issuer

The Issuer is managed in a one-tier administration system consisting of a board of directors ("**Board of Directors**"), while the management is ensured by an executive management board ("**Executive Management Board**"). The members of the Board of Directors and of the Executive Management Board may be contacted at the Issuer's business address at 13 Calea Victoriei, 030167 Bucharest 3rd District, Romania.

The Board of Directors is the management body empowered to establish the strategy, objectives and general orientation of the Issuer, supervising and monitoring the management decision-making process.

According to the articles of association of the Issuer, the Board of Directors is composed of 11 positions of executive and non-executive members appointed by the Shareholder through mandates of maximum 4 years, which may be renewed for additional time periods. The President is appointed by the Ordinary General Shareholders' Meeting from among the non-executive members, coordinates the meetings of the Board of Directors and reports on it to the Ordinary General Shareholders' Meeting. Currently, seven out of the eleven positions on the Board of Directors are filled (for more details, please refer to the risk factor "*There may be certain deficiencies regarding compliance with the rules of corporate governance in respect of the appointment of members of the governing bodies of the Issuer*").

According to the articles of association of the Issuer, the Executive Management Board ensures management of the day-to-day business and is composed of 5 (five) manager positions, of which one General Manager is the President of the Executive Management Board and member of the Board of Directors, one Director is the First Vice President of the Executive Management Board and member of the Board of Directors, two Directors are the Vice Presidents of the Executive Management Board and members of the Board of Directors and one Director is the Vice President of the Executive Management Board, but not a member of the Board of Directors. Currently, four of the five positions on the Executive Management Board are filled (for more details, please refer to the risk factor "*There may be certain deficiencies regarding compliance with the rules of corporate governance in respect of the appointment of members of the governing bodies of the Issuer*").

##### ***The Board of Directors and the Executive Management Board***

At the date of this Prospectus, the Board of Directors and the Executive Management Board are composed of the following members:

<b>Member</b>	<b>Major functions outside the Issuer</b>
<b>Members of the Issuer's Board of Directors</b>	
<b>Tiberiu Valentin Mavrodin</b> President, non-executive member	Not applicable
<b>Mirela Sitoiu</b> Non-executive member	General Director, General HR Management Division, Ministry of Finance
<b>Ciprian Sebastian Badea</b> Non-executive member	General Director, General Legal Division, Ministry of Finance
<b>Mihai Gogancea Vatasoiu</b> Non-executive member	Head of Administration Deputy Collection of legal entities - Tax Administration for Non-Resident Taxpayers - D.G.R.F.P. Bucharest
<b>Bogdan Constantin Neacsu</b> Executive member	President of the Romanian Association of Banks

<b>Member</b>	<b>Major functions outside the Issuer</b>
<b>Mirela Iovu</b> Executive member	Representative of the banking community as a permanent member in the Legal Support Group of the European Payment Council (EPC)  Founding member and Secretary General of the European League for Economic Cooperation – ELEC, Romanian Chapter
<b>Simona Andrei</b> Executive member	Not applicable
<b>Members of the Issuer's Executive Management Board</b>	
<b>Bogdan Constantin Neacsu</b> General Manager, President of the Executive Management Board	President of the Romanian Association of Banks
<b>Mirela Iovu</b> Manager, Vice President of the Executive Management Board	Representative of the banking community as a permanent member in the Legal Support Group of the European Payment Council (EPC)  Founding member and Secretary General of the European League for Economic Cooperation - ELEC, Romanian Chapter
<b>Simona Andrei</b> Manager, Vice President of the Executive Management Board	Not applicable

The statutory documents require eleven directors and five managers to be appointed to the Board of Directors and the Executive Management Board.

The Issuer must abide by strict regulations when appointing its governing bodies. For example, the candidates must undergo an internal evaluation for adequacy, performed by the Nominee Committee that is formed by three non-executive members of the Board of Directors Committee, and, if the candidate passes this evaluation, the process continues by obtaining the NBR's prior approval for appointment.

The mandates of Mihaela Lucica Popa as Manager (First Vice President of the Executive Management Board) and member of the Board of Directors expired on 22 October 2023. This led to one additional vacancy for each of the respective positions, for which a new person has been evaluated for adequacy and will need to further obtain the NBR's approval for appointment.

#### **4.2 Administrative, Management and Supervisory bodies' Potential Conflicts of Interest**

As required by the NBR regulation no 5/2013 on the prudential requirements for credit institutions, as well as with the Joint ESMA and European Banking Authority's Guidelines on the assessment of suitability of members of the management body and key function holders, the Issuer has internal policies and procedures in place aiming to avoid conflicts of interests which may adversely affect the interests of customers or of the Issuer. The procedures include specific internal controls aiming to cross-check any potential conflicts of interests as well.

Thus, the executive and non-executive members of the Board of Directors who have, directly or indirectly, conflicting interests with the Issuer in a certain transaction, must notify the other directors and the internal censors or auditors and shall not take part in any deliberation or decision-making process regarding such transaction. The members of the Board of Directors shall have the same obligation if, in a certain transaction, they have knowledge of any conflicting interests of their spouse, relatives or

relatives-in-law up to the fourth degree inclusively, but also of any entities directly or indirectly controlled by them or their spouse, relatives or relatives-in-law up to the fourth degree inclusively.

The same rules apply in the case of the members of the Executive Management Board.

The Issuer is not aware of any conflicts of interest between the obligations of the members of the Issuer's Board of Directors and/or the Executive Management Board and their private or other interests.

## **5. SHARE CAPITAL AND MAJOR SHAREHOLDERS**

### **5.1 Share capital of the Issuer**

As at 30 June 2024, the issued share capital, is of RON 2,290,661,600, divided into 22,906,616 nominative, dematerialised shares with a nominal value of RON 100 each and granting equal voting rights.

### **5.2 Shareholders of the Issuer**

The Romanian state exercises its rights and assumes all the obligations as the sole shareholder of CEC Bank S.A. (100% ownership), through the Romanian Ministry of Public Finance (*Ministerul Finanțelor*).

CEC Bank S.A. is one of only two state-owned banks in Romania and the only state-owned universal bank.

### **5.3 Arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer**

At the date of this Prospectus, there are no arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

## **6. LEGAL AND ARBITRATION PROCEEDINGS**

The Issuer is currently not involved in any governmental, legal or arbitration proceedings directed against it, nor was the Issuer involved in any such proceedings in the past twelve months, nor is the Issuer aware of any proceedings, whether pending or threatened, that have recently had, or that the Issuer expects to have, material effects on the financial condition or profitability of the Issuer.

## **7. MATERIAL CONTRACTS**

The Issuer has not entered into any material contracts outside the ordinary course of business which could result the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of the Notes.

## **8. THIRD PARTY INFORMATION**

If and to the extent information contained in this Prospectus, as supplemented from time to time, has been sourced from a third party, the Issuer confirms that to the best of its knowledge this information has been accurately reproduced and that, so far as the Issuer is aware and able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## **9. DOCUMENTS AVAILABLE**

For the term of this Prospectus, copies of the articles of association of the Issuer will be available free of charge from the indicated website (with an English language translation) ([www.cec.ro](http://www.cec.ro)).



## FINANCIAL INFORMATION

### *Selected financial information*

The selected financial information, unless otherwise stated, is extracted from the Annual Financial Statements (as defined below) as at 31 December 2022 and 31 December 2023 and from the Interim Financial Information (as defined below) as of and for the six months period ended 30 June 2024. The Annual Financial Statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and with the NBR's Order no. 27/2010 for the approval of the accounting regulations in accordance with IFRS, with subsequent changes. The Interim Financial Information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting adopted by the European Union".

The Issuer's accounting policies applied in preparing the Annual Financial Statements and the Interim Financial Information are described in the Notes to the Annual Financial Statements and, respectively, in the Notes to the Interim Financial Information. The Annual Financial Statements and the Interim Financial Information included herein are presented in Romanian RON. The Issuer's financial year runs from 1 January to 31 December.

"**Annual Financial Statements**" means the audited financial statements of the Issuer as at and for the year ended 31 December 2022 and the consolidated and separate financial statements as at and for the year ended 31 December 2023, prepared in accordance with IFRS, the English version of which is incorporated by reference in this Prospectus (for more details please refer to the section "*Documents Incorporated by Reference*").

"**Interim Financial Information**" means the Issuer's unaudited condensed interim consolidated and separate financial information for the six months period ended 30 June 2024, that include the comparative figures for the six months period ended 30 June 2023, prepared in accordance with IAS 34, the English version of which is incorporated by reference in this Prospectus (for more details please refer to the section "*Documents Incorporated by Reference*").

Selected key historical financial information as at and for the years ended 31 December 2022 and 31 December 2023 and as at and for the six-month period ended 30 June 2024:

### **Income Statement information**

#### *Group*

RON million	2022	2023	H1 2023	H1 2024
	<b>Extracted from the Annual Financial Statements</b>		<b>Extracted from the reviewed Interim Financial Information</b>	
Interest income calculated using the effective interest method	2,624.9	4,086.4	1,906.7	2,581.3
Interest expense	-1,085.9	-2,452.3	-1,127.4	-1,589.8
<b>Net interest income</b>	<b>1,539.0</b>	<b>1,634.2</b>	<b>779.3</b>	<b>991.4</b>
Commission income	372.8	397.3	181.0	219.8
Commission expense	-101.9	-120.6	-47.6	-63.1
<b>Net commission income</b>	<b>270.9</b>	<b>276.8</b>	<b>133.4</b>	<b>156.7</b>
Other income*	-16.5	124.3	46.5	45.3
<b>Operating income</b>	<b>1,793.4</b>	<b>2,035.2</b>	<b>959.2</b>	<b>1,193.4</b>
Operating expenses	-1,286.6	-1,418.6	-609.4	-849.5
<b>Profit before tax</b>	<b>506.8</b>	<b>616.6</b>	<b>349.8</b>	<b>343.9</b>
Income tax expense	-82.5	-76.4	-53.5	-64.1
<b>Net profit for the year/period</b>	<b>424.3</b>	<b>540.1</b>	<b>296.2</b>	<b>279.8</b>

## Bank

RON million	2022	2023	H1 2023	H1 2024
	Extracted from the Annual Financial Statements		Extracted from the reviewed Interim Financial Information	
Interest income calculated using the effective interest method	2,624.9	4,085.3	1,906.7	2,579.6
Interest expense	-1,085.9	-2,452.3	-1,127.4	-1,589.8
<b>Net interest income</b>	<b>1,539.0</b>	<b>1,633.0</b>	<b>779.3</b>	<b>989.8</b>
Commission income	372.8	385.1	181.0	201.9
Commission expense	-101.9	-120.6	-47.6	-63.0
<b>Net commission income</b>	<b>270.9</b>	<b>264.5</b>	<b>133.4</b>	<b>138.9</b>
Other income*	-16.5	101.6	46.5	45.0
<b>Operating income</b>	<b>1,793.4</b>	<b>1,999.2</b>	<b>959.2</b>	<b>1,173.6</b>
Operating expenses	-1,286.6	-1,407.7	-609.4	-841.1
<b>Profit before tax</b>	<b>506.8</b>	<b>591.5</b>	<b>349.8</b>	<b>332.5</b>
Income tax expense	-82.5	-75.7	-53.5	-63.0
Net profit for the year/period	424.3	515.8	296.2	269.5

\* Including Net gain from trading, (Net loss) from financial derivatives, (Net loss) /net gain from financial assets mandatorily measured at fair value through profit or loss, Net gain from the sale of financial assets measured at fair value through other comprehensive income, (Net loss) /net gain from foreign exchange differences, Other operating income.

Source: The Annual Financial Statements and the unaudited Interim Financial Information

For the six-month period ended on 30 June 2024, the Group recorded a gross profit of RON 344 million (RON 333 million at Bank level), which generated a total profit tax due of RON 64 million (RON 63 million at Bank level), thus resulting in a net profit of RON 280 million (RON 270 million at Bank level).

Analyzing from a bank-only perspective, net interest income for this period increased by approximately 27% compared to the six-month period ended on 30 June 2023 (by approximately RON 210 million in absolute terms), due to the increase in interest income, generated by the monthly increase in the balance of loans and investments (securities, banks, etc.). Thus, interest income increased by approximately RON 673 million compared to the six-month period ended on 30 June 2023, while interest expenses also registered an upward trend, increasing by approximately RON 462 million.

Net impairment charges up on loan book growth, changes in ECL model to cover additional risks (war in Ukraine, higher energy & gas prices, inflation and benchmark rates), on precautionary improved coverage of NPLs, and on slower recoveries from sell-offs and write-offs.

## Balance Sheet information

### Group

RON million	2022	2023	H1 2024
	Extracted from the Annual Financial Statements		Extracted from the reviewed Interim Financial Information
Cash and balances at Central Banks	10,104.1	11,971.8	18,358.1
Loans and advances to banks and public institutions	6,119.3	8,339.7	3,781.3
Securities and investments**	15,162.8	30,462.3	37,809.8
Loans and advances to customers	29,242.8	31,624.6	31,812.9
Assets other than listed above ***	1,183.2	1,211.1	1,550.3
<b>Total Assets</b>	<b>61,812.2</b>	<b>83,609.5</b>	<b>93,312.4</b>

Deposits from customers	52,432.8	72,744.1	78,455.3
<b>Due to other banks, of which</b>	2,976.5	1,842.2	5,411.9
Deposits from banks	2,698.2	1,663.1	5,246.2
Borrowings from banks and other financial institutions	278.2	179.1	165.8
Subordinated liabilities	1,439.6	1,434.2	1,432.5
Liabilities other than listed above ****	1,070.0	2,736.0	2,893.5
<b>Total Liabilities</b>	<b>57,918.9</b>	<b>78,756.5</b>	<b>88,193.3</b>
Equity	3,893.3	4,853.0	5,119.1
<b>Total Liabilities &amp; Equity</b>	<b>61,812.2</b>	<b>83,609.5</b>	<b>93,312.4</b>

### Bank

RON million	2022	2023	H1 2024
	<b>Extracted from the Annual Financial Statements</b>		<b>Extracted from the reviewed Interim Financial Information</b>
Cash and balances at Central Banks	10,104.1	11,971.8	18,358.0
Loans and advances to banks and public institutions	6,119.3	8,305.7	3,741.9
Securities and investments**	15,162.8	30,448.6	37,785.1
Loans and advances to customers	29,242.8	31,624.6	31,812.9
Assets other than listed above ***	1,183.2	1,202.9	1,529.1
<b>Total Assets</b>	<b>61,812.2</b>	<b>83,553.6</b>	<b>93,227.0</b>
Deposits from customers	52,432.8	72,744.8	78,465.2
<b>Due to other banks, of which</b>	2,976.5	1,842.2	5,411.9
Deposits from Banks	2,698.2	1,663.1	5,246.2
Borrowings from banks and other financial institutions	278.2	179.1	165.8
Subordinated liabilities	1,439.6	1,434.2	1,432.5
Liabilities other than listed above ****	1,070.0	2,704.0	2,825.5
<b>Total Liabilities</b>	<b>57,918.9</b>	<b>78,725.1</b>	<b>88,135.2</b>
Equity	3,893.3	4,828.4	5,091.8
<b>Total Liabilities &amp; Equity</b>	<b>61,812.2</b>	<b>83,553.6</b>	<b>93,227.0</b>

\*\* Including Financial assets at fair value through profit or loss, Financial assets measured at fair value through other comprehensive income, Financial assets measured at amortised cost.

\*\*\* Including Investment in subsidiary, Subordinated loans, Property and equipment, Intangible assets, Investment property, Right-of-use assets, Deferred tax assets, Current tax asset, Other financial assets, Other assets.

\*\*\*\* Including Derivative financial liabilities, Debt securities issued, Current income tax liability, Deferred tax liabilities, Lease liabilities, Provisions, Other financial liabilities, Other liabilities.

Source: Annual Financial Statements and the unaudited Interim Financial Information

The six-month period ended on 30 June 2024 was characterized by excess liquidity in the banking system, with the NBR being a net debtor to the banking system in six-month period ended on 30 June 2024 when the excess reached historic levels. The maximum was observed in January 2024, when banks placed RON 60.7 billion in the deposit facility.

The Group closed the six-month period ended on 30 June 2024 with total assets of RON 93,312 million, up 35% compared to the total assets for the six-month period ended on 30 June 2023, mainly due to the increase in sources attracted from non-bank customers, placed in government securities, loans granted to clients and placements with

banks. It is expected that as of 31 December 2024, the net value of the assets will exceed RON 98 billion, on the background of the sustained increase in sources attracted from non-bank customers and the loan portfolio.

The Issuer's net interest income increased by 27.1%, reaching the value of RON 990 million in six-month period ended on 30 June 2024, from RON 779 million achieved in H1 2023, due to higher volumes of activity, which compensated for lower interest rates.

The Return on Equity has decreased to 10.87% for June 2024 compared to 11.83% for December 2023, mainly due to the introduction of turnover tax in 2024. In the absence of the turnover tax, the Return on Equity would have been 13.08% for June 2024.

Operating expenses during the first six months of 2024 (which also include expenses with provisions related to loans granted to clients) have registered an increase of approximately 34% compared to those reported in the respective period of 2023, mainly due to the additional tax on turnover. Excluding the effect of the additional tax on turnover, the increase is only about 25%.

Overall, liquidity and funding are solid as the Bank maintains a strong gross loans to deposit ratio of 43.39% and a net stable funding ratio of 252.62%, both as of 30 June 2024, significantly above the regulatory level of 100%.

### ***Alternative Performance Measures ("APM")***

In this Prospectus, the Bank uses certain non-IFRS financial measures in the analysis of its business and financial position and performance, which the Bank considers to constitute APM for the purposes of the European Securities and Markets Authority ("ESMA") Guidelines on Alternative Performance Measures dated 5 October 2015 and further guidance published by ESMA through to the date of this Prospectus.

The APMs are not defined in accordance with IFRS and must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS included elsewhere or incorporated by reference in this Prospectus. Investors are cautioned not to place undue reliance on these APM and are also advised to review them in conjunction with the consolidated financial statements of the Issuer including the related notes thereto, incorporated by reference in this Prospectus.

The Bank has chosen to present these APMs, either because they are in common use within the industry to facilitate a better understanding of historic trends of operation, financial condition and liquidity or because they are commonly used by investors and as such useful to assist investors and analysts in comparing the performance and liquidity across reporting periods. The APMs used may not be comparable to similarly titled measures of other companies. The assumptions underlying the APMs are not subject to audit (in accordance with IFRS) or any generally accepted accounting standards, nevertheless they are calculated in accordance to NBR regulations and EBA regulations as transposed into local legislation and should be read in connection with the explanations hereinafter.

Set out below is a summary of the APMs used, the definition, method of calculation and the rationale for the inclusion of such metrics.

#### **NPL ratio (Non-Performing Loans & Advances ratio):**

The applicable definition of NPLs is the harmonised EBA definition for non-performing exposures. For the avoidance of doubt, the mentioned NPL ratio is calculated based on "the EBA Methodological Guide - Indicators for risk assessment and resolution & detailed risk analysis tools" (see AQT 3.2 indicator from the list of EBA risk indicators).

The share of non-performing loans and advances (NPL ratio) stood at 4.62% as of end-June 2024, while the ECL coverage of the non-performing exposures was 60.08% as per FINREP.

#### **Coverage ratio for NPLs (Coverage ratio of Non-Performing Loans and Advances)**

The Coverage ratio for NPLs is calculated based on "the EBA Methodological Guide - Indicators for risk assessment and resolution & detailed risk analysis tools" (see AQT 41.2 indicator from the list of EBA risk indicators).

Item	Reconciliation	As of 31 December 2023	As of 30 June 2024
<b>NPL Ratio</b>	Non-performing loans and advances (A) / Total gross loans and advances (B) x 100		
	Non-performing loans and advances (RON mio)	2,173.94	2,539.42
	Total gross loans and advances (RON mio)	52,471.34	54,939.22
<b>Calculated NPL Ratio (%)</b>		<b>4.14%</b>	<b>4.62%</b>
<b>Provision Coverage Ratio for NPLs</b>	Accumulated impairment, accumulated negative changes in fair value due to credit risk for non-performing loans and advances (A) / Total gross non-performing loans and advances (B) x 100		
	Accumulated impairment, accumulated negative changes in fair value due to credit risk for non-performing loans and advances (RON mio)	1,255.74	1,525.78
	Total gross non-performing loans and advances (RON mio)	2,173.94	2,539.42
<b>Calculated Provision Coverage Ratio for NPLs (%)</b>		<b>57.76%</b>	<b>60.08%</b>

Source: Internal data of the Bank

### **LCR (Liquidity Coverage Ratio)**

Liquidity coverage ratio – The liquidity coverage ratio refers to high quality liquid assets held by the financial institution to cover its net liquidity outflows over a 30-calendar day stress period. The Liquidity Coverage Ratio requires financial institutions to maintain a sufficient reserve of high-quality liquid assets (HQLA) to withstand a crisis that puts their cash flows under pressure. The assets to hold must be equal to or greater than their net cash outflow over a 30-calendar-day stress period (having at least 100 per cent. coverage). The parameters of the stress scenario are defined under Basel III guidelines. The below presented calculations are based on internal data sources.

### **NSFR (Net Stable Funding Ratio)**

NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. This ratio should be equal to at least 100% on an ongoing basis. "Available stable funding" is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of such stable funding required ("Required stable funding") of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet exposures.

Items/Ratios of the Bank	As of 31 December 2023	As of 30 June 2024
High-Quality Liquid Assets (RON mn)	34,785.13	40,762.90
Net Outflows (RON mn)	9,850.08	16,037.80

LCR value (%)	353.15	254.17
NSFR (%)	219.96	252.62

Source: Internal data of the Bank

**CIR (Cost to income ratio)** – Indicator of cost efficiency of the bank's activity, that is calculated based on the information found in the FINREP financial statements (in F02\_Profit or loss account).

The calculation formula for this indicator is:

- the numerator takes into account: administrative expenses, cash contributions to resolution funds and deposit guarantee schemes and depreciation;
- the denominator contains: the total operating costs.

Ratio	As of 31 December 2023	As of 30 June 2024
Cost income ratio (%)	50.49%	51.61%

Source: Internal data of the Bank

### **Total assets – FINREP methodology**

Total Assets are calculated according with NBR Order no. 9 / 1 November 2017 in force starting with 15 November 2017 referring to approval of methodological norms applicable to the credit institutions on supervisory reporting of financial information on solo level according to the IFRS, FINREP templates for IFRS F01.00 - Balance Sheet Statement (Statement of Financial Position), F 01.01 - Balance Sheet Statement: assets.

Item (Bank)	As of 31 December 2023	As of 30 June 2024
Total assets (RON million)	83,625.7	93,300.6

Source: Internal data of the Bank

Information from FINREP reporting is used by NBR, among other data sources, in order to compare/analyse/present banking system data.

Total assets calculated based on FINREP methodology, CIR and NSFR have all been calculated consistently for the financial reporting framework included in this Prospectus, based on the accounting policies applied by the Issuer, and as such cannot be reconciled with any line item, subtotal or total shown in the Annual Financial Statements or the Interim Financial Information for the respective periods.

The Bank believes that the presentation of these APMs enhances an investor's understanding of the Issuer's financial performance. These APMs are not presented in accordance with IFRS and the Bank's use of them may vary from others in the Issuer's industry. These APMs have limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information as reported under IFRS.

## **USE OF PROCEEDS**

The Issuer intends to use the net proceeds from the issuance of the Notes for general corporate purposes (including for liquidity purposes) and fulfilling MREL requirements.

If, in respect of any particular issue, there exists a particular identified use of proceeds other than using the net proceeds for the above-mentioned reasons or an amount equivalent to the net proceeds, then this will be stated in the relevant Final Terms. In any case, the Issuer is free in the use of proceeds from each issue of Notes. This also applies in case of green, social, sustainable or other ESG bonds which are intended to serve the financing or refinancing of loans with positive environmental, social or governance impact as will be further specified in the Green Finance Framework.

## ISSUE PROCEDURES

### 1. General

The Issuer and the relevant Dealer(s) will agree on the terms and conditions applicable to each particular Tranche of the Notes (the "**Conditions**"). The Conditions of the relevant Notes will result from the choice of a set of Terms and Conditions (the "**Terms and Conditions**") (each such set of Terms and Conditions an "**Option**") as set forth below and from the provisions of the Final Terms, as set out and described in more detail below.

#### 1.1 Options for sets of Terms and Conditions

This Prospectus provides for various sets of Terms and Conditions. The Final Terms enable the Issuer to choose among the following Options:

- Option I – Terms and Conditions for Ordinary Senior Notes.
- Option II – Terms and Conditions for Subordinated Notes.
- Option III – Terms and Conditions for Eligible Notes.

#### 1.2 Documentation of the Conditions

The Issuer may document the Conditions of an individual issue of Notes in either of the following ways:

- The Final Terms shall determine by the choice of the set of Terms and Conditions (Option I, Option II or Option III) and the complete replication of all applicable selections and the completion of the relevant placeholders contained in the relevant set of Terms and Conditions, which Option and which selections shall be applicable to the individual issue of Notes. The replicated and completed provisions of the respective Option plus Part II of the Final Terms shall constitute the Conditions of the Notes, which will be attached to each Global Note representing the Notes.
- Alternatively, the Final Terms shall determine which set of Terms and Conditions (Option I, Option II or Option III) shall be applicable and which selections within the chosen Option are applicable to the individual issue by only referring to the specific sections of the relevant Option. The Final Terms will then specify that the provisions of Part I of the Form of Final Terms and the relevant Option, taken together with Part II of the Form of the Final Terms, shall constitute the Conditions. Each Global Note representing any Notes will have the Final Terms and the relevant set of Terms and Conditions as set out in this Prospectus attached.

#### 1.3 Choice of Options

The Final Terms shall determine in the first step which of Option I, Option II or Option III shall be applicable to the individual issue of Notes. Each of the sets of Terms and Conditions of Option I, Option II or Option III contains certain further sub-options (characterised by indicating the optional provision through instructions and explanatory notes set out in the square brackets within the text of the relevant Option) as well as placeholders (characterised by square brackets which include the relevant items) which, based on the features determined for the concrete issue, will be determined by the Final Terms as follows:

- Determination of selections

The Issuer will determine which selections will be applicable to the individual issue either by replicating the relevant provisions in the Final Terms or by reference of the Final Terms to the sections of the relevant Option. If the Final Terms do not replicate or refer to an alternative or optional provision the relevant provisions shall be deemed to be deleted from the Conditions.

- Completion of placeholders

The Final Terms will specify the information with which the placeholders in the relevant Option will be completed. In case of replication of the applicable provisions the placeholders will be



completed at the relevant place in the respective Option. In case the provisions of the Final Terms and the relevant Option, taken together, shall constitute the Conditions, the relevant Option shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the placeholders of such provisions.

In that case, all instructions and explanatory notes and text set out in square brackets and not chosen in the relevant Option and any footnotes and explanatory text in the Final Terms will be deemed to be deleted from the Conditions.

- Deletion of Options and placeholders in the Final Terms

When preparing the Final Terms the Issuer may, in the case that the Final Terms together with the relevant Option represent the Conditions, delete not chosen or filled in placeholders or, as the case may be, provisions that are not applicable for reasons of readability.

## TERMS AND CONDITIONS OF THE NOTES

The Terms and Conditions of the Notes (the "**Terms and Conditions**") are set forth below for three options:

- **Option I** comprises the set of Terms and Conditions that apply to Tranches of Ordinary Senior Notes.
- **Option II** comprises the set of Terms and Conditions that apply to Tranches of Subordinated Notes.
- **Option III** comprises the set of Terms and Conditions that apply to Tranches of Eligible Notes.

The set of Terms and Conditions for each of these Options contains certain further sub-options, which are characterised accordingly by indicating the respective optional provision through instructions and explanatory notes set out in square brackets within the Option.

In the Final Terms, the Issuer will determine which of Option I, Option II or Option III including certain further sub-options contained therein, shall apply with respect to an individual issue of Notes, either by replicating the relevant provisions or by referring to the relevant options.

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

***In case the options applicable to an individual issue are to be determined by referring in the Final Terms to the relevant options contained in the set of Terms and Conditions for Option I, Option II or Option III, insert:***

The provisions of these Terms and Conditions apply to the Notes as completed by the terms of the final terms which are attached hereto (the "**Final Terms**"). The blanks in the provisions of these Terms and Conditions which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions; alternative or optional provisions of these Terms and Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Terms and Conditions; and all provisions of these Terms and Conditions which are inapplicable to the Notes (including instructions, explanatory notes and text set out in square brackets) shall be deemed to be deleted from these Terms and Conditions, as required to give effect to the terms of the Final Terms. Copies of the Final Terms may be obtained by Holders upon written request free of charge, either electronically or at the specified office of the Fiscal Agent and at the registered office of the Issuer subject to the provisions of proof of holding the Notes in a form satisfactory to the Fiscal Agent or the Issuer as the case may be.

## TERMS AND CONDITIONS FOR ORDINARY SENIOR NOTES

### OPTION I - TERMS AND CONDITIONS FOR ORDINARY SENIOR NOTES

#### § 1 Definitions

"**Business Day**" means any day (other than a Saturday or a Sunday) on which the Clearing System is operational [*if the Specified Currency is EUR or if T2 is needed for other reasons, insert:* as well as the real-time gross settlement system operated by the Eurosystem, or any successor system (T2)] [*if the Specified Currency is not EUR or if needed for other reasons, insert:* and commercial banks are open for business in and foreign exchange markets settle payments in [*insert all relevant financial centres*]].

"**Clearing System**" means [each of] [Clearstream Banking S.A., Luxembourg, ("**CBL**") [and] [Euroclear Bank SA/NV, as operator of the Euroclear System ("**Euroclear**")]] [[CBL and Euroclear are each an][the] "**ICSD**" (International Central Securities Depository) [and together the "**ICSDs**")] [and] [Depozitarul Central SA as clearing system for the Notes listed at Bucharest Stock Exchange].

"**Conditions**" means these terms and conditions of the Notes as completed.

*[If Reference Interest Rate is applicable, insert:*

"**Screen Page**" means [REUTERS Screen Page [EURIBOR01] [ROBOR=]] [**insert Screen Page and additional information if necessary**] or each successor page.]

*[If Reference Swap Rate is applicable, insert:*

"**Screen Page**" means [•]]

"**Holder**" means any holder of a co-ownership interest or other beneficial interest or right in the Notes.

*[If Reference Rate is applicable, insert:*

"**Reference Rate**" means a value, [which] [the performance of which] determines [the amount of a/the] [floating interest rate(s)] [and][or] [the Redemption Amount][and][or][if any interest will be paid for a certain interest period][and] [or] [the maturity of the Notes][**insert any other legal consequence**].]

*[If the Reference Rate is an Interest Rate, insert:*

"**Reference Interest Rate**" means the offered quotation for the [number]-month [EURIBOR] [ROBOR] [€STR] [**insert other reference interest rate**] which appears on the Screen Page as of [11.00 a.m.] [**insert other relevant time**] ([**insert relevant time zone**]) on the [Interest Determination Date] [**determine other day**].]

*[For €STR, insert:*

"**€STR**" means, in respect of any Business Day, a reference rate equal to the daily euro short-term rate for such Business Day as provided by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank currently at <http://www.ecb.europa.eu>, or any successor website officially designated by the European Central Bank (the "**ECB's Website**") in each case, on or before 9:00 a.m., (Central European Time) on the Business Day immediately following such Business Day.

Notwithstanding the paragraph above, in the event the European Central Bank publishes guidance as to (i) how €STR is to be determined or (ii) any rate that is to replace €STR, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine €STR for the purpose of the Notes for so long as €STR is not available or has not been published by the authorised distributors.

In the event that the Interest Rate cannot be determined in accordance with the foregoing provisions, the Interest Rate shall be (i) that determined as at the last preceding Interest Determination Date or (ii) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to such Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date.]

***[For EURIBOR or any other Reference Interest Rate other than a compounded daily overnight reference rate, insert:***

If – other than in case of a Discontinuation Event (as defined below) – the Screen Page is not available or if no such quotation appears as at such time, the Issuer shall request each of the Reference Banks (as defined below) to provide its offered quotation (expressed as a percentage rate [*per annum*] [**insert other period**]) for the Reference Interest Rate at approximately [11.00 a.m.] [**insert relevant time**] (**insert relevant time zone**) on the [Interest Determination Date] [**determine other day**] and the Issuer shall notify the Calculation Agent of all the quotations received by it. If two or more of the Reference Banks provide such offered quotations, the Reference Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one [thousandth] [ten-thousandth] [hundred-thousandth][**insert other rounding rules**] of a percentage point, with [0.0005][0.00005] [0.000005][**insert other rounding rules**] being rounded upwards) of such offered quotations[, however at least 0.00% *per annum*], all as determined by the Calculation Agent.

If on any [Interest Determination Date] [**determine other day**] only one or none of the Reference Banks provides the Issuer with such offered quotations as provided in the preceding paragraph, the Reference Interest Rate for the relevant Interest Period shall be the rate [*per annum*] [**insert other time period**] which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one [thousandth] [ten-thousandth] [hundred-thousandth] [**insert other rounding rules**] of a percentage point, with [0.0005][0.00005] [0.000005][**insert other rounding rules**] being rounded upwards) of the rates, as communicated to the Issuer at the request of the Issuer (and notified to the Calculation Agent) by the Reference Banks or any two or more of them, at which such banks were offered, as at [11.00 a.m.][**insert relevant time**] (**insert relevant time zone**) on the relevant [Interest Determination Date] [**determine other day**], deposits in the Specified Currency for the relevant Interest Period by leading banks in the [**insert financial centre**] interbank market [in the Euro-Zone] [, however at least 0.00% *per annum*].

If the Reference Interest Rate cannot be determined in accordance with the foregoing provisions the Issuer will determine the Reference Interest Rate for the relevant Interest Period at its equitable discretion according to § 317 of the German Civil Code (*Bürgerliches Gesetzbuch*) ("**BGB**") and also having regard to the operational requirements of the Calculation Agent. The Issuer shall notify the Calculation Agent of any determination made by it under these Conditions.

"**Reference Banks**" means the offices of not less than [four] [**insert other number**] major banks in the [relevant] [**insert relevant financial centre**] interbank market [in the Euro-Zone] selected by the Issuer.].

*Reference Interest Rate replacement in case of a Discontinuation Event.* If (i) a public statement or information has been published by the competent administrator of the Reference Interest Rate to the effect that the Reference Interest Rate has ceased to be representative or is no longer an industry-accepted rate for debt market instruments such as the Notes, or comparable instruments, (ii) a public statement or information has been published to the effect that the administrator of the Reference Interest Rate commences the orderly wind-down of the Reference Interest Rate or ceases the calculation and publication of the Reference Interest Rate permanently or indefinitely, provided that, at the time of the publication of such statement or information, there is no successor administrator that will continue to provide the Reference Interest Rate (iii) the administrator of the Reference Interest Rate becomes insolvent or an insolvency, a bankruptcy, restructuring or similar proceedings (affecting the administrator) is commenced by the administrator or its supervisory or regulatory authority, (iv) the competent authority for the administrator of the Reference Interest Rate withdraws or suspends the authorisation pursuant to Article 35 of Regulation (EU) 2016/1011 (as amended, the "**Benchmarks Regulation**") or the recognition pursuant to Article 32(8) of the Benchmarks Regulation or requires the cessation of the endorsement pursuant to Article 33(6) of the Benchmarks Regulation, provided that, at the time of the withdrawal or suspension or the cessation of endorsement, there is no successor administrator that continues to provide the Reference Interest Rate and its administrator commences the orderly wind-down of the Reference Interest Rate or ceases to provide the Reference Interest Rate or certain maturities or certain currencies for which the Reference Interest Rate is calculated permanently or indefinitely; or (v) the Reference Interest Rate is otherwise discontinued or it becomes unlawful for the Issuer or the Calculation Agent to use the Reference Interest Rate for any other reason (each of the events in (i) through (v) a "**Discontinuation Event**"), the Reference Interest Rate shall be replaced, on [the] [each] [relevant Interest Determination Date] [**determine other day**], by a rate determined or procured, as the case may be, by the Issuer (the "**Successor Reference Interest Rate**") according to the following paragraphs in the order of (I)-(III):

- (I) The Reference Interest Rate shall be replaced with the reference rate, which is determined by any applicable law or regulation or announced by the administrator of the Reference Interest Rate, the

competent central bank or a regulatory or supervisory authority as the successor rate for the Reference Interest Rate and the source of which is accessible to the Calculation Agent. The Issuer shall thereafter inform the Calculation Agent at the latest 10 days prior to the [Interest Determination Date] [**determine other day**] and, subsequently the Holders of the Notes in accordance with § 14. If, on any previous [Interest Determination Date] [**determine other day**], the Successor Reference Interest Rate was also determined in accordance with the provisions of paragraph (I), no other publication obligations will apply for the Issuer in connection with such Successor Reference Rate or any adjustments or changes made in relation thereto or relating to the determination of the [Rate of Interest] [or] [the] [Interest Amount][**determine other rate or amount**] as set out below;

- (II) An Independent Adviser will in its reasonable discretion (*billiges Ermessen*) choose a successor reference rate that is most comparable to the Reference Interest Rate, provided that if the Independent Adviser determines that there is an industry accepted reference rate as being most comparable to the Reference Interest Rate, then the Independent Adviser will use such reference rate as successor reference rate (the "**Successor Reference Rate**") and determine which screen page or source shall be used in connection with such Successor Reference Rate (the "**Successor Screen Page**"). Provided that such Successor Screen Page is accessible to the Calculation Agent, any reference to the Screen Page herein shall from the date of the determination of the Successor Reference Rate on be read as a reference to the Successor Screen Page and the provisions of this paragraph shall apply *mutatis mutandis*. The Independent Adviser will notify the Issuer and the Calculation Agent at the latest 10 days prior to the [Interest Determination Date] [**determine other day**] about such determinations. The Issuer shall thereafter inform the Holders of the Notes in accordance with § 14.

Further and in addition to any replacement of the Reference Interest Rate with a Successor Reference Interest Rate in accordance with the above paragraphs (I) or (II) the Issuer (acting in good faith and in a commercially reasonable manner) may specify (i) an interest adjustment factor or fraction or spread (to be added or subtracted) which shall be applied to the Successor Reference Interest Rate, for the purpose of achieving a result which is consistent with the economic substance of the Reference Interest Rate before the Discontinuation Event occurred, and (ii) any further changes necessary for determining the [Rate of Interest and calculating the Interest Amount][**determine other rate/amount**] in order to follow market practice in relation to the Successor Reference Interest Rate [(such as the Day Count Fraction, the Business Day Convention, Business Days, the Interest Determination Dates, the method of calculating the Interest Amount)]. Thereafter, the Issuer shall inform the Calculation Agent at the latest 10 days prior to the [Interest Determination Date] [**determine other day**] and, subsequently the Holders of the Notes in accordance with § 14 (other than in the case set out in paragraph (I) above).

- (III) If the source of the successor rate for the Reference Interest Rate determined in accordance with the above paragraph (I) or the Successor Screen Page determined in accordance with the above paragraph (II) is not accessible to the Calculation Agent or if the Independent Adviser fails to determine the Successor Reference Rate at the latest 10 days prior to the [Interest Determination Date] [**determine other day**] and to notify the Calculation Agent or in the event that the Issuer, having used reasonable endeavours, fails to appoint an Independent Adviser or the period to determine a Successor Reference Interest Rate according to the provisions above was not sufficient, the Issuer will decide in its reasonable discretion (*billiges Ermessen*) and not less than 3 Business Days prior to the [Interest Determination Date] [**determine other day**] relating to the [next succeeding Interest Period] [**determine other event / day**] (the "**Procedures Determination Date**):

[(a)] that the Reference Interest Rate shall be the offered quotation for the Reference Interest Rate which appeared on the Screen Page on the last day preceding the relevant [Interest Determination Date] [**determine other day**] on which such quotations were offered and shall thereafter inform the Holders of the Notes in accordance with § 14[.]; or

(b) to redeem the Notes in whole but not in part, by giving not less than 20 days' notice in accordance with § 14, at the [Final Redemption Amount][Early Redemption Amount] (as defined below pursuant to § 6), together with interest (if any) accrued to (but excluding) the date fixed for such early redemption.

Such notice of redemption shall specify:

- (i) the Series of Notes subject to redemption;

- (ii) the date determined for redemption, which shall be the second [Coupon Date][Interest Payment Date] following the Procedures Determination Date; and
- (iii) the [Final Redemption Amount][Early Redemption Amount].

If the Issuer elects to redeem the Notes, the [Rate of Interest][Reference Interest Rate] applicable from the last [Coupon Date] [Interest Payment Date] **determine other day** prior to the redemption date until (but excluding) the redemption date shall be the [Rate of Interest] [Reference Interest Rate] applicable to the immediately preceding Interest Period.]]

**"Independent Adviser"** means an independent financial institution of international standing or an independent financial adviser with relevant expertise appointed by the Issuer at its own expense.]

*[If the Reference Rate is a Swap Rate insert:*

**"Reference Swap Rate"** is [[insert number of years/months] [year][months] [insert relevant currency] Swap Rate and means [[•] / insert definition /Screen Page].]

If the Reference Swap Rate is not displayed on the Screen Page on the Interest Adjustment Determination Date, the Reference Swap Rate is equal to the Reset Reference Bank Rate (as defined below) on that Interest Adjustment Determination Date.

**"Reset Reference Bank Rate"** means the percentage rate determined by the Calculation Agent on the basis of the Reference Swap Rate Quotations (as defined below) provided by [five] [insert other number] leading swap dealers in the interbank market (the **"Reset Reference Banks"**) at the request of the Issuer at approximately [insert time] ([insert time zone]), on the Interest Adjustment Determination Date and notified to the Calculation Agent by the Issuer. If at least [three] [insert other number] quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reset Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the applicable Reset Reference Bank Rate shall be equal to the last Reference Swap Rate available on the Screen Page as determined by the Calculation Agent.

**"Reference Swap Rate Quotation"** means the arithmetic mean of the bid and offered rates for the fixed leg (calculated on the basis of the Day Count Fraction) of a [insert reference swap rate] which (i) has a term of [insert number of [years][months]] commencing on the Interest Adjustment Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledgement dealer of good credit in the swap market and (iii) has a floating interest based on the [insert reference interest rate] (calculated on the basis of the Day Count Fraction).

*Reference Swap Rate replacement in case of a Discontinuation Event.* If (i) a public statement or information has been published by the competent administrator of the Reference Swap Rate to the effect that the Reference Swap Rate has ceased to be representative or is no longer an industry-accepted rate for debt market instruments such as the Notes, or comparable instruments, (ii) a public statement or information has been published to the effect that the administrator of the Reference Swap Rate commences the orderly wind-down of the Reference Swap Rate or ceases the calculation and publication of the Reference Swap Rate permanently or indefinitely, provided that, at the time of the publication of such statement or information, there is no successor administrator that will continue to provide the Reference Swap Rate (iii) the administrator of the Reference Swap Rate becomes insolvent or an insolvency, a bankruptcy, restructuring or similar proceedings (affecting the administrator) is commenced by the administrator or its supervisory or regulatory authority, (iv) the competent authority for the administrator of the Reference Swap Rate withdraws or suspends the authorisation pursuant to Article 35 of Regulation (EU) 2016/1011 (as amended, the **"Benchmarks Regulation"**) or the recognition pursuant to Article 32(8) of the Benchmarks Regulation or requires the cessation of the endorsement pursuant to Article 33(6) of the Benchmarks Regulation, provided that, at the time of the withdrawal or suspension or the cessation of endorsement, there is no successor administrator that continues to provide the Reference Swap Rate and its administrator commences the orderly wind-down of the Reference Swap Rate or ceases to provide the Reference Swap Rate or certain maturities or certain currencies for which the Reference Swap Rate is calculated permanently or indefinitely; or (v) the Reference Swap Rate is otherwise discontinued or it becomes unlawful for the Issuer or the Calculation Agent to use the Reference Swap Rate for any other reason (each of the events in (i) through (v) a **"Discontinuation Event"**), the Reference Swap Rate shall be replaced, on [the] [each] [relevant Interest Determination Date]

[*determine other day*], by a rate determined or procured, as the case may be, by the Issuer (the "**Successor Quotation Rate**") according to the following paragraphs in the order of (I)-(III):

- (I) The Reference Swap Rate shall be replaced with the reference rate, which is determined by any applicable law or regulation or announced by the administrator of the Reference Swap Rate, the competent central bank or a regulatory or supervisory authority as the successor rate for the Reference Swap Rate and the source of which is accessible to the Calculation Agent. The Issuer shall thereafter inform the Calculation Agent at the latest 10 days prior to the [Interest Determination Date] [*determine other day*] and, subsequently the Holders of the Notes in accordance with § 14. If, on any previous [Interest Determination Date] [*determine other day*], the Successor Quotation Rate was also determined in accordance with the provisions of paragraph (I), no other publication obligations will apply for the Issuer in connection with such Successor Quotation Rate or any adjustments or changes made in relation thereto or relating to the determination of the [Rate of Interest] [or] [Interest Amount][*determine other rate or amount*] as set out below;
- (II) An Independent Adviser will in its reasonable discretion (*billiges Ermessen*) choose a successor reference rate that is most comparable to the Reference Swap Rate, provided that if the Independent Adviser determines that there is an industry accepted reference rate as being most comparable to the Reference Swap Rate, then the Independent Adviser will use such reference rate as successor reference rate (the "**Successor Reference Rate**") and determine which screen page or source shall be used in connection with such Successor Reference Rate (the "**Successor Screen Page**"). Provided that such Successor Screen Page is accessible to the Calculation Agent, any reference to the Screen Page herein shall from the date of the determination of the Successor Reference Rate on be read as a reference to the Successor Screen Page and the provisions of this paragraph shall apply *mutatis mutandis*. The Independent Adviser will notify the Issuer and the Calculation Agent at the latest 10 days prior to the [Interest Determination Date] [*determine other day*] about such determinations. The Issuer shall thereafter inform the Holders of the Notes in accordance with § 14.

Further and in addition to any replacement of the Reference Swap Rate with a Successor Quotation Rate in accordance with the above paragraphs (I) or (II) the Issuer (acting in good faith and in a commercially reasonable manner) may specify (i) an interest adjustment factor or fraction or spread (to be added or subtracted) which shall be applied to the Successor Quotation Rate, for the purpose of achieving a result which is consistent with the economic substance of the Reference Swap Rate before the Discontinuation Event occurred, and (ii) any further changes necessary for determining the [Rate of Interest and calculating the Interest Amount][*determine other rate/amount*] in order to follow market practice in relation to the Successor Quotation Rate (such as the Day Count Fraction, the Business Day Convention, Business Days, the Interest Determination Dates, the method of calculating the Interest Amount). Thereafter, the Issuer shall inform the Calculation Agent at the latest 10 days prior to the [Interest Determination Date] [*determine other day*] and, subsequently the Holders of the Notes in accordance with § 14 (other than in the case set out in paragraph (I) above).

- (III) If the source of the successor rate for the Reference Swap Rate determined in accordance with the above paragraph (I) or the Successor Screen Page determined in accordance with the above paragraph (II) is not accessible to the Calculation Agent or if the Independent Adviser fails to determine the Successor Reference Rate at the latest 10 days prior to the [Interest Determination Date] [*determine other day*] and to notify the Calculation Agent or in the event that the Issuer, having used reasonable endeavours, fails to appoint an Independent Adviser or the period to determine a Successor Quotation Rate according to the provisions above was not sufficient, the Issuer will decide in its reasonable discretion (*billiges Ermessen*) and not less than 3 Business Days prior to the [Interest Determination Date] [*determine other day*] relating to the [next succeeding Interest Period][*determine other event / day*] (the "**Procedures Determination Date**"):

- (a) that the Reference Swap Rate shall be the Reference Swap Rate which appeared on the Screen Page on the last day preceding the relevant [Interest Determination Date] [*determine other day*] on which such quotations were offered and shall thereafter inform the Holders of the Notes in accordance with § 14[.] [; or
- (b) to redeem the Notes in whole but not in part, by giving not less than 20 days' notice in accordance with § 14, at the [Final Redemption Amount][Early Redemption Amount] (as defined below pursuant to § 6), together with interest (if any) accrued to (but excluding) the date fixed for such early redemption.

Such notice of redemption shall specify:

- (i) the Series of Notes subject to redemption;
- (ii) the date determined for redemption, which shall be the second [Coupon Date][Interest Payment Date] following the Procedures Determination Date; and
- (iii) the [Final Redemption Amount][Early Redemption Amount].

If the Issuer elects to redeem the Notes, the Reference Swap Rate applicable from the last [Coupon Date] [Interest Payment Date] [**determine other day**] prior to the redemption date until (but excluding) the redemption date shall be the Reference Swap Rate applicable to the immediately preceding Interest Period.]]

**"Independent Adviser"** means an independent financial institution of international standing or an independent financial adviser with relevant expertise appointed by the Issuer at its own expense.]

**["Interest Determination Date"** means the [[second] [**insert other applicable number of days**] Business Day prior to the [commencement] [end] of the relevant Interest Period.] [first day of the relevant Interest Period.] [[•] Business Day prior to [the expiry] [the Coupon Date] of the relevant Interest Period.]]

## § 2 Currency, Denomination, Issue Date, Form, Custody

(1) *Currency – Denomination – Issue Date.* This Series of notes (the "**Notes**") of CEC Bank S.A. (the "**Issuer**") is being issued on [insert Issue Date] (the "**Issue Date**") in [insert Specified Currency] (the "**Specified Currency**") in the aggregate principal amount of [aggregate principal amount] (in words: [aggregate principal amount in words]) in the denomination of [insert Specified Denomination<sup>1</sup>] (the "**Specified Denomination**").

(2) *Form.*

(a) The Notes are being issued in bearer form.

*[In the case of Notes which are represented by a Permanent Global Note, insert:*

(b) *Permanent Global Note.* The Notes are represented by a permanent global note (the "**Permanent Global Note**" or the "**Global Note**") without coupons. The Permanent Global Note shall be signed by two duly authorised signatories of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.]

*[In the case of Notes which are initially represented by a Temporary Global Note to be exchanged for a Permanent Global Note, insert:*

(b) *Temporary Global Note – Exchange – Permanent Global Note.*

(i) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination represented by a permanent global note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**" and, each a "**Global Note**") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by two duly authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.

(ii) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date not earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding

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<sup>1</sup> Minimum denomination of the Notes will be EUR 100,000 or, if in any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of EUR 100,000.



Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40<sup>th</sup> day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 2(2). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States. For purposes of this subparagraph, "United States" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).]

- (3) *Custody.* The Global Note will be kept in safe keeping by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied.

**[In the case that the Global Note is an NGN, insert:** The Notes are issued in New Global Note form and are kept in safe keeping by a common safekeeper on behalf of both ICSDs.

The aggregate principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of the Notes represented by the Global Note and, for these purposes, a statement issued by ICSD stating the principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time. For technical procedure of the ICSDs, in the case of a partial early redemption of the Notes the outstanding redemption amount will be reflected in the records of the ICSDs as either a nominal reduction or as a pool factor, at the discretion of the ICSDs.

On any redemption in respect of, or purchase by or on behalf of the Issuer and cancellation of, any of the Notes represented by the Global Note details of such redemption or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in the records of the ICSDs.]

**[In the case that the Global Note is a CGN, insert:** The Notes are issued in Classical Global Note form and are kept in safe keeping by a common depository on behalf of both ICSDs.]

### § 3 Status

*Status Ordinary Senior Notes.* The obligations under the Notes constitute direct, unsecured and unsubordinated obligations of the Issuer ranking in the event of normal insolvency proceedings (bankruptcy proceedings) (*falliment*) or liquidation (*liquidare*) of the Issuer *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated instruments or obligations of the Issuer except for any instruments or obligations preferred by law.

### § 4 Interest

**[In case of Fixed Rate Notes, insert:**

- (1) *Rate of Interest, Interest Period*[s].

- (a) The Notes shall bear interest in arrear based on their principal amount during the Interest Period[s] from (and including) [insert interest commencement date] (the "**Interest Commencement Date**") to (but excluding) the [*in case of no adjustment of Interest Period, insert:* [last] Coupon Date] [*in case of an adjustment of Interest Period, insert:* Maturity Date (as defined in § 6(1))].

"**Interest Period**" means the period from (and including) the Interest Commencement Date to (but excluding) the [*in case of no adjustment of Interest Period, insert:* [first] Coupon Date] [*in case of an adjustment of Interest Period, insert:* [first] Interest Payment Date][Maturity Date] [and thereafter from (and including) each [*in case of no adjustment of Interest Period, insert:* Coupon Date] [*in case of an adjustment of Interest Period, insert:* Interest Payment Date] to (but each excluding) [*in case of no adjustment of Interest Period, insert:* the next following

Coupon Date or last Coupon Date] *[in case of an adjustment of Interest Period, insert: next following Interest Payment Date or the Maturity Date]*].

The Interest Period[s] will be [un]adjusted.

- (b) The rate of interest is **[insert Rate of Interest]** % *per annum*.
- (2) *Coupon Date[s], Interest Payment Date[s]*. Interest shall be payable [annually] [semi-annually] [quarterly] in arrear. [Coupon Dates are [in each case] on **[insert Coupon Date(s)]** in each year (each such date a "Coupon Date").] [Coupon Date is on **[insert Coupon Date]** (the "Coupon Date").]

[The first Coupon Date shall be on **[insert first Coupon Date]**. The last Coupon Date shall be on **[insert last Coupon Date]**.]

Interest on the Notes shall be payable on [the] [each] [Interest Payment Date] [Coupon Date].

"**Interest Payment Date**" means subject to § 5[(6)] (Business Day Convention) such Business Day, on which the interest is in fact due and payable.

*[In the case of short/long Interest Periods, insert: The [first] [last] Interest Period is [shortened] [extended]. The [first Coupon Date is: [•]] [last Coupon Date is: [•]].]*

- (3) *Calculation of Interest for Partial Periods*. If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).]

*[In case of Floating Rate Notes, insert:*

- (1) *Interest Period[s], Coupon Date[s], Interest Payment Date[s]*.

- (a) *Interest Period[s]*. The Notes shall bear interest in arrear based on their principal amount during the Interest Period[s] from (and including) **[insert Interest Commencement Date]** (the "**Interest Commencement Date**") to (but excluding) the *[in case of no adjustment of Interest Period, insert: [last] Coupon Date]* *[in case of an adjustment of Interest Period, insert: Maturity Date (as defined in § 6(1))]*.

"**Interest Period**" means the period from (and including) the Interest Commencement Date to (but excluding) the *[in case of no adjustment of Interest Period, insert: [first] Coupon Date]* *[in case of an adjustment of Interest Period, insert: [first] Interest Payment Date]* [Maturity Date] [and thereafter from (and including) each *[in case of no adjustment of Interest Period, insert: Coupon Date]* *[in case of an adjustment of Interest Period, insert: Interest Payment Date]* to (but each excluding) *[in case of no adjustment of Interest Period, insert: the next following Coupon Date or last Coupon Date]* *[in case of an adjustment of Interest Period, insert: the next following Interest Payment Date or the Maturity Date]*].

The Interest Period[s] will be [un]adjusted.

- (b) *Coupon Date[s], Interest Payment Date[s]*. Interest shall be payable [annually] [semi-annually] [quarterly] in arrear. [Coupon Dates are [in each case] on **[insert Coupon Date(s)]** [in each year] (each such date a "Coupon Date").] [Coupon Date is on **[insert Coupon Date]** (the "Coupon Date").]

[The first Coupon Date shall be on **[insert first Coupon Date]**. The last Coupon Date shall be on **[insert last Coupon Date]**.]

Interest on the Notes shall be payable on [the] [each] [Interest Payment Date] [Coupon Date].

"**Interest Payment Date**" means subject to § 5[(6)] (Business Day Convention) such Business Day, on which the interest is in fact due and payable.

*[In the case of short/long Interest Period, insert: The [first] [last] Interest Period is [shortened] [extended]. The [first Coupon Date is: **[insert first Coupon Date]** ("First Coupon Date")] [last Coupon Date is: **[insert last Coupon Date]** ("Last Coupon Date")].]*

**[In case the rate of interest shall be calculated on the basis of a Reference Interest Rate, insert:**

- (2) **Rate of Interest.** The rate of interest (the "**Rate of Interest**") for [the][each] Interest Period will be, except as provided below,

**[For EURIBOR or another Reference Interest Rate other than a compounded daily overnight reference rate, insert:**

the Reference Interest Rate [, however, should such Reference Interest Rate be below 0.00% *per annum*, a Reference Interest Rate of 0.00% *per annum* will be applied,] **[in case of multiplication with a factor, insert:**, multiplied by the [positive][negative] Factor [and subsequently]] **[in case of a Margin, insert:** [plus] [minus] the [relevant] Margin], all as determined by the Calculation Agent, expressed as a percentage rate [*per annum*] **[insert other time period].**

**[For Compounded Daily €STR or another compounded daily overnight reference rate, insert:**

the Compounded Daily **[insert relevant overnight reference rate]** calculated on a compounded basis for the relevant Interest Period in accordance with the formula below on the [Interest Determination Date] **[determine other day]** (as defined below) [, whereby a Compounded Daily **[insert relevant overnight reference rate]** of 0.00% *per annum* will be applied, should such Compounded Daily **[insert relevant overnight reference rate]** be below 0.00% *per annum*,] **[in case of multiplication with a factor, insert:**, multiplied by the [positive][negative] Factor [and subsequently]] **[in case of a Margin insert:** [plus] [minus] the [relevant] Margin], all as determined by the Calculation Agent, expressed as a percentage rate [*per annum*] **[insert other time period].**

The Compounded Daily **[insert relevant overnight reference rate]** means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Interest Rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant [Interest Determination Date] **[determine other day]** as follows, and the resulting percentage will be rounded, if necessary, to the [fifth] [●] decimal place, with [0.000005] [●]% being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{r_{i-PBD} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

"**Applicable Period**" means **[if the Observation Method is lag:** the Interest Period]**[if the Observation Method is observation shift:** the Observation Period].

"**BD**" means a Business Day.

"**D**" means **[insert the relevant number of days]** and represents the number of days in the year used for the calculation of the Rate of Interest.

"**d**" means, for the relevant Applicable Period, the number of calendar days in such Applicable Period.

"**d<sub>o</sub>**" means, for the relevant Applicable Period, the number of Business Days in such Applicable Period.

"**i**" means for the relevant Applicable Period, a series of whole numbers from one to "**d<sub>o</sub>**", each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Applicable Period.

"**n<sub>i</sub>**" for any Business Day "**i**" in the Applicable Period, means the number of calendar days from, and including, such Business Day "**i**" up to but excluding the following Business Day.

"**Observation Method**" means [lag][observation shift].

"**Observation Period**" means, in respect of the relevant Interest Period, the period from, and including, the date falling "**p**" Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "**p**" Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "**p**" Business Days prior to such earlier date, if any, on which the Notes become due and payable).

"p" means, for any Applicable Period, [insert number] Business Days (provided that "p" shall not be less than five Business Days without the prior written agreement of the Calculation Agent or, if no such number is specified five Business Days).

"r" means:

[where "[insert other compounded daily overnight reference rate]" is specified as the relevant overnight reference rate in respect of any Business Day, the [other compounded daily overnight reference rate] in respect of such Business Day.]

[where "€STR" is specified as the relevant overnight reference rate, in respect of any Business Day, the €STR in respect of such Business Day.]

" $r_{(i-pBD)}$ " means the applicable Reference Rate as set out in the definition of "r" above for, [where lag is specified as the *Observation Method*: the Business Day (being a Business Day falling in the relevant Observation Period) falling "p" Business Days prior to the relevant Business Day "i"]. [otherwise: the relevant Business Day "i".]

*[In the case of short/long first Interest Period and if interpolation is applicable, insert:*

(This shall not apply for the Interest Period which ends with the First Coupon Date (the "**Interpolated Interest Period**"), for which the relevant reference interest rate will be the linear interpolation between the available reference interest rate with the next shorter term than the term of the Interpolated Interest Period and the available reference interest rate with the next longer term than the term of the Interpolated Interest Period. Provided, however, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall calculation the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner, determines appropriate.)]

*[In the case of short/long last Interest Period and if interpolation is applicable, insert:*

(This shall not apply for the Interest Period which ends with the Last Coupon Date (the "**Interpolated Interest Period**"), for which the relevant reference interest rate will be the linear interpolation between the available reference interest rate with the next shorter term than the term of the Interpolated Interest Period and the available reference interest rate with the next longer term than the term of the Interpolated Interest Period. Provided, however, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall calculation the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner, determines appropriate.)]

"**Factor**" means a positive or negative number and has been determined [for the [first] [•] Interest Period] as [+][-] [insert number] [insert further].]

"**Margin**" means [for the [first] [•] Interest Period] [•] [for the [•] Interest Period] [•] [insert further].]

[(3)] *Interest Amount.* The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable on the Notes for the relevant Interest Period. The relevant Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to [the outstanding aggregate principal amount of the Notes] [the Specified Denomination] and rounding the resultant figure to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

[(4)] *Notification of Rate of Interest and Interest Amount.*

*[In case of interest determination in advance, insert:*

The Calculation Agent will cause the Rate of Interest[, the Interest Amount] for each Interest Period, [and] each Interest Period [and the relevant Interest Payment Date]

- (i) to be notified to the Issuer, the Clearing System, the Paying Agent and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than the [[second] [●] Business Day prior to the commencement of the relevant Interest Period] [first day of the relevant Interest Period] [insert other date], and
- (ii) to be notified to the Holders without delay in accordance with § 14 (Notices / [No] Stock Exchange Listing) hereof.

[Publications of information relating to the interest determination pursuant to the rules and regulations of the stock exchange on which the Notes are listed will be made to the extent provided for by such rules.]

Each Interest Amount and each Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, the Clearing System, the Paying Agent and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange and to the Holders as soon as possible in accordance with § 14 (Notices / [No] Stock Exchange Listing).]

**[In case of interest determination in arrear, insert:**

The Calculation Agent will cause the Rate of Interest[, the Interest Amount for each Interest Period,] [and] each Interest Period [and the relevant Interest Payment Date]

- (i) [to be notified to the Issuer, the Clearing System, the Paying Agent and if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than the [[●] Business Day prior to the expiry of the relevant Interest Period] [[the second] [●] Business Day prior to the [Coupon Date] [Interest Payment Date] of the [relevant] Interest Period] [insert other date], and]
- [(i) to be notified to the Issuer, the Clearing System, the Paying Agent and if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange on the day which is two (2) Business Days after the end of the [Interest Determination Date] [specify other date], and]
- (ii) to be notified to the Holders without delay in accordance with § 14 (Notices / [No] Stock Exchange Listing) hereof.

[Publications of information relating to the interest determination pursuant to the rules and regulations of the stock exchange on which the Notes are listed will be made to the extent provided for by such rules.]

**[In case of Zero Coupon Notes, insert:**

- (1) *No Periodic Payments of Interest.* There will not be any periodic payments of interest on the Notes. The Amortisation Yield[s] [is][are] [insert Amortisation Yield].

**[In the case of different Amortisation Yields for individual Interest Periods, set forth applicable provisions (including fallback provisions) herein]]**

- [(5)] *Accrual of Interest and Default Interest.* If the Issuer fails to redeem the Notes when due, interest shall accrue on the Final Redemption Amount of the Notes from (and including) the due date to (but excluding) the date of actual redemption of the Notes at the default rate of interest established by law.<sup>1</sup>
- [(6)] *Day Count Fraction.* "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

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<sup>1</sup> According to paragraphs 288(1) and 247 of the German Civil Code (*Bürgerliches Gesetzbuch*) ("**BGB**"), the default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank semi-annually.

**[If Actual/Actual (ICMA Rule 251) is applicable, insert:**

The Calculation Period will be calculated on the following basis:

- (a) if the Calculation Period is equal to or shorter than the Determination Period (as defined below) during which it falls (including in the case of short coupons), the Calculation Period will be the number of days in the Calculation Period divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and
- (b) if the Calculation Period is longer than one Determination Period (long coupon), the Calculation Period will be the sum of:
  - (i) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and
  - (ii) the number of days in such Calculation Period falling in the next Determination Period divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year].

Where:

**"Determination Period"** means the period from and including [insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)] in any year to but excluding the next [insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)] (Actual/Actual (ICMA Rule 251)).]

**[If Actual/Actual (ISDA), insert:**

the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365) (Actual/Actual (ISDA)).]

**[If Actual/365 (Fixed), insert:**

the actual number of days in the Calculation Period divided by 365. (Actual/365 (Fixed)).]

**[If Actual/360, insert:**

the actual number of days in the Calculation Period divided by 360 (Actual/360).]

**[If 30/360 or Bond Basis, insert:**

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

**[If 30E/360 or Eurobond Basis, insert:**

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

**[If 360/360, insert:**

the number of days in the Calculation Period divided by 360, calculated on the basis of a year of 360 days with twelve 30-day months **(360/360).**]

## **§ 5 Payments**

- (1) (a) *Payment of Principal.* Payment of principal, and any Additional Amounts, in respect of the Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

**[In the case of Notes other than Zero Coupon Notes, insert:**

- (b) *Payment of Interest.* Payment of interest on the Notes and any Additional Amounts shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System.]

**[In the case of Notes other than Zero Coupon Notes which are initially represented by a Temporary Global Note to be exchanged for a Permanent Global Note, insert:** Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 2(2)(b).]

**[In the case Payment Reference Date is applicable, insert:**

- (2) *Payment Reference Date.* Payments of amounts due in respect of the Notes shall be made to the Holders shown in the holders' registry at the close of business (in the relevant Clearing System) on the [•] Business Day before the due date for such payment (the "**Payment Reference Date**").]

- [(3)] *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency.

**[In the case of Notes not denominated in Euro, insert:**

If the Issuer determines that the amount payable on the respective Payment Business Day is not available to it in such freely negotiable and convertible funds for reasons beyond its control or that the Specified Currency or any successor currency to it provided for by law (the "**Successor Currency**") is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payment in Euro on, or as soon as reasonably practicable after, the respective Payment Business Day on the basis of the Applicable Exchange Rate. Holders shall not be entitled to [further] interest or any other payment as a result thereof. The "**Applicable Exchange Rate**" shall be, (i) if available, the Euro foreign exchange reference rate for the Specified Currency or the Successor Currency determined and published by the European Central Bank for the most recent practicable date falling within a reasonable period (as determined by the Issuer in its equitable discretion) prior to the day on which the payment is made or, (ii) if such rate is not available, the foreign exchange rate of the Specified Currency or the Successor Currency against the Euro as determined by the Issuer in its equitable discretion.]

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

- [(5)] *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day, then the Holder, subject to subparagraph (6) shall not be entitled to payment until the next such day in the relevant place. Irrespective of the provisions regarding the Interest Period, the Holder shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Business Day**" means any day which is a Business Day.

- [(6)] *Business Day Convention.* If the date for payment of any amount in respect of any Notes would fall on a day which is not a Business Day, payment of such amount shall be

**[if Following Business Day Convention, insert:** postponed to the next day which is a Business Day.]

**[if Modified Following Business Day Convention, insert:** postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Business Day.]

**[if Preceding Business Day Convention, insert:** the immediately preceding Business Day.]

**[if FRN Convention, insert:** postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the Interest Payment Date shall be the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls [[insert number] months] [insert other specified periods] after the preceding applicable Interest Payment Date.]]

## § 6 Redemption

(1) *Redemption at Maturity.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on [*in case of a specified Maturity Date insert such Maturity Date*] [*in case of a Redemption Month insert:* the Interest Payment Date falling in [insert Redemption Month and Redemption Year]] (the "Maturity Date").

(2) *Final Redemption Amount.*

**[If the Notes are redeemed on the Maturity Date at their principal amount, insert:**

The final redemption amount in respect of each Note shall be equal to its principal amount (the "**Final Redemption Amount**").]

**[If the Notes are redeemed on the Maturity Date at an amount other than the principal amount, insert:**

The final redemption amount in respect of each Note shall be [insert currency] [insert amount greater than or equal to the principal amount] for each Note (the "**Final Redemption Amount**").]

**[If the Notes are subject to Early Redemption for Reasons of Taxation insert:**

(3) *Early Redemption for Reasons of Taxation.*

(a) The Notes may be declared repayable, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, pursuant to § 14 (Notices / [No] Stock Exchange Listing), to the Holders, at their Early Redemption Amount (as defined below) [*in case of Notes other than Zero Coupon Notes, insert:* together with interest (if any) accrued to (but excluding) the date fixed for redemption] if as a result of any change in, or amendment to, the laws or regulations of Romania or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations (including relevant court decisions), which amendment or change is effective on or after the date on which the last tranche of this Series of Notes was issued, the Issuer is required to pay Additional Amounts [*in case of Notes other than Zero Coupon Notes, insert:* on the immediately succeeding [Coupon Date] [Interest Payment Date] (as defined in § 4)] [*in case of Zero Coupon Notes, insert:* at maturity or upon the sale or exchange of any Note], and this obligation cannot be avoided by the use of reasonable measures available to the Issuer.

(b) However, such early redemption may not occur (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay Additional Amounts does not remain in effect. [*In case of Floating Rate Notes, insert:* The date fixed for early redemption must be [a Coupon Date] [an Interest Payment Date].]

(c) Any such notice for early redemption shall be given to the Fiscal Agent and, pursuant to § 14 (Notices / [No] Stock Exchange Listing), to the Holders. It shall be irrevocable and must specify the date fixed for redemption and the Early Redemption Amount.]



***[If Notes are subject to Early Redemption at the Option of the Issuer:***

***[(4)] Early Redemption at the Option of the Issuer.***

- (a) The Issuer may redeem the Notes in whole or in part, upon giving not more than [60][•] [Business Days]' [days]' nor less than [30][•] [Business Days]' [days]' notice in accordance with sub-paragraph [(g)], on the Call Redemption Date[s] at the Call Redemption Amount[s] set forth below together with accrued interest, if any, to (but excluding) the [respective] Call Redemption Date.
- (b) ***[If Notes are subject to Early Redemption at the Option of the Holder insert:*** The Issuer is not entitled to exercise such option in respect of any Note which is subject to the prior exercise of the Holder's option to redeem such Note pursuant to subparagraph [(5)] of this § 6.]
- (c) "Call Redemption Date[s]" means *[insert Call Redemption Date[s]]*.
- (d) "Call Redemption Amount[s]" means *[insert Call Redemption Amount[s] and corresponding Call Redemption Date[s]]*.

[Such a redemption has to be made [at least] [at most] in the amount of [•]% of the principal amount of the Notes.]

- (e) ***[In case of a minimum Call Redemption Amount or an increased Call Redemption Amount, insert:*** The Notes have to be redeemed at [their principal amount of [insert amount]] [that is at least equal to [insert minimum Call Redemption Amount]][insert increased Call Redemption Amount]] per Note.]
- (f) [If the Notes are redeemed early only in part, the Notes to be redeemed are determined according to the rules of the relevant Clearing System. ***[In the case of Notes in NGN form, the following applies:*** For technical procedure of the ICSDs, in the case of a partial redemption the outstanding redemption amount will be reflected in the records of the ICSDs as either a reduction in nominal amount or as a pool factor, at the discretion of the ICSDs.]]
- (g) Any notice of early redemption of the Notes shall be given by the Issuer to the Fiscal Agent and pursuant to § 14 (Notices / [No] Stock Exchange Listing) to the Holders and shall specify:
  - (i) the Series of Notes that is to be redeemed;
  - (ii) a statement as to whether the Series is redeemed in whole or in part and in the latter case the aggregate principal amount of the Notes to be redeemed;
  - (iii) the Call Redemption Date[s]; and
  - (iv) the Call Redemption Amount[s] at which the Notes are redeemed.]

***[If Notes are subject to Early Redemption at the Option of the Holder insert:***

***[(5)] Early Redemption at the Option of the Holder.***

- (a) Each Holder has the right to claim an early redemption of the Notes in whole or in part on the Optional Early Redemption Date[s] at the Optional Early Redemption Amount[s] pursuant to sub-paragraph (d) hereof, together with any interest accrued until the Optional Early Redemption Date (excluding).
- (b) The Holder is not entitled to exercise such option in respect of any Note which is subject to the prior exercise of the Issuer's option to redeem such Note pursuant to subparagraph [(4)] of this § 6.

After a legally effective exercise of the relevant option by the Holder pursuant to sub-paragraph (e) hereof, the Issuer has to redeem the Notes on the Optional Early Redemption Date[s] at the Optional Early Redemption Amount[s], together with any interest accrued until the Optional Early Redemption Date (excluding).

- (c) *Optional Early Redemption Date[s]*. "**Optional Early Redemption Date[s]**" means [*insert Optional Early Redemption Date[s]*].
- (d) *Optional Early Redemption Amount[s]*. "**Optional Early Redemption Amount**" means [*insert Optional Early Redemption Date[s] and corresponding Optional Early Redemption Amount[s]*].
- (e) To exercise this option, the Holder shall notify the Fiscal Agent about the exercise of the option by way of notification in text form ("**Exercise Notification**") not less than [**insert minimum notification period of at least 5 Business Days**] and not more than [**insert maximum notification period**] days prior to the day on which the redemption shall occur according to the Exercise Notification. If the Exercise Notification is received on the last day of the notice period before the Optional Early Redemption Date after 5:00 p.m. Bucharest time, the exercise of the option is not effective. The Exercise Notification has to specify: (i) the aggregate principal amount of the Notes regarding which the option is exercised and (ii) the security identification numbers of such Notes. The form in the English language available at the offices of the Fiscal Agent and the Paying Agent may be used for the purpose of the Exercise Notification. The exercise of the option is irrevocable. The Notes regarding which the option was exercised, will only be redeemed against delivery of the relevant Notes to the Issuer or its order.]

**[If Notes are not subject to Early Redemption at the Option of the Holder insert:**

- [(6)] *No Early Redemption at the Option of the Holder.* The Holders do not have a right to demand an early redemption of the Notes.]

**[In case of Notes other than Zero Coupon Notes, insert:**

- [(7)] *Early Redemption Amount.*

- (a) For the purpose of [§ 1 (Definitions),] this § 6(3) and § 10 (Events of Default) the Early Redemption Amount of a Note shall be equal to [the Final Redemption Amount pursuant to § 6(2)][**insert other amount/rate**] (the "**Early Redemption Amount**").]

**[In case of Zero Coupon Notes, insert:**

- [(7)] *Early Redemption Amount.*

- (a) For the purpose of this § 6 and § 10 (Events of Default) the Early Redemption Amount of a Note shall be equal to the Amortised Face Amount (the "**Early Redemption Amount**").
- (b) [**In the case of accrued interest being added:** The amortised face amount ("**Amortised Face Amount**") of a Note shall be an amount equal to the sum of (i) [**insert Reference Price**] (the "**Reference Price**"), and (ii) the product of the Amortisation Yield being [**insert Amortisation Yield**] (compounded annually) and the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Notes become due and payable.]

**[In the case of unaccrued interest being deducted:** The amortised face amount ("**Amortised Face Amount**") of a Note shall be the principal amount thereof adjusted for interest from (and including) the Maturity Date to (but excluding) the date of final repayment by the Amortisation Yield, being [**insert Amortisation Yield**]. Such calculation shall be made on the assumption of an annual capitalisation of accrued interest.]

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year (the "**Calculation Period**") shall be made on the basis of the Day Count Fraction (as defined in § 4).

- (c) If the Issuer fails to pay the Early Redemption Amount when due, the Amortised Face Amount of a Note shall be calculated as provided herein, except that references in subparagraph (b)(ii) above to the date fixed for redemption or the date on which such Note becomes due and repayable shall refer to the earlier of (i) the date on which upon due presentation and surrender of the relevant Note (if required), payment is made, and (ii) the fourteenth day after notice has been

given by the Fiscal Agent in accordance with § 14 (Notices / [No] Stock Exchange Listing) that the funds required for redemption have been provided to the Fiscal Agent.]

[(8)] *Rounding of Redemption Amounts.* Redemption Amounts are rounded to [**insert number**] decimals.

## § 7 Agents

(1) *Appointment; Specified Offices.* The initial agents (the "**Agents**") and their respective specified offices are:

**"Fiscal Agent" and "Paying Agent":**

Citibank, N.A.  
Citigroup Centre  
Canary Wharf  
London E14 5LB  
United Kingdom

[*other/further Fiscal/Paying Agent(s)/specified office(s)*]

**"Calculation Agent":**

[The Fiscal Agent shall also act as Calculation Agent.]

[*insert name and address of Calculation Agent*]]

[Other Agents: [*insert name and address of other Agents*]]

Any Agent named above reserves the right at any time to change its respective specified office to some other specified office in the same country.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of any Agent named above and to appoint another Fiscal Agent/Paying Agent or additional or other Agents in accordance with all applicable regulations. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after 10 days' prior notice thereof shall have been given to the Holders in accordance with § 14 (Notices / [No] Stock Exchange Listing).

(3) *Agents of the Issuer.* The Agents named above act solely as agent of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All determinations, calculations, quotations and decisions given, expressed, made or obtained under these Conditions by any Agent shall (in the absence of manifest error) be binding on the Issuer and all other Agents/agents and the Holders.

## § 8 Taxation

(1) *Taxation.* All amounts payable in respect of the Notes will be made by the Issuer free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by Romania or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

If such withholding or deduction is required by law, the Issuer shall withhold or deduct from amounts payable in respect of the Notes to a Holder sufficient funds for the payment of any tax that it is required to withhold or deduct under Romanian law. In that event the Issuer shall pay such additional amounts (the "**Additional Amounts**") as will result in receipt by the Holders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that there will be no obligation to pay Additional Amounts in respect of any Taxes which:

- (a) are payable by any person (including the Issuer) acting as custodian bank or collecting agent on behalf of a Holder, or by the Issuer if no custodian bank or collecting agent is appointed or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of principal or distributions made by it; or
- (b) are payable by reason of the Holder or the Beneficial Owner having, or having had, some personal or business connection with Romania; or
- (c) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 14 (Notices / [No] Stock Exchange Listing), whichever occurs later; or
- (d) would not be payable if the Holder could avoid such a withholding or deduction providing a certificate of residence or any other similar documents; or
- (e) are payable by reason of the Issuer or any person on behalf of the Issuer not having duly received a true, accurate and complete Beneficial Ownership Information or any other similar claim for exemption, where such Beneficial Ownership Information or other claim for exemption is required or imposed under the Income Taxes Act, if any, except where this is caused by actions or omissions of the Issuer or its agents.

**"Beneficial Owner"** means an income recipient who is treated as the beneficial owner in respect of income paid in connection with the Notes and who qualifies as a beneficial owner under the Income Taxes Act, and/or (where applicable) an applicable Tax Treaty.

**"Beneficial Ownership Information"** means certain information and documentation concerning, in particular, the identity and country of tax residence of a recipient (including a tax residency certificate) of a payment of interest or principal in respect of the Notes (together with relevant evidence thereof) which enable the Issuer to reliably establish that such recipient is a Beneficial Owner with respect to any such payment and that all conditions for the granting of a Tax Relief, if any, are met.

**"Romanian Tax Non-Resident"** means a taxpayer who is not a tax resident of Romania, either under the Income Taxes Act or under a relevant Tax Treaty (if any).

**"Romanian Tax Resident"** means a taxpayer who is a tax resident of Romania under the Income Taxes Act as well as under a relevant Tax Treaty (if any).

**"Income Taxes Act"** means Romanian Tax Code approved by Law no 227/2015 as amended.

**"Tax Relief"** means a relief from the Withholding Tax, whether in the form of an exemption or application of a reduced rate.

**"Tax Treaty"** means a valid and effective tax treaty concluded between Romania and another country under which the Romanian Tax Non-Resident is treated as a tax resident of the latter country.

**"Withholding Tax"** means a tax collected by means of a deduction at source made by a withholding agent (for example, by an issuer of a note) upon payment of taxable income.

- (2) *FATCA Withholding.* The Issuer will be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA Withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Holder, Beneficial Owner or other intermediary for any such FATCA Withholding deducted or withheld by the Issuer, the paying agent or any other party.

## § 9 Presentation Period

The presentation period provided in § 801 paragraph 1 sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) ("**BGB**") in relation to the Notes is reduced to ten years.

## § 10 Events of Default

- (1) *Events of default.* Each Holder shall be entitled to declare by notice its Notes due and demand immediate redemption thereof at the Final Redemption Amount (pursuant to § 6), [together with accrued interest (if any) to the date of repayment,] in the event that:
  - (a) the Issuer fails to make any payment due on the Notes within 15 days from the relevant due date, or
  - (b) the Issuer fails to duly perform any other material obligation arising under the Notes which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 45 days after the Issuer has received notice thereof from a Holder, or
  - (c) the Issuer ceases to effect payments in general or announces its inability to meet its financial obligations generally; or
  - (d) a court opens insolvency proceedings against the Issuer and such proceedings are not dismissed or suspended within 60 days after the commencement thereof or the Issuer applies for or institutes such proceedings or offers or makes an arrangement for the benefit of its creditors generally; or
  - (e) the Issuer goes into liquidation; provided that a (partial) spin-off, a spin-off for re-establishment, a reconstruction, merger, or other form of amalgamation with another company shall not be considered a liquidation to the extent that such other company assumes all obligations which the Issuer has undertaken in connection with the Notes.
- (2) *Quorum, cure.* In the events specified in § 10 (1)(b) any notice declaring the Notes due shall, unless at the time such notice is received any of the events specified § 10(1)(a),(1)(c), (1)(d) or (1)(e) entitling Holders to declare their Notes due has occurred, become effective only when the Fiscal Agent has received such notices from the Holders of at least 25% of the aggregate principal amount of Notes then outstanding. The right to declare Notes due shall terminate if the situation giving rise to it has been remedied before the right is exercised.
- (3) *Notice.* Any notice, including any notice declaring Notes due, in accordance with the above mentioned subparagraph (1) shall be made by means of a declaration in text form (*Textform*) in the English language to the Issuer and delivered to the specified office of the Fiscal Agent together with proof that such Holder at the time of such notice is a Holder of the relevant Notes by means of a certificate of its Custodian (as defined in § 15(3)) or in other appropriate manner.

## § 11 Substitution

The provisions in this § 11 do not apply in any case of succession by operation of law.

- (1) *Substitution.* The Issuer may, irrespective of § 10, without the consent of the Holders, if no payment due on any of the Notes is in default, at any time substitute for the Issuer any company as principal debtor in respect of all obligations arising under or in connection with this Series of Notes (the "**Substitute Debtor**") provided that:
  - (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the relevant Notes;
  - (b) the Issuer and the Substitute Debtor have obtained all necessary authorisations and the Substitute Debtor may transfer to the Fiscal Agent in the currency required hereunder and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;
  - (c) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;
  - [(d) the rating of the long-term obligations of the Substitute Debtor is the same or better as the respective rating of the Issuer (confirmed by two rating agencies, for example S&P, Moody's or other similar agencies);]

- [(d) the Issuer irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of a guarantee of the Issuer in respect of senior Notes as a contract for the benefit of the Holders as third party beneficiaries pursuant to § 328(1) BGB (German Civil Code)<sup>2</sup>;
  - (e) there shall have been delivered to the Fiscal Agent one opinion for each of the Issuer's and the Substitute Debtor's jurisdiction of lawyers of recognised standing to the effect that subparagraphs (a), (b), (c) and [(d)] above have been satisfied, provided that an opinion with regard to subparagraph (c) shall not be delivered if the Substitute Debtor has contractually committed to pay any tax, duty, assessment or governmental charge imposed on a Holder in respect of the substitution.
- (2) *Notice.* Notice of any such substitution shall be published in accordance with § 14 (Notices / [No] Stock Exchange Listing).
  - (3) *Change of References.* In the event of any such substitution, any reference in these Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor.

***[If § 11(1)(d) provides for the issuance of a guarantee:***

Furthermore, in the event of such substitution the following shall apply:

- (a) In § 8 and § 6 an alternative reference to Romania shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor and
  - (b) in § 10(1)(c) to (e) an alternative reference to the Issuer in its capacity as guarantor shall be deemed to have been included in addition to the reference to the Substitute Debtor.]
- (4) In the event of any such substitution, the Substitute Debtor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes with the same effect as if the Substitute Debtor had been named as the Issuer herein, and the Issuer (or any corporation which shall have previously assumed the obligations of the Issuer) shall be released from its liability as obligor under the Notes.
  - (5) After a substitution pursuant to this § 11, the Substitute Debtor may, without the consent of Holders, effect a further substitution. All the provisions specified in § 11 shall apply mutatis mutandis. ***[If § 11(1)(d) provides for the issuance of a guarantee:*** In particular § 10(1)(d) shall remain applicable in relation to CEC Bank S.A.] References in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.

**§ 12 Amendment of these Conditions, Holders' Representative**

- (1) *Amendment of these Conditions.* In accordance with §§ 5 et seqq. of the German Act on Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – "SchVG"*) the Holders may agree with the Issuer on amendments of these Conditions with regard to matters permitted by the SchVG by resolution with the majority specified in subparagraph (2). Majority resolutions shall be binding on all Holders. Resolutions which do not provide for identical conditions for all Holders are void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.
- (2) *Majority.* Resolutions shall be passed by a majority of not less than 75% of the votes cast. Resolutions relating to amendments of these Conditions which are not material and which do not relate to the matters listed in § 5 paragraph 3 Nos. 1 to 8 of the SchVG require a simple majority of the votes cast.

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<sup>2</sup> An English language translation of § 328 (1) of the German Civil Code (*Bürgerliches Gesetzbuch*) reads as follows: "A contract may stipulate performance for the benefit of a third party, to the effect that the third party acquires the right directly to demand performance".

- (3) *Vote without a Meeting.* All votes will be taken exclusively by vote taken without a meeting. A meeting of Holders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances of § 18 paragraph 4 sentence 2 of the SchVG.
- (4) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Holders' Representative has convened the vote, by the Holders' Representative.
- (5) *Voting Rights.* Each Holder participating in any vote shall cast votes in accordance with the principal amount or the notional share of its entitlement to the outstanding Notes.
- (6) Holders' Representative.

**[If no Holders' Representative is appointed in the Conditions:** The Holders may by majority resolution appoint a common representative (the "**Holders' Representative**") to exercise the Holders' rights on behalf of each Holder.]

**[If the Holders' Representative is appointed in the Conditions:** The common representative (the "**Holders' Representative**") shall be [*insert name and address of the Holders' Representative*]. The liability of the Holders' Representative shall be limited to ten times the amount of its annual remuneration, unless the Holders' Representative has acted wilfully or with gross negligence.]

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

**[If § 11(1)(d) provides for the issuance of a guarantee:**

- (7) *Amendment of Guarantee.* The provisions set out above applicable to the Notes shall apply *mutatis mutandis* to any guarantee provided in relation to the Notes pursuant to § 11(1)(d).]

### **§ 13 Further Issues, Repurchases and Cancellation**

- (1) *Further Issues.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same Conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.
- (2) *Repurchases.* The Issuer may at any time repurchase Notes in any market or otherwise and at any price. Notes repurchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation.

### **§ 14 Notices / [No] Stock Exchange Listing**

**[If Notes are not intended to be listed, insert:**

- (1) *Notification to Clearing System.* The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which said notice was given to the Clearing System.]

**[If Notes are intended to be listed or admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or the regulated market of the Bucharest Stock Exchange, insert:**

- (1) *Publication.* As long as the Notes are listed or admitted to trading on the regulated market of the Luxembourg Stock Exchange or listed or admitted to trading on the regulated market of the Bucharest Stock Exchange, notices concerning the Notes will be published on the website of the Luxembourg Stock Exchange on [www.luxse.com](http://www.luxse.com) or on the website of the Bucharest Stock Exchange at [www.bvb.ro](http://www.bvb.ro), or such other website or other medium for the publication of notices as required in accordance with the rules and regulations of the Luxembourg Stock Exchange or the Bucharest Stock Exchange, respectively. In case

of Notes listed or admitted to trading on both the Luxembourg Stock Exchange and the Bucharest Stock Exchange, the publication will be made at least on the website of the Luxembourg Stock Exchange on [www.luxse.com](http://www.luxse.com). The Issuer will also publish notices on its website [www.cec.ro](http://www.cec.ro). Any such notice shall be deemed to have been validly given to the Holders on the day of such publication.

- (2) *Notification to Clearing System.* If the rules of the Luxembourg Stock Exchange or of the Bucharest Stock Exchange so permit, the Issuer may make a publication referred to in § 14(1) by giving notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication as set forth in § 14(1) above; any such notice shall be deemed to have been given to the Holders on the seventh after the day on which the said notice was given to the Clearing System.]

- [(3)] *Form of Notice of Holders.* Notices to be given by any Holder shall be made in text form (*Textform*) in the English language. The notice must be accompanied by proof that such notifying Holder is holder of the relevant Notes at the time of the giving of such notice. Proof may be made by means of a certificate of the Custodian (as defined in § 15(3) (*Final Provisions*)) or in any other appropriate manner. So long as Notes are securitised in the form of a Global Note, such notice may be given by the Holder to the Fiscal Agent through the Clearing System in such manner as the Fiscal Agent and the Clearing System may approve for such purpose.

## § 15 Final Provisions

- (1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law.
- (2) *Jurisdiction.* The District Court (*Landgericht*) in Frankfurt am Main, Germany, shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.
- (3) *Enforcement.* Subject to § 10, any Holder may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under the Notes on the basis of (i) a statement issued by the Custodian (as defined below) with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Global Note representing the Notes in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the proceedings.
- (4) *Language.* These Conditions are written in the English language only.



## TERMS AND CONDITIONS FOR SUBORDINATED NOTES

### OPTION II - TERMS AND CONDITIONS FOR SUBORDINATED NOTES

#### § 1 Definitions

"**Business Day**" means any day (other than a Saturday or a Sunday) on which the Clearing System is operational [*if the Specified Currency is EUR or if T2 is needed for other reasons, insert:* as well as the real-time gross settlement system operated by the Eurosystem, or any successor system (T2)] [*if the Specified Currency is not EUR or if needed for other reasons, insert:* and commercial banks are open for business in and foreign exchange markets settle payments in [*insert all relevant financial centres*]].

"**Clearing System**" means [each of] [Clearstream Banking S.A., Luxembourg, ("**CBL**") [and] [Euroclear Bank SA/NV, as operator of the Euroclear System ("**Euroclear**")]] [[([CBL and Euroclear are each an][the] "**ICSD**" (International Central Securities Depository) [and together the "**ICSDs**")]] [and] [Depozitarul Central SA as clearing system for the Notes listed at Bucharest Stock Exchange].

"**Conditions**" means these terms and conditions of the Notes as completed.

"**Competent Authority**" means the competent authority pursuant to Article 4(1)(40) CRR which is responsible to supervise the Issuer on an individual and/or consolidated basis, including as at the date of this Prospectus, the NBR.

[*If Reference Interest Rate is applicable, insert:*

"**Screen Page**" means [REUTERS Screen Page [EURIBOR01] [ROBOR=]] [*insert Screen Page and additional information if necessary*] or each successor page.]

[*If Reference Swap Rate is applicable, insert:*

"**Screen Page**" means [•]]

"**Holder**" means any holder of a co-ownership interest or other beneficial interest or right in the Notes.

[*If Reference Rate is applicable, insert:*

"**Reference Rate**" means a value, [which] [the performance of which] determines [the amount of a/the] [floating interest rate(s)] [and] [or] [the Redemption Amount] [and][or][if any interest will be paid for a certain interest period][and] [or] [the maturity of the Notes][*insert any other legal consequence*].]

[*If the Reference Rate is an Interest Rate, insert:*

"**Reference Interest Rate**" means the offered quotation for the [number]-month [EURIBOR] [ROBOR] [€STR] [*insert other reference interest rate*] which appears on the Screen Page as of [11.00 a.m.] [*insert other relevant time*] ([*insert relevant time zone*]) on the [Interest Determination Date] [*determine other day*].]

[*For €STR, insert:*

"**€STR**" means, in respect of any Business Day, a reference rate equal to the daily euro short-term rate for such Business Day as provided by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank currently at <http://www.ecb.europa.eu>, or any successor website officially designated by the European Central Bank (the "**ECB's Website**") in each case, on or before 9:00 a.m., (Central European Time) on the Business Day immediately following such Business Day.

Notwithstanding the paragraph above, in the event the European Central Bank publishes guidance as to (i) how €STR is to be determined or (ii) any rate that is to replace €STR, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine €STR for the purpose of the Notes for so long as €STR is not available or has not been published by the authorised distributors.

In the event that the Interest Rate cannot be determined in accordance with the foregoing provisions, the Interest Rate shall be (i) that determined as at the last preceding Interest Determination Date or (ii) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to such Notes

for the first [Floating] Interest Period had the Notes been in issue for a period equal in duration to the scheduled first [Floating] Interest Period but ending on (and excluding) the [Interest Commencement Date][Interest Exchange Day].]

**[For EURIBOR or any other Reference Interest Rate other than a compounded daily overnight reference rate, insert:**

If – other than in case of a Discontinuation Event (as defined below) – the Screen Page is not available or if no such quotation appears as at such time, the Issuer shall request each of the Reference Banks (as defined below) to provide its offered quotation (expressed as a percentage rate [*per annum*] [insert other period]) for the Reference Interest Rate at approximately [11.00 a.m.] [insert relevant time] ([insert relevant time zone]) on the [Interest Determination Date] [determine other day] and the Issuer shall notify the Calculation Agent of all the quotations received by it. If two or more of the Reference Banks provide such offered quotations, the Reference Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one [thousandth] [ten-thousandth] [hundred-thousandth][insert other rounding rules] of a percentage point, with [0.0005][0.00005] [0.000005][insert other rounding rules] being rounded upwards) of such offered quotations[, however at least 0.00% *per annum*], all as determined by the Calculation Agent.

If on any [Interest Determination Date] [determine other day] only one or none of the Reference Banks provides the Issuer with such offered quotations as provided in the preceding paragraph, the Reference Interest Rate for the relevant Interest Period shall be the rate [*per annum*] [insert other time period] which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one [thousandth] [ten-thousandth] [hundred-thousandth] [insert other rounding rules] of a percentage point, with [0.0005][0.00005][0.000005][insert other rounding rules] being rounded upwards) of the rates, as communicated to the Issuer at the request of the Issuer (and notified to the Calculation Agent) by the Reference Banks or any two or more of them, at which such banks were offered, as at [11.00 a.m.][insert relevant time] ([insert relevant time zone]) on the relevant [Interest Determination Date] [determine other day], deposits in the Specified Currency for the relevant Interest Period by leading banks in the [insert financial centre] interbank market [in the Euro-Zone] [, however at least 0.00% *per annum*].

If the Reference Interest Rate cannot be determined in accordance with the foregoing provisions the Issuer will determine the Reference Interest Rate for the relevant Interest Period at its equitable discretion according to § 317 of the German Civil Code (*Bürgerliches Gesetzbuch*) ("**BGB**") and also having regard to the operational requirements of the Calculation Agent. The Issuer shall notify the Calculation Agent of any determination made by it under these Conditions.

"**Reference Banks**" means the offices of not less than [four] [insert other number] major banks in the [relevant] [insert relevant financial centre] interbank market [in the Euro-Zone] selected by the Issuer.

*Reference Interest Rate replacement in case of a Discontinuation Event.* If (i) a public statement or information has been published by the competent administrator of the Reference Interest Rate to the effect that the Reference Interest Rate has ceased to be representative or is no longer an industry-accepted rate for debt market instruments such as the Notes, or comparable instruments, (ii) a public statement or information has been published to the effect that the administrator of the Reference Interest Rate commences the orderly wind-down of the Reference Interest Rate or ceases the calculation and publication of the Reference Interest Rate permanently or indefinitely, provided that, at the time of the publication of such statement or information, there is no successor administrator that will continue to provide the Reference Interest Rate (iii) the administrator of the Reference Interest Rate becomes insolvent or an insolvency, a bankruptcy, restructuring or similar proceedings (affecting the administrator) is commenced by the administrator or its supervisory or regulatory authority, (iv) the competent authority for the administrator of the Reference Interest Rate withdraws or suspends the authorisation pursuant to Article 35 of Regulation (EU) 2016/1011 (as amended, the "**Benchmarks Regulation**") or the recognition pursuant to Article 32(8) of the Benchmarks Regulation or requires the cessation of the endorsement pursuant to Article 33(6) of the Benchmarks Regulation, provided that, at the time of the withdrawal or suspension or the cessation of endorsement, there is no successor administrator that continues to provide the Reference Interest Rate and its administrator commences the orderly wind-down of the Reference Interest Rate or ceases to provide the Reference Interest Rate or certain maturities or certain currencies for which the Reference Interest Rate is calculated permanently or indefinitely; or (v) the Reference Interest Rate is otherwise discontinued or it becomes unlawful for the Issuer or the Calculation Agent to use the Reference Interest Rate for any other reason (each of the events in (i) through (v) a "**Discontinuation Event**"), the Reference Interest Rate shall be replaced, on [the] [each] [relevant Interest Determination Date] [determine other day], by a rate determined or procured, as the case may be, by the Issuer (the "**Successor Reference Interest Rate**") according to the following paragraphs in the

order of (I)-(III) provided that the determination of any Successor Reference Interest Rate or Successor Reference Rate, and any other related changes to the Notes, shall be made in accordance with the relevant Capital Regulations (if applicable) and shall not prejudice the qualification of the Subordinated Notes as Tier 2 Instruments for the purposes of and in accordance with the Capital Regulations:

- (I) The Reference Interest Rate shall be replaced with the reference rate, which is determined by any applicable law or regulation or announced by the administrator of the Reference Interest Rate, the competent central bank or a regulatory or supervisory authority as the successor rate for the Reference Interest Rate and the source of which is accessible to the Calculation Agent. The Issuer shall thereafter inform the Calculation Agent at the latest 10 days prior to the [Interest Determination Date] [**determine other day**] and, subsequently the Holders of the Notes in accordance with § 14. If, on any previous [Interest Determination Date] [**determine other day**], the Successor Reference Interest Rate was also determined in accordance with the provisions of paragraph (I), no other publication obligations will apply for the Issuer in connection with such Successor Reference Rate or any adjustments or changes made in relation thereto or relating to the determination of the [Rate of Interest] [or][the] [Interest Amount][**determine other rate or amount**] as set out below;
- (II) An Independent Adviser will in its reasonable discretion (*billiges Ermessen*) choose a successor reference rate that is most comparable to the Reference Interest Rate, provided that if the Independent Adviser determines that there is an industry accepted reference rate as being most comparable to the Reference Interest Rate, then the Independent Adviser will use such reference rate as successor reference rate (the "**Successor Reference Rate**") and determine which screen page or source shall be used in connection with such Successor Reference Rate (the "**Successor Screen Page**"). Provided that such Successor Screen Page is accessible to the Calculation Agent, any reference to the Screen Page herein shall from the date of the determination of the Successor Reference Rate on be read as a reference to the Successor Screen Page and the provisions of this paragraph shall apply mutatis mutandis. The Independent Adviser will notify the Issuer and the Calculation Agent at the latest 10 days prior to the [Interest Determination Date] [**determine other day**] about such determinations. The Issuer shall thereafter inform the Holders of the Notes in accordance with § 14.

Further and in addition to any replacement of the Reference Interest Rate with a Successor Reference Interest Rate in accordance with the above paragraphs (I) or (II) the Issuer (acting in good faith and in a commercially reasonable manner) may specify (i) an interest adjustment factor or fraction or spread (to be added or subtracted) which shall be applied to the Successor Reference Interest Rate, for the purpose of achieving a result which is consistent with the economic substance of the Reference Interest Rate before the Discontinuation Event occurred, and (ii) any further changes necessary for determining the [Rate of Interest and calculating the Interest Amount] [**determine other rate/amount**] in order to follow market practice in relation to the Successor Reference Interest Rate [(such as the Day Count Fraction, the Business Day Convention, Business Days, the Interest Determination Dates, the method of calculating the Interest Amount)]. Thereafter, the Issuer shall inform the Calculation Agent at the latest 10 days prior to the [Interest Determination Date] [**determine other day**] and, subsequently the Holders of the Notes in accordance with § 14 (other than in the case set out in paragraph (I) above).

- (III) In the case that:
  - (a) the source of the successor rate for the Reference Interest Rate determined in accordance with the above paragraph (I) or the Successor Screen Page determined in accordance with the above paragraph (II) is not accessible to the Calculation Agent;
  - (b) the Independent Adviser fails to determine the Successor Reference Rate at the latest 10 days prior to the [Interest Determination Date] [**determine other day**] and to notify the Calculation Agent;
  - (c) in the event that the Issuer, having used reasonable endeavours, fails to appoint an Independent Adviser or the period to determine a Successor Reference Interest Rate according to the provisions above was not sufficient; or
  - (d) the successor rate for the Reference Interest Rate cannot be determined in accordance with the relevant Capital Regulations and/or such determination would prejudice the qualification of the Subordinated Notes as Tier 2 Instruments for the purposes of and in accordance with the Capital Regulations.

the Issuer will decide in its reasonable discretion (*billiges Ermessen*) and not less than 3 Business Days prior to the [Interest Determination Date] [**determine other day**] relating to the [next succeeding Interest Period][**determine other event / day**] (the "**Procedures Determination Date**"):

- (a) that the Reference Interest Rate shall be the offered quotation for the Reference Interest Rate which appeared on the Screen Page on the last day preceding the relevant [Interest Determination Date] [**determine other day**] on which such quotations were offered and shall thereafter inform the Holders of the Notes in accordance with § 14[.] [; or in cases (a) to (c) above]
- (b) to redeem the Notes in whole but not in part and subject to the adherence of the Conditions to Early Redemption and Repurchase (as defined in § 6[(7)]) and subject to the prior permission of the Competent Authority, by giving not less than 20 days' notice in accordance with § 14, at the [Final Redemption Amount][Early Redemption Amount] (as defined below pursuant to § 6), together with interest (if any) accrued to (but excluding) the date fixed for such early redemption.

Such notice of redemption shall specify:

- (i) the Series of Notes subject to redemption;
- (ii) the date determined for redemption, which shall be the second [Coupon Date][Interest Payment Date] following the Procedures Determination Date; and
- (iii) the [Final Redemption Amount][Early Redemption Amount].

If the Issuer elects to redeem the Notes, the [Rate of Interest][Reference Interest Rate] applicable from the last [Coupon Date] [Interest Payment Date] [**determine other day**] prior to the redemption date until (but excluding) the redemption date shall be the [Rate of Interest][Reference Interest Rate] applicable to the immediately preceding Interest Period.]

"**Independent Adviser**" means an independent financial institution of international standing or an independent financial adviser with relevant expertise appointed by the Issuer at its own expense.]

*[If the Reference Rate is a Swap Rate insert:*

"**Reference Swap Rate**" is [[insert number of years/months] [year][months] [insert relevant currency] Swap Rate and means [[•] / insert definition /Screen Page].]

If the Reference Swap Rate is not displayed on the Screen Page on the Interest Adjustment Determination Date, the Reference Swap Rate is equal to the Reset Reference Bank Rate (as defined below) on that Interest Adjustment Determination Date.

"**Reset Reference Bank Rate**" means the percentage rate determined by the Calculation Agent on the basis of the Reference Swap Rate Quotations (as defined below) provided by [five] [insert other number] leading swap dealers in the interbank market (the "**Reset Reference Banks**") at the request of the Issuer at approximately [insert time] ([insert time zone]), on the Interest Adjustment Determination Date and notified to the Calculation Agent by the Issuer. If at least [three] [insert other number] quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reset Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the applicable Reset Reference Bank Rate shall be equal to the last Reference Swap Rate available on the Screen Page as determined by the Calculation Agent.

"**Reference Swap Rate Quotation**" means the arithmetic mean of the bid and offered rates for the fixed leg (calculated on the basis of the Day Count Fraction) of a [insert reference swap rate] which (i) has a term of [insert number of [years][months]] commencing on the Interest Adjustment Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledgement dealer of good credit in the swap market and (iii) has a floating interest based on the [insert reference interest rate] (calculated on the basis of the Day Count Fraction).

*Reference Swap Rate replacement in case of a Discontinuation Event.* If (i) a public statement or information has been published by the competent administrator of the Reference Swap Rate to the effect that the Reference Swap Rate has ceased to be representative or is no longer an industry-accepted rate for debt market instruments such as

the Notes, or comparable instruments, (ii) a public statement or information has been published to the effect that the administrator of the Reference Swap Rate commences the orderly wind-down of the Reference Swap Rate or ceases the calculation and publication of the Reference Swap Rate permanently or indefinitely, provided that, at the time of the publication of such statement or information, there is no successor administrator that will continue to provide the Reference Swap Rate (iii) the administrator of the Reference Swap Rate becomes insolvent or an insolvency, a bankruptcy, restructuring or similar proceedings (affecting the administrator) is commenced by the administrator or its supervisory or regulatory authority, (iv) the competent authority for the administrator of the Reference Swap Rate withdraws or suspends the authorisation pursuant to Article 35 of Regulation (EU) 2016/1011 (as amended, the "**Benchmarks Regulation**") or the recognition pursuant to Article 32(8) of the Benchmarks Regulation or requires the cessation of the endorsement pursuant to Article 33(6) of the Benchmarks Regulation, provided that, at the time of the withdrawal or suspension or the cessation of endorsement, there is no successor administrator that continues to provide the Reference Swap Rate and its administrator commences the orderly wind-down of the Reference Swap Rate or ceases to provide the Reference Swap Rate or certain maturities or certain currencies for which the Reference Swap Rate is calculated permanently or indefinitely; or (v) the Reference Swap Rate is otherwise discontinued or it becomes unlawful for the Issuer or the Calculation Agent to use the Reference Swap Rate for any other reason (each of the events in (i) through (v) a "**Discontinuation Event**"), the Reference Swap Rate shall be replaced, on [the] [each] [relevant Interest Determination Date] [*determine other day*], by a rate determined or procured, as the case may be, by the Issuer (the "**Successor Quotation Rate**") according to the following paragraphs in the order of (I)-(III) provided that the determination of any Successor Quotation Rate or Successor Reference Rate, and any other related changes to the Notes, shall be made in accordance with the relevant Capital Regulations (if applicable) and shall not prejudice the qualification of the Subordinated Notes as Tier 2 Instruments for the purposes of and in accordance with the Capital Regulations:

- (I) The Reference Swap Rate shall be replaced with the reference rate, which is determined by any applicable law or regulation or announced by the administrator of the Reference Swap Rate, the competent central bank or a regulatory or supervisory authority as the successor rate for the Reference Swap Rate and the source of which is accessible to the Calculation Agent. The Issuer shall thereafter inform the Calculation Agent at the latest 10 days prior to the [Interest Determination Date] [*determine other day*] and, subsequently the Holders of the Notes in accordance with § 14. If, on any previous [Interest Determination Date] [*determine other day*], the Successor Quotation Rate was also determined in accordance with the provisions of paragraph (I), no other publication obligations will apply for the Issuer in connection with such Successor Quotation Rate or any adjustments or changes made in relation thereto or relating to the determination of the [Rate of Interest] [or] [Interest Amount][*determine other rate or amount*] as set out below;
- (II) An Independent Adviser will in its reasonable discretion (*billiges Ermessen*) choose a successor reference rate that is most comparable to the Reference Swap Rate, provided that if the Independent Adviser determines that there is an industry accepted reference rate as being most comparable to the Reference Swap Rate, then the Independent Adviser will use such reference rate as successor reference rate (the "**Successor Reference Rate**") and determine which screen page or source shall be used in connection with such Successor Reference Rate (the "**Successor Screen Page**"). Provided that such Successor Screen Page is accessible to the Calculation Agent, any reference to the Screen Page herein shall from the date of the determination of the Successor Reference Rate on be read as a reference to the Successor Screen Page and the provisions of this paragraph shall apply *mutatis mutandis*. The Independent Adviser will notify the Issuer and the Calculation Agent at the latest 10 days prior to the [Interest Determination Date] [*determine other day*] about such determinations. The Issuer shall thereafter inform the Holders of the Notes in accordance with § 14.

Further and in addition to any replacement of the Reference Swap Rate with a Successor Quotation Rate in accordance with the above paragraphs (I) or (II) the Issuer (acting in good faith and in a commercially reasonable manner) may specify (i) an interest adjustment factor or fraction or spread (to be added or subtracted) which shall be applied to the Successor Quotation Rate, for the purpose of achieving a result which is consistent with the economic substance of the Reference Swap Rate before the Discontinuation Event occurred, and (ii) any further changes necessary for determining the [Rate of Interest and calculating the Interest Amount][*determine other rate/amount*] in order to follow market practice in relation to the Successor Quotation Rate (such as the Day Count Fraction, the Business Day Convention, Business Days, the Interest Determination Dates, the method of calculating the Interest Amount). Thereafter, the Issuer shall inform the Calculation Agent at the latest 10 days prior to the [Interest Determination Date] [*determine other day*] and, subsequently the Holders of the Notes in accordance with § 14 (other than in the case set out in paragraph (I) above).

(III) In the case that

- (a) the source of the successor rate for the Reference Swap Rate determined in accordance with the above paragraph (I) or the Successor Screen Page determined in accordance with the above paragraph (II) is not accessible to the Calculation Agent;
- (b) the Independent Adviser fails to determine the Successor Reference Rate at the latest 10 days prior to the [Interest Determination Date] [**determine other day**] and to notify the Calculation Agent ;
- (c) in the event that the Issuer, having used reasonable endeavours, fails to appoint an Independent Adviser or the period to determine a Successor Reference Interest Rate according to the provisions above was not sufficient; or
- (d) the successor rate for the Reference Swap Rate cannot be determined in accordance with the relevant Capital Regulations and/or such determination would prejudice the qualification of the Subordinated Notes as Tier 2 Instruments for the purposes of and in accordance with the Capital Regulations

the Issuer will decide in its reasonable discretion (*billiges Ermessen*) and not less than 3 Business Days prior to the [Interest Determination Date] [**determine other day**] relating to the [next succeeding Interest Period][**determine other event / day**] (the "**Procedures Determination Date**"):

- (a) that the Reference Swap Rate shall be the Reference Swap Rate which appeared on the Screen Page on the last day preceding the relevant [Interest Determination Date] [**determine other day**] on which such quotations were offered and shall thereafter inform the Holders of the Notes in accordance with § 14[.] [; or in cases (a) to (c) above]
- (b) to redeem the Notes in whole but not in part and subject to the adherence of the Conditions to Early Redemption and Repurchase (as defined in § 6[(7)]) subject to prior permission of Competent Authority, by giving not less than 20 days' notice in accordance with § 14, at the [Final Redemption Amount][Early Redemption Amount] (as defined below pursuant to § 6), together with interest (if any) accrued to (but excluding) the date fixed for such early redemption.

Such notice of redemption shall specify:

- (i) the Series of Notes subject to redemption;
- (ii) the date determined for redemption, which shall be the second [Coupon Date][Interest Payment Date] following the Procedures Determination Date; and
- (iii) the [Final Redemption Amount][Early Redemption Amount].

If the Issuer elects to redeem the Notes, the Reference Swap Rate applicable from the last [Coupon Date] [Interest Payment Date] [**determine other day**] prior to the redemption date until (but excluding) the redemption date shall be the Reference Swap Rate applicable to the immediately preceding Interest Period.]]

**"Independent Adviser"** means an independent financial institution of international standing or an independent financial adviser with relevant expertise appointed by the Issuer at its own expense.]

**["Interest Determination Date"** means the [[second] [**insert other applicable number of days**] Business Day prior to the [commencement] [end] of the relevant [Floating] Interest Period.] [first day of the relevant [Floating] Interest Period.] [[•] Business Day prior to [the expiry] [the [Floating] Coupon Date] of the relevant [Floating] Interest Period.]]

## § 2 Currency, Denomination, Issue Date, Form, Custody

- (1) *Currency – Denomination – Issue Date.* This Series of notes (the "**Notes**") of CEC Bank S.A. (the "**Issuer**") is being issued on [insert Issue Date] (the "**Issue Date**") in [insert Specified Currency] (the "**Specified Currency**") in the aggregate principal amount of [aggregate principal amount]

(in words: [**aggregate principal amount in words**]) in the denomination of [**insert Specified Denomination**<sup>3</sup>] (the "**Specified Denomination**").

(2) *Form.*

(a) The Notes are being issued in bearer form.

*[In the case of Notes which are represented by a Permanent Global Note, insert:*

(b) *Permanent Global Note.* The Notes are represented by a permanent global note (the "**Permanent Global Note**" or the "**Global Note**") without coupons. The Permanent Global Note shall be signed by two duly authorised signatories of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.]

*[In the case of Notes which are initially represented by a Temporary Global Note to be exchanged for a Permanent Global Note, insert:*

(b) *Temporary Global Note – Exchange – Permanent Global Note.*

(i) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination represented by a permanent global note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**" and, each a "**Global Note**") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by two duly authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.

(ii) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date not earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 2(2). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States. For purposes of this subparagraph, "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).]

(3) *Custody.* The Global Note will be kept in safe keeping by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied.

The Notes are issued in Classical Global Note form and are kept in safe keeping by a common depository on behalf of both ICSDs.

### § 3 Status

(1) *Status Subordinated Notes.* The Notes are intended to qualify as Tier 2 Instruments (as defined below). The Notes constitute direct, unsecured, and subordinated obligations of the Issuer.

Subject as set out below, in the event of normal insolvency proceedings (bankruptcy proceedings) (*faliment*) or liquidation (*lichidare*) of the Issuer, any claim on the principal amount, interest and any

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<sup>3</sup> Minimum denomination of the Notes will be EUR 100,000 or, if in any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of EUR 100,000.

Additional Amounts under the Notes will rank, subject to exceptions as are from time to time mandatory under applicable law:

- (a) junior to all present or future claims in respect of any Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full;
- (b) *pari passu*: (i) without any preference among themselves at all times; and (ii) with all other present or future claims in respect of Tier 2 Instruments and other subordinated instruments or obligations of the Issuer ranking or expressed to rank *pari passu* with the Notes; and
- (c) senior to all present or future claims from: (i) Additional Tier 1 Instruments of the Issuer; (ii) ordinary shares, preference shares and other Common Equity Tier 1 Instruments of the Issuer; and (iii) all other subordinated instruments or obligations of the Issuer ranking or expressed to rank junior to the Notes.

If the Notes do not qualify in full, or fully cease to qualify, as Tier 2 Instruments (or other own funds item pursuant to the Capital Regulations), any claim on the principal amount, interest and any Additional Amounts under the Notes will, in the event of normal insolvency proceedings (bankruptcy proceedings) (*faliment*) or liquidation (*lichidare*) of the Issuer, rank, subject to exceptions as are from time to time mandatory under applicable law:

- (x) junior to all present or future claims in respect of any Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full;
- (y) at least *pari passu*: (i) without any preference among themselves at all times; and (ii) with all other present or future claims in respect of other subordinated obligations of the Issuer that do not result from fully qualifying own funds items (as defined in the Capital Regulations) at the relevant time, which, in accordance with their terms or pursuant to mandatory provisions of law, rank or are expressed to rank *pari passu* with the obligations of the Issuer under the Notes; and
- (z) senior to all present or future claims from: (i) Tier 2 Instruments; (ii) Additional Tier 1 Instruments; (iii) ordinary shares, preference shares and other Common Equity Tier 1 Instruments of the Issuer; and (iv) all other subordinated instruments or obligations of the Issuer ranking or expressed to rank junior to the Notes.

Where:

**"Additional Tier 1 Instruments"** means any directly issued capital instruments of the Issuer that qualify as Additional Tier 1 instruments pursuant to Article 52 CRR.

**"BRRD"** means 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 implemented into Romanian law by the Romanian Recovery and Resolution Act, as amended from time to time, or such other acts as may come into effect in place thereof and any references in these Conditions to relevant articles of the BRRD include references to any applicable provisions of law amending or replacing such articles from time to time.

**"Common Equity Tier 1 Instruments"** means any directly issued capital instruments of the Issuer that qualify as Common Equity Tier 1 instruments pursuant to Article 28 CRR.

**"CRR"** means 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 (*Capital Requirements Regulation*), as amended or replaced from time to time, and any references in these Conditions to relevant Articles of the CRR include references to any applicable provisions of law amending or replacing such Articles from time to time.



**"Issuer's Senior Ranking Obligations"** means all present and future (i) unsecured and unsubordinated obligations of the Issuer (including senior unsecured and unsubordinated obligations that qualify as eligible liabilities instruments of the Issuer pursuant to Article 72b CRR); (ii) non-preferred senior obligations of the Issuer under debt instruments which meet the criteria for debt instruments pursuant to Article 234<sup>1</sup> of the Romanian Insolvency Act; (iii) any present or future claims which are excluded liabilities within the meaning of Article 72a (2) of the CRR or which are excluded from the application of the write-down or conversion powers in accordance with the provisions of Articles 286 and 287 of the Romanian Recovery and Resolution Act (transposing Article 44 (2) and (3) of BRRD); and (iv) any other subordinated obligations of the Issuer which, in accordance with their terms or pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Notes at the relevant time, including instruments or obligations of the Issuer that do not result from own funds items (as defined in the Capital Regulations) of the Issuer.

**"Romanian Insolvency Act"** means Law no. 85/2014 on insolvency prevention procedures and on insolvency procedure (*Legea 85/2014 privind procedurile de prevenire a insolvenței și de insolvență*), as amended or replaced from time to time and any references in these Conditions to relevant provisions of the Romanian Insolvency Act include references to any applicable provisions of law amending or replacing such provisions from time to time.

**"Romanian Recovery and Resolution Act"** means Romanian Law no. 312/2015 on recovery and resolution of credit institutions and investment firms and for amending and supplementing certain normative acts of financial matter (*Legea nr. 312/2015 privind redresarea și rezoluția instituțiilor de credit și a firmelor de investiții, precum și pentru modificarea și completarea unor acte normative în domeniul financiar*) as amended or replaced from time to time, transposing BRRD. Any references in these Conditions to relevant provisions of the Romanian Recovery and Resolution Act include references to any applicable provisions of law amending or replacing such provisions from time to time.

**"Tier 2 Instruments"** means any directly issued capital instruments of the Issuer that qualify as Tier 2 instruments pursuant to Article 63 CRR, including any capital (or other) instruments that qualify as Tier 2 items pursuant to transitional provisions under the CRR.

- (2) *No Negative Pledge; No Set-off/Netting; No Security/Guarantee; No Enhancement of Seniority.*

For the avoidance of doubt, there is no negative pledge provision included in these Terms and Conditions.

No Holder may set off any claims under the Notes against any claims of the Issuer. The Notes are not subject to any set off or netting arrangements that would undermine their capacity to absorb losses in resolution, normal insolvency proceedings (bankruptcy proceedings) (*faliment*) or liquidation (*lichidare*) of the Issuer.

The Notes are neither secured, nor subject to a guarantee by the Issuer or any other person or subject to any other arrangement that enhances the seniority of the claims under the Notes.

- (3) (a) *Recognition of Bail-in.*

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements, or understandings between the Issuer and any Holder, by its acquisition of the Notes, each Holder acknowledges and accepts that the Amounts Due arising under these Notes may be subject to the exercise of Bail-in Powers by the Resolution Authority, and acknowledges, accepts, consents and agrees to be bound by:

- (i) the effect of the exercise of Bail-in Power by the Resolution Authority, that may include and result in any of the following, or some combination thereof:
  - (A) the reduction of all, or a portion, of the Amounts Due;
  - (B) the conversion of all, or a portion, of the Amounts Due on the Notes into shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes;
  - (C) the cancellation of the Notes;

- (D) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period;
- (ii) the variation of the terms of the Notes, if necessary, to give effect to the exercise of Bail-in Power by the Resolution Authority.

(b) *Payment of Interest and Other Outstanding Amounts Due*

No repayment or payment of Amounts Due on the Notes, will become due and payable or be paid after the exercise of any Bail-in Power by the Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

(c) *Event of Default*

Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in Power by the Resolution Authority with respect to the Issuer, nor the exercise of the Bail-in Power by the Resolution Authority with respect to the Notes will be an Event of Default or a default for any purpose.

(d) *Notice to Holders*

Upon the exercise of the Bail-in Power by the Resolution Authority with respect to the Notes, the Issuer will provide a written notice to the Holders in accordance with § 14 as soon as practicable regarding such exercise of the Bail-in Power. The Issuer will also deliver a copy of such notice to the Fiscal Agent and Paying Agent for information purposes. Any delay or failure by the Issuer in delivering any notice referred to in this § 3(d) shall not affect the validity and enforceability of the Bail-in Powers.

Where:

**"Amounts Due"** are the aggregate principal amount of, together with any accrued but unpaid interest due on, the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of Bail-in Power by the Resolution Authority.

**"Bail-in Power"** means any write-down, conversion, transfer, modification or suspension power existing from time to time under, and exercised in compliance with, any law or regulation in effect in Romania relating to the transposition of BRRD, including but not limited to the Romanian Recovery and Resolution Act and/or any other law or regulation applicable in Romania relating to the resolution of unsound or failing credit institutions, investment firms or their affiliates (otherwise than through normal insolvency proceedings (bankruptcy proceedings) (*faliment*), liquidation (*lichidare*) or other normal bankruptcy proceedings) and the instruments, rules and standards created thereunder, respectively, pursuant to which any obligation of a credit institution or investment firm or affiliate of a credit institution or investment firm can be reduced, cancelled, transferred, modified or converted into shares, other securities or other obligations of such entity or any other person (or suspended for a temporary period).

**"Capital Regulations"** means, at any time, the laws, regulations, requirements, standards, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities and/or loss absorbing capacity for credit institutions of either (i) the NBR and/or (ii) any other national or European authority, in each case then in effect in Romania and applicable to the Issuer, including, as at the date hereof, CRR, CRD, and the Romanian Recovery and Resolution Act (transposing BRRD) (and/or any other Capital Regulations as may supplement and/or amend these and/or come into effect in place thereof), as well as any delegated or implementing acts adopted by the European Commission and guidelines issued by the European Banking Authority, each as amended from time to time, or such other acts as may come into effect in place thereof and any references in these Terms and Conditions to relevant articles of the Capital Regulations include references to any applicable provisions of law amending or replacing such articles from time to time.

**"CRD"** means

- 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;
- Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU; and
- Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks;

in each case as implemented into Romanian law, as amended from time to time, or such other acts as may come into effect in place thereof.

"**Resolution Authority**" means the NBR or any other resolution authority which is responsible for recovery or resolution of the Issuer on an individual and/or consolidated basis pursuant to the Capital Regulations.

#### § 4 Interest

[In case of Fixed Rate Notes, insert:

(1) *Rate of Interest, Interest Period[s].*

- (a) The Notes shall bear interest in arrear based on their principal amount during the Interest Period[s] from (and including) [**insert interest commencement date**] (the "**Interest Commencement Date**") to (but excluding) the [*in case of no adjustment of Interest Period, insert:* [last] Coupon Date] [*in case of an adjustment of Interest Period, insert:* Maturity Date (as defined in § 6(1))].

"**Interest Period**" means the period from (and including) the Interest Commencement Date to (but excluding) the [*in case of no adjustment of Interest Period, insert:* [first] Coupon Date] [*in case of an adjustment of Interest Period, insert:* [first] Interest Payment Date][Maturity Date] [and thereafter from (and including) each [*in case of no adjustment of Interest Period, insert:* Coupon Date] [*in case of an adjustment of Interest Period, insert:* Interest Payment Date] to (but each excluding) [*in case of no adjustment of Interest Period, insert:* the next following Coupon Date or last Coupon Date] [*in case of an adjustment of Interest Period, insert:* next following Interest Payment Date or the Maturity Date]].

The Interest Period[s] will be [un]adjusted.

- (b) The rate of interest is [**insert Rate of Interest**] % *per annum*.

(2) *Coupon Date[s], Interest Payment Date[s].* Interest shall be payable [annually] [semi-annually] [quarterly] in arrear. [Coupon Dates are [in each case] on [**insert Coupon Date(s)**] in each year (each such date a "**Coupon Date**").] [Coupon Date is on [**insert Coupon Date**] (the "**Coupon Date**").]

[The first Coupon Date shall be on [**insert first Coupon Date**]. The last Coupon Date shall be on [**insert last Coupon Date**].]

Interest on the Notes shall be payable on [the] [each] [Interest Payment Date] [Coupon Date].

"**Interest Payment Date**" means subject to § 5[(6)] (Business Day Convention) such Business Day, on which the interest is in fact due and payable.

[*In the case of short/long Interest Periods, insert:* The [first] [last] Interest Period is [shortened] [extended]. The [first Coupon Date is: [•]] [last Coupon Date is: [•]].]

(3) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).]

**[In case of Floating Rate Notes, insert:**

(1) *Interest Period[s], Coupon Date[s], Interest Payment Date[s].*

- (a) *Interest Period[s].* The Notes shall bear interest in arrear based on their principal amount during the Interest Period[s] from (and including) [**insert Interest Commencement Date**] (the "**Interest Commencement Date**") to (but excluding) the [*in case of no adjustment of Interest Period, insert:* [last] Coupon Date] [*in case of an adjustment of Interest Period, insert:* Maturity Date (as defined in § 6(1))].

"**Interest Period**" means the period from (and including) the Interest Commencement Date to (but excluding) the [*in case of no adjustment of Interest Period, insert:* [first] Coupon Date] [*in case of an adjustment of Interest Period, insert:* [first] Interest Payment Date] [Maturity Date] [and thereafter from (and including) each [*in case of no adjustment of Interest Period, insert:* Coupon Date] [*in case of an adjustment of Interest Period, insert:* Interest Payment Date] to (but each excluding) [*in case of no adjustment of Interest Period, insert:* the next following Coupon Date or last Coupon Date] [*in case of an adjustment of Interest Period, insert:* the next following Interest Payment Date or the Maturity Date]].

The Interest Period[s] will be [un]adjusted.

- (b) *Coupon Date[s], Interest Payment Date[s].* Interest shall be payable [annually] [semi-annually] [quarterly] in arrear. [Coupon Dates are [in each case] on [**insert Coupon Date(s)**] [in each year] (each such date a "**Coupon Date**").] [Coupon Date is on [**insert Coupon Date**] (the "**Coupon Date**").]

[The first Coupon Date shall be on [**insert first Coupon Date**]. The last Coupon Date shall be on [**insert last Coupon Date**].]

Interest on the Notes shall be payable on [the] [each] [Interest Payment Date] [Coupon Date].

"**Interest Payment Date**" means subject to § 5[(6)] (Business Day Convention) such Business Day, on which the interest is in fact due and payable.

[*In the case of short/long Interest Period, insert:* The [first] [last] Interest Period is [shortened] [extended]. The [first Coupon Date is: [**insert first Coupon Date**] [("**First Coupon Date**")]] [last Coupon Date is: [**insert last Coupon Date**] [("**Last Coupon Date**")]].]

**[In case the rate of interest shall be calculated on the basis of a Reference Interest Rate, insert:**

- (2) *Rate of Interest.* The rate of interest (the "**Rate of Interest**") for [the][each] Interest Period will be, except as provided below,

**[For EURIBOR or another Reference Interest Rate other than a compounded daily overnight reference rate, insert:**

the Reference Interest Rate [, however, should such Reference Interest Rate be below 0.00% *per annum*, a Reference Interest Rate of 0.00% *per annum* will be applied,] [*in case of multiplication with a factor, insert:*, multiplied by the [positive][negative] Factor [and subsequently]] [*in case of a Margin, insert:* [plus] [minus] the [relevant] Margin], all as determined by the Calculation Agent, expressed as a percentage rate [*per annum*] [**insert other time period**].]

**[For Compounded Daily €STR or another compounded daily overnight reference rate, insert:**

the Compounded Daily [**insert relevant overnight reference rate**] calculated on a compounded basis for the relevant Interest Period in accordance with the formula below on the [Interest Determination Date] [**determine other day**] (as defined below) [, whereby a Compounded Daily [**insert relevant overnight reference rate**] of 0.00% *per annum* will be applied, should such Compounded Daily [**insert relevant overnight reference rate**] be below 0.00% *per annum*,] [*in case of multiplication with a factor, insert:*, multiplied by the [positive][negative] Factor [and subsequently]] [*in case of a Margin insert:* [plus] [minus] the [relevant] Margin], all as determined by the Calculation Agent, expressed as a percentage rate [*per annum*] [**insert other time period**].

The Compounded Daily [**insert relevant overnight reference rate**] means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant [Interest Determination Date] [**determine other day**] as follows, and the resulting percentage will be rounded, if necessary, to the [fifth] [•] decimal place, with [0.000005] [•]% being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{r_{i-pBD} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

"**Applicable Period**" means [*if the Observation Method is lag*: the Interest Period][*if the Observation Method is observation shift*: the Observation Period].

"**BD**" means a Business Day.

"**D**" means [**insert the relevant number of days**] and represents the number of days in the year used for the calculation of the Rate of Interest.

"**d**" means, for the relevant Applicable Period, the number of calendar days in such Applicable Period.

"**d<sub>0</sub>**" means, for the relevant Applicable Period, the number of Business Days in such Applicable Period.

"**i**" means for the relevant Applicable Period, a series of whole numbers from one to "**d<sub>0</sub>**", each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Applicable Period.

"**n<sub>i</sub>**" for any Business Day "**i**" in the Applicable Period, means the number of calendar days from, and including, such Business Day "**i**" up to but excluding the following Business Day.

"**Observation Method**" means [lag][observation shift].

"**Observation Period**" means, in respect of the relevant Interest Period, the period from, and including, the date falling "**p**" Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "**p**" Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "**p**" Business Days prior to such earlier date, if any, on which the Notes become due and payable).

"**p**" means, for any Applicable Period, [**insert number**] Business Days (provided that "**p**" shall not be less than five Business Days without the prior written agreement of the Calculation Agent or, if no such number is specified five Business Days).

"**r**" means:

[where "**insert other compounded daily overnight reference rate**" is specified as the relevant overnight reference rate in respect of any Business Day, the [other compounded daily overnight reference rate] in respect of such Business Day.]

[where "**€STR**" is specified as the relevant overnight reference rate, in respect of any Business Day, the **€STR** in respect of such Business Day.]

"**r<sub>(i-pBD)</sub>**" means the applicable Reference Rate as set out in the definition of "**r**" above for, [*where lag is specified as the Observation Method*: the Business Day (being a Business Day falling in the relevant Observation Period) falling "**p**" Business Days prior to the relevant Business Day "**i**".][*otherwise*: the relevant Business Day "**i**".]

**[In the case of short/long first Interest Period and if interpolation is applicable, insert:**

(This shall not apply for the Interest Period which ends with the First Coupon Date (the "**Interpolated Interest Period**"), for which the relevant reference interest rate will be the linear interpolation between the available reference interest rate with the next shorter term than the term of the Interpolated Interest Period and the available reference interest rate with the next longer term than the term of the Interpolated

Interest Period. Provided, however, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall calculation the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner, determines appropriate.)]

**[In the case of short/long last Interest Period and if interpolation is applicable, insert:**

(This shall not apply for the Interest Period which ends with the Last Coupon Date (the "**Interpolated Interest Period**"), for which the relevant reference interest rate will be the linear interpolation between the available reference interest rate with the next shorter term than the term of the Interpolated Interest Period and the available reference interest rate with the next longer term than the term of the Interpolated Interest Period. Provided, however, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall calculation the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner, determines appropriate.)]

**"Factor"** means a positive or negative number and has been determined [for the [first] [•] Interest Period] as [+][-] **[insert number]** **[insert further]**.]

**"Margin"** means [for the [first] [•] Interest Period] [•] [for the [•] Interest Period] [•] **[insert further]**.]

**[In case of Notes with Fixed to [Fixed] [Floating] interest rates, insert:**

(1) **[Fixed Interest.]**

(a) **Rate of Interest, [Fixed] Interest Period[s], Interest Exchange Day. [In case of one interest rate for the entire Fixed Interest Rate Period, insert:** The rate of interest for the Fixed Interest Rate Period is **[insert Rate of Interest]**% *[per annum]* **[insert other period]** (the "**Fixed Interest Rate**").]

**[In case of several interest rates during the [Fixed] Interest Rate Period, insert:** The rate[s] of interest during the [Fixed] Interest Rate Period [is][are] for the [first] [Fixed] Interest Period [from the Interest Commencement Date to the [first][Fixed] Coupon Date][Fixed] Interest Payment Date] **[insert Rate of Interest]**% *[per annum]* [,][and] [for the [n-th] [Fixed] Interest Period from the [insert relevant [Fixed] Coupon Date][insert relevant [Fixed] Interest Payment Date] to the [insert relevant [Fixed] Coupon Date][insert relevant [Fixed] Interest Payment Date] **[insert Rate of Interest]**% *[per annum]* [,][and] **[insert further/other period]** (the relevant "**[Fixed] Interest Rate[s]**").]

The Notes shall bear interest [annually] [semi-annually] [quarterly] in arrear based on their principal amount during the [Fixed] Interest Period[s] from (and including) **[insert interest commencement date]** (the "**Interest Commencement Date**") to (but excluding) the **[in case of no adjustment of [Fixed] Interest Period, insert:** [first] [•] [last] [Fixed] Coupon Date] [, i.e. **[insert date]**] **[in case of an adjustment of [Fixed] Interest Period, insert:** [first] [•] [last] [Fixed] Interest Payment Date] (the "**[Fixed] Interest Rate Period**").

**"[Fixed] Interest Period"** means the period from (and including) the Interest Commencement Date to (but excluding) the **[in case of no adjustment of [Fixed] Interest Period, insert:** [first] [[Fixed] Coupon Date] [or] [Interest Exchange Day]] **[in case of an adjustment of [Fixed] Interest Period, insert:** [first] [[Fixed] Interest Payment Date] [or] [Interest Exchange Day]] [and thereafter from (and including) each **[in case of no adjustment of [Fixed] Interest Period, insert:** [Fixed] Coupon Date] **[in case of an adjustment of [Fixed] Interest Period, insert:** [Fixed] Interest Payment Date] to (but each excluding) **[in case of no adjustment of [Fixed] Interest Period, insert:** the next following [Fixed] Coupon Date or Interest Exchange Day, as the case may be] **[in case of an adjustment of [Fixed] Interest Period, insert:** next following [Fixed] Interest Payment Date or Interest Exchange Day, as the case may be]].

**"Interest Exchange Day"** means [the [last] [Fixed] Coupon Date,] i.e. [insert date]] [the [Fixed] Interest Payment Date relating to the [last] [Fixed] Coupon Date i.e. [insert [last] [Fixed] Coupon Date]].

The [Fixed] Interest Period[s] will be [un]adjusted.

- (b) [Fixed] Coupon Date[s], [Fixed] Interest Payment Date[s]. Interest during the [Fixed] Interest Period[s] shall be payable in arrear. [[Fixed] Coupon Dates are [in each case] on [insert [Fixed] Coupon Date(s)] [in each year] (each such date a "[Fixed] Coupon Date").] [[Fixed] Coupon Date is on [insert [Fixed] Coupon Date] (the "[Fixed] Coupon Date").]

[The first [Fixed] Coupon Date shall be on [insert first [Fixed] Coupon Date]. The last [Fixed] Coupon Date shall be on [insert last [Fixed] Coupon Date].]

Interest on the Notes during the [Fixed] Interest Period shall be payable on [each][the] [Fixed] Interest Payment Date.

**"[Fixed] Interest Payment Date"** means subject to § 5[(6)] (Business Day Convention) such Business Day, on which the interest is in fact due and payable.

**[In the case of short/long [Fixed] Interest Period, insert:** The [first] [last] [Fixed] Interest Period is [shortened] [extended]. The [first] [Fixed] Coupon Date is: [insert first [Fixed] Coupon Date]] [last [Fixed] Coupon Date is: [insert last [Fixed] Coupon Date]].]

- (c) *Calculation of [Fixed] Interest for Partial Periods.* If interest during the [Fixed] Interest Period is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).
- (d) *Day Count Fraction for [Fixed] Interest Periods of Notes with Fixed to [Fixed] [Floating] interest rates.* **"Day Count Fraction"** means, in respect of the calculation of an amount of interest on any Note for any period of time (the **"Calculation Period"**):

**[If Actual/Actual (ICMA Rule 251) is applicable, insert:**

The Calculation Period will be calculated on the following basis:

- (a) if the Calculation Period is equal to or shorter than the Determination Period (as defined below) during which it falls (including in the case of short coupons), the Calculation Period will be the number of days in the Calculation Period divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and
- (b) if the Calculation Period is longer than one Determination Period (long coupon), the Calculation Period will be the sum of:
- (i) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and
- (ii) the number of days in such Calculation Period falling in the next Determination Period divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year].

Where:

**"Determination Period"** means the period from and including [insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)] in any year to but excluding the next [insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)] (Actual/Actual (ICMA Rule 251)).]

**[If Actual/Actual (ISDA), insert:**

the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365) (**Actual/Actual (ISDA)**).

**[If Actual/365 (Fixed), insert:**

the actual number of days in the Calculation Period divided by 365. (**Actual/365 (Fixed)**).

**[If Actual/360, insert:**

the actual number of days in the Calculation Period divided by 360 (**Actual/360**).

**[If 30/360 or Bond Basis, insert:**

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

**[If 30E/360 or Eurobond Basis, insert:**

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

**[If 360/360, insert:**

the number of days in the Calculation Period divided by 360, calculated on the basis of a year of 360 days with twelve 30-day months (**360/360**).

[(2)] *Floating Interest.*

- (a) *Rate of Interest, Floating Interest Period[s].* The Notes shall bear interest in arrear based on their principal amount during the Floating Interest Period[s] from (and including) the Interest Exchange Day to (but excluding) the [*in case of no adjustment of Floating Interest Period, insert:* [last] Floating Coupon Date] [*in case of an adjustment of Floating Interest Period, insert:* Maturity Date (as defined in § 6(1))].

"**Floating Interest Period**" means the period from (and including) the Interest Exchange Day to (but excluding) the [*in case of no adjustment of Floating Interest Period, insert:* [first] Floating Coupon Date] [*in case of an adjustment of Floating Interest Period, insert:* [first] Floating Interest Payment Date] [Maturity Date] [and thereafter from (and including) each [*in case of no adjustment of Floating Interest Period, insert:* Floating Coupon Date] [*in case of an adjustment of Floating Interest Period, insert:* Floating Interest Payment Date] to (but each excluding) [*in case of no adjustment of Floating Interest Period, insert:* the next following Floating Coupon Date or last Floating Coupon Date] [*in case of an adjustment of Floating Interest Period, insert:* the next following Floating Interest Payment Date or the Maturity Date]].

The Floating Interest Period[s] will be [un]adjusted.

- (b) *Floating Coupon Date[s], Floating Interest Payment Date[s].* Interest during the Floating Interest Period[s] shall be payable [annually] [semi-annually] [quarterly] in arrear. [**Floating**



**Coupon Dates**" are in each case on [insert floating coupon dates] [in each year] (each such date a "**Floating Coupon Date**").]

"**Floating Coupon Date**" is the [insert floating coupon date].]

[The first Floating Coupon Date shall be on [insert first Floating Coupon Date]. The last Floating Coupon Date shall be on [insert last Floating Coupon Date].]

Interest on the Notes shall be payable on [each] [the] Floating [Interest Payment Date] [Coupon Date].

"**Floating Interest Payment Date**" means subject to § 5[(6)] (Business Day Convention) such Business Day, on which interest during the Floating Interest Period is in fact due and payable.

**[In the case of short/long Floating Interest Periods insert:** The [first] [last] Floating Interest Period is [shortened] [extended]. The [first Floating Coupon Date is: [insert first Floating Coupon Date] ["First Coupon Date"]]] [last Floating Coupon Date is: [insert last Floating Coupon Date] ["Last Coupon Date"]].]

**[In case the floating rate of interest shall be calculated on the basis of a Reference Interest Rate, insert:**

- (c) **Floating Rate of Interest.** The floating rate of interest (the "**Floating Rate of Interest**") for [the][each] Floating Interest Period will be, except as provided below,

**[For EURIBOR or another Reference Interest Rate other than a compounded daily overnight reference rate, insert:**

the Reference Interest Rate [, however, should such Reference Interest Rate be below 0.00% *per annum*, a Reference Interest Rate of 0.00% *per annum* will be applied,] **[in case of multiplication with a factor, insert:**, multiplied by the [positive][negative] Factor [and subsequently]] **[in case of a Margin, insert:** [plus] [minus] the [relevant] Margin], all as determined by the Calculation Agent, expressed as a percentage rate [*per annum*] [insert other time period].]

**[For Compounded Daily €STR or another compounded daily overnight reference rate, insert:**

the Compounded Daily [insert relevant overnight reference rate] calculated on a compounded basis for the relevant Floating Interest Period in accordance with the formula below on the [Interest Determination Date] [determine other day] (as defined below) [, whereby a Compounded Daily [insert relevant overnight reference rate] of 0.00% *per annum* will be applied, should such Compounded Daily [insert relevant overnight reference rate] be below 0.00% *per annum*,] **[in case of multiplication with a factor, insert:**, multiplied by the [positive][negative] Factor [and subsequently]] **[in case of a Margin insert:** [plus] [minus] the [relevant] Margin], all as determined by the Calculation Agent, expressed as a percentage rate [*per annum*] [insert other time period].]

The Compounded Daily [insert relevant overnight reference rate] means, with respect to a Floating Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant [Interest Determination Date] [determine other day] as follows, and the resulting percentage will be rounded, if necessary, to the [fifth] [•] decimal place, with [0.000005] [•]% being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{r_{i-pBD} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

"**Applicable Period**" means [if the Observation Method is lag: the Interest Period][if the Observation Method is observation shift: the Observation Period].

"**BD**" means a Business Day.

"**D**" means [**insert the relevant number of days**] and represents the number of days in the year used for the calculation of the Rate of Interest.

"**d**" means, for the relevant Applicable Period, the number of calendar days in such Applicable Period.

"**d<sub>o</sub>**" means, for the relevant Applicable Period, the number of Business Days in such Applicable Period.

"**i**" means for the relevant Applicable Period, a series of whole numbers from one to "**d<sub>o</sub>**", each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Applicable Period.

"**n<sub>i</sub>**" for any Business Day "**i**" in the Applicable Period, means the number of calendar days from, and including, such Business Day "**i**" up to but excluding the following Business Day.

"**Observation Method**" means [lag][observation shift].

"**Observation Period**" means, in respect of the relevant Floating Interest Period, the period from, and including, the date falling "**p**" Business Days prior to the first day of such Floating Interest Period (and the first Floating Interest Period shall begin on and include the Interest Exchange Day) and ending on, but excluding, the date which is "**p**" Business Days prior to the Floating Interest Payment Date for such Floating Interest Period (or the date falling "**p**" Business Days prior to such earlier date, if any, on which the Notes become due and payable).

"**p**" means, for any Applicable Period, [**insert number**] Business Days (provided that "**p**" shall not be less than five Business Days without the prior written agreement of the Calculation Agent or, if no such number is specified five Business Days).

"**r**" means:

[where "**insert other compounded daily overnight reference rate**" is specified as the relevant overnight reference rate in respect of any Business Day, the [other compounded daily overnight reference rate] in respect of such Business Day.]

[where "**€STR**" is specified as the relevant overnight reference rate, in respect of any Business Day, the **€STR** in respect of such Business Day.]

"**r<sub>(i-pBD)</sub>**" means the applicable Reference Rate as set out in the definition of "**r**" above for, [*where lag is specified as the Observation Method*: the Business Day (being a Business Day falling in the relevant Observation Period) falling "**p**" Business Days prior to the relevant Business Day "**i**".][*otherwise*: the relevant Business Day "**i**".]

***[In the case of short/long first Floating Interest Period and if interpolation is applicable, insert:***

(This shall not apply for the Floating Interest Period which ends with the First Floating Coupon Date (the "**Interpolated Floating Interest Period**"), for which the relevant reference interest rate will be the linear interpolation between the available reference interest rate with the next shorter term than the term of the Interpolated Floating Interest Period and the available reference interest rate with the next longer term than the term of the Interpolated Floating Interest Period. Provided, however, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall calculation the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner, determines appropriate.)]

***[In the case of short/long last Floating Interest Period and if interpolation is applicable, insert:***

(This shall not apply for the Floating Interest Period which ends with the Last Floating Coupon Date (the "**Interpolated Floating Interest Period**"), for which the relevant reference interest rate will be the linear interpolation between the available reference interest rate with the next

shorter term than the term of the Interpolated Floating Interest Period and the available reference interest rate with the next longer term than the term of the Interpolated Floating Interest Period. Provided, however, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner, determines appropriate.))

["**Factor**" means a positive or negative number and has been determined [for the [first] [•] Interest Period] as [+][-] [insert number] [insert further].]

["**Margin**" means [for the [first] [•] Interest Period] [•] [for the [•] Interest Period] [•] [insert further].]

- (d) *Day Count Fraction for Floating Interest Periods of Notes with Fixed to Floating interest rates.* "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

*[If Actual/Actual (ICMA Rule 251) is applicable, insert:*

The Calculation Period will be calculated on the following basis:

- (a) if the Calculation Period is equal to or shorter than the Determination Period (as defined below) during which it falls (including in the case of short coupons), the Calculation Period will be the number of days in the Calculation Period divided by [the product of (1) the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and
- (b) if the Calculation Period is longer than one Determination Period (long coupon), the Calculation Period will be the sum of:
  - (i) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by [the product of (1) the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and
  - (ii) the number of days in such Calculation Period falling in the next Determination Period divided by [the product of (1) the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year].

Where:

"**Determination Period**" means the period from and including [insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)] in any year to but excluding the next [insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)] (Actual/Actual (ICMA Rule 251)).]

*[If Actual/Actual (ISDA), insert:*

the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365) (Actual/Actual (ISDA)).]

*[If Actual/365 (Fixed), insert:*

the actual number of days in the Calculation Period divided by 365. (Actual/365 (Fixed)).]

**[If Actual/360, insert:**

the actual number of days in the Calculation Period divided by 360 (**Actual/360**).]

**[If 30/360 or Bond Basis, insert:**

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

**[If 30E/360 or Eurobond Basis, insert:**

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

**[If 360/360, insert:**

the number of days in the Calculation Period divided by 360, calculated on the basis of a year of 360 days with twelve 30-day months (**360/360**).]

**[In case of Floating Rate Note or Notes with Fixed to Floating interest rates, insert:**

[(3)] *Interest Amount.* The Calculation Agent will, on or as soon as practicable after [the][each] time at which the [Floating] Rate of Interest is to be determined, determine the [Floating] Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable on the Notes for the relevant [Floating] Interest Period. The relevant Interest Amount shall be calculated by applying the [Floating] Rate of Interest and the Day Count Fraction (as defined below) to [the outstanding aggregate principal amount of the Notes] [the Specified Denomination] and rounding the resultant figure to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

[(4)] *Notification of [Floating] Rate of Interest and Interest Amount.*

**[In case of interest determination in advance, insert:**

The Calculation Agent will cause the [Floating] Rate of Interest[, the Interest Amount for each [Floating] Interest Period,] [and] each [Floating] Interest Period [and the relevant [Floating] Interest Payment Date]

- (i) to be notified to the Issuer, the Clearing System, the Paying Agent and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than the [[second] [•] Business Day prior to the commencement of the [relevant] [Floating] Interest Period] [first day of the [relevant] [Floating] Interest Period] [**insert other date**], and
- (ii) to be notified to the Holders without delay in accordance with § 14 (Notices / [No] Stock Exchange Listing) hereof.

[Publications of information relating to the interest determination pursuant to the rules and regulations of the stock exchange on which the Notes are listed will be made to the extent provided for by such rules.]

Each Interest Amount and each [Floating] Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the [Floating] Interest Period. Any such amendment will be promptly notified to the Issuer, the Clearing System, the Paying Agent and, if required by the rules of any stock

exchange on which the Notes are from time to time listed, to such stock exchange and to the Holders as soon as possible in accordance with § 14 (Notices / [No] Stock Exchange Listing).]]

**[In case of interest determination in arrear, insert:**

The Calculation Agent will cause the [Floating] Rate of Interest[, the Interest Amount for each [Floating] Interest Period,] [and] each [Floating] Interest Period [and the relevant [Floating] Interest Payment Date]

(i) [to be notified to the Issuer, the Clearing System,

the Paying Agent and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than the [[•] Business Day prior to the expiry of the relevant [Floating] Interest Period] [[the second] [•] Business Day prior to the [Floating] [Coupon Date] [Interest Payment Date] of the [relevant] [Floating] Interest Period] **[insert other date]**, and]

[(i) to be notified to the Issuer, the Clearing System, the Paying Agent and if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange on the day which is two (2) Business Days after the end of the [Interest Determination Date] **[specify other date]**, and]

(ii) to be notified to the Holders without delay in accordance with § 14 (Notices / [No] Stock Exchange Listing) hereof.

[Publications of information relating to the interest determination pursuant to the rules and regulations of the stock exchange on which the Notes are listed will be made to the extent provided for by such rules.]]]

**[In case of Zero Coupon Notes, insert:**

(1) *No Periodic Payments of Interest.* There will not be any periodic payments of interest on the Notes. The Amortisation Yield[s] [is][are] **[insert Amortisation Yield]**.

**[In the case of different Amortisation Yields for individual Interest Periods, set forth applicable provisions (including fallback provisions) herein]]**

[(5)] *Accrual of Interest and Default Interest.* If the Issuer fails to redeem the Notes when due, interest shall accrue on the Final Redemption Amount of the Notes from (and including) the due date to (but excluding) the date of actual redemption of the Notes at the default rate of interest established by law.<sup>1</sup>

**[In case of Fixed Rate Notes or Floating Rate Notes, insert:**

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

**[If Actual/Actual (ICMA Rule 251) is applicable, insert:**

The Calculation Period will be calculated on the following basis:

(a) if the Calculation Period is equal to or shorter than the Determination Period (as defined below) during which it falls (including in the case of short coupons), the Calculation Period will be the number of days in the Calculation Period divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and

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<sup>1</sup> According to paragraphs 288(1) and 247 of the German Civil Code (*Bürgerliches Gesetzbuch*) ("**BGB**"), the default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank semi-annually.

- (b) if the Calculation Period is longer than one Determination Period (long coupon), the Calculation Period will be the sum of:
- (i) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and
  - (ii) the number of days in such Calculation Period falling in the next Determination Period divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year].

Where:

**"Determination Period"** means the period from and including [insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)] in any year to but excluding the next [insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)] (**Actual/Actual (ICMA Rule 251)**).]

*[If Actual/Actual (ISDA), insert:*

the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365) (**Actual/Actual (ISDA)**).]

*[If Actual/365 (Fixed), insert:*

the actual number of days in the Calculation Period divided by 365. (**Actual/365 (Fixed)**).]

*[If Actual/360, insert:*

the actual number of days in the Calculation Period divided by 360 (**Actual/360**).]

*[If 30/360 or Bond Basis, insert:*

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

*[If 30E/360 or Eurobond Basis, insert:*

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

*[If 360/360, insert:*

the number of days in the Calculation Period divided by 360, calculated on the basis of a year of 360 days with twelve 30-day months (**360/360**).]

## § 5 Payments

- (1) (a) *Payment of Principal.* Payment of principal, and any Additional Amounts, in respect of the Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

***[In the case of Notes other than Zero Coupon Notes, insert:***

- (b) *Payment of Interest.* Payment of interest on the Notes and any Additional Amounts shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System.]

***[In the case of Notes other than Zero Coupon Notes which are initially represented by a Temporary Global Note to be exchanged for a Permanent Global Note, insert:*** Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 2(2)(b).]

***[In the case Payment Reference Date is applicable, insert:***

- [(2)] *Payment Reference Date.* Payments of amounts due in respect of the Notes shall be made to the Holders shown in the holders' registry at the close of business (in the relevant Clearing System) on the [•] Business Day before the due date for such payment (the "**Payment Reference Date**").]
- [(3)] *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency.

***[In the case of Notes not denominated in Euro, insert:***

If the Issuer determines that the amount payable on the respective Payment Business Day is not available to it in such freely negotiable and convertible funds for reasons beyond its control or that the Specified Currency or any successor currency to it provided for by law (the "**Successor Currency**") is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payment in Euro on, or as soon as reasonably practicable after, the respective Payment Business Day on the basis of the Applicable Exchange Rate. Holders shall not be entitled to [further] interest or any other payment as a result thereof. The "**Applicable Exchange Rate**" shall be, (i) if available, the Euro foreign exchange reference rate for the Specified Currency or the Successor Currency determined and published by the European Central Bank for the most recent practicable date falling within a reasonable period (as determined by the Issuer in its equitable discretion) prior to the day on which the payment is made or, (ii) if such rate is not available, the foreign exchange rate of the Specified Currency or the Successor Currency against the Euro as determined by the Issuer in its equitable discretion.]

- [(4)] *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- [(5)] *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day, then the Holder, subject to subparagraph [(6)] shall not be entitled to payment until the next such day in the relevant place. Irrespective of the provisions regarding the Interest Period, the Holder shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Business Day**" means any day which is a Business Day.

- [(6)] [(a)] *Business Day Convention [for Fixed Rate Notes].* If the date for payment of any amount in respect of [any][Fixed Rate] Notes would fall on a day which is not a Business Day, payment of such amount shall be

***[if Following Business Day Convention, insert:*** postponed to the next day which is a Business Day.]

***[if Modified Following Business Day Convention, insert:*** postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the [Fixed] Interest Payment Date shall be the immediately preceding Business Day.]

***[if Preceding Business Day Convention, insert:*** the immediately preceding Business Day.]

***[if FRN Convention, insert:*** postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the [Fixed] Interest Payment Date shall be the immediately preceding Business Day and (ii) each subsequent [Fixed] Interest Payment Date shall be the

last Business Day in the month which falls *[[insert number] months]* *[insert other specified periods]* after the preceding applicable *[Fixed]* Interest Payment Date.]

***[In case of Fixed to Floating Rate Notes insert:***

*[(b)] Business Day Convention for Floating Rate Notes.* If the date for payment of any amount in respect of any Floating Rate Notes would fall on a day which is not a Business Day, payment of such amount shall be

***[if Following Business Day Convention, insert:*** postponed to the next day which is a Business Day.]

***[if Modified Following Business Day Convention, insert:*** postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Floating Interest Payment Date shall be the immediately preceding Business Day.]

***[if Preceding Business Day Convention, insert:*** the immediately preceding Business Day.]

***[if FRN Convention, insert:*** postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the Floating Interest Payment Date shall be the immediately preceding Business Day and (ii) each subsequent Floating Interest Payment Date shall be the last Business Day in the month which falls *[[insert number] months]* *[insert other specified periods]* after the preceding applicable Floating Interest Payment Date.])

## § 6 Redemption

(1) *Redemption at Maturity.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on *[in case of a specified Maturity Date insert such Maturity Date]* *[in case of a Redemption Month insert:* the *[Floating]* Interest Payment Date falling in *[insert Redemption Month and Redemption Year]*) (the "Maturity Date").

(2) *Final Redemption Amount.*

***[If the Notes are redeemed on the Maturity Date at their principal amount, insert:***

The final redemption amount in respect of each Note shall be equal to its principal amount (the "Final Redemption Amount").]

***[If the Notes are redeemed on the Maturity Date at an amount other than the principal amount, insert:***

The final redemption amount in respect of each Note shall be *[insert currency]* *[insert amount greater than or equal to the principal amount]* for each Note (the "Final Redemption Amount").]

(3) *No Early Redemption at the Option of the Holder.*

The Holders do not have a right to demand the early redemption of the Notes.

***[If the Notes are subject to Early Redemption for Reasons of Taxation insert:***

(4) *Early Redemption for Reasons of Taxation.*

*(a) Early Redemption for Reasons of Taxation for as long as the Notes qualify as Tier 2 Instruments*

For as long as the Notes qualify as Tier 2 Instruments the Issuer may redeem the Notes at any time, in whole but not in part, upon giving not more than 60 days' nor less than 30 days' prior notice in accordance with § 6[(9)], and redeem the Notes early at their Early Redemption Amount (as defined below), [together with interest (if any) accrued to (but excluding) the date fixed for early redemption] on the date fixed for early redemption, if the Issuer is or will be required to pay additional amounts on the next Interest Payment Date, as a result of any changes or amendments of the Romanian laws and regulations or any change at the level of any Romanian authority having fiscal competences or any changes in the official applicability or interpretation of such laws or regulations (including relevant court decisions) and such changes or amendments become applicable on or after the Issue Date and such obligation cannot be avoided by the Issuer by taking reasonable measures at its disposal ("Early Redemption for Tax Purposes Event") and provided



that the relevant conditions provided in § 6[(8)] (Conditions to Early Redemption and Repurchase) are met.

- (b) *Early Redemption for Reasons of Taxation if the Notes do not qualify, in whole or in part, as Tier 2 Instruments*

If the Notes do not qualify, in whole or in part, as Tier 2 Instruments, but qualify as eligible liabilities for the purposes of the Capital Regulations, the Issuer may redeem the Notes at any time, in whole but not in part, upon giving not more than 60 days' nor less than 30 days' prior notice in accordance with § 6[(9)], and redeem the Notes early at their Early Redemption Amount (as defined below), [together with interest (if any) accrued to (but excluding) the date fixed for Early Redemption] on the date fixed for early redemption, if there is an Early Redemption for Tax Purposes Event and provided that the relevant conditions provided in § 6[(8)] (Conditions to Early Redemption and Repurchase) are met.]

***[If Notes are subject to Early Redemption at the Option of the Issuer:***

[(5)] *[Early Redemption at the Option of the Issuer.*

- (a) The Issuer may redeem the Notes, in whole but not in part, upon giving not more than [60] **[insert other number]** [Business Days'] [days'] nor less than [30] **[insert other number]** [Business Days'] [days'] prior notice in accordance with § 6[(8)] effective [as of the [respective] Call Redemption Date (as defined below)][on a [Business Day][day] at the option of the Issuer], and redeem the Notes early at the [respective] Call Redemption Amount [together with interest accrued to (but excluding) the [relevant] Call Redemption Date] on [the [respective] Call Redemption Date][each [Business Day][day]], provided that the conditions provided in § 6[(7)] (Conditions to Early Redemption and Repurchase) are met.]

- (b) "**Call Redemption Date[s]**" means **[insert Call Redemption Date[s]]**.

- (c) "**Call Redemption Amount[s]**" means **[insert Call Redemption Amount[s] and corresponding Call Redemption Date[s/]]**.

[Such a redemption has to be made [at least] [at most] in the amount of [•]% of the principal amount of the Notes.]

- (d) [If the Notes are redeemed early only in part, the Notes to be redeemed are determined according to the rules of the relevant Clearing System. ***[In the case of Notes in NGN form, the following applies:*** For technical procedure of the ICSDs, in the case of a partial redemption the outstanding redemption amount will be reflected in the records of the ICSDs as either a reduction in nominal amount or as a pool factor, at the discretion of the ICSDs.]]

***[If the Notes are subject to Early Redemption for Regulatory Reasons insert:***

[(6)] *[Early Redemption for Regulatory Reasons.*

The Issuer may redeem the Notes at any time, in whole but not in part, upon giving not more than [60] **[insert other number]** [Business Days'] [days'] nor less than [30] **[insert other number]** [Business Days'] [days'] prior notice in accordance with § 6[(8)] early and redeem the Notes at their Early Redemption Amount (as defined below), [together with interest (if any) accrued to but excluding the date fixed for early redemption] on the date fixed for early redemption, if [(i) there is a change in the regulatory classification of the Notes that would be likely to result in their exclusion from own funds (as such terms is defined in the Capital Regulations) in full or reclassification as a lower quality form of own funds [or (ii) the Notes, to the extent that, pursuant to Article 64 CRR, a portion thereof does no longer qualify as Tier 2 item but, pursuant to Article 72a(1)(b) CRR, as an eligible liabilities item, that portion does no longer comply with the minimum requirements for eligible liabilities (MREL) which are, or, as the case may be, will be, applicable to the Issuer in accordance with:

- (a) Article 45 of the BRRD (as defined herein) as amended, and any applicable national law, as amended, implementing the BRRD; or

- (b) Article 12 of the Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, as amended,

except where such non-compliance would only be based on the remaining maturity of the Notes being less than any period prescribed in the applicable MREL regulations or any applicable limits on the amount of eligible liabilities instruments being exceeded.

Any early redemption shall only be possible if the conditions provided in § 6[(7)] (Conditions to Early Redemption and Repurchase) are met.]

[(7)] *Conditions to Early Redemption and Repurchase.*

*Conditions to Early Redemption and Repurchase as long as the Notes qualify as Tier 2 Instruments*

Any early redemption pursuant to § 1(III)(b) and this § 6 and any repurchase pursuant to § 13(2) are subject to:

- (a) the Issuer having obtained the prior permission of the Competent Authority (as defined below) for the early redemption or any repurchase pursuant to § 13(2) in accordance with the Articles 77 and 78 CRR, if applicable to the Issuer at that point in time; and
- (b) in the case of any early redemption or repurchase prior to the fifth anniversary of the date of issuance of the Notes, in addition, if applicable to the Issuer at that point in time:
- (i) in case of an early redemption for reasons of taxation pursuant to § 6(4), the Issuer has demonstrated to the satisfaction of the Competent Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the date of issuance of the Notes; or
  - (ii) in case of an early redemption for regulatory reasons pursuant to § 6[(6)], the Competent Authority considers such change to be sufficiently certain and the Issuer has demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Notes was not reasonably foreseeable as at the date of issuance of the Notes; or
  - (iii) in case of an early redemption or repurchase in circumstances other than as described in item (i) or (ii), either before or at the same time as such action, if (a) the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority has permitted that action based on the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or (b) the Issuer has demonstrated to the satisfaction of the Competent Authority that its own funds and eligible liabilities would, following such redemption, exceed the requirements provided in CRR, CRD and the Romanian Recovery and Resolution Act (transposing BRRD) (and/or any other Capital Regulations as may supplement and/or amend these and/or come into effect in place thereof) by a margin that the Competent Authority may consider necessary;
  - (iv) in the case of a repurchase of the Notes, if the Notes are repurchased for market making purposes.

*Conditions to Early Redemption and Repurchase to the extent the Notes do not qualify as Tier 2 Instruments*

For as long as the Notes do not qualify as Tier 2 Instruments, but qualify as eligible liabilities for the purpose of the Capital Regulations any early redemption pursuant to this § 6 and any repurchase pursuant to § 13(2) are subject to the Issuer having obtained the prior permission of the Resolution Authority (as defined in § 3) for the early redemption or any repurchase pursuant to § 13(2) in accordance with the Articles 77 and 78a CRR, if and to the extent such prior permission is required at this time and either of the following conditions is met:

- (a) on or before the redemption of the Notes, the Issuer replaces the Notes with own funds or eligible liabilities instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
- (b) the Issuer has demonstrated to the satisfaction of the Resolution Authority if such consent is then required under the Capital Regulations, that its own funds and eligible liabilities would, following such redemption, exceed the requirements for own funds and eligible liabilities provided in CRR, CRD and the Romanian Recovery and Resolution Act (transposing BRRD) (and/or any other Capital Regulations as may supplement and/or amend these and/or come into effect in place thereof) by a margin that the Resolution Authority, acting in agreement with the Competent Authority, may consider necessary; or
- (c) the Issuer has demonstrated to the satisfaction of the Resolution Authority if such consent is then required under the Capital Regulations, that the partial or full replacement of the Notes with own funds instruments is necessary to ensure compliance with own fund requirements provided in CRR and CRD (and/or other Capital Regulations as may supplement and/or amend these and/or come into effect in place thereof) for continuing authorisation.

For the avoidance of doubt, any refusal of the Competent Authority (or any other relevant supervisory authority) to grant any required permission, approval or other consent shall not constitute a default for any purpose.

Where:

"**Applicable Law**" means the legislation of Romania and the European Union as applicable in Romania (including secondary or delegated legislation, and any regulations, decisions or rules of any public authority which are legally binding) in force, as the same may be amended or replaced from time to time.

[(8)] *Notice of Early Redemption.*

Any notice of early redemption of the Notes shall be given by the Issuer to the Fiscal Agent and pursuant to § 14 (Notices / [No] Stock Exchange Listing) to the Holders and shall specify:

- (a) the Series of Notes that is to be redeemed;
- (b) a statement as to whether the Series is redeemed in whole or in part and in the latter case the aggregate principal amount of the Notes to be redeemed;
- (c) the date fixed for early redemption; and
- (d) the [Early][Final][Call] Redemption Amount at which the Notes are redeemed.

**[In the case of Notes other than Zero Coupon Notes:**

[(9)] *Early Redemption Amount.*

The purposes of [§ 1 (Definitions),] § 6(4) (Early Redemption for Reasons of Taxation) and § 6([6]) (Early Redemption for Regulatory Reasons), the early redemption amount of a Note shall be equal to [the [Final Redemption Amount] pursuant to § 6 (2)] **[insert other rate or amount]** (the "**Early Redemption Amount**").]

**[In case of Zero Coupon Notes, insert:**

[(9)] *Early Redemption Amount.*

- (a) For purposes of § 6(4) (Early Redemption for Reasons of Taxation) and § 6([6]) (Early Redemption for Regulatory Reasons), the Early Redemption Amount of a Note shall be equal to the Amortised Face Amount (the "**Early Redemption Amount**").
- (b) **[In the case of accrued interest being added:** The amortised face amount ("**Amortised Face Amount**") of a Note shall be an amount equal to the sum of (i) **[insert Reference Price]** (the "**Reference Price**"), and (ii) the product of the Amortisation Yield being **[insert Amortisation Yield]** (compounded annually) and the Reference Price from (and including) the Issue Date to

(but excluding) the date fixed for redemption or (as the case may be) the date upon which the Notes become due and payable.]

**[In the case of unaccrued interest being deducted:** The amortised face amount ("**Amortised Face Amount**") of a Note shall be the principal amount thereof adjusted for interest from (and including) the Maturity Date to (but excluding) the date of final repayment by the Amortisation Yield, being **[insert Amortisation Yield]**. Such calculation shall be made on the assumption of an annual capitalisation of accrued interest.]

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year (the "**Calculation Period**") shall be made on the basis of the Day Count Fraction (as defined in § 4).

- (c) If the Issuer fails to pay the Early Redemption Amount when due, the Amortised Face Amount of a Note shall be calculated as provided herein, except that references in subparagraph (b) above to the date fixed for redemption or the date on which such Note becomes due and repayable shall refer to the earlier of (i) the date on which upon due presentation and surrender of the relevant Note (if required), payment is made, and (ii) the fourteenth day after notice has been given by the Fiscal Agent in accordance with § 14 (Notices / [No] Stock Exchange Listing) that the funds required for redemption have been provided to the Fiscal Agent.]

([10]) *Rounding of Redemption Amounts.* Redemption amounts are rounded to **[insert number]** decimals.

## § 7 Agents

- (1) *Appointment; Specified Offices.* The initial agents (the "**Agents**") and their respective specified offices are:

**"Fiscal Agent" and "Paying Agent":**

Citibank, N.A.  
Citigroup Centre  
Canary Wharf  
London E14 5LB  
United Kingdom

**[other/further Fiscal/Paying Agent(s)/specified office(s)]**

**["Calculation Agent":**

[The Fiscal Agent shall also act as Calculation Agent.]

**[insert name and address of Calculation Agent]]**

[Other Agents: **[insert name and address of other Agents]]**

Any Agent named above reserves the right at any time to change its respective specified office to some other specified office in the same country.

- (2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of any Agent named above and to appoint another Fiscal Agent/Paying Agent or additional or other Agents in accordance with all applicable regulations. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after 10 days' prior notice thereof shall have been given to the Holders in accordance with § 14 (Notices / [No] Stock Exchange Listing).
- (3) *Agents of the Issuer.* The Agents named above act solely as agent of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

- (4) *Determinations Binding.* All determinations, calculations, quotations and decisions given, expressed, made or obtained under these Conditions by any Agent shall (in the absence of manifest error) be binding on the Issuer and all other Agents/agents and the Holders.

## § 8 Taxation

- (1) *Taxation.* All amounts payable in respect of the Notes will be made by the Issuer free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by Romania or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

If such withholding or deduction is required by law, the Issuer shall withhold or deduct from amounts payable in respect of the Notes to a Holder sufficient funds for the payment of any tax that it is required to withhold or deduct under Romanian law. In that event the Issuer shall pay such additional amounts (the "**Additional Amounts**") as will result in receipt by the Holders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that there will be no obligation to pay Additional Amounts in respect of any Taxes which:

- (a) are payable by any person (including the Issuer) acting as custodian bank or collecting agent on behalf of a Holder, or by the Issuer if no custodian bank or collecting agent is appointed or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of principal or distributions made by it; or
- (b) are payable by reason of the Holder or the Beneficial Owner having, or having had, some personal or business connection with Romania; or
- (c) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 14 (Notices / [No] Stock Exchange Listing), whichever occurs later; or
- (d) would not be payable if the Holder could avoid such a withholding or deduction providing a certificate of residence or any other similar documents; or
- (e) are payable by reason of the Issuer or any person on behalf of the Issuer not having duly received a true, accurate and complete Beneficial Ownership Information or any other similar claim for exemption, where such Beneficial Ownership Information or other claim for exemption is required or imposed under the Income Taxes Act, if any, except where this is caused by actions or omissions of the Issuer or its agents.

"**Beneficial Owner**" means an income recipient who is treated as the beneficial owner in respect of income paid in connection with the Notes and who qualifies as a beneficial owner under the Income Taxes Act, and/or (where applicable) an applicable Tax Treaty.

"**Beneficial Ownership Information**" means certain information and documentation concerning, in particular, the identity and country of tax residence of a recipient (including a tax residency certificate) of a payment of interest or principal in respect of the Notes (together with relevant evidence thereof) which enable the Issuer to reliably establish that such recipient is a Beneficial Owner with respect to any such payment and that all conditions for the granting of a Tax Relief, if any, are met.

"**Romanian Tax Non-Resident**" means a taxpayer who is not a tax resident of Romania, either under the Income Taxes Act or under a relevant Tax Treaty (if any).

"**Romanian Tax Resident**" means a taxpayer who is a tax resident of Romania under the Income Taxes Act as well as under a relevant Tax Treaty (if any).

"**Income Taxes Act**" means Romanian Tax Code approved by Law no 227/2015 as amended.

"**Tax Relief**" means a relief from the Withholding Tax, whether in the form of an exemption or application of a reduced rate.

"**Tax Treaty**" means a valid and effective tax treaty concluded between Romania and another country under which the Romanian Tax Non-Resident is treated as a tax resident of the latter country.

"**Withholding Tax**" means a tax collected by means of a deduction at source made by a withholding agent (for example, by an issuer of a note) upon payment of taxable income.

- (2) *FATCA Withholding.* The Issuer will be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA Withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Holder, Beneficial Owner or other intermediary for any such FATCA Withholding deducted or withheld by the Issuer, the paying agent or any other party.

## § 9 Presentation Period

The presentation period provided in § 801 paragraph 1 sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) ("**BGB**") in relation to the Notes is reduced to ten years.

## § 10 No events of Default

No Holder shall have the right to accelerate the future scheduled payment of interest or principal under the Notes, other than in the bankruptcy (*faliment*) or liquidation (*lichidare*) of the Issuer.

No Holder shall have the right to accelerate the future scheduled payment of interest or principal under the Notes in case an early intervention (*intervenție timpurie*) measure, a resolution (*rezoluție*) measure, a moratorium or any other action or measure that may be taken against the Issuer pursuant to the Romanian Recovery and Resolution Act.

## § 11 Substitution

*This paragraph is not applicable.*

## § 12 Amendment of these Conditions, Holders' Representative

- (1) *Amendment of these Conditions.* In accordance with §§ 5 et seqq. of the German Act on Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* – "**SchVG**") the Holders may agree with the Issuer on amendments of these Conditions with regard to matters permitted by the SchVG by resolution with the majority specified in subparagraph (2). Majority resolutions shall be binding on all Holders. Resolutions which do not provide for identical conditions for all Holders are void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

To the extent that any amendments to these Conditions may affect the eligibility criteria for the Notes to qualify as Tier 2 Instruments, such amendments are subject to the prior approval of the Competent Authority.

- (2) *Majority.* Resolutions shall be passed by a majority of not less than 75% of the votes cast. Resolutions relating to amendments of these Conditions which are not material and which do not relate to the matters listed in § 5 paragraph 3 Nos. 1 to 8 of the SchVG require a simple majority of the votes cast.
- (3) *Vote without a Meeting.* All votes will be taken exclusively by vote taken without a meeting. A meeting of Holders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances of § 18 paragraph 4 sentence 2 of the SchVG.
- (4) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Holders' Representative has convened the vote, by the Holders' Representative.
- (5) *Voting Rights.* Each Holder participating in any vote shall cast votes in accordance with the principal amount or the notional share of its entitlement to the outstanding Notes.

(6)  *Holders' Representative.*

**[If no Holders' Representative is appointed in the Conditions:** The Holders may by majority resolution appoint a common representative (the "**Holders' Representative**") to exercise the Holders' rights on behalf of each Holder.]

**[If the Holders' Representative is appointed in the Conditions:** The common representative (the "**Holders' Representative**") shall be *[insert name and address of the Holders' Representative]*. The liability of the Holders' Representative shall be limited to ten times the amount of its annual remuneration, unless the Holders' Representative has acted wilfully or with gross negligence.]

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

**§ 13 Further Issues, Repurchases and Cancellation**

- (1) *Further Issues.* The Issuer may until **[insert date]** without the consent of the Holders subject to regulatory and other statutory provisions, issue further Notes having the same Conditions as the Notes in all respects (or in all respects except for the issue date, issue price) so as to form a single Series with the Notes.
- (2) *Repurchases.* Provided that the conditions provided in § 6[(7)] are met, the Issuer may repurchase Notes in any market or otherwise and at any price. Notes repurchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation.

**§ 14 Notices / [No] Stock Exchange Listing**

**[If Notes are not intended to be listed, insert:**

- (1) *Notification to Clearing System.* The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which said notice was given to the Clearing System.]

**[If Notes are intended to be listed or admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or the regulated market of the Bucharest Stock Exchange, insert:**

- (1) *Publication.* As long as the Notes are listed or admitted to trading on the regulated market of the Luxembourg Stock Exchange or listed or admitted to trading on the regulated market of the Bucharest Stock Exchange, notices concerning the Notes will be published on the website of the Luxembourg Stock Exchange on [www.luxse.com](http://www.luxse.com) or on the website of the Bucharest Stock Exchange at [www.bvb.ro](http://www.bvb.ro), respectively, or such other website or other medium for the publication of notices as required in accordance with the rules and regulations of the Luxembourg Stock Exchange or the Bucharest Stock Exchange, respectively. In case of Notes listed or admitted to trading on both the Luxembourg Stock Exchange and the Bucharest Stock Exchange, the publication will be made at least on the website of the Luxembourg Stock Exchange on [www.luxse.com](http://www.luxse.com). The Issuer will also publish notices on its website [www.cec.ro](http://www.cec.ro). Any such notice shall be deemed to have been validly given to the Holders on the day of such publication.
- (2) *Notification to Clearing System.* If the rules of the Luxembourg Stock Exchange or of the Bucharest Stock Exchange so permit, the Issuer may make a publication referred to in § 14(1) by giving notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication as set forth in § 14(1) above; any such notice shall be deemed to have been given to the Holders on the seventh after the day on which the said notice was given to the Clearing System.]
- [(3)] *Form of Notice of Holders.* Notices to be given by any Holder shall be made in text form (*Textform*) in the English language. The notice must be accompanied by proof that such notifying Holder is holder of the relevant Notes at the time of the giving of such notice. Proof may be made by means of a certificate

of the Custodian (as defined in § 15(3) (*Final Provisions*)) or in any other appropriate manner. So long as Notes are securitised in the form of a Global Note, such notice may be given by the Holder to the Fiscal Agent through the Clearing System in such manner as the Fiscal Agent and the Clearing System may approve for such purpose.

## § 15 Final Provisions

- (1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law, except that the status provisions in § 3 (*Status*) shall be governed by, and shall be construed exclusively in accordance with, Romanian law.
- (2) *Jurisdiction.* The District Court (*Landgericht*) in Frankfurt am Main, Germany, shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.
- (3) *Enforcement.* Subject to § 10, any Holder may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under the Notes on the basis of (i) a statement issued by the Custodian (as defined below) with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Global Note representing the Notes in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Subject to § 10, each Holder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the proceedings.
- (4) *Language.* These Conditions are written in the English language only.



## TERMS AND CONDITIONS FOR ELIGIBLE NOTES

### OPTION III - TERMS AND CONDITIONS FOR ELIGIBLE NOTES

#### § 1 Definitions

"**Business Day**" means any day (other than a Saturday or a Sunday) on which the Clearing System is operational [*if the Specified Currency is EUR or if T2 is needed for other reasons, insert:* as well as the real-time gross settlement system operated by the Eurosystem, or any successor system (T2)] [*if the Specified Currency is not EUR or if needed for other reasons, insert:* and commercial banks are open for business in and foreign exchange markets settle payments in [*insert all relevant financial centres*]].

"**Clearing System**" means [each of] [Clearstream Banking S.A., Luxembourg, ("**CBL**") [and] [Euroclear Bank SA/NV, as operator of the Euroclear System ("**Euroclear**")]] [[CBL and Euroclear are each an][the] "**ICSD**" (International Central Securities Depository) [and together the "**ICSDs**")] [and] [Depozitarul Central SA as clearing system for the Notes listed at Bucharest Stock Exchange].

"**Conditions**" means these terms and conditions of the Notes as completed.

*[If Reference Interest Rate is applicable, insert:*

"**Screen Page**" means [REUTERS Screen Page [EURIBOR01] [ROBOR=]] [**insert Screen Page and additional information if necessary**] or each successor page.]

"**Holder**" means any holder of a co-ownership interest or other beneficial interest or right in the Notes.

*[If Reference Rate is applicable, insert:*

"**Reference Rate**" means a value, [which][the performance of which] determines [the amount of a/the ] [floating interest rate(s)] [and][or] [the Redemption Amount][and][or][if any interest will be paid for a certain interest period][and] [or] [the maturity of the Notes][**insert any other legal consequence**].]

*[If the Reference Rate is an Interest Rate, insert:*

"**Reference Interest Rate**" means the offered quotation for the [**number**]-month [EURIBOR] [ROBOR] [€STR] [**insert other reference interest rate**] which appears on the Screen Page as of [11.00 a.m.] [**insert other relevant time**] ([**insert relevant time zone**]) on the [Interest Determination Date] [**determine other day**].]

*[For €STR, insert:*

"**€STR**" means, in respect of any Business Day, a reference rate equal to the daily euro short-term rate for such Business Day as provided by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank currently at <http://www.ecb.europa.eu>, or any successor website officially designated by the European Central Bank (the "**ECB's Website**") in each case, on or before 9:00 a.m., (Central European Time) on the Business Day immediately following such Business Day.

Notwithstanding the paragraph above, in the event the European Central Bank publishes guidance as to (i) how €STR is to be determined or (ii) any rate that is to replace €STR, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine €STR for the purpose of the Notes for so long as €STR is not available or has not been published by the authorised distributors.

In the event that the Interest Rate cannot be determined in accordance with the foregoing provisions, the Interest Rate shall be (i) that determined as at the last preceding Interest Determination Date or (ii) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to such Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the [Interest Commencement Date][Interest Exchange Day].]

*[For EURIBOR or any other Reference Interest Rate other than a compounded daily overnight reference rate, insert:*

If – other than in case of a Discontinuation Event (as defined below) – the Screen Page is not available or if no such quotation appears as at such time, the Issuer shall request each of the Reference Banks (as defined below) to

provide its offered quotation (expressed as a percentage rate [*per annum*] [**insert other period**]) for the Reference Interest Rate at approximately [11.00 a. m.] [**insert relevant time**] ([**insert relevant time zone**]) on the [Interest Determination Date] [**determine other day**] and the Issuer shall notify the Calculation Agent of all the quotations received by it. If two or more of the Reference Banks provide such offered quotations, the Reference Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one [thousandth] [ten-thousandth] [hundred-thousandth][**insert other rounding rules**] of a percentage point, with [0.0005][0.00005] [0.000005][**insert other rounding rules**] being rounded upwards) of such offered quotations[, however at least 0.00% *per annum*], all as determined by the Calculation Agent.

If on any [Interest Determination Date] [**determine other day**] only one or none of the Reference Banks provides the Issuer with such offered quotations as provided in the preceding paragraph, the Reference Interest Rate for the relevant Interest Period shall be the rate [*per annum*] [**insert other time period**] which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one [thousandth] [ten-thousandth] [hundred-thousandth] [**insert other rounding rules**] of a percentage point, with [0.0005][0.00005][0.000005][**insert other rounding rules**] being rounded upwards) of the rates, as communicated to the Issuer at the request of the Issuer (and notified to the Calculation Agent) by the Reference Banks or any two or more of them, at which such banks were offered, as at [11.00 a.m.][**insert relevant time**] ([**insert relevant time zone**]) on the relevant [Interest Determination Date] [**determine other day**], deposits in the Specified Currency for the relevant Interest Period by leading banks in the [**insert financial centre**] interbank market [in the Euro-Zone] [, however at least 0.00% *per annum*].

If the Reference Interest Rate cannot be determined in accordance with the foregoing provisions the Issuer will determine the Reference Interest Rate for the relevant Interest Period at its equitable discretion according to § 317 of the German Civil Code (*Bürgerliches Gesetzbuch*) ("**BGB**") and also having regard to the operational requirements of the Calculation Agent. The Issuer shall notify the Calculation Agent of any determination made by it under these Conditions.

"**Reference Banks**" means the offices of not less than [four] [**insert other number**] major banks in the [relevant] [**insert relevant financial centre**] interbank market [in the Euro-Zone] selected by the Issuer.].

*Reference Interest Rate replacement in case of a Discontinuation Event.* If (i) a public statement or information has been published by the competent administrator of the Reference Interest Rate to the effect that the Reference Interest Rate has ceased to be representative or is no longer an industry-accepted rate for debt market instruments such as the Notes, or comparable instruments, (ii) a public statement or information has been published to the effect that the administrator of the Reference Interest Rate commences the orderly wind-down of the Reference Interest Rate or ceases the calculation and publication of the Reference Interest Rate permanently or indefinitely, provided that, at the time of the publication of such statement or information, there is no successor administrator that will continue to provide the Reference Interest Rate (iii) the administrator of the Reference Interest Rate becomes insolvent or an insolvency, a bankruptcy, restructuring or similar proceedings (affecting the administrator) is commenced by the administrator or its supervisory or regulatory authority, (iv) the competent authority for the administrator of the Reference Interest Rate withdraws or suspends the authorisation pursuant to Article 35 of Regulation (EU) 2016/1011 (as amended, the "**Benchmarks Regulation**") or the recognition pursuant to Article 32(8) of the Benchmarks Regulation or requires the cessation of the endorsement pursuant to Article 33(6) of the Benchmarks Regulation, provided that, at the time of the withdrawal or suspension or the cessation of endorsement, there is no successor administrator that continues to provide the Reference Interest Rate and its administrator commences the orderly wind-down of the Reference Interest Rate or ceases to provide the Reference Interest Rate or certain maturities or certain currencies for which the Reference Interest Rate is calculated permanently or indefinitely; or (v) the Reference Interest Rate is otherwise discontinued or it becomes unlawful for the Issuer or the Calculation Agent to use the Reference Interest Rate for any other reason (each of the events in (i) through (v) a "**Discontinuation Event**"), the Reference Interest Rate shall be replaced, on [the] [each] [relevant Interest Determination Date] [**determine other day**], by a rate determined or procured, as the case may be, by the Issuer (the "**Successor Reference Interest Rate**") according to the following paragraphs in the order of (I)-(III) provided that the determination of any Successor Reference Interest Rate or Successor Reference Rate, and any other related changes to the Notes, shall be made in accordance with the relevant Capital Regulations (if applicable) and shall not prejudice the qualification of (i) the Senior Eligible Notes as Eligible Liabilities Instruments or (ii) the Non-Preferred Senior Eligible Notes as Eligible Liabilities Instruments, as applicable, in each case for the purposes of and in accordance with the Capital Regulations:

- (I) The Reference Interest Rate shall be replaced with the reference rate, which is determined by any applicable law or regulation or announced by the administrator of the Reference Interest Rate, the competent central bank or a regulatory or supervisory authority as the successor rate for the Reference

Interest Rate and the source of which is accessible to the Calculation Agent. The Issuer shall thereafter inform the Calculation Agent at the latest 10 days prior to the [Interest Determination Date] [**determine other day**] and, subsequently the Holders of the Notes in accordance with § 14. If, on any previous [Interest Determination Date] [**determine other day**], the Successor Reference Interest Rate was also determined in accordance with the provisions of paragraph (I), no other publication obligations will apply for the Issuer in connection with such Successor Reference Rate or any adjustments or changes made in relation thereto or relating to the determination of the [Rate of Interest] [or] [the] [Interest Amount] [**determine other rate or amount**] as set out below;

- (II) An Independent Adviser will in its reasonable discretion (*billiges Ermessen*) choose a successor reference rate that is most comparable to the Reference Interest Rate, provided that if the Independent Adviser determines that there is an industry accepted reference rate as being most comparable to the Reference Interest Rate, then the Independent Adviser will use such reference rate as successor reference rate (the "**Successor Reference Rate**") and determine which screen page or source shall be used in connection with such Successor Reference Rate (the "**Successor Screen Page**"). Provided that such Successor Screen Page is accessible to the Calculation Agent, any reference to the Screen Page herein shall from the date of the determination of the Successor Reference Rate on be read as a reference to the Successor Screen Page and the provisions of this paragraph shall apply *mutatis mutandis*. The Independent Adviser will notify the Issuer and the Calculation Agent at the latest 10 days prior to the [Interest Determination Date] [**determine other day**] about such determinations. The Issuer shall thereafter inform the Holders of the Notes in accordance with § 14.

Further and in addition to any replacement of the Reference Interest Rate with a Successor Reference Interest Rate in accordance with the above paragraphs (I) or (II) the Issuer (acting in good faith and in a commercially reasonable manner) may specify (i) an interest adjustment factor or fraction or spread (to be added or subtracted) which shall be applied to the Successor Reference Interest Rate, for the purpose of achieving a result which is consistent with the economic substance of the Reference Interest Rate before the Discontinuation Event occurred, and (ii) any further changes necessary for determining the [Rate of Interest and calculating the Interest Amount][**determine other rate/amount**] in order to follow market practice in relation to the Successor Reference Interest Rate [(such as the Day Count Fraction, the Business Day Convention, Business Days, the Interest Determination Dates, the method of calculating the Interest Amount)]. Thereafter, the Issuer shall inform the Calculation Agent at the latest 10 days prior to the [Interest Determination Date] [**determine other day**] and, subsequently the Holders of the Notes in accordance with § 14 (other than in the case set out in paragraph (I) above).

- (III) In the case that:

- (a) the source of the successor rate for the Reference Interest Rate determined in accordance with the above paragraph (I) or the Successor Screen Page determined in accordance with the above paragraph (II) is not accessible to the Calculation Agent;
- (b) the Independent Adviser fails to determine the Successor Reference Rate at the latest 10 days prior to the [Interest Determination Date] [**determine other day**] and to notify the Calculation Agent;
- (c) in the event that the Issuer, having used reasonable endeavours, fails to appoint an Independent Adviser or the period to determine a Successor Reference Interest Rate according to the provisions above was not sufficient; or
- (d) the successor rate for the Reference Interest Rate cannot be determined in accordance with the relevant Capital Regulations and/or such determination would prejudice the qualification of (i) the Senior Eligible Notes as Eligible Liabilities Instruments or (ii) the Non-Preferred Senior Eligible Notes as Eligible Liabilities Instruments, as applicable, in each case for the purposes of and in accordance with the Capital Regulations

the Issuer will decide in its reasonable discretion (*billiges Ermessen*) and not less than 3 Business Days prior to the [Interest Determination Date] [**determine other day**] relating to the [next succeeding Interest Period][**determine other event / day**] (the "**Procedures Determination Date**"):

- (a) that the Reference Interest Rate shall be the offered quotation for the Reference Interest Rate which appeared on the Screen Page on the last day preceding the relevant [Interest Determination

Date] [**determine other day**] on which such quotations were offered and shall thereafter inform the Holders of the Notes in accordance with § 14[.] [; or in cases (a) to (c) above]

- (b) to redeem the Notes in whole but not in part and subject to the adherence of the provisions of the Conditions to Early Redemption and Repurchase (as defined in § 6[(10)]) and subject to the prior permission of the Resolution Authority (as defined in § 3), by giving not less than 20 days' notice in accordance with § 14, at the [Final Redemption Amount][Early Redemption Amount] (as defined below pursuant to § 6), together with interest (if any) accrued to (but excluding) the date fixed for such early redemption.

Such notice of redemption shall specify:

- (i) the Series of Notes subject to redemption;
- (ii) the date determined for redemption, which shall be the second [Coupon Date][Interest Payment Date] following the Procedures Determination Date; and
- (iii) the [Final Redemption Amount][Early Redemption Amount].

If the Issuer elects to redeem the Notes, the [Rate of Interest][Reference Interest Rate] applicable from the last [Coupon Date] [Interest Payment Date][**determine other day**] prior to the redemption date until (but excluding) the redemption date shall be the [Rate of Interest][Reference Interest Rate] applicable to the immediately preceding Interest Period.]]

**"Independent Adviser"** means an independent financial institution of international standing or an independent financial adviser with relevant expertise appointed by the Issuer at its own expense.]

**"Interest Determination Date"** means the [[second] [**insert other applicable number of days**] Business Day prior to the [commencement] [end] of the relevant [Floating] Interest Period.] [first day of the relevant [Floating] Interest Period.]] [[•] Business Day prior to [the expiry] [the [Floating] Coupon Date] of the relevant [Floating] Interest Period.]]

## § 2 Currency, Denomination, Issue Date, Form, Custody

- (1) *Currency – Denomination – Issue Date.* This Series of notes (the "**Notes**") of CEC Bank S.A. (the "**Issuer**") is being issued on [**insert Issue Date**] (the "**Issue Date**") in [**insert Specified Currency**] (the "**Specified Currency**") in the aggregate principal amount of [**aggregate principal amount**] (in words: [**aggregate principal amount in words**]) in the denomination of [**insert Specified Denomination**<sup>4</sup>] (the "**Specified Denomination**").

- (2) *Form.*

- (a) The Notes are being issued in bearer form.

*[In the case of Notes which are represented by a Permanent Global Note, insert:*

- (b) *Permanent Global Note.* The Notes are represented by a permanent global note (the "**Permanent Global Note**" or the "**Global Note**") without coupons. The Permanent Global Note shall be signed by two duly authorised signatories of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.]

*[In the case of Notes which are initially represented by a Temporary Global Note to be exchanged for a Permanent Global Note, insert:*

- (b) Temporary Global Note – Exchange – Permanent Global Note.
- (i) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination represented by a permanent global note (the "**Permanent**

<sup>4</sup> Minimum denomination of the Notes will be EUR 100,000 or, if in any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of EUR 100,000.

**Global Note**" and, together with the Temporary Global Note, the "**Global Notes**" and, each a "**Global Note**") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by two duly authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.

- (ii) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date not earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 2(2). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States. For purposes of this subparagraph, "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).]

- (3) *Custody.* The Global Note will be kept in safe keeping by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied.

**[In the case that the Global Note is an NGN, insert:** The Notes are issued in New Global Note form and are kept in safe keeping by a common safekeeper on behalf of both ICSDs.

The aggregate principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of the Notes represented by the Global Note and, for these purposes, a statement issued by ICSD stating the principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time. For technical procedure of the ICSDs, in the case of a partial early redemption of the Notes the outstanding redemption amount will be reflected in the records of the ICSDs as either a nominal reduction or as a pool factor, at the discretion of the ICSDs.

On any redemption in respect of, or purchase by or on behalf of the Issuer and cancellation of, any of the Notes represented by the Global Note details of such redemption or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in the records of the ICSDs.]

**[In the case that the Global Note is a CGN, insert:** The Notes are issued in Classical Global Note form and are kept in safe keeping by a common depository on behalf of both ICSDs.]

### § 3 Status

- (1) *Status Eligible Notes.* The Notes are intended to qualify as Eligible Liabilities Instruments (as defined below).

**[In the case of Ordinary Senior Eligible Notes, insert:**

- (2) *Ordinary Senior Eligible Notes.* The obligations under the Notes constitute direct, unsecured and unsubordinated obligations of the Issuer ranking in the event of normal insolvency proceedings (bankruptcy proceedings) (*falliment*) or liquidation (*liquidare*) of the Issuer:
  - (a) junior to the Issuer's Preferred Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Preferred Obligations have been satisfied in full;
  - (b) *pari passu* (i) among themselves; and (ii) (subject to any applicable statutory exceptions and without prejudice to the aforesaid and save for any Issuer's Preferred Obligations) with all other

present and future unsecured and unsubordinated instruments or obligations of the Issuer which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes; and

- (c) senior to all present or future obligations under (i) Non-Preferred Senior Instruments and any obligations of the Issuer that rank *pari passu* with Non-Preferred Senior Instruments; (ii) all subordinated obligations of the Issuer (including, but not limited to, instruments or obligations of the Issuer that result from own funds items (as defined in the Capital Regulations) of the Issuer); and (iii) ordinary shares, preference shares and other Common Equity Tier 1 instruments pursuant to Article 28 CRR of the Issuer.

Where:

"**CRR**" means 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 (*Capital Requirements Regulation*), as amended or replaced from time to time, and any references in these Conditions to relevant Articles of the CRR include references to any applicable provisions of law amending or replacing such Articles from time to time.

"**Eligible Liabilities Instruments**" means any directly issued debt instruments of the Issuer that qualify as eligible liabilities instruments pursuant to Article 72b CRR and/or to the Romanian Recovery and Resolution Act, as the case may be, which are included in the amount to be complied with for the minimum requirements for own funds and eligible liabilities pursuant to the Romanian Recovery and Resolution Act, including any debt instruments that qualify as eligible liabilities items pursuant to transitional provisions under the CRR and/or the Romanian Recovery and Resolution Act, as the case may be.

"**Issuer's Preferred Obligations**" means all obligations of the Issuer which pursuant to mandatory provisions of law rank or are expressed to rank senior to the obligations of the Issuer under the Notes.

"**Non-Preferred Senior Instruments**" means any obligations of the Issuer which fall or are expressed to fall within the category of obligations described in Article 234<sup>1</sup> of the Romanian Insolvency Act and any other obligations of the Issuer which, to the extent permitted by Romanian law, rank or are expressed to rank *pari passu* with the Non-Preferred Senior Instruments of the Issuer.

"**Romanian Insolvency Act**" means Law no. 85/2014 on insolvency prevention procedures and on insolvency procedure (*Legea 85/2014 privind procedurile de prevenire a insolvenței și de insolvență*), as amended or replaced from time to time and any references in these Conditions to relevant provisions of the Romanian Insolvency Act include references to any applicable provisions of law amending or replacing such provisions from time to time.]

**[In the case of Non-Preferred Senior Eligible Notes, insert:**

- (2) *Non-Preferred Senior Eligible Notes*. The Notes constitute direct, unsecured and unsubordinated obligations of the Issuer, and constitute non-preferred senior obligations of the Issuer under debt instruments that meet the criteria for debt instruments pursuant to Article 234<sup>1</sup> of the Romanian Insolvency Act.

In the event of normal insolvency proceedings (bankruptcy proceedings) (*faliment*) or liquidation (*lichidare*) of the Issuer, claims on the principal amount, interest and any Additional Amounts of the Notes will rank:

- (a) junior to the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full;
- (b) *pari passu*: (i) among themselves; and (ii) with all other present or future Non-Preferred Senior Instruments; and
- (c) senior to all present or future claims under: (i) ordinary shares, preference shares and other Common Equity Tier 1 instruments pursuant to Article 28 CRR of the Issuer; (ii) Additional Tier 1 instruments pursuant to Article 52 CRR of the Issuer; (iii) Tier 2 instruments pursuant to Article 63 CRR of the Issuer and any other (if any) instruments or obligations of the Issuer that

result from own funds items of the Issuer; and (iv) all other subordinated instruments or obligations of the Issuer.

Where:

"**CRR**" means 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 (*Capital Requirements Regulation*), as amended or replaced from time to time, and any references in these Conditions to relevant Articles of the CRR include references to any applicable provisions of law amending or replacing such Articles from time to time.

"**Eligible Liabilities Instruments**" means any directly issued debt instruments of the Issuer that qualify as eligible liabilities instruments pursuant to Article 72b CRR and/or to the Romanian Recovery and Resolution Act, as the case may be, which are included in the amount to be complied with for the minimum requirements for own funds and eligible liabilities pursuant to the Romanian Recovery and Resolution Act, including any debt instruments that qualify as eligible liabilities items pursuant to transitional provisions under the CRR and/or the Romanian Recovery and Resolution Act, as the case may be.

"**Issuer's Senior Ranking Obligations**" means all unsecured and unsubordinated obligations of the Issuer (other than Non-Preferred Senior Instruments) which, in accordance with their terms or pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Notes, including any present or future claims in respect of liabilities which are excluded from eligible liabilities items pursuant to Article 72a (2) of the CRR or which are excluded from the application of the write-down or conversion powers in accordance with the provisions of Articles 286 and 287 of the Romanian Recovery and Resolution Act (transposing Article 44 (2) and (3) of BRRD).

"**Non-Preferred Senior Instruments**" means any obligations of the Issuer under debt instruments which meet the criteria for debt instruments pursuant to Article 234<sup>1</sup> of the Romanian Insolvency Act and any other obligations of the Issuer which, to the extent permitted by Romanian law, rank or are expressed to rank *pari passu* with the Non-Preferred Senior Instruments of the Issuer.

"**Romanian Insolvency Act**" means Law no. 85/2014 on insolvency prevention procedures and on insolvency procedure (*Legea 85/2014 privind procedurile de prevenire a insolvenței și de insolvență*), as amended or replaced from time to time and any references in these Conditions to relevant provisions of the Romanian Insolvency Act include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**Romanian Recovery and Resolution Act**" means Romanian Law no. 312/2015 on recovery and resolution of credit institutions and investment firms and for amending and supplementing certain normative acts of financial matter (*Legea nr. 312/2015 privind redresarea și rezoluția instituțiilor de credit și a firmelor de investiții, precum și pentru modificarea și completarea unor acte normative în domeniul financiar*) as amended or replaced from time to time, transposing BRRD. Any references in these Conditions to relevant provisions of the Romanian Recovery and Resolution Act include references to any applicable provisions of law amending or replacing such provisions from time to time.]

- (2) *No Negative Pledge; No Set-off/Netting; No Security/Guarantee; No Enhancement of Seniority.*

For the avoidance of doubt, there is no negative pledge provision included in these Terms and Conditions.

No Holder may set off any claims under the Notes against any claims of the Issuer. The Notes are not subject to any set off or netting arrangements that would undermine their capacity to absorb losses in resolution.

The Notes are neither secured, nor subject to a guarantee by the Issuer or any other person or subject to any other arrangement that enhances the seniority of the claims under the Notes.

- (3) (a) *Recognition of Bail-in*

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements, or understandings between the Issuer and any Holder, by its acquisition of the Notes, each Holder acknowledges and accepts that the Amounts Due arising under these Notes may be subject to the

exercise of Bail-in Powers by the Resolution Authority, and acknowledges, accepts, consents and agrees to be bound by:

- (i) the effect of the exercise of Bail-in Power by the Resolution Authority, that may include and result in any of the following, or some combination thereof:
  - (A) the reduction of all, or a portion, of the Amounts Due;
  - (B) the conversion of all, or a portion, of the Amounts Due on the Notes into shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes;
  - (C) the cancellation of the Notes;
  - (D) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period;
- (ii) the variation of the terms of the Notes, if necessary, to give effect to the exercise of Bail-in Power by the Resolution Authority.

(b) *Payment of Interest and Other Outstanding Amounts Due*

No repayment or payment of Amounts Due on the Notes, will become due and payable or be paid after the exercise of any Bail-in Power by the Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

(c) *Event of Default*

Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in Power by the Resolution Authority with respect to the Issuer, nor the exercise of the Bail-in Power by the Resolution Authority with respect to the Notes will be an Event of Default or a default for any purpose.

(d) *Notice to Holders*

Upon the exercise of the Bail-in Power by the Resolution Authority with respect to the Notes, the Issuer will provide a written notice to the Holders in accordance with § 14 as soon as practicable regarding such exercise of the Bail-in Power. The Issuer will also deliver a copy of such notice to the Fiscal Agent and Paying Agent for information purposes. Any delay or failure by the Issuer in delivering any notice referred to in this § 3(d) shall not affect the validity and enforceability of the Bail-in Powers.

Where:

**"Amounts Due"** are the aggregate principal amount of, together with any accrued but unpaid interest due on, the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of Bail-in Power by the Resolution Authority.

**"Bail-in Power"** means any write-down, conversion, transfer, modification or suspension power existing from time to time under, and exercised in compliance with, any law or regulation in effect in Romania relating to the transposition of BRRD, including but not limited to the Romanian Recovery and Resolution Act and/or any other law or regulation applicable in Romania relating to the resolution of unsound or failing credit institutions, investment firms or their affiliates (otherwise than through normal insolvency proceedings (bankruptcy proceedings) (*faliment*), liquidation (*lichidare*) or other normal bankruptcy proceedings) and the instruments, rules and standards created thereunder, respectively, pursuant to which any obligation of a credit institution or investment firm or affiliate of a credit institution or investment firm can be reduced, cancelled, transferred, modified or converted into shares, other securities or other obligations of such entity or any other person (or suspended for a temporary period).



"**BRRD**" means 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 implemented into Romanian law by the Romanian Recovery and Resolution Act, as amended from time to time, or such other acts as may come into effect in place thereof and any references in these Conditions to relevant articles of the BRRD include references to any applicable provisions of law amending or replacing such articles from time to time.

"**Capital Regulations**" means, at any time, the laws, regulations, requirements, standards, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities and/or loss absorbing capacity for credit institutions of either (i) the NBR and/or (ii) any other national or European authority, in each case then in effect in Romania and applicable to the Issuer, including, as at the date hereof, CRR, CRD and the Romanian Recovery and Resolution Act (transposing BRRD) (and/or any other Capital Regulations as may supplement and/or amend these and/or come into effect in place thereof) as well as any delegated or implementing acts adopted by the European Commission and guidelines issued by the European Banking Authority, each as amended from time to time, or such other acts as may come into effect in place thereof and any references in these Terms and Conditions to relevant articles of the Capital Regulations include references to any applicable provisions of law amending or replacing such articles from time to time.

"**CRD**" means

- 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;
- Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU; and
- Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks;

in each case as implemented into Romanian law, as amended from time to time, or such other acts as may come into effect in place thereof.

"**Resolution Authority**" means the NBR or any other resolution authority which is responsible for recovery or resolution of the Issuer on an individual and/or consolidated basis pursuant to the Capital Regulations.

#### § 4 Interest

*[In case of Fixed Rate Notes, insert:*

(1) *Rate of Interest, Interest Period[s].*

- (a) The Notes shall bear interest in arrear based on their principal amount during the Interest Period[s] from (and including) [**insert interest commencement date**] (the "**Interest Commencement Date**") to (but excluding) the [*in case of no adjustment of Interest Period, insert: [last] Coupon Date*] [*in case of an adjustment of Interest Period, insert: Maturity Date*] (as defined in § 6(1)).

"**Interest Period**" means the period from (and including) the Interest Commencement Date to (but excluding) the [*in case of no adjustment of Interest Period, insert: [first] Coupon Date*] [*in case of an adjustment of Interest Period, insert: [first] Interest Payment Date*][Maturity Date] [and thereafter from (and including) each [*in case of no adjustment of Interest Period, insert: Coupon Date*] [*in case of an adjustment of Interest Period, insert: Interest Payment Date*] to (but each excluding) [*in case of no adjustment of Interest Period, insert: the next following*

Coupon Date or last Coupon Date] *[in case of an adjustment of Interest Period, insert: next following Interest Payment Date or the Maturity Date]*].

The Interest Period[s] will be [un]adjusted.

- (b) The rate of interest is **[insert Rate of Interest]**% *per annum*.
- (2) *Coupon Date[s], Interest Payment Date[s]*. Interest shall be payable [annually] [semi-annually] [quarterly] in arrear. [Coupon Dates are [in each case] on **[insert Coupon Date(s)]** in each year (each such date a "Coupon Date").] [Coupon Date is on **[insert Coupon Date]** (the "Coupon Date").]

[The first Coupon Date shall be on **[insert first Coupon Date]**. The last Coupon Date shall be on **[insert last Coupon Date]**.]

Interest on the Notes shall be payable on [the] [each] [Interest Payment Date] [Coupon Date].

"**Interest Payment Date**" means subject to § 5[(6)] (Business Day Convention) such Business Day, on which the interest is in fact due and payable.

*[In the case of short/long Interest Periods, insert: The [first] [last] Interest Period is [shortened] [extended]. The [first Coupon Date is: [•]] [last Coupon Date is: [•]].]*

- (3) *Calculation of Interest for Partial Periods*. If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).]

*[In case of Floating Rate Notes, insert:*

- (1) *Interest Period[s], Coupon Date[s], Interest Payment Date[s]*.

- (a) *Interest Period[s]*. The Notes shall bear interest in arrear based on their principal amount during the Interest Period[s] from (and including) **[insert Interest Commencement Date]** (the "**Interest Commencement Date**") to (but excluding) the *[in case of no adjustment of Interest Period, insert: [last] Coupon Date]* *[in case of an adjustment of Interest Period, insert: Maturity Date (as defined in § 6(1))]*.

"**Interest Period**" means the period from (and including) the Interest Commencement Date to (but excluding) the *[in case of no adjustment of Interest Period, insert: [first] Coupon Date]* *[in case of an adjustment of Interest Period, insert: [first] Interest Payment Date]* [Maturity Date] [and thereafter from (and including) each *[in case of no adjustment of Interest Period, insert: Coupon Date]* *[in case of an adjustment of Interest Period, insert: Interest Payment Date]* to (but each excluding) *[in case of no adjustment of Interest Period, insert: the next following Coupon Date or last Coupon Date]* *[in case of an adjustment of Interest Period, insert: the next following Interest Payment Date or the Maturity Date]*].

The Interest Period[s] will be [un]adjusted.

- (b) *Coupon Date[s], Interest Payment Date[s]*. Interest shall be payable [annually] [semi-annually] [quarterly] in arrear. [Coupon Dates are [in each case] on **[insert Coupon Date(s)]** [in each year] (each such date a "Coupon Date").] [Coupon Date is on **[insert Coupon Date]** (the "Coupon Date").]

[The first Coupon Date shall be on **[insert first Coupon Date]**. The last Coupon Date shall be on **[insert last Coupon Date]**.]

Interest on the Notes shall be payable on [the] [each] [Interest Payment Date] [Coupon Date].

"**Interest Payment Date**" means subject to § 5[(6)] (Business Day Convention) such Business Day, on which the interest is in fact due and payable.

*[In the case of short/long Interest Period, insert: The [first] [last] Interest Period is [shortened] [extended]. The [first Coupon Date is: **[insert first Coupon Date]** ["First Coupon Date"]] [last Coupon Date is: **[insert last Coupon Date]** ["Last Coupon Date"]].]*

**[In case the rate of interest shall be calculated on the basis of a Reference Interest Rate, insert:**

- (2) *Rate of Interest.* The rate of interest (the "**Rate of Interest**") for [the][each] Interest Period will be, except as provided below,

**[For EURIBOR or another Reference Interest Rate other than a compounded daily overnight reference rate, insert:**

the Reference Interest Rate[, however, should such Reference Interest Rate be below 0.00% *per annum*, a Reference Interest Rate of 0.00% *per annum* will be applied,] **[in case of multiplication with a factor, insert:**, multiplied by the [positive][negative] Factor [and subsequently]] **[in case of a Margin, insert:** [plus] [minus] the [relevant] Margin], all as determined by the Calculation Agent, expressed as a percentage rate [*per annum*] **[insert other time period].**

**[For Compounded Daily €STR or another compounded daily overnight reference rate, insert:**

the Compounded Daily **[insert relevant overnight reference rate]** calculated on a compounded basis for the relevant Interest Period in accordance with the formula below on the [Interest Determination Date] **[determine other day]** (as defined below) [, whereby a Compounded Daily **[insert relevant overnight reference rate]** of 0.00% *per annum* will be applied, should such Compounded Daily **[insert relevant overnight reference rate]** be below 0.00% *per annum*,] **[in case of multiplication with a factor, insert:**, multiplied by the [positive][negative] Factor [and subsequently]] **[in case of a Margin insert:** [plus] [minus] the [relevant] Margin], all as determined by the Calculation Agent, expressed as a percentage rate [*per annum*] **[insert other time period].**

The Compounded Daily **[insert relevant overnight reference rate]** means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant [Interest Determination Date] **[determine other day]** as follows, and the resulting percentage will be rounded, if necessary, to the [fifth] [•] decimal place, with [0.000005] [•]% being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{r_{i-PBD} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

"**Applicable Period**" means **[if the Observation Method is lag:** the Interest Period]**[if the Observation Method is observation shift:** the Observation Period].

"**BD**" means a Business Day.

"**D**" means **[insert the relevant number of days]** and represents the number of days in the year used for the calculation of the Rate of Interest.

"**d**" means, for the relevant Applicable Period, the number of calendar days in such Applicable Period.

"**d<sub>0</sub>**" means, for the relevant Applicable Period, the number of Business Days in such Applicable Period.

"**i**" means for the relevant Applicable Period, a series of whole numbers from one to "**d<sub>0</sub>**", each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Applicable Period.

"**n<sub>i</sub>**" for any Business Day "**i**" in the Applicable Period, means the number of calendar days from, and including, such Business Day "**i**" up to but excluding the following Business Day.

"**Observation Method**" means [lag][observation shift].

"**Observation Period**" means, in respect of the relevant Interest Period, the period from, and including, the date falling "**p**" Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "**p**" Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "**p**" Business Days prior to such earlier date, if any, on which the Notes become due and payable).

"p" means, for any Applicable Period, [insert number] Business Days (provided that "p" shall not be less than five Business Days without the prior written agreement of the Calculation Agent or, if no such number is specified five Business Days).

"r" means:

[where "[insert other compounded daily overnight reference rate]" is specified as the relevant overnight reference rate in respect of any Business Day, the [other compounded daily overnight reference rate] in respect of such Business Day.]

[where "€STR" is specified as the relevant overnight reference rate, in respect of any Business Day, the €STR in respect of such Business Day.]

" $r_{(i-pBD)}$ " means the applicable Reference Rate as set out in the definition of "r" above for, [where lag is specified as the *Observation Method*: the Business Day (being a Business Day falling in the relevant Observation Period) falling "p" Business Days prior to the relevant Business Day "i".][otherwise: the relevant Business Day "i".]

**[In the case of short/long first Interest Period and if interpolation is applicable, insert:**

(This shall not apply for the Interest Period which ends with the First Coupon Date (the "**Interpolated Interest Period**"), for which the relevant reference interest rate will be the linear interpolation between the available reference interest rate with the next shorter term than the term of the Interpolated Interest Period and the available reference interest rate with the next longer term than the term of the Interpolated Interest Period. Provided, however, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall calculation the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner, determines appropriate.)]

**[In the case of short/long last Interest Period and if interpolation is applicable, insert:**

(This shall not apply for the Interest Period which ends with the Last Coupon Date (the "**Interpolated Interest Period**"), for which the relevant reference interest rate will be the linear interpolation between the available reference interest rate with the next shorter term than the term of the Interpolated Interest Period and the available reference interest rate with the next longer term than the term of the Interpolated Interest Period. Provided, however, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall calculation the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner, determines appropriate.)]

"**Factor**" means a positive or negative number and has been determined [for the [first] [•] Interest Period] as [+][-] [insert number] [insert further].]

"**Margin**" means [for the [first] [•] Interest Period] [•] [for the [•] Interest Period] [•] [insert further].]

**[In case of Notes with Fixed to [Fixed] [Floating] interest rates, insert:**

(1) [Fixed Interest.]

(a) *Rate of Interest, [Fixed] Interest Period[s], Interest Exchange Day.* [In case of one interest rate for the entire Fixed Interest Rate Period, insert: The rate of interest for the Fixed Interest Rate Period is [insert Rate of Interest]% [per annum] [insert other period] (the "**Fixed Interest Rate**").]

[In case of several interest rates during the [Fixed] Interest Rate Period, insert: The rate[s] of interest during the [Fixed] Interest Rate Period [is][are] for the [first] [Fixed] Interest Period [from the Interest Commencement Date to the [first][Fixed] Coupon Date][Fixed] Interest Payment Date] [insert Rate of Interest]% [per annum] [,][and] [for the [n-th] [Fixed] Interest Period from the [insert relevant [Fixed] Coupon Date][insert relevant [Fixed] Interest Payment Date] to the [insert relevant [Fixed] Coupon Date][insert relevant [Fixed] Interest

**Payment Date** [insert Rate of Interest]% [per annum] [,][and] [insert further/other period] (the relevant "[Fixed] Interest Rate[s]").]

The Notes shall bear interest [annually] [semi-annually] [quarterly] in arrear based on their principal amount during the [Fixed] Interest Period[s] from (and including) [insert interest commencement date] (the "Interest Commencement Date") to (but excluding) the [in case of no adjustment of [Fixed] Interest Period, insert: [first] [•] [last] [Fixed] Coupon Date] [, i.e. [insert date]] [in case of an adjustment of [Fixed] Interest Period, insert: [first] [•] [last] [Fixed] Interest Payment Date] (the "[Fixed] Interest Rate Period").

"[Fixed] Interest Period" means the period from (and including) the Interest Commencement Date to (but excluding) the [in case of no adjustment of [Fixed] Interest Period, insert: [first] [[Fixed] Coupon Date] [or] [Interest Exchange Day]] [in case of an adjustment of [Fixed] Interest Period, insert: [first] [[Fixed] Interest Payment Date] [or] [Interest Exchange Day]]] [and thereafter from (and including) each [in case of no adjustment of [Fixed] Interest Period, insert: [Fixed] Coupon Date] [in case of an adjustment of [Fixed] Interest Period, insert: [Fixed] Interest Payment Date] to (but each excluding) [in case of no adjustment of [Fixed] Interest Period, insert: the next following [Fixed] Coupon Date or Interest Exchange Day, as the case may be] [in case of an adjustment of [Fixed] Interest Period, insert: next following [Fixed] Interest Payment Date or Interest Exchange Day, as the case may be]].

"Interest Exchange Day" means [the [last] [Fixed] Coupon Date,] i.e. [insert date]] [the [Fixed] Interest Payment Date relating to the [last] [Fixed] Coupon Date i.e. [insert [last] [Fixed] Coupon Date]].

The [Fixed] Interest Period[s] will be [un]adjusted.

- (b) [Fixed] Coupon Date[s], [Fixed] Interest Payment Date[s]. Interest during the [Fixed] Interest Period[s] shall be payable in arrear. [[Fixed] Coupon Dates are [in each case] on [insert [Fixed] Coupon Date(s)] [in each year] (each such date a "[Fixed] Coupon Date").] [[Fixed] Coupon Date is on [insert [Fixed] Coupon Date] (the "[Fixed] Coupon Date").]

[The first [Fixed] Coupon Date shall be on [insert first [Fixed] Coupon Date]. The last [Fixed] Coupon Date shall be on [insert last [Fixed] Coupon Date].]

Interest on the Notes during the [Fixed] Interest Period shall be payable on [each][the] [Fixed] Interest Payment Date.

"[Fixed] Interest Payment Date" means subject to § 5[(6)] (Business Day Convention) such Business Day, on which the interest is in fact due and payable.

[In the case of short/long [Fixed] Interest Period, insert: The [first] [last] [Fixed] Interest Period is [shortened] [extended]. The [first [Fixed] Coupon Date is: [insert first [Fixed] Coupon Date]] [last [Fixed] Coupon Date is: [insert last [Fixed] Coupon Date]].]

- (c) Calculation of [Fixed] Interest for Partial Periods. If interest during the [Fixed] Interest Period is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).
- (d) Day Count Fraction for [Fixed] Interest Periods of Notes with Fixed to [Fixed] [Floating] interest rates. "Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "Calculation Period"):

[If Actual/Actual (ICMA Rule 251) is applicable, insert:

The Calculation Period will be calculated on the following basis:

- (a) if the Calculation Period is equal to or shorter than the Determination Period (as defined below) during which it falls (including in the case of short coupons), the Calculation Period will be the number of days in the Calculation Period divided by [the product of (1) the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and

- (b) if the Calculation Period is longer than one Determination Period (long coupon), the Calculation Period will be the sum of:
- (i) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and
  - (ii) the number of days in such Calculation Period falling in the next Determination Period divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year].

Where:

**"Determination Period"** means the period from and including [*insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)*] in any year to but excluding the next [*insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)*] (**Actual/Actual (ICMA Rule 251)**).]

**[If Actual/Actual (ISDA), insert:**

the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365) (**Actual/Actual (ISDA)**).]

**[If Actual/365 (Fixed), insert:**

the actual number of days in the Calculation Period divided by 365. (**Actual/365 (Fixed)**).]

**[If Actual/360, insert:**

the actual number of days in the Calculation Period divided by 360 (**Actual/360**).]

**[If 30/360 or Bond Basis, insert:**

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

**[If 30E/360 or Eurobond Basis, insert:**

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

**[If 360/360, insert:**

the number of days in the Calculation Period divided by 360, calculated on the basis of a year of 360 days with twelve 30-day months (**360/360**).]

[(2)] [*Floating Interest*].

- (a) *Rate of Interest, Floating Interest Period[s]*. The Notes shall bear interest in arrear based on their principal amount during the Floating Interest Period[s] from (and including) the Interest Exchange Day to (but excluding) the *[in case of no adjustment of Floating Interest Period, insert: [last] Floating Coupon Date]* *[in case of an adjustment of Floating Interest Period, insert: Maturity Date (as defined in § 6(1))]*.

"**Floating Interest Period**" means the period from (and including) the Interest Exchange Day to (but excluding) the *[in case of no adjustment of Floating Interest Period, insert: [first] Floating Coupon Date]* *[in case of an adjustment of Floating Interest Period, insert: [first] Floating Interest Payment Date]* [Maturity Date] [and thereafter from (and including) each *[in case of no adjustment of Floating Interest Period, insert: Floating Coupon Date]* *[in case of an adjustment of Floating Interest Period, insert: Floating Interest Payment Date]* to (but each excluding) *[in case of no adjustment of Floating Interest Period, insert: the next following Floating Coupon Date or last Floating Coupon Date]* *[in case of an adjustment of Floating Interest Period, insert: the next following Floating Interest Payment Date or the Maturity Date]*].

The Floating Interest Period[s] will be [un]adjusted.

- (b) *Floating Coupon Date[s], Floating Interest Payment Date[s]*. Interest during the Floating Interest Period[s] shall be payable [annually] [semi-annually] [quarterly] in arrear. ["**Floating Coupon Dates**" are in each case on *[insert floating coupon dates]* [in each year] (each such date a "**Floating Coupon Date**").]

["**Floating Coupon Date**" is the *[insert floating coupon date]*.]

[The first Floating Coupon Date shall be on *[insert first Floating Coupon Date]*. The last Floating Coupon Date shall be on *[insert last Floating Coupon Date]*.]

Interest on the Notes shall be payable on [each] [the] Floating [Interest Payment Date] [Coupon Date].

"**Floating Interest Payment Date**" means subject to § 5[(6)] (Business Day Convention) such Business Day, on which interest during the Floating Interest Period is in fact due and payable.

*[In the case of short/long Floating Interest Periods insert: The [first] [last] Floating Interest Period is [shortened] [extended]. The [first Floating Coupon Date is: [insert first Floating Coupon Date] ["First Coupon Date"]]* [last Floating Coupon Date is: *[insert last Floating Coupon Date] ["Last Coupon Date"]]*].

*[In case the floating rate of interest shall be calculated on the basis of a Reference Interest Rate, insert:*

- (c) *Floating Rate of Interest*. The floating rate of interest (the "**Floating Rate of Interest**") for [the][each] Floating Interest Period will be, except as provided below,

*[For EURIBOR or another Reference Interest Rate other than a compounded daily overnight reference rate, insert:*

the Reference Interest Rate [, however, should such Reference Interest Rate be below 0.00% *per annum*, a Reference Interest Rate of 0.00% *per annum* will be applied,] *[in case of multiplication with a factor, insert: multiplied by the [positive][negative] Factor [and subsequently]]* *[in case of a Margin, insert: [plus] [minus] the [relevant] Margin]*, all as determined by the Calculation Agent, expressed as a percentage rate *[per annum]* *[insert other time period]*.]

*[For Compounded Daily €STR or another compounded daily overnight reference rate, insert:*

the Compounded Daily *[insert relevant overnight reference rate]* calculated on a compounded basis for the relevant Floating Interest Period in accordance with the formula below on the [Interest Determination Date] *[determine other day]* (as defined below) [, whereby a Compounded Daily *[insert relevant overnight reference rate]* of 0.00% *per annum* will be

applied, should such Compounded Daily **[insert relevant overnight reference rate]** be below 0.00% *per annum*,] **[in case of multiplication with a factor, insert:**, multiplied by the [positive][negative] Factor [and subsequently]] **[in case of a Margin insert:** [plus] [minus] the [relevant] Margin], all as determined by the Calculation Agent, expressed as a percentage rate *[per annum]* **[insert other time period]**.

The Compounded Daily **[insert relevant overnight reference rate]** means, with respect to a Floating Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant [Interest Determination Date] **[determine other day]** as follows, and the resulting percentage will be rounded, if necessary, to the [fifth] [●] decimal place, with [0.000005] [●]% being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{r_{i-pBD} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

**"Applicable Period"** means **[if the Observation Method is lag:** the Interest Period]**[if the Observation Method is observation shift:** the Observation Period].

**"BD"** means a Business Day.

**"D"** means **[insert the relevant number of days]** and represents the number of days in the year used for the calculation of the Rate of Interest.

**"d"** means, for the relevant Applicable Period, the number of calendar days in such Applicable Period.

**"d<sub>0</sub>"** means, for the relevant Applicable Period, the number of Business Days in such Applicable Period.

**"i"** means for the relevant Applicable Period, a series of whole numbers from one to **"d<sub>0</sub>"**, each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Applicable Period.

**"n<sub>i</sub>"** for any Business Day **"i"** in the Applicable Period, means the number of calendar days from, and including, such Business Day **"i"** up to but excluding the following Business Day.

**"Observation Method"** means [lag][observation shift].

**"Observation Period"** means, in respect of the relevant Floating Interest Period, the period from, and including, the date falling **"p"** Business Days prior to the first day of such Floating Interest Period (and the first Floating Interest Period shall begin on and include the Interest Exchange Day) and ending on, but excluding, the date which is **"p"** Business Days prior to the Floating Interest Payment Date for such Floating Interest Period (or the date falling **"p"** Business Days prior to such earlier date, if any, on which the Notes become due and payable).

**"p"** means, for any Applicable Period, **[insert number]** Business Days (provided that **"p"** shall not be less than five Business Days without the prior written agreement of the Calculation Agent or, if no such number is specified five Business Days).

**"r"** means:

[where **"[insert other compounded daily overnight reference rate]"** is specified as the relevant overnight reference rate in respect of any Business Day, the [other compounded daily overnight reference rate] in respect of such Business Day.]

[where **"€STR"** is specified as the relevant overnight reference rate, in respect of any Business Day, the €STR in respect of such Business Day.]



" $r_{(i-pBD)}$ " means the applicable Reference Rate as set out in the definition of " $r$ " above for, [*where lag is specified as the Observation Method*: the Business Day (being a Business Day falling in the relevant Observation Period) falling " $p$ " Business Days prior to the relevant Business Day " $i$ ".][*otherwise*: the relevant Business Day " $i$ ".]

*[In the case of short/long first Floating Interest Period and if interpolation is applicable, insert:*

(This shall not apply for the Floating Interest Period which ends with the First Floating Coupon Date (the "**Interpolated Floating Interest Period**"), for which the relevant reference interest rate will be the linear interpolation between the available reference interest rate with the next shorter term than the term of the Interpolated Floating Interest Period and the available reference interest rate with the next longer term than the term of the Interpolated Floating Interest Period. Provided, however, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner, determines appropriate.)

*[In the case of short/long last Floating Interest Period and if interpolation is applicable, insert:*

(This shall not apply for the Floating Interest Period which ends with the Last Floating Coupon Date (the "**Interpolated Floating Interest Period**"), for which the relevant reference interest rate will be the linear interpolation between the available reference interest rate with the next shorter term than the term of the Interpolated Floating Interest Period and the available reference interest rate with the next longer term than the term of the Interpolated Floating Interest Period. Provided, however, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner, determines appropriate.)

"**Factor**" means a positive or negative number and has been determined [for the [first] [•] Interest Period] as [+][-] [insert number] [insert further].]

"**Margin**" means [for the [first] [•] Interest Period] [•] [for the [•] Interest Period] [•] [insert further].]

- (d) *Day Count Fraction for Floating Interest Periods of Notes with Fixed to Floating interest rates.* "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

*[If Actual/Actual (ICMA Rule 251) is applicable, insert:*

The Calculation Period will be calculated on the following basis:

- (a) if the Calculation Period is equal to or shorter than the Determination Period (as defined below) during which it falls (including in the case of short coupons), the Calculation Period will be the number of days in the Calculation Period divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and
- (b) if the Calculation Period is longer than one Determination Period (long coupon), the Calculation Period will be the sum of:
  - (i) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and

- (ii) the number of days in such Calculation Period falling in the next Determination Period divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year].

Where:

**"Determination Period"** means the period from and including [*insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)*] in any year to but excluding the next [*insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)*] (Actual/Actual (ICMA Rule 251)).]

**[If Actual/Actual (ISDA), insert:**

the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365) (Actual/Actual (ISDA)).]

**[If Actual/365 (Fixed), insert:**

the actual number of days in the Calculation Period divided by 365. (Actual/365 (Fixed)).]

**[If Actual/360, insert:**

the actual number of days in the Calculation Period divided by 360 (Actual/360).]

**[If 30/360 or Bond Basis, insert:**

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

**[If 30E/360 or Eurobond Basis, insert:**

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

**[If 360/360, insert:**

the number of days in the Calculation Period divided by 360, calculated on the basis of a year of 360 days with twelve 30-day months (360/360).]

**[In case of Floating Rate Note or Notes with Fixed to Floating interest rates, insert:**

- [(3)] *Interest Amount.* The Calculation Agent will, on or as soon as practicable after [the] [each] time at which the [Floating] Rate of Interest is to be determined, determine the [Floating] Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable on the Notes for the relevant [Floating] Interest Period. The relevant Interest Amount shall be calculated by applying the [Floating] Rate of Interest and the Day Count Fraction (as defined below) to [the outstanding aggregate principal amount of the Notes] [the Specified Denomination] and rounding the resultant figure to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

[(4)] *Notification of [Floating] Rate of Interest and Interest Amount.*

**[In case of interest determination in advance, insert:**

The Calculation Agent will cause the [Floating] Rate of Interest[, the Interest Amount] for each [Floating] Interest Period, [and] each [Floating] Interest Period [and the relevant [Floating] Interest Payment Date]

- (i) to be notified to the Issuer, the Clearing System, the Paying Agent and if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than the [[second] [•] Business Day prior to the commencement of the [relevant] [Floating] Interest Period] [first day of the [relevant] [Floating] Interest Period] **[insert other date]**, and
- (ii) to be notified to the Holders without delay in accordance with § 14 (Notices / [No] Stock Exchange Listing) hereof.

[Publications of information relating to the interest determination pursuant to the rules and regulations of the stock exchange on which the Notes are listed will be made to the extent provided for by such rules.]

Each Interest Amount and each [Floating] Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the [Floating] Interest Period. Any such amendment will be promptly notified to the Issuer, the Clearing System, the Paying Agent and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange and to the Holders as soon as possible in accordance with § 14 (Notices / [No] Stock Exchange Listing).]

**[In case of interest determination in arrear, insert:**

The Calculation Agent will cause the [Floating] Rate of Interest[, the Interest Amount for each [Floating] Interest Period,] [and] each [Floating] Interest Period [and the relevant [Floating] Interest Payment Date]

- (i) [to be notified to the Issuer, the Clearing System, the Paying Agent and if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than the [[•] Business Day prior to the expiry of the relevant [Floating] Interest Period] [[the second] [•] Business Day prior to the [Floating] [Coupon Date] [Interest Payment Date] of the [relevant] [Floating] Interest Period] **[insert other date]**, and]
- [(i) to be notified to the Issuer, the Clearing System, the Paying Agent and if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange on the day which is two (2) Business Days after the end of the [Interest Determination Date] **[specify other date]**, and]
- (ii) to be notified to the Holders without delay in accordance with § 14 (Notices / [No] Stock Exchange Listing) hereof.

[Publications of information relating to the interest determination pursuant to the rules and regulations of the stock exchange on which the Notes are listed will be made to the extent provided for by such rules.]

**[In case of Zero Coupon Notes, insert:**

- (1) *No Periodic Payments of Interest.* There will not be any periodic payments of interest on the Notes. The Amortisation Yield[s] [is][are] **[insert Amortisation Yield]**.

**[In the case of different Amortisation Yields for individual Interest Periods, set forth applicable provisions (including fallback provisions) herein]]**

[(5)] *Accrual of Interest and Default Interest.* If the Issuer fails to redeem the Notes when due, interest shall accrue on the Final Redemption Amount of the Notes from (and including) the due date to (but excluding) the date of actual redemption of the Notes at the default rate of interest established by law.<sup>1</sup>

**[In case of Fixed Rate Notes or Floating Rate Notes, insert:**

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

*[If Actual/Actual (ICMA Rule 251) is applicable, insert:*

The Calculation Period will be calculated on the following basis:

- (a) if the Calculation Period is equal to or shorter than the Determination Period (as defined below) during which it falls (including in the case of short coupons), the Calculation Period will be the number of days in the Calculation Period divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and
- (b) if the Calculation Period is longer than one Determination Period (long coupon), the Calculation Period will be the sum of:
  - (i) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and
  - (ii) the number of days in such Calculation Period falling in the next Determination Period divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year].

Where:

"**Determination Period**" means the period from and including [insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)] in any year to but excluding the next [insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)] (**Actual/Actual (ICMA Rule 251)**).]

*[If Actual/Actual (ISDA), insert:*

the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365) (**Actual/Actual (ISDA)**).]

*[If Actual/365 (Fixed), insert:*

the actual number of days in the Calculation Period divided by 365. (**Actual/365 (Fixed)**).]

*[If Actual/360, insert:*

the actual number of days in the Calculation Period divided by 360 (**Actual/360**).]

*[If 30/360 or Bond Basis, insert:*

the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st

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<sup>1</sup> According to paragraphs 288(1) and 247 of the German Civil Code (*Bürgerliches Gesetzbuch*) ("**BGB**"), the default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank semi-annually.

day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month) **(30/360 or Bond Basis)**.]

**[If 30E/360 or Eurobond Basis, insert:**

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

**[If 360/360, insert:**

the number of days in the Calculation Period divided by 360, calculated on the basis of a year of 360 days with twelve 30-day months **(360/360)**.]

## § 5 Payments

- (1) (a) *Payment of Principal.* Payment of principal, and any Additional Amounts, in respect of the Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

**[In the case of Notes other than Zero Coupon Notes, insert:**

- (b) *Payment of Interest.* Payment of interest on the Notes and any Additional Amounts shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System.]

**[In the case of Notes other than Zero Coupon Notes which are initially represented by a Temporary Global Note to be exchanged for a Permanent Global Note, insert:** Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 2(2)(b).]

**[In the case Payment Reference Date is applicable, insert:**

- [(2)] *Payment Reference Date.* Payments of amounts due in respect of the Notes shall be made to the Holders shown in the holders' registry at the close of business (in the relevant Clearing System) on the [•] Business Day before the due date for such payment (the "**Payment Reference Date**").]

- [(3)] *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency.

**[In the case of Notes not denominated in Euro, insert:**

If the Issuer determines that the amount payable on the respective Payment Business Day is not available to it in such freely negotiable and convertible funds for reasons beyond its control or that the Specified Currency or any successor currency to it provided for by law (the "**Successor Currency**") is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payment in Euro on, or as soon as reasonably practicable after, the respective Payment Business Day on the basis of the Applicable Exchange Rate. Holders shall not be entitled to [further] interest or any other payment as a result thereof. The "**Applicable Exchange Rate**" shall be, (i) if available, the Euro foreign exchange reference rate for the Specified Currency or the Successor Currency determined and published by the European Central Bank for the most recent practicable date falling within a reasonable period (as determined by the Issuer in its equitable discretion) prior to the day on which the payment is made or, (ii) if such rate is not available, the foreign exchange rate of the Specified Currency or the Successor Currency against the Euro as determined by the Issuer in its equitable discretion.]

- [(4)] *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- [(5)] *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day, then the Holder, subject to subparagraph [(6)] shall not be entitled to payment until the next such day in the relevant place. Irrespective of the provisions regarding the Interest Period, the Holder shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Business Day**" means any day which is a Business Day.

- [(6)] [(a)] *Business Day Convention [for Fixed Rate Notes].* If the date for payment of any amount in respect of [any][Fixed Rate] Notes would fall on a day which is not a Business Day, payment of such amount shall be

*[if Following Business Day Convention, insert:* postponed to the next day which is a Business Day.]

*[if Modified Following Business Day Convention, insert:* postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the [Fixed] Interest Payment Date shall be the immediately preceding Business Day.]

*[if Preceding Business Day Convention, insert:* the immediately preceding Business Day.]

*[if FRN Convention, insert:* postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the [Fixed] Interest Payment Date shall be the immediately preceding Business Day and (ii) each subsequent [Fixed] Interest Payment Date shall be the last Business Day in the month which falls [[insert number] months] [insert other specified periods] after the preceding applicable [Fixed] Interest Payment Date.]

*[In case of Fixed to Floating Rate Notes insert:*

[(b)] *Business Day Convention for Floating Rate Notes.* If the date for payment of any amount in respect of any Floating Rate Notes would fall on a day which is not a Business Day, payment of such amount shall be

*[if Following Business Day Convention, insert:* postponed to the next day which is a Business Day.]

*[if Modified Following Business Day Convention, insert:* postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Floating Interest Payment Date shall be the immediately preceding Business Day.]

*[if Preceding Business Day Convention, insert:* the immediately preceding Business Day.]

*[if FRN Convention, insert:* postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the Floating Interest Payment Date shall be the immediately preceding Business Day and (ii) each subsequent Floating Interest Payment Date shall be the last Business Day in the month which falls [[insert number] months] [insert other specified periods] after the preceding applicable Floating Interest Payment Date.])

## § 6 **Redemption**

- (1) *Redemption at Maturity.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on [*in case of a specified Maturity Date insert such Maturity Date*] [*in case of a Redemption Month insert:* the [Floating] Interest Payment Date falling in [*insert Redemption Month and Redemption Year*]] (the "**Maturity Date**").

- (2) *Final Redemption Amount.*

*[If the Notes are redeemed on the Maturity Date at their principal amount, insert:*

The final redemption amount in respect of each Note shall be equal to its principal amount (the "**Final Redemption Amount**").]

***[If the Notes are redeemed on the Maturity Date at an amount other than the principal amount, insert:***

The final redemption amount in respect of each Note shall be [insert currency] [insert amount greater than or equal to the principal amount] for each Note (the "Final Redemption Amount").]

***[If the Notes are subject to Early Redemption for Reasons of Taxation insert:***

(3) *Early Redemption for Reasons of Taxation.*

- (a) If there is a change in the applicable tax treatment of the Notes, including, but not limited to, change in, or amendment to, the laws or regulations in Romania or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations (including relevant court decisions), which amendment or change is effective on or after the date on which the last tranche of this Series of Notes was issued, and if the Issuer is required pursuant to any such change or amendment to pay Additional Amounts ***[in case of Notes other than Zero Coupon Notes, insert:*** on the immediately succeeding [Floating] [Fixed] Interest Payment Date (as defined in § 4) ***[in case of Zero Coupon Notes, insert:*** at maturity or upon the sale or exchange of any Note], and this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Issuer may, upon giving not more than 60 days' and not less than 30 days' prior notice in accordance with § 6[(6)], at any time redeem the Notes in whole, but not in part, at their [Early Redemption Amount (as defined below)] ***[in case of Notes other than Zero Coupon Notes, insert:*** together with interest (if any) accrued to (but excluding) the date fixed for redemption] on the date fixed for early redemption specified in the notice, provided that the conditions provided in § 6[(10)] are met.
- (b) However, such early redemption may not occur (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay Additional Amounts does not remain in effect. ***[In case of Floating Rate Notes, insert:*** The date fixed for early redemption must be [a [Floating] Coupon Date] [Fixed Coupon Date] [[an] [a Fixed] Interest Payment Date][a Floating Interest Payment Date].]

***[If Notes are subject to Early Redemption at the Option of the Issuer:***

[(4)] *Early Redemption at the Option of the Issuer.*

- (a) The Issuer may redeem the Notes in whole or in part, upon giving not more than [60][•] [Business Days]' [days]' nor less than [30][•] [Business Days]' [days]' notice in accordance with § 6[(6)], on the Call Redemption Date[s] at the [Call Redemption Amount[s]] set forth below together with accrued interest, if any, to (but excluding) the [respective] Call Redemption Date, provided that the conditions provided in § 6[(10)] are met.
- (b) "Call Redemption Date[s]" means ***[insert Call Redemption Date[s]].***
- (c) "Call Redemption Amount[s]" means ***[insert Call Redemption Amount[s] and corresponding Call Redemption Date[s]].***

[Such a redemption has to be made [at least] [at most] in the amount of [•]% of the principal amount of the Notes.]

- (d) ***[In case of a minimum Call Redemption Amount or an increased Call Redemption Amount, insert:*** The Notes have to be redeemed at [their principal amount of [insert amount]] [that is at least equal to [insert minimum Call Redemption Amount][insert increased Call Redemption Amount]] per Note.]
- (e) [If the Notes are redeemed early only in part, the Notes to be redeemed are determined according to the rules of the relevant Clearing System. ***[In the case of Notes in NGN form, the following applies:*** For technical procedure of the ICSDs, in the case of a partial redemption the outstanding redemption amount will be reflected in the records of the ICSDs as either a reduction in nominal amount or as a pool factor, at the discretion of the ICSDs.]]

***[If the Notes are subject to Early Redemption for Regulatory Reasons insert:***

[(5)] *Early Redemption for Regulatory Reasons.*

If there is a change in the regulatory classification of the Notes that occurs on or after the Issue Date of the Notes and that would be likely to result or has resulted in their exclusion in full or in part from liabilities eligible for the minimum requirement for own funds and eligible liabilities (MREL) of the Issuer pursuant to the Romanian Recovery and Resolution Act on an unlimited and uncapped basis, except where such exclusion is due to the remaining maturity of the Notes being less than the period prescribed by the relevant Capital Regulations ***[insert in the case of Senior Eligible Notes:*** or to a subordination requirement being imposed by the Resolution Authority (as defined in § 3) in respect of the Notes], the Issuer may, upon giving not more than [60][[•]][Business Days] [days] nor less than [30][[•]][Business Days] [days] prior notice in accordance with § 6[(6)], at any time redeem the Notes in whole, but not in part, at the [Final Redemption Amount][Early Redemption Amount], [together with interest (if any) accrued to but excluding the date fixed for early redemption] on the date fixed for early redemption in the notice, provided that the conditions provided in § 6[(10)] are met.

[(6)] *Notice of Early Redemption.*

Any notice of early redemption of the Notes shall be given by the Issuer to the Fiscal Agent and pursuant to § 14 (Notices / [No] Stock Exchange Listing) to the Holders and shall specify:

- (a) the Series of Notes that is to be redeemed;
- (b) a statement as to whether the Series is redeemed in whole or in part and in the latter case the aggregate principal amount of the Notes to be redeemed;
- (c) the date fixed for early redemption; [and]
- (d) the [Early][Final][Call] Redemption Amount at which the Notes are redeemed.

[(7)] *No Early Redemption at the Option of the Holder.* The Holders do not have a right to demand an early redemption of the Notes.

***[In case of Notes other than Zero Coupon Notes, insert:***

[(8)] *Early Redemption Amount.*

- (a) For the purpose of [§ 1 (Definitions),] [§ 6(3) (Early Redemption for Reasons of Taxation) and] § 6[(5)] (Early Redemption for Regulatory Reasons) the Early Redemption Amount of a Note shall be equal to [the Final Redemption Amount pursuant to § 6(2)][**insert other amount/rate**] (the "**Early Redemption Amount**").]

***[In case of Zero Coupon Notes, insert:***

[(8)] *Early Redemption Amount.*

- (a) For the purpose of this [§ 6(3) (Early Redemption for Reasons of Taxation) and] § 6[(5)] (Early Redemption for Regulatory Reasons) the Early Redemption Amount of a Note shall be equal to the Amortised Face Amount (the "**Early Redemption Amount**").
- (b) ***[In the case of accrued interest being added:*** The amortised face amount ("**Amortised Face Amount**") of a Note shall be an amount equal to the sum of (i) [**insert Reference Price**] (the "**Reference Price**"), and (ii) the product of the Amortisation Yield being [**insert Amortisation Yield**] (compounded annually) and the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Notes become due and payable.]

***[In the case of unaccrued interest being deducted:*** The amortised face amount ("**Amortised Face Amount**") of a Note shall be the principal amount thereof adjusted for interest from (and including) the Maturity Date to (but excluding) the date of final repayment by the Amortisation



Yield, being [**insert Amortisation Yield**]. Such calculation shall be made on the assumption of an annual capitalisation of accrued interest.]

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year (the "**Calculation Period**") shall be made on the basis of the Day Count Fraction (as defined in § 4).

- (c) If the Issuer fails to pay the Early Redemption Amount when due, the Amortised Face Amount of a Note shall be calculated as provided herein, except that references in subparagraph (b)(ii) above to the date fixed for redemption or the date on which such Note becomes due and repayable shall refer to the earlier of (i) the date on which upon due presentation and surrender of the relevant Note (if required), payment is made, and (ii) the fourteenth day after notice has been given by the Fiscal Agent in accordance with § 14 (Notices / [No] Stock Exchange Listing) that the funds required for redemption have been provided to the Fiscal Agent.]

[(9)] *Rounding of Redemption Amounts.* Redemption amounts are rounded to [**insert number**] decimals.

[(10)] *Conditions for Early Redemption and Repurchase.* Any early redemption pursuant to § 1(III)(b) and this § 6 and any repurchase pursuant to § 13(2) is subject to the Issuer having obtained the prior permission of the Resolution Authority for the early redemption or any repurchase pursuant to § 13(2) in accordance with the Articles 77 and 78a CRR in each case having satisfied one of the following conditions:

- (a) on or before the redemption or repurchase of the Notes, the Issuer replaces the Notes with own funds or eligible liabilities instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
- (b) the Issuer has demonstrated to the satisfaction of the Resolution Authority, that its own funds and eligible liabilities would, following such redemption or repurchase, exceed the requirements for own funds and eligible liabilities provided in CRR, CRD and the Romanian Recovery and Resolution Act (transposing BRRD) (and/or any other Capital Regulations as may supplement and/or amend these and/or come into effect in place thereof) by a margin that the Resolution Authority, acting in agreement with the Competent Authority may consider necessary; or
- (c) the Issuer has demonstrated to the satisfaction of the Resolution Authority, that the partial or full replacement of the Notes with own funds instruments (as defined in the Capital Regulations) is necessary to ensure compliance with own fund requirements provided in CRR and CRD (and/or other Capital Regulations as may supplement and/or amend these and/or come into effect in place thereof) for continuing authorisation.

**[If the Notes are subject to Early Redemption for Reasons of Taxation insert:** In the case of any early redemption pursuant to § 6 (3) such permission may further require that the Issuer has demonstrated to the satisfaction of the Resolution Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the date of issuance of the Notes.]

**[If the Notes are subject to Early Redemption for Regulatory Reasons insert:** In the case of any early redemption pursuant to § 6 [(5)], the Resolution Authority considers such change to be sufficiently certain and such permission may further require that the Issuer has demonstrated to the satisfaction of the Resolution Authority that the relevant change in regulatory classification was not reasonably foreseeable as at the date of issuance of the Notes.]

For the avoidance of doubt, any refusal of any Resolution Authority and/or Competent Authority to grant any required permission, approval or other consent shall not constitute a default for any purpose.

Where:

"**Competent Authority**" means the competent authority pursuant to Article 4(1)(40) CRR which is responsible to supervise the Issuer on an individual and/or consolidated basis, including as at the date of this Prospectus, the NBR.

## § 7 Agents

- (1) *Appointment; Specified Offices.* The initial agents (the "**Agents**") and their respective specified offices are:

**"Fiscal Agent" and "Paying Agent":**

Citibank, N.A.  
Citigroup Centre  
Canary Wharf  
London E14 5LB  
United Kingdom

*[other/further Fiscal/Paying Agent(s)/specified office(s)]*

**["Calculation Agent":**

[The Fiscal Agent shall also act as Calculation Agent.]

*[insert name and address of Calculation Agent]]*

[Other Agents: *[insert name and address of other Agents]]*

Any Agent named above reserves the right at any time to change its respective specified office to some other specified office in the same country.

- (2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of any Agent named above and to appoint another Fiscal Agent/Paying Agent or additional or other Agents in accordance with all applicable regulations. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after 10 days' prior notice thereof shall have been given to the Holders in accordance with § 14 (Notices / [No] Stock Exchange Listing).
- (3) *Agents of the Issuer.* The Agents named above act solely as agent of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.
- (4) *Determinations Binding.* All determinations, calculations, quotations and decisions given, expressed, made or obtained under these Conditions by any Agent shall (in the absence of manifest error) be binding on the Issuer and all other Agents/agents and the Holders.

## § 8 Taxation

- (1) *Taxation.* All amounts payable in respect of the Notes will be made by the Issuer free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by Romania or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

If such withholding or deduction is required by law, the Issuer shall withhold or deduct from amounts payable in respect of the Notes to a Holder sufficient funds for the payment of any tax that it is required to withhold or deduct under Romanian law. In that event the Issuer shall pay such additional amounts (the "**Additional Amounts**") as will result in receipt by the Holders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that there will be no obligation to pay Additional Amounts in respect of any Taxes which:

- (a) are payable by any person (including the Issuer) acting as custodian bank or collecting agent on behalf of a Holder, or by the Issuer if no custodian bank or collecting agent is appointed or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of principal or distributions made by it; or

- (b) are payable by reason of the Holder or the Beneficial Owner having, or having had, some personal or business connection with Romania; or
- (c) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 14 (Notices / [No] Stock Exchange Listing), whichever occurs later; or
- (d) would not be payable if the Holder could avoid such a withholding or deduction providing a certificate of residence or any other similar documents; or
- (e) are payable by reason of the Issuer or any person on behalf of the Issuer not having duly received a true, accurate and complete Beneficial Ownership Information or any other similar claim for exemption, where such Beneficial Ownership Information or other claim for exemption is required or imposed under the Income Taxes Act, if any, except where this is caused by actions or omissions of the Issuer or its agents.

**"Beneficial Owner"** means an income recipient who is treated as the beneficial owner in respect of income paid in connection with the Notes and who qualifies as a beneficial owner under the Income Taxes Act, and/or (where applicable) an applicable Tax Treaty.

**"Beneficial Ownership Information"** means certain information and documentation concerning, in particular, the identity and country of tax residence of a recipient (including a tax residency certificate) of a payment of interest or principal in respect of the Notes (together with relevant evidence thereof) which enable the Issuer to reliably establish that such recipient is a Beneficial Owner with respect to any such payment and that all conditions for the granting of a Tax Relief, if any, are met.

**"Romanian Tax Non-Resident"** means a taxpayer who is not a tax resident of Romania, either under the Income Taxes Act or under a relevant Tax Treaty (if any).

**"Romanian Tax Resident"** means a taxpayer who is a tax resident of Romania under the Income Taxes Act as well as under a relevant Tax Treaty (if any).

**"Income Taxes Act"** means Romanian Tax Code approved by Law no 227/2015 as amended.

**"Tax Relief"** means a relief from the Withholding Tax, whether in the form of an exemption or application of a reduced rate.

**"Tax Treaty"** means a valid and effective tax treaty concluded between Romania and another country under which the Romanian Tax Non-Resident is treated as a tax resident of the latter country.

**"Withholding Tax"** means a tax collected by means of a deduction at source made by a withholding agent (for example, by an issuer of a note) upon payment of taxable income.

- (2) *FATCA Withholding.* The Issuer will be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA Withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Holder, Beneficial Owner or other intermediary for any such FATCA Withholding deducted or withheld by the Issuer, the paying agent or any other party.

## § 9 Presentation Period

The presentation period provided in § 801 paragraph 1 sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) ("**BGB**") in relation to the Notes is reduced to ten years.

## § 10 No events of Default

No Holder shall have the right to accelerate the future scheduled payment of interest or principal under the Notes, other than in the insolvency (*faliment*) or liquidation (*lichidare*) of the Issuer.

No Holder shall have the right to accelerate the future scheduled payment of interest or principal under the Notes in case an early intervention (*intervenție timpurie*) measure, a resolution (*rezoluție*) measure, a moratorium or any other action or measure that may be taken against the Issuer pursuant to the Romanian Recovery and Resolution Act.

## § 11 Substitution

*This paragraph is not applicable.*

## § 12 Amendment of these Conditions, Holders' Representative

(1) *Amendment of these Conditions.* In accordance with §§ 5 et seqq. of the German Act on Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – "SchVG"*) the Holders may agree with the Issuer on amendments of these Conditions with regard to matters permitted by the SchVG by resolution with the majority specified in subparagraph (2). Majority resolutions shall be binding on all Holders. Resolutions which do not provide for identical conditions for all Holders are void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

To the extent that any amendments to these Conditions may affect the eligibility criteria for the Notes to qualify as Eligible Liabilities Instruments, such amendments are subject to the prior approval of the Resolution Authority (as defined in § 3).

(2) *Majority.* Resolutions shall be passed by a majority of not less than 75% of the votes cast. Resolutions relating to amendments of these Conditions which are not material and which do not relate to the matters listed in § 5 paragraph (3), Nos. 1 to 8 of the SchVG require a simple majority of the votes cast.

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

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

(5) *Voting Rights.* Each Holder participating in any vote shall cast votes in accordance with the principal amount or the notional share of its entitlement to the outstanding Notes.

(6) *Holdings' Representative.*

**[If no Holders' Representative is appointed in the Conditions:** The Holders may by majority resolution appoint a common representative (the "**Holdings' Representative**") to exercise the Holders' rights on behalf of each Holder.]

**[If the Holdings' Representative is appointed in the Conditions:** The common representative (the "**Holdings' Representative**") shall be [*insert name and address of the Holdings' Representative*]. The liability of the Holdings' Representative shall be limited to ten times the amount of its annual remuneration, unless the Holdings' Representative has acted wilfully or with gross negligence.]

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

### § 13 Further Issues, Repurchases and Cancellation

- (1) *Further Issues.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same Conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.
- (2) *Repurchases.* Provided that the conditions provided in § 6[(10)] are met, the Issuer may repurchase Notes in any market or otherwise and at any price. Notes repurchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation.

### § 14 Notices / [No] Stock Exchange Listing

*[If Notes are not intended to be listed, insert:*

- (1) *Notification to Clearing System.* The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which said notice was given to the Clearing System.]

*[If Notes are intended to be listed or admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or the regulated market of the Bucharest Stock Exchange, insert:*

- (1) *Publication.* As long as the Notes are listed or admitted to trading on the regulated market of the Luxembourg Stock Exchange or listed or admitted to trading on the regulated market of the Bucharest Stock Exchange, notices concerning the Notes will be published on the website of the Luxembourg Stock Exchange on [www.luxse.com](http://www.luxse.com) or on the website of the Bucharest Stock Exchange at [www.bvb.ro](http://www.bvb.ro), respectively, or such other website or other medium for the publication of notices as required in accordance with the rules and regulations of the Luxembourg Stock Exchange or the Bucharest Stock Exchange, respectively. In case of Notes listed or admitted to trading on both the Luxembourg Stock Exchange and the Bucharest Stock Exchange, the publication will be made at least on the website of the Luxembourg Stock Exchange on [www.luxse.com](http://www.luxse.com). The Issuer will also publish notices on its website [www.cec.ro](http://www.cec.ro). Any such notice shall be deemed to have been validly given to the Holders on the day of such publication.
- (2) *Notification to Clearing System.* If the rules of the Luxembourg Stock Exchange or of the Bucharest Stock Exchange so permit, the Issuer may make a publication referred to in § 14(1) by giving notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication as set forth in § 14(1) above; any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which the said notice was given to the Clearing System.]
- [ (3) *Form of Notice of Holders.* Notices to be given by any Holder shall be made in text form (*Textform*) in the English language. The notice must be accompanied by proof that such notifying Holder is holder of the relevant Notes at the time of the giving of such notice. Proof may be made by means of a certificate of the Custodian (as defined in § 15(3) (*Final Provisions*)) or in any other appropriate manner. So long as Notes are securitised in the form of a Global Note, such notice may be given by the Holder to the Fiscal Agent through the Clearing System in such manner as the Fiscal Agent and the Clearing System may approve for such purpose.

### § 15 Final Provisions

- (1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law, except that the status provisions in § 3 (*Status*) shall be governed by, and shall be construed exclusively in accordance with, Romanian law.
- (2) *Jurisdiction.* The District Court (*Landgericht*) in Frankfurt am Main, Germany, shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.
- (3) *Enforcement.* Subject to § 10, any Holder may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian (as defined below) with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder,

(b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Global Note representing the Notes in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Subject to § 10, each Holder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the proceedings.

- (4) *Language.* These Conditions are written in the English language only.

## FORM OF FINAL TERMS

[In the case of Notes listed on the official list of the Luxembourg Stock Exchange, the Final Terms will be displayed on the website of the Luxembourg Stock Exchange (www.luxse.com).]

**[MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is [eligible counterparties][,] [and] [professional clients], each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) [all channels][insert as appropriate] for distribution of the Notes [is][are] appropriate [including investment advice, portfolio management, non-advised sales and pure execution services]. [Consider any negative target market] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer[*'s/s'*] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[*'s/s'*] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].][Insert further details on target market, client categories, etc.][●]

**[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer[*'s/s'*] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[*'s/s'*] target market assessment) and determining appropriate distribution channels.][●]

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For the purposes of this provision the expression **retail investor** means a person who is one (or more) of the following (i) a retail client, as defined in point (8) of Article 2(1) of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA; and the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.]

**[PROHIBITION OF SALES TO ROMANIAN TAX RESIDENT NATURAL PERSONS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any natural person who is a Romanian tax resident.]

## FINAL TERMS

[Date]

[Title of relevant Series of Notes]<sup>5</sup> (the "Notes")

[(to be consolidated, form a single series with and increase the aggregate principal amount of the [Title of relevant Series of Notes] issued on [●][and increased on [●]] with the ISIN [●])<sup>6</sup>

Series: [●], Tranche [●]

[ISIN [●]]<sup>7</sup>

[Interim ISIN [●]]

[Permanent ISIN [●]]

issued pursuant to the  
**EUR 1,500,000,000 Euro Medium Term Note Programme**  
dated [●]2024 of  
**CEC Bank S.A.**

Legal Entity Identifier: 2138008AVF4W7FMW8W87

Issue Date: [●]

Issue Price: [●]

[These Final Terms have been prepared for the purpose of Article 8(5) in connection with Article 25(4) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**") and must be read in conjunction with the base prospectus dated [●] 2024 [and the supplement(s) dated [●]] (the "**Prospectus**") (including the documents incorporated into the Prospectus by reference), pertaining to the EUR 1,500,000,000 Euro Medium Term Note Programme of CEC Bank S.A. (the "**Programme**"). Full information about CEC Bank S.A. and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus (and any supplement thereto) is available for viewing in electronic form on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)), on the website of the Issuer ([www.cec.ro](http://www.cec.ro)) and copies may be obtained from CEC Bank S.A., Calea Victoriei 13, 030167 Bucharest, Romania. Investors shall be aware that any supplement to the Prospectus will be published in electronic form on the Issuer's website ([www.cec.ro](http://www.cec.ro)).]<sup>7</sup>

[These Final Terms have been prepared for the purpose of Article 8(5) in connection with Article 25(4) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**") and must be read in conjunction with the base prospectus dated [●] 2024 [and the supplement(s) dated [●]] (the "**Prospectus**") (including the documents incorporated into the Prospectus by reference), pertaining to the EUR 1,500,000,000 Euro Medium Term Note Programme of CEC Bank S.A. (the "**Programme**") as well as [PART I of the Final Terms (the "**Original Final Terms**") and] the Terms and Conditions of the Notes (the "**Original Terms and Conditions**") [in the case of Long-form Conditions insert: (scheduled to these Final Terms)] set forth in the prospectus dated 21 December 2022 (the "**Original Prospectus**"). The Conditions set out in PART I below have been extracted in whole from [PART I of the Original

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<sup>5</sup> "Notes" in the Final Terms shall have the meaning of "Ordinary Senior Notes", "Subordinated Notes" or "Eligible Notes".

<sup>6</sup> Include only in the case of fungible tranches.

<sup>7</sup> Include in case of first tranche, or tranches fungible only with other tranches offered under the Prospectus (but not the Original Prospectus).



Final Terms] [the Original Terms and Conditions] and replace [PART I of the Final Terms] [the Terms and Conditions of the Notes] set out in the Prospectus in whole. [Capitalised terms used in PART I below but not otherwise defined therein shall have the meanings specified in the Original Terms and Conditions when used in PART I below.] All relevant information on the Issuer and the Notes is only available on the basis of the combination of these Final Terms **[in the case of Long-form Conditions insert: (including the schedule hereto)]**, the Prospectus including any supplements to the Prospectus and [the Original Final Terms] [the Original Terms and Conditions] of the Original Prospectus including any supplements to the Original Prospectus. Copies of the Prospectus as well as any supplements to the Prospectus and the Original Prospectus including any supplements to the Original Prospectus are available for viewing in electronic form on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)), on the website of the Issuer ([www.cec.ro](http://www.cec.ro)) and copies may be obtained from CEC Bank S.A., Calea Victoriei 13, 030167 Bucharest, Romania. Investors shall be aware that any supplement to the Prospectus will be published in electronic form on the Issuer's website ([www.cec.ro](http://www.cec.ro)).]<sup>8</sup>

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<sup>8</sup> Include only in the case of tranches fungible with tranches offered under the Original Prospectus (but not the Prospectus).

## PART I.: CONDITIONS

**[A. In the case the options applicable to the relevant Tranche of Notes are to be determined by replicating the relevant provisions set forth in the Prospectus as Option I, Option II or Option III including certain further options contained therein, respectively, and completing the relevant placeholders, insert:**

The Conditions applicable to the Notes (the "**Conditions**") are as set out below.

**[in case of Ordinary Senior Notes** replicate here relevant provisions of Option I including relevant further options contained therein, and complete relevant placeholders]

**[in case of Subordinated Notes** replicate here relevant provisions of Option II including relevant further options contained therein, and complete relevant placeholders]

**[in case of Eligible Notes** replicate here relevant provisions of Option III including relevant further options contained therein, and complete relevant placeholders]

**[B. In the case the options applicable to the relevant Tranche of Notes are to be determined by referring to the relevant provisions set forth in the (Original) Prospectus as Option I, Option II or Option III including certain further options contained therein, respectively, insert:**

This Part I. of the Final Terms is to be read in conjunction with the set of [Original] Terms and Conditions that apply to [Ordinary Senior][Subordinated][Notes][[Ordinary Senior][Non-Preferred Senior] Eligible Notes] (the "**Terms and Conditions**") set forth in the [Original] Prospectus as [Option I][Option II][Option III]. Capitalised terms not otherwise defined herein shall have the meanings specified in the set of [Original] Terms and Conditions.

All references in this part of the Final Terms to numbered Articles and subparagraphs are to Articles and subparagraphs of the [Original] Terms and Conditions.

All provisions in the [Original] Terms and Conditions corresponding to items in the Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the Terms and Conditions applicable to the Notes (the "**Conditions**").]

DEFINITIONS (§ 1) <sup>9</sup>		
Business Day		[T2] [insert all relevant financial centres]
Clearing System		
<input type="checkbox"/>	Clearstream Banking S.A.	
<input type="checkbox"/>	Euroclear Bank SA/NV	
<input type="checkbox"/>	Depozitarul Central SA	
<input type="checkbox"/>	Screen Page <sup>10</sup>	means [REUTERS Screenpage [EURIBOR01] [ROBOR=]] [insert other Screenpage and additional information if necessary] or each successor page.] [•]
<input type="checkbox"/>	Reference Rate	means a value, [which] [the performance of which] determines [the amount of a/the ] [floating interest rate(s)] [and][or] [the Redemption Amount] [and][or] [if any interest will be paid for a certain interest period] [and][or] [the maturity of the Notes][insert any other legal consequence]]
<input type="checkbox"/>	Reference Interest Rate <sup>11</sup>	means the offered quotation for the [number]-month [EURIBOR] [ROBOR] [€STR] [insert other reference interest rate] which appears on the Screen Page as of [11.00 a.m.] [insert other relevant time] ([insert relevant time zone]) on the [Interest Determination Date] [determine other day].
<input type="checkbox"/>	EURIBOR or another Reference Interest Rate other than a compounded daily overnight reference rate	[EURIBOR][insert Reference Interest Rate]
	Period for offered quotation	[per annum][insert other period]
	Relevant time / time zone	[11.00 a.m.][insert relevant time]([insert relevant time zone])
	Offered quotation determination date	[Interest Determination Date] [determine other day]
	Roundings	[thousandth] [ten-thousandth] [hundred-thousandth] [insert other rounding rules]
	[0.0005] [0.00005] [0.000005] [insert other rounding rules] being rounded upwards	[•]
	Reference Interest Rate Floor	[Yes, at 0.00% per annum][No]
	Financial Centre	[insert financial centre]
	Reference Interest Rate	[for the relevant Interest Period] [define other event]
	Reference Banks	means the offices of not less than [four] [insert other number] major banks in the [relevant] [insert relevant

<sup>9</sup> If not applicable, the following items may be deleted.

<sup>10</sup> To be completed if the Reference Interest Rate or Reference Swap Rate is applicable.

<sup>11</sup> To be completed if the Reference Rate is an Interest Rate.

		<b>financial centre</b> ] interbank market [in the Euro-Zone] selected by the Issuer.
	Reference Interest Rate Replacement Date	[the][each] [relevant Interest Determination Date] [ <b>determine other day</b> ]
	Calculation of	[Rate of Interest] [or] [the] [Interest Amount][ <b>determine other rate or amount</b> ]
	Procedures Determination Date	Not less than 3 Business Days prior to the [Interest Determination Date] [ <b>determine other day</b> ] relating to the [next succeeding Interest Period][ <b>determine other event / day</b> ]
	Early Redemption at the Final Redemption Amount	[Applicable][Not Applicable]
	Early Redemption at the Early Redemption Amount	[Applicable][Not Applicable]
	Redemption Date	Second [Coupon Date][Interest Payment Date] following the Procedures Determination Date
	Applicable [Rate of Interest] [Reference Interest Rate]	[If the Issuer elects to redeem the Notes, the [Rate of Interest][Reference Interest Rate] applicable from the last [Coupon Date] [Interest Payment Date] [ <b>determine other day</b> ] prior to the redemption date until (but excluding) the redemption date shall be the [Rate of Interest][Reference Interest Rate] applicable to the immediately preceding Interest Period.]
<input type="checkbox"/>	Reference Swap Rate <sup>12</sup>	Is the [ <b>insert number of years/months</b> ][year][months] [ <b>insert relevant currency</b> ] Swap Rate and means [[ <b>•</b> ] / [ <b>insert definition /Screen Page</b> ]]
	Reset Reference Bank Rate	Reference Swap Rate Quotations provided by [five] [ <b>insert other number</b> ] leading swap dealers in the interbank market to the Issuer at approximately [ <b>insert time</b> ] ([ <b>insert time zone</b> ]), on the Interest Adjustment Determination Date.
	Minimum number of Reference Swap Rate Quotations	[three] [ <b>insert other number</b> ]
	Reference Swap Rate Quotation	means the arithmetic mean of the bid and offered rates for the fixed leg (calculated on the basis of the Day Count Fraction) of a [ <b>insert reference swap rate</b> ] which (i) has a term of [ <b>insert number of [years][months]</b> ] commencing on the Interest Adjustment Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledgement dealer of good credit in the swap market and (iii) has a floating interest based on the [ <b>insert reference interest rate</b> ] (calculated on the basis of the Day Count Fraction).
	Reference Swap Rate Replacement Date	[Interest Determination Date] [ <b>determine other day</b> ]

<sup>12</sup> To be completed if the Reference Rate is a Swap Rate.

	Procedures Determination Date	[Interest Determination Date] [ <b>determine other day</b> ] relating to the [next succeeding Interest Period][ <b>determine other event / day</b> ]
	Early Redemption at the Final Redemption Amount	[Applicable][Not Applicable]
	Early Redemption at the Early Redemption Amount	[Applicable][Not Applicable]
	Redemption Date	Second [Coupon Date][Interest Payment Date]
	Redemption	[If the Issuer elects to redeem the Notes, the [Rate of Interest][ <b>insert other definition for quotation</b> ] applicable from the last [Coupon Date] [Interest Payment Date] [ <b>determine other day</b> ] prior to the redemption date until (but excluding) the redemption date shall be the [Rate of Interest][ <b>insert other definition for quotation</b> ] applicable to the immediately preceding Interest Period.]
<input type="checkbox"/>	Interest Determination Date	means the  [[second] [ <b>insert other applicable number of days</b> ] Business Day prior to the [commencement] of the relevant Interest Period.]  [first day of the relevant Interest Period.]  [[•] Business Day prior to [the expiry] [the Coupon Date] of the relevant Interest Period.]
<b>CURRENCY, DENOMINATION, ISSUE DATE(S), FORM, CUSTODY (§ 2)</b>		
<b>Currency – Denomination – Issue Date</b>		
	Issue Date	[•]
	Specified Currency	[•]
	Aggregate Principal Amount	[•]
	Aggregate Principal Amount in Words	[•]
	Specified Denomination <sup>13</sup>	[•]
<b>Form</b>		
<input type="checkbox"/>	Permanent Global Note	
<input type="checkbox"/>	Temporary Global Note exchangeable for Permanent Global Note	
<input type="checkbox"/>	New Global Note (NGN)	
<input type="checkbox"/>	Classical Global Note (CGN)	

<sup>13</sup> Minimum denomination of the Notes will be EUR 100,000 or, if in any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of EUR 100,000.

STATUS (§ 3)		
<input type="checkbox"/>	Ordinary Senior Notes	
<input type="checkbox"/>	Subordinated Notes	
<input type="checkbox"/>	Eligible Notes	
<input type="checkbox"/>	Ordinary Senior Eligible Notes	
<input type="checkbox"/>	Non-Preferred Senior Eligible Notes	
INTEREST (§ 4)		
<input type="checkbox"/>	<b>Fixed Rate Notes</b>	
	<b>Rate of Interest; Interest Period[s]</b>	
	Interest Commencement Date	[●]
	Adjustment of Interest Periods	[Yes][No]
	Rate of Interest	[●] % [ <i>per annum</i> ] [ <b>insert other period</b> ]
	<b>Coupon Date[s], Interest Payment Date[s]</b>	
	Frequency of interest payments	[annually] [semi-annually] [quarterly]
	Coupon Date(s)	[ <i>insert Coupon Date(s)</i> ]
	[First Coupon Date]	[ <i>insert first Coupon Date</i> ]
	[Last Coupon Date]	[ <i>insert last Coupon Date</i> ]
	Short/Long Interest Periods	[ <i>specify</i> ] [Not Applicable]
<input type="checkbox"/>	<b>Floating Rate Notes<sup>14</sup></b>	
	<b>Coupon Dates, Interest Payment Dates</b>	
	Interest Commencement Date	[●]
	Adjustment of Interest Periods	[Yes][No]
	Frequency of interest payments	[annually] [semi-annually] [quarterly]
	Coupon Date(s)	[ <b>insert Coupon Date(s)</b> ]
	[First Coupon Date]	[ <b>insert first Coupon Date</b> ]
	[Last Coupon Date]	[ <b>insert last Coupon Date</b> ]
	Short/Long Interest Periods	[ <b>specify</b> ] [Not Applicable]
	Interpolation	[Applicable] [Not Applicable]

<sup>14</sup> If not applicable, the following items may be deleted.

Rate of Interest		
<input type="checkbox"/>	For EURIBOR or another Reference Interest Rate other than a compounded daily overnight reference rate	[EURIBOR][ <b>Insert Reference Interest Rate</b> ]
<input type="checkbox"/>	<input type="checkbox"/> Multiplication with a factor <input type="checkbox"/> Plus Margin <input type="checkbox"/> Minus Margin expressed as a percentage rate	[positive][negative] Factor [and subsequently]  [per annum] [ <b>insert other time period</b> ]
<input type="checkbox"/>	For Compounded Daily €STR or another compounded daily overnight reference rate  Determination Date  Compounded Daily Overnight Reference Rate Floor  <input type="checkbox"/> Multiplication with a factor <input type="checkbox"/> Plus Margin <input type="checkbox"/> Minus Margin expressed as a percentage rate	[€STR] [ <b>Insert Compounded Daily Overnight Reference Rate</b> ]  [Interest Determination Date] [ <b>determine other day</b> ]  [Yes, at 0.00% per annum][No]  [positive][negative] Factor [and subsequently]  [per annum] [ <b>insert other time period</b> ]
	Rounding (for calculation of the Compounded Daily Overnight Reference Rate)	[fifth] [•] decimal place with [0.000005] [•]% being rounded upwards
	Observation Method	[lag][observation shift]
	"D", the number of days in the year used for the calculation of the Rate of Interest	[360][365][•]
	"p"	[ <b>insert number</b> ] Business Day[s]
Margin		
<input type="checkbox"/>	flat	
<input type="checkbox"/>	plus	[for the [first] [•] Interest Period] [•] [for the [•] Interest Period [•]]
<input type="checkbox"/>	minus	[for the [first] [•] Interest Period] [•] [for the [•] Interest Period [•]]
	Factor	[Not Applicable] [+][-] [ <b>insert number</b> ] [for the [first] [•] Interest Period] [ <b>insert further</b> ]
Interest Amount		
<input type="checkbox"/>	Outstanding aggregate principal amount	

	<input type="checkbox"/>	Specified denomination <sup>15</sup>	
		<b>Notification of Rate of Interest and Interest Amount</b>	
	<input type="checkbox"/>	Interest determination in advance	
		Date of notification	[[second] [•] Business Day prior to the commencement of the [relevant] [Floating] Interest Period] [first day of the [relevant] [Floating] Interest Period][ <b>insert other date</b> ]
	<input type="checkbox"/>	Interest determination in arrear	
		Date of notification	[[second] [•] Business Day prior to the [Floating][Coupon Date] [Interest Payment Date] of the [relevant] [Floating] Interest Period [ <b>insert other day</b> ] and [two (2) Business Days after the end of the [Interest Determination Date]] [ <b>specify other date</b> ]
		Day Count Fraction	[Actual/Actual (ICMA Rule 251)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360 (Bond Basis)] [30E/360 (Eurobond Basis)] [360/360]
	<input type="checkbox"/>	<b>Fixed to [Fixed] [Floating] Rate Notes<sup>16</sup></b>	
	[(1)]	<b>[Fixed Interest]</b>	
	a)	Fixed Rate[s] of Interest	[•]% [ <i>per annum</i> ] [ <b>insert other period</b> ] <b>[If applicable, insert Fixed Rate(s) of Interest for each Interest Period]</b>
		Interest Commencement Date	[•]
		Fixed Coupon Date(s)	[•]
		Frequency of interest payments	[annually] [semi-annually] [quarterly]
		Interest Exchange Day	[•]
		Adjustment of Interest Periods	[Yes][No]
	b)	[First] Fixed Coupon Date	[•]
		[Last Fixed Coupon Date]	[•]
		Day Count Fraction	[Actual/Actual (ICMA Rule 251)] [Actual/Actual (ISDA)]

<sup>15</sup> Minimum denomination of the Notes will be EUR 100,000 or, if in any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of EUR 100,000.

<sup>16</sup> If not applicable, the following items may be deleted.



			[Actual/365 (Fixed)] [Actual/360] [30/360 (Bond Basis)] [30E/360 (Eurobond Basis)] [360/360]
[2]		<b>Floating Interest</b>	
	a)	Interest	[annually] [semi-annually] [quarterly]
		Adjustment of Floating Interest Periods	[Yes][No]
		Day Count Fraction	[Actual/Actual (ICMA Rule 251)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360 (Bond Basis)] [30E/360 (Eurobond Basis)] [360/360]
	b)	[First] Floating Coupon Date	[•]
		[Last Floating Coupon Date]	[•]
	c)	[First] [last] [short]/[long] Floating Interest Period	[Not Applicable] [•]
		Interpolation	[Applicable] [Not Applicable]
		<input type="checkbox"/> Reference Interest Rate	
		[Reference Interest Rate at least 0.00% <i>per annum</i>	[Yes][No]
		<input type="checkbox"/> Factor	[for the [first] [•] Interest Period] as [+][-] <b>[insert number]</b> <b>[insert further]</b>
		<input type="checkbox"/> Margin	[for the [first] [•] Interest Period] [•] [for the [•] Interest Period] [•]
		<input type="checkbox"/> For EURIBOR or another Reference Interest Rate other than a compounded daily overnight reference rate	[EURIBOR][ <b>Insert Reference Interest Rate</b> ]
		<input type="checkbox"/> Multiplication with a factor <input type="checkbox"/> Plus Margin <input type="checkbox"/> Minus Margin expressed as a percentage rate	[positive][negative] Factor [and subsequently]  [ <i>per annum</i> ] [ <b>insert other time period</b> ]
		<input type="checkbox"/> For Compounded Daily €STR or another compounded daily overnight reference rate	[€STR] [ <b>Insert Compounded Daily Overnight Reference Rate</b> ]

	Determination Date	[Interest Determination Date] [ <b>determine other day</b> ]
	Compounded Daily Overnight Reference Rate Floor	[Yes, at 0.00% <i>per annum</i> ][No]
	<input type="checkbox"/> Multiplication with a factor	[positive][negative] Factor [and subsequently]
	<input type="checkbox"/> Plus Margin	
	<input type="checkbox"/> Minus Margin	
	expressed as a percentage rate	[ <i>per annum</i> ] [ <b>insert other time period</b> ]
	Rounding (for calculation of the Compounded Daily Overnight Reference Rate)	[fifth] [•] decimal place with [0.000005] [•]% being rounded upwards
	Observation Method	[Lag][Observation Shift]
	"D", the number of days in the year used for the calculation of the Rate of Interest	[360][365][•]
	"p"	[ <i>insert number</i> ] <i>Business Day</i> [s]
	<b>Interest Period</b>	
	<input type="checkbox"/> three months	
	<input type="checkbox"/> six months	
	<input type="checkbox"/> twelve months	
	<input type="checkbox"/> Other Period	[•]
	<b>Margin</b>	
	<input type="checkbox"/> flat	
	<input type="checkbox"/> plus	[for the [first] [•] Interest Period] [•] [for the [•] Interest Period [•]]
	<input type="checkbox"/> minus	[for the [first] [•] Interest Period] [•] [for the [•] Interest Period [•]]
	Factor	[Not Applicable] [+][-] [ <i>insert number</i> ] [for the [first] [•] Interest Period] [ <i>insert further</i> ]
	<b>Interest Amount</b>	
	<input type="checkbox"/> Outstanding aggregate principal amount	
	<input type="checkbox"/> Specified denomination <sup>17</sup>	
	<b>Floating Interest Period</b>	
	<input type="checkbox"/> three months	

<sup>17</sup> Minimum denomination of the Notes will be EUR 100,000 or, if in any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of EUR 100,000.

<input type="checkbox"/>	six months	
<input type="checkbox"/>	twelve months	
<input type="checkbox"/>	Other	[•]
	<b>Margin</b>	
<input type="checkbox"/>	flat	
<input type="checkbox"/>	plus	[for the [first] [•] Interest Period] [•] [for the [•] Interest Period [•]]
<input type="checkbox"/>	minus	[for the [first] [•] Interest Period] [•] [for the [•] Interest Period [•]]
	Factor	[Not Applicable] [+][-] [ <i>insert number</i> ] [for the [first] [•] Interest Period] [ <i>insert further</i> ]
	<b>Interest Amount</b>	
<input type="checkbox"/>	Outstanding aggregate principal amount	
<input type="checkbox"/>	Specified denomination <sup>18</sup>	
	<b>Notification of Rate of Interest and Interest Amount</b>	
<input type="checkbox"/>	Interest determination in advance	
	Date of notification	[[second][•] Business Day prior to the relevant Interest Period] [first day of relevant Interest Period][ <b>insert other date</b> ]
<input type="checkbox"/>	Interest determination in arrear	
	Date of notification	[[second] [•] Business Day prior to the expiry of relevant Interest Period] [second] [•] Business Day prior to the [Coupon Date] [Interest Payment Date of the relevant Interest Period] [second Business Day after the end of the [Interest Determination Date]] [ <b>insert other date</b> ]
	Interest Payment Date preceding the Maturity Date	[•]
	[First][last][short][long] Fixed Interest Period	[Not Applicable] [•]
<input type="checkbox"/>	<b>Zero Coupon Notes<sup>19</sup></b>	
	[[Different] Amortisation Yield(s)	[Not Applicable] [ <i>insert Amortisation Yield</i> ] [ <i>Insert applicable provisions (including fallback provisions)</i> ]

<sup>18</sup> Minimum denomination of the Notes will be EUR 100,000 or, if in any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of EUR 100,000.

<sup>19</sup> If not applicable, the following items may be deleted.

<b>Accrual of Interest and Default Interest</b>		
<input type="checkbox"/>	Principal amount	
<input type="checkbox"/>	Redemption amount	
<b>Day Count Fraction<sup>20</sup></b>		
		[Actual/Actual (ICMA Rule 251)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360 (Bond Basis)] [30E/360 (Eurobond Basis)] [360/360]
<b>PAYMENTS (§ 5)</b>		
<b>Payment Business Day</b>		
<input type="checkbox"/>	Payment Reference Date	[Yes (number of Business Days: [●])] <sup>21</sup> [No]
<b>Business Day Convention</b>		
<b>[Fixed Rate Notes]</b>		
<input type="checkbox"/>	Following Business Day Convention	
<input type="checkbox"/>	Modified Following Business Day Convention	
<input type="checkbox"/>	Preceding Business Day Convention	
<input type="checkbox"/>	FRN Convention (specify period(s))	[●] [months][ <i>specify other</i> ]
<b>[Floating Rate Notes]<sup>22</sup></b>		
<input type="checkbox"/>	Following Business Day Convention	
<input type="checkbox"/>	Modified Following Business Day Convention	
<input type="checkbox"/>	Preceding Business Day Convention	
<input type="checkbox"/>	FRN Convention (specify period(s))	[●] [months][ <i>specify other</i> ]

<sup>20</sup> To be completed in case of Fixed Rate Notes or Floating Rate Notes.

<sup>21</sup> “Yes” to be applied - and relating specification of number of days to be inserted - only if at the time of the issuance of the Notes the relevant Clearing Systems apply related procedures that require and support the application of such Reference Date. Otherwise, “No” is to be applied, as a result of which § 5(2) does not apply at all.

<sup>22</sup> To be completed for the Floating Rate leg in case of Fixed to Floating Rate Notes.

<b>REDEMPTION (§ 6)</b>		
<b>Redemption at Maturity</b>		
<input type="checkbox"/>	Maturity Date	[•]
<input type="checkbox"/>	Redemption Month and Redemption Year	[•]
<b>Final Redemption Amount</b>		
<input type="checkbox"/>	Redemption on the Maturity Date at principal amount	
<input type="checkbox"/>	Redemption on the Maturity Date at an amount other than the principal amount	[insert currency and amount greater than or equal to the principal amount]
<b>Early Redemption</b>		
<input type="checkbox"/>	<b>Early Redemption for Reasons of Taxation</b>	[Applicable][Not applicable]
	[Final Redemption Amount] [Early Redemption Amount]	[•]
<input type="checkbox"/>	<b>[Early Redemption for Regulatory Reasons]</b>	[Applicable][Not applicable]
	[Final Redemption Amount] [Early Redemption Amount]	[•]
	Minimum Notice Period	
<input type="checkbox"/>	Days	[•]
<input type="checkbox"/>	Business Days	[•]
	Maximum Notice Period	
<input type="checkbox"/>	Days	[•]
<input type="checkbox"/>	Business Days	[•]
<input type="checkbox"/>	<b>Early Redemption at the Option of the Issuer<sup>23</sup></b>	[Applicable][Not applicable]
	Minimum Call Redemption Amount	[•]
	Increased Call Redemption Amount	[•]
	Call Redemption Date(s)	[•]
	Call Redemption Amount(s)	[•]
	Minimum Notice Period	
<input type="checkbox"/>	Days	[•]

<sup>23</sup> If not applicable, the following items may be deleted.

<input type="checkbox"/>	Business Days	[●]
	Maximum Notice Period	
<input type="checkbox"/>	Days	[●]
<input type="checkbox"/>	Business Days	[●]
<input type="checkbox"/>	<b>Early Redemption at the Option of the Holder<sup>24</sup></b>	[Applicable][Not applicable]
	Optional Early Redemption Date(s)	[●]
	Optional Early Redemption Amount(s)	[●]
	Minimum Notice Period	[●]
	Maximum Notice Period	[●]
<input type="checkbox"/>	<b>Early Redemption Amount in case of Notes other than Zero Coupon Notes<sup>25</sup></b>	[●]
<input type="checkbox"/>	<b>Early Redemption Amount in case of Zero Coupon Notes<sup>26</sup></b>	[●]
<input type="checkbox"/>	Addition of accrued interest	
	Reference Price	[●]
	Amortisation Yield	[●]
	Issue Date	[●]
<input type="checkbox"/>	Deduction of unaccrued interest	
Rounding of Redemption Amounts		[insert number]
<b>AGENTS (§ 7)</b>		
<input type="checkbox"/>	Additional Paying Agent(s)/specified office(s)	[ <i>other/further Fiscal/Paying Agent(s)/specified office(s)</i> ]
<input type="checkbox"/>	Calculation Agent	[Fiscal Agent shall act as Calculation Agent] [ <i>insert name and address of Calculation Agent</i> ]
<input type="checkbox"/>	Other Agents	[ <i>insert name and address of other Agents</i> ]
<b>SUBSTITUTION (§ 11)<sup>27</sup></b>		
<input type="checkbox"/>	§ 11(1)(d) provides for the issuance of a guarantee	

<sup>24</sup> If not applicable, the following items may be deleted.

<sup>25</sup> If not applicable, the following items may be deleted.

<sup>26</sup> If not applicable, the following items may be deleted.

<sup>27</sup> Only applicable for Ordinary Senior Notes.

<input type="checkbox"/>	§ 11(1)(d) provides for the Substitute Debtor to have the same or better as the respective rating of the Issuer	
<b>AMENDMENT OF THESE CONDITIONS; HOLDERS' REPRESENTATIVE (§ 12)</b>		
<b>Appointment of Holders' Representative</b>		
<input type="checkbox"/>	Appointment by resolution passed by Holders	
<input type="checkbox"/>	Appointed in the Conditions	<i>[insert name, address and contact details of Holders' Representative]</i>
<b>FURTHER ISSUES, REPURCHASES AND CANCELLATION (§ 13)<sup>28</sup></b>		
	Last Issue Date for issues of further Subordinated Notes	[●]
<b>NOTICES / [NO] STOCK EXCHANGE LISTING (§ 14)</b>		
<input type="checkbox"/>	Notes are not intended to be listed	
<input type="checkbox"/>	Notes are intended to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or the regulated market of the Bucharest Stock Exchange	

<sup>28</sup> To be completed only in case of Subordinated Notes.

## PART II.: OTHER INFORMATION

Interests of natural and legal persons involved in the issue		
<input type="checkbox"/>	Other interests (not included in the Prospectus under "GENERAL INFORMATION / Interests of natural and legal persons involved in the issue")	[specify other interests]
Use of Proceeds <sup>29</sup>		
	Use of Proceeds	[as set out in the Prospectus] [specify other use of proceeds]
	[Estimated net proceeds]	[●]
Selling Restrictions		
<input type="checkbox"/>	TEFRA C	
<input type="checkbox"/>	TEFRA D	
<input type="checkbox"/>	Neither TEFRA C nor TEFRA D	
ECB-eligible Security <sup>30</sup>		[Yes][No]
Securities Identification Numbers		
	[Interim ISIN] <sup>31</sup>	[●]
	[Permanent] <sup>31</sup> ISIN	[●]
	[Interim Common Code] <sup>31</sup>	[●]
	[Permanent] <sup>31</sup> Common Code	[●]
	[Interim German Securities Code] <sup>31</sup>	[●]
	[Permanent] <sup>31</sup> German Securities Code	[●]

<sup>29</sup> See paragraph "Use of Proceeds" in the Prospectus. If the use of proceeds is different from the use of proceeds as stated in the Prospectus include such use here.

<sup>30</sup> Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper) or in any other way admissible pursuant to the Eurosystem eligibility criteria, and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. **[Include this text if "yes" is selected in which case the Notes must be issued in NGN form or in any other form admissible pursuant to ECB eligibility criteria.]**

Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper) or in any other way admissible pursuant to Eurosystem eligibility criteria. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

<sup>31</sup> Include only in the case of fungible tranches.



	Any other securities number	[•]
	<b>Yield<sup>32</sup></b>	[Not applicable]
	[Yield]	[•]
	[Unified Yield Rate]	[•]
	<b>Resolutions, Authorisations and Approvals</b>	
	Resolutions, authorisations and approvals by virtue of which the Notes will be created	[•]
[	<b>Registration of the Administrator pursuant to the Benchmarks Regulation<sup>33</sup></b>	
	Benchmark	[insert name of the Benchmark]
	Benchmark Administrator	[insert name of the Administrator]
	Registration of the Benchmark Administrator in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17 /EU and Regulation (EU) No 596/2014 (the "Benchmarks Regulation")	[Applicable] [Not applicable] [As far as the Issuer is aware, [[insert benchmark] does not fall within the scope of the Benchmarks Regulation by virtue of Article 2 of the Benchmark Regulation], such that [insert name of Administrator] is not currently required to obtain recognition, endorsement or equivalence].]
	<b>Method of distribution</b>	
<input type="checkbox"/>	Non-syndicated	
<input type="checkbox"/>	Syndicated	
	<b>Stabilisation Dealer/Manager</b>	
	Stabilisation Dealer/Manager	[insert details][None]
	<b>Intended Admission(s) to Trading and Listing(s) / Dealing Agreements</b>	
	Admission(s) to Trading and Listing(s)	[Yes][No][Application [has been][will be] made]
<input type="checkbox"/>	Luxembourg Stock Exchange: Admission: Regulated Market / Listing: Official List	

<sup>32</sup> Only applicable for Fixed Rate Notes and Zero Coupon Notes.

<sup>33</sup> Insert only in case of Notes which reference to a Benchmark, whose administrator has not been disclosed in the Prospectus.

<input type="checkbox"/>	Bucharest Stock Exchange: Admission / Listing: Regulated Market	
<input type="checkbox"/>	Other	[insert details]
	Expected date of admission	[•]
	Estimate of the total expenses related to admission to trading	[•]
	If different from the issuer, the identity and contact details of the person asking for admission to trading, including the legal entity identifier (LEI) where the person asking for admission to trading has legal personality.	[•]
<b>Rating<sup>34</sup></b>		
	[The Notes to be issued [have been] [are expected to be] rated: [•]: [•] [[Other]: [•]] [The Notes are not expected to be rated.] <i>[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider]</i>	
	[This credit rating [has] [is] / These credit ratings [have been] [are expected to be] issued by [ <i>insert full name of legal entity which has given / is expected to give the rating</i> ] which [[is] [are] established in the European Union, [is] [are] registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended and [is] [are] included in the list of credit rating agencies registered in accordance with this Regulation published by the European Securities and Markets Authority on its website ( <a href="http://www.esma.europa.eu/page/List-registered-and-certified-CRAs">www.esma.europa.eu/page/List-registered-and-certified-CRAs</a> ).] [[is] [are] not established in the European Union and [is not][are not] registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.]	
<b>Prohibition of Sales to EEA and UK Retail Investors<sup>35</sup></b>		
	Prohibition of Sales to EEA Retail Investors:	[applicable] [not applicable]
	Prohibition of Sales to UK Retail Investors:	[applicable] [not applicable]
<b>[Third Party Information]</b>		
	With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof.]	

<sup>34</sup> Do not complete, if the Notes are not rated on an individual basis.

<sup>35</sup> If the Notes may constitute "packaged" products and no KID will be prepared, "applicable" should be specified. If the Notes may constitute "packaged" products and a KID will be prepared, "not applicable" should be specified.

**CEC Bank S.A.**

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[Name & title of signatories]

## DESCRIPTION OF RULES REGARDING RESOLUTIONS OF HOLDERS

The Issuer may choose at its discretion to apply the provisions relating to resolutions of Holders under the German Act on Debt Securities (*Schuldverschreibungsgesetz* – "**SchVG**") for certain issues of Notes. In case the rules relating to resolutions of Holders are applicable, the Holders can agree to amendments or decide on other matters relating to the Notes by way of resolution to be passed by taking votes without a meeting. Any such resolution duly adopted by resolution of the Holders shall be binding on each Holder of the respective issue of Notes, irrespective of whether such Holder took part in the vote and whether such Holder voted in favour or against such resolution.

The rules of the SchVG are, if applied by the Issuer, largely mandatory, although they permit in limited circumstances supplementary provisions set out in the Terms and Conditions.

The following is a brief overview of some of the statutory rules regarding the taking of votes without meetings and the convening and conduct of meetings of Holders, the passing and publication of resolutions as well as their implementation and challenge before German courts.

To the extent that any amendments by majority resolution to the Terms and Conditions may affect the eligibility criteria for the Notes to qualify as Tier 2 Instruments or Eligible Liabilities Instruments, such amendments are subject to the prior approval of the Competent Authority or the Resolution Authority, respectively.

### *Specific Rules regarding Votes without Meeting*

The voting shall be conducted by the person presiding over the taking of votes. Such person shall be (i) a notary public appointed by the Issuer, (ii) where a common representative of the Holders (the "**Holders' Representative**") has been appointed, the Holders' Representative if the vote was solicited by the Holders' Representative, or (iii) a person appointed by the competent court.

The notice soliciting the Holders' votes shall set out the period within which votes may be cast. During such voting period, the Holders may cast their votes to the person presiding over the taking of votes. Such notice shall also set out in detail the conditions to be met for the votes to be valid.

The person presiding over the taking of votes shall ascertain each Holder's entitlement to cast a vote based on evidence provided by such Holder and shall prepare a list of the Holders entitled to vote. If it is established that no quorum exists, the person presiding over the taking of votes may convene a meeting of the Holders. Within one year following the end of the voting period, each Holder participating in the vote may request a copy of the minutes of such vote and any annexes thereto from the Issuer.

Each Holder participating in the vote may object in writing to the result of the vote within two weeks following the publication of the resolutions passed. The objection shall be decided upon by the person presiding over the taking of votes. If he remedies the objection, the person presiding over the taking of votes shall promptly publish the result. If the person presiding over the taking of votes does not remedy the objection, he shall promptly inform the objecting Holder in writing.

The Issuer shall bear the costs of the vote and, if the court has convened a meeting, also the costs of such proceedings.

### *Rules regarding Holders' Meetings applicable to Votes without Meeting*

In addition, the statutory rules applicable to the convening and conduct of Holders' meetings will apply mutatis mutandis to any vote without a meeting. The following summarises some of such rules.

Meetings of Holders may be convened by the Issuer or the Holders' Representative, if any. Meetings of Holders must be convened if one or more Holders holding 5% or more of the outstanding Notes so require for specified reasons permitted by statute.

The convening notice shall be made publicly available together with the agenda of the meeting setting out the proposals for resolution.

Each Holder may be represented by proxy. A quorum exists if Holders' representing by value not less than 50% of the outstanding Notes. If the quorum is not reached, a second meeting may be called at which no quorum will

be required, provided that where a resolution may only be adopted by a qualified majority, a quorum requires the presence of at least 25% of the aggregate principal amount of outstanding Notes.

All resolutions adopted must be properly published. In the case of Notes represented by one or more Global Notes, resolutions which amend or supplement the Terms and Conditions have to be implemented by supplementing or amending the relevant Global Note(s).

In insolvency proceedings instituted in Germany against an Issuer, a Holders' Representative, if appointed, is obliged and exclusively entitled to assert the Holders' rights under the Notes. Any resolutions passed by the Holders are subject to the provisions of the German Insolvency Code (*Insolvenzordnung*).

If a resolution constitutes a breach of the statute or the Conditions, Holders may bring an action to set aside such resolution. Such action must be filed with the competent court within one month following the publication of the resolution.

## SUBSCRIPTION AND SALE

The Issuer and the Dealers have entered into the Dealer Agreement as a basis upon which they or any of them may from time to time agree to purchase Notes.

### Selling Restrictions

#### 1. General

Each Dealer has agreed and each New Dealer appointed under the Programme will be required to represent and agree that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer and any other Dealer shall have any responsibility therefor. Neither the Issuer nor any of the Dealers has represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer(s) shall agree and as shall be set out in the applicable Final Terms.

#### 2. Prohibition of Sales to EEA Investors

Unless the Final Terms in respect of any Notes specify the "*Prohibition of Sales to EEA Retail Investors*" as "*Not Applicable*", each Dealer has represented and agreed, and each New Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area.

For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

#### 3. Prohibition of sales to UK Retail Investors

Unless the relevant Final Terms in respect of any Notes specifies the "*Prohibition of Sales to UK Retail Investors*" as "*Not Applicable*", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom.

For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA, and

- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

***Other UK regulatory restrictions***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

**4. United States of America (the "United States")**

Each Dealer has acknowledged that the Notes have not been and will not be registered under the Securities Act, and may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, any Note constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to a Note.

From and after the time that the Issuer notifies the Dealers in writing that it is no longer able to make the relevant representation set forth in the Dealer Agreement, each Dealer (a) has acknowledged that the Notes have not been and will not be registered under the Securities Act; (b) has represented and agreed that it has not offered, sold or delivered any Notes, and will not offer, sell or deliver any Notes, (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and closing date, within the United States or to, or for the account or benefit of, U.S. persons and it has and will only offer, sell or deliver any Notes in accordance with Rule 903 of Regulation S under the Securities Act; and accordingly, (c) has further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirements of Regulation S.

Terms used in the above paragraph have the meanings given to them by Regulation S.

Each Dealer has represented and agreed that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of Notes, except with its affiliates or with the prior written consent of the Issuer.

Notes, other than Notes with an initial maturity of one year or less, will be issued in accordance with provisions identical to those described in the United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (or substantially identical successor provisions) (the "**TEFRA D Rules**"), or in accordance with provisions identical to those described in the United States Treasury Regulation § 1.163-5(c)(2)(i)(C) (or substantially identical successor provisions) (the "**TEFRA C Rules**"), as indicated in the applicable Final Terms.

In addition, in respect of Notes issued in accordance with the TEFRA D Rules, each Dealer has represented and agreed that:

- (a) except to the extent permitted under the TEFRA D Rules, (i) it has not offered or sold, and during the restricted period will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) such Dealer has not delivered and will not deliver within the United States or its possessions definitive notes in bearer form that are sold during the restricted period;
- (b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;
- (c) if such Dealer is a United States person, it represents that it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if such Dealer retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of provisions identical to those described in the United States Treasury Regulation § 1.163-5(c)(2)(i)(D)(6) (or substantially identical successor provisions);
- (d) it acknowledges that an offer or sale will be considered to be made in the United States or its possessions if it has an address within the United States or its possessions for the offeree or purchaser of a Note subject to such offer or sale; and
- (e) with respect to each affiliate that acquires from such Dealer Notes in bearer form for the purposes of offering or selling such Notes during the restricted period, such Dealer either (i) has repeated and confirmed the representations and agreements contained in paragraphs (a), (b), (c) and (d) on such affiliate's behalf or (ii) has agreed that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in paragraphs (a), (b), (c) and (d).

Terms used in the above paragraphs (a) to (e) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

In addition, where the TEFRA C Rules are indicated in the relevant Final Terms as being applicable to any Tranche of Notes, Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, each Dealer has represented and agreed in connection with the original issuance of Notes in bearer form, that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either such Dealer or purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of Notes in bearer form. Each Dealer has further represented that it has not advertised or promoted, and will not advertise or promote, directly or indirectly, any Notes in bearer form from or within the United States or its possessions or to prospective purchasers in the United States or its possessions. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA C Rules.

Each issue of index, commodity or currency linked Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer(s) may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the Final Terms. Each Dealer has agreed that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

## **5. Switzerland**

The offering of the Notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because such offering is made to professional clients within the meaning of the FinSA only, the Notes have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more and the Notes will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Prospectus does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes.



## **6. Japan**

Each Dealer has acknowledged, and each further Dealer to be appointed under the Programme will be required to acknowledge that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "FIEA") and each Dealer has represented and agreed, and each further Dealer to be appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **7. Hong Kong**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "CWUMPO") or which do not constitute an offer to the public within the meaning of the CWUMPO; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

## **8. Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA,
- (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

## **9. Romania**

Each Dealer has represented and agreed, and each New Dealer appointed under the Programme will be required to represent and agree, that it complies and will comply with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations, as amended ("**Law No. 24/2017**") and the Prospectus Regulation in connection with the offering of the Notes in Romania and that it has not made and will not make an offer of Notes

which are the subject of the offering contemplated by this Prospectus or the Final Terms except that it may, make an offer of such Notes to the public in Romania:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made pursuant to an exemption from the obligation to publish a prospectus as set out under Article 1 (4) of the Prospectus Regulation including:
  - (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
  - (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
  - (iii) at any time on the basis of any other exemptions from the obligation to prepare and publish a prospectus provided by Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to the Prospectus Regulation or Article 6 of Regulation No. 5/2018 on issuers and operations with securities or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or

- (b) following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in Romania or, where appropriate, approved in another Member State and notified to the Romanian Financial Supervisory Authority, provided that any such prospectus has subsequently been completed by the final terms contemplating such offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that offer.

Any subsequent sale of the Notes in Romania, which were previously offered in the cases referred to in (a) to (b) above must be made in compliance with the public offer and the prospectus requirement rules and a new assessment of the application of any exemption from the requirement to prepare and publish a prospectus must be made.

For the purpose of this provision, the expression "offer of securities to the public" in relation to any of the Notes means a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the Notes to be offered, so as to enable an investor to decide to purchase or subscribe for the Notes.

## WARNING REGARDING TAXATION

**PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISERS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF ROMANIA AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS OR WHICH THEY MAY OTHERWISE BE LIABLE FOR TAXES. THE RESPECTIVE RELEVANT TAX LEGISLATION MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE NOTES.**

### DISCLOSURE OF INFORMATION IN CONNECTION WITH PAYMENTS

The following information is based on the Romanian tax legislation in force at the date of the approval of this Prospectus and may be subject to changes, depending on the amendments brought in the Romanian law.

The information below is of a general nature, applicable to interest income and capital gains from selling the Notes, which may be realised by the Beneficial Owner upon investment in the Notes and are not intended as an exhaustive list of all the Romanian tax implications which could arise in relation with each type of Notes and which could be relevant to a decision to purchase, own or dispose of any of the Notes.

#### General Information on Interest Income

Pursuant to the Romanian withholding tax rules applicable to the Notes under the Income Taxes Act, unless exempt from tax or unless a Tax Treaty states otherwise, income payable by the Issuer in respect of the Notes may be subject to Withholding Tax.

Under Romanian tax law, at the date of this Prospectus, interest on notes/debt securities issued by Romanian companies (such as the Issuer):

- (a) Payable to Romanian Tax Non-Residents is tax exempt if notes/debt securities are issued under a prospectus approved by a competent regulatory authority (such as this Prospectus) and the interest is paid to a Holder who is a Romanian Tax Non-Resident and who is not an affiliated person to the Issuer. Tax law and practice are subject to change.

If the above exemption is not applicable or is repealed, withholding tax on gross interest would be due at the tax rates provided by the Romanian law/Double Tax Treaties, as the case may be. At the date of the Prospectus, the withholding tax rates for interest payments towards non-residents in accordance with the Romanian law are as follows:

- 16% for Romanian Tax Non-Resident legal entities.

However, in case of interest income obtained by Romanian Tax Non-Resident legal entities, who are residents of a member state of the European Union or the European Economic Space, the Romanian law mentions that latter may opt to pay corporate income tax for the taxable profit related to the interest income derived, case in which the withholding tax initially applied on a gross basis will be considered as a tax pre-payment when computing the final corporate income tax due. In this case, the legal entity will have to register in Romania for corporate income tax purposes.

- 10% for Romanian Tax Non-Resident individuals, who are resident in the European Union or a jurisdiction with which Romania has concluded a treaty for avoidance of double taxation.
- 16% for any other Romanian Tax Non-Resident individuals.

Specific exceptions to the above tax treatment are applicable in case of interest paid to a Holder who is a Romanian Tax Non-Resident but holds the notes through a permanent establishment set up in Romania. In such cases, any tax in relation to the interest paid by the Issuer will be the responsibility of that Holder, in accordance to the Income Taxes Act and Tax Treaty.

- (b) Payable to Romanian Tax Resident individuals is subject to a 10% withholding tax.

In case of interest income received by Romanian Tax Resident individuals, besides the 10% tax described above and which falls under the obligation of the Issuer, the individuals are required to pay 10% social health insurance contribution, except when the annual level of investment incomes (including interest income) and, if

applicable, income from intellectual property rights, transfer of the use of goods, agricultural activities, associations with legal entities, other sources, as defined by the Income Taxes Act, is below the level of six times the value of the national minimum gross wage.

- (c) Payable to Romanian Tax Resident legal entities is not subject to any withholding, the Holder having the obligation related to taxation of the interest. At the level of the Romanian Tax Resident legal entities interest income is taxable as follows:
- a 16% corporate income tax, if entity in question: (i) qualifies as a corporate income taxpayer, (ii) it is in a profit tax position and (iii) it is not subject to minimum tax, or
  - a 1% minimum tax on the revenue, if entity in question meets the criteria for being subject to the minimum corporate income tax, or
  - a 1% tax on the revenue, if the total income of the entity in question is below EUR 60,000, while a 3% tax applies if the total income is higher than EUR 60,000 or if the entity engages in certain specific activities, provided that it qualifies as micro-enterprise taxpayer.

As a withholding agent, the Issuer is liable, on a strict-liability basis, for (i) the proper withholding of any Withholding Tax payments required to be withheld or deducted at source at an appropriate rate under any applicable law by or within the Tax Jurisdiction from any payment of interest or principal in respect of the Notes as well as (ii) the granting of any relief therefrom (whether in the form of an exemption or application of a reduced rate) (a "**Tax Relief**"). The Issuer also bears the related burden of proof vis-à-vis the tax authorities which necessitates, before any Tax Relief can be granted, collection of certain information and documentation concerning, in particular, the identity and country of tax residence of the recipient of a payment of principal or interest in respect of a Note (together with relevant evidence thereof) which would enable the Issuer to reliably establish that such recipient is a Beneficial Owner with respect to any such payment and that it meets all conditions for any applicable Tax Relief to be granted (the "**Beneficial Ownership Information**").

The tax relief at source and refund procedures for Romania which are in the process of being implemented by Euroclear and CBL to facilitate collection of the Beneficial Ownership Information will be available at the website of the International Capital Market Services Association at [www.icmsa.org](http://www.icmsa.org) as amended or replaced from time to time. Holders must seek their own professional advice to satisfy themselves that they comply with all the applicable procedures and any requirements thereunder (whether documentary or otherwise) to ensure a tax treatment of their Notes which duly reflects their particular circumstances for the purposes of applying any Withholding Tax and Tax Relief and should consult the latest announcements when available on the websites of Euroclear and CBL ([www.euroclear.com](http://www.euroclear.com) and [www.clearstream.com](http://www.clearstream.com)) and on the website of the International Capital Market Services Association ([www.icmsa.org](http://www.icmsa.org)). Any communication/tax certification requirement in respect of the Relief at Source Procedure and/or Standard Refund Procedures for Romania shall be made directly between the Issuer and the relevant Beneficial Owner as neither ICSD will be engaged in such procedures, until they are implemented and published on the websites referred to above. None of the Issuer, the Dealers, the Fiscal Agent, the ICSDs or any other person or clearing system assumes any responsibility therefor. Information on the websites referred to above are not incorporated in nor do they form part of this Prospectus.

### **Quick Refund Procedure**

The Beneficial Owners who are otherwise entitled to Tax Relief and to whom the payments of interest and/or principal in respect of the Notes have been made net of any Withholding Tax, because the Beneficial Ownership Information under the Relief at Source Procedure could not, for any reason, be duly or timely collected, may be entitled to a refund of the amounts so withheld pursuant to the quick refund procedure (the "**Quick Refund Procedure**").

"**Relief at Source Procedure**" means a procedure whereby income proceeds are paid taking into account any exemption and/or applicable reduced rate as foreseen by the applicable tax laws (Income Taxes Act or any applicable Tax Treaty).

### **Standard Refund Procedure**

Beneficial Owners who are otherwise entitled to Tax Relief and to whom the payments of interest in respect of the Notes have been made net of any Withholding Tax, because the Beneficial Ownership Information under the Relief at Source Procedure or the Quick Refund Procedure could not, for any reason, be duly or timely collected

may deliver correct, complete and accurate Beneficial Ownership Information to the Issuer no later than five years from the end of a calendar year in which the payments which were subject to any relevant withholdings with respect to Withholding Tax were made (the "**Standard Refund Procedure**").

The Beneficial Ownership Information shall be delivered to the address of the registered office of the Issuer, in person or by first class mail or (if posted from an address overseas) by airmail and marked for the attention of:

CEC Bank S.A.  
13 Calea Victoriei  
030167 Bucharest  
Romania

and shall include the Beneficial Owner's up-to-date contact details together with evidence of the Beneficial Owner's holding of or interest in the relevant Notes, which shall be used by the Issuer for the purposes of any refund-related communication.

The Issuer shall proceed in accordance with the then applicable laws of Romania and shall use its reasonable endeavours to obtain the refund or will inform the Beneficial Owner that it is not in position to process such request. Subject to the due and timely receipt of the Beneficial Ownership Information, if the Issuer in its sole and absolute discretion determines that it is entitled to file a refund claim with the Romanian tax authorities for any previously withheld Withholding Tax, it shall pay any such amounts to the Beneficial Owner within ten Business Days from the date the Issuer determined that it is entitled to file for a refund claim with the Romanian tax authorities, net of a fixed amount of EUR 1,000 (excl. VAT, if any) to cover the Issuer's administrative costs and expenses pertaining to the refund claim.

Any communication in respect of the Standard Refund Procedure shall be made directly between the Issuer and the relevant Beneficial Owner as Euroclear and CBL and the Principal Paying Agent are not engaged in the Standard Refund Procedure.

The Issuer may publish additional information in relation to the Standard Refund Procedure (including a change in contact details for delivery of the Beneficial Ownership Information) on the website of the Issuer.

### **General Information on Capital Gains**

In general, the taxable income resulted from the transfer of Notes is computed as the positive difference between the sale price and the acquisition price, less the costs related to the transaction.

At the date of this Prospectus, in accordance with the Romanian law capital gains obtained from the transfer of Notes by:

- (a) Romanian Tax Resident legal entities are subject to a:
- 16% corporate income tax at its level, if entity in question: (i) qualifies as a corporate income taxpayer, (ii) it is in a profit tax position and (iii) it is not subject to minimum tax, or
  - 1% minimum tax on the revenue, if entity in question meets the criteria for being subject to the minimum corporate income tax, or
  - 1% tax on the revenue, if the total income of the entity in question is below EUR 60,000, while a 3% tax applies if the total income is higher than EUR 60,000 or if the entity engages in certain specific activities, provided that it qualifies as micro-enterprise taxpayer.
- (b) Romanian Tax Resident individuals are subject to:
- 10% income tax, the Beneficial Owner being responsible for declaring and paying the tax, by submitting an annual income tax return. As an exception, capital gains obtained by Romanian Tax Resident individuals from the transfer of Notes, if done through a Romanian intermediary (i.e. an intermediary tax resident in Romania or a non-resident with a Romanian permanent establishment qualifying as intermediary), is subject to 1% or 3% tax (depending on whether the transfer is done after or before 365 days from the acquisition date) withheld at source by the intermediary;

- 10% social health insurance contribution, unless annual investment income and other specified incomes are below six times the national minimum gross wage.

(c) Romanian Tax Non-Resident Beneficial Owners:

- No tax is due in Romania by the Romanian Tax Non-Resident legal entities itself for capital gains.
- In case of Romanian Tax Non-Resident individuals, the capital gains obtained from the transfer of Notes are subject to tax as described above under letter (b), unless the capital gains are derived from the transfer of Notes traded on a foreign capital market, in which case no tax on capital gains will be levied in Romania.

The Romanian Tax Non-Resident individual having tax obligations in Romania must (or may, in certain cases) appoint a Romanian resident fiscal representative/empowered person to declare and settle any tax liabilities on its behalf.

Depending on the country in which the Romanian Tax Non-Resident individual has its tax residence, the capital gains tax may be eliminated based on a Tax Treaty. In order to benefit from the favourable provisions of a Tax Treaty, the non-resident should obtain and provide to its fiscal representative a tax residency certificate (valid for the respective fiscal year) issued by the tax authorities of its country of residence.

## GENERAL INFORMATION

### ***Responsibility Statement***

The Issuer with its registered office at Calea Victoriei 13, 030167 Bucharest, Romania, accepts responsibility for the information contained in this Prospectus.

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

### ***Interests of Natural and Legal Persons Involved in the Issue***

The Dealers and their affiliates may be customers of, borrowers from or creditors of the Issuer and its affiliates. In addition, certain Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

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

### ***Method to determine the yield***

The method to determine the yield is the ICMA method. The ICMA method determines the effective interest rate of fixed rate notes taking into account accrued interest on a daily basis.

### ***Method of determining the price and the process for its disclosure***

#### ***In case of syndicate issuances***

The Issuer will determine the issue price for each Tranche of Notes in its sole discretion taking into consideration general interest levels and the demand of prospective investors as shown in the book building process for such Tranche of Notes and/or after consultation of the financial institutions involved in the issue. The issue price so determined will be disclosed in the relevant Final Terms.

#### ***In case of non-syndicated issuances***

The Issuer will determine the issue price for each Tranche of Notes in its sole discretion taking into consideration a minimum and a maximum issue price. Depending on the market conditions at the time of a specific Note issuance, the Issuer will set the Issue Price between the previously fixed minimum and maximum issue price. The issue price so determined will be disclosed in the relevant Final Terms.

### ***Notes which are redeemed on the Maturity Date at a percentage of their principal amount***

Notes will be redeemed on the Maturity Date at a redemption amount or at a percentage of their principal amount in the Specified Currency or another currency. In the case of Notes which are redeemed on the Maturity Date at a percentage of their principal amount, such percentage rate will be specified in the applicable Final Terms. However, the redemption amount may not be less than the principal amount of the Notes. The redemption amount with respect to Notes other than Zero Coupon Notes will be determined at the Issuer's sole discretion and will be at least equal to the principal amount. The redemption amount with respect to Zero Coupon Notes will be determined at the Issuer's sole discretion and will be at least equal to the capital invested.

***Notes with a term of less than twelve months***

Under the Prospectus Regulation, prospectuses relating to money market instruments having a maturity at issue of less than twelve months and complying also with the definition of securities are not subject to CSSF's approval. Therefore, the approval of this Prospectus does not cover Notes issued under the Programme which have a maturity at issue of less than twelve months.

***Restrictions on the free transferability of the securities***

The Notes are freely transferable.

***Authorisation***

The Programme and the issuances of Notes under the Programme was approved by the Issuer's Extraordinary General Meeting of Shareholders resolution dated 14 February 2022, the Issuer's Extraordinary General Meeting of Shareholders resolution dated 26 October 2022 the Issuer's Extraordinary General Meeting of Shareholders resolution dated 28 June 2024, the Board of Directors resolution dated 11 November 2024 and by the Issuer's Executive Management Board resolution dated 18 November 2024.



## DOCUMENTS INCORPORATED BY REFERENCE

The specified parts of the following documents which have been previously published or are simultaneously published with this Prospectus and which have been filed with the CSSF are incorporated by reference into and form part of this Prospectus.

In the information extracted from the Issuer's financial reports which have been incorporated by reference pursuant to the subsections below, the terms "CEC Bank S.A." or "Bank" refer to the "Issuer" as defined in this Prospectus.

Document/Heading	Page reference in the relevant document
<p>English language translation of the CEC Bank S.A.'s Annual Financial Statements as at 31 December 2022 prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and with the National Bank of Romania's Order no. 27/2010 for the approval of the accounting regulations in accordance with IFRS, with subsequent changes and the audit report on the Audited Financial Statements as at 31 December 2022</p> <p><b>Source:</b> Annual Financial Statements as at 31 December 2022 prepared in accordance with the International Financial Reporting Standards endorsed by the European Union (link: <a href="http://cec.ro/sites/default/files/2023-10/Annual_Financial_Statements_as_at_31.12.2022_CEC_Bank_.pdf">cec.ro/sites/default/files/2023-10/Annual Financial Statements as at 31.12.2022_CEC Bank_.pdf</a>)</p>	
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<p>English language translation of the CEC Bank S.A.'s Audited Consolidated and Separate Financial Statements as at 31 December 2023 prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and with the National Bank of Romania's Order no. 27 /2010 for the approval of the accounting regulations in accordance with IFRS, with subsequent changes in accordance with International Financial Reporting Standards as endorsed by the European Union and the audit report for the Annual Financial Statements as at 31 December 2023</p> <p><b>Source:</b> Consolidated and Separate Financial Statements as at 31 December 2023 prepared in accordance with the International Financial Reporting Standards endorsed by the European Union (link: <a href="http://cec.ro/sites/default/files/2024-05/Annual_Financial_Statements_as_at_31.12.2023_.pdf">cec.ro/sites/default/files/2024-05/Annual Financial Statements as at 31.12.2023_.pdf</a>)</p>	
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Consolidated and separate cash flow statement	9 - 12
Notes to the financial statements	13 - 167
Independent Auditor's Report	170 - 177*
Statement regarding the responsibility for preparing the financial statements	178*
English language translation of the CEC Bank S.A.'s Consolidated and Separate Interim Financial Information prepared in accordance with IAS 34 and the review report for the Interim Financial Information  <b>Source:</b> Condensed Interim Consolidated and Separate Financial Information as at 30 June 2024 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" adopted by the European Union (link: <a href="https://www.cec.ro/sites/default/files/2024-10/Informatii%20Financiare%20Interimare%2030.06.2024_EN_1.pdf">https://www.cec.ro/sites/default/files/2024-10/Informatii%20Financiare%20Interimare%2030.06.2024_EN_1.pdf</a> )	
Consolidated and separate condensed interim statement of comprehensive income	1 - 2
Consolidated and separate condensed interim statement of financial position	3 - 4
Consolidated and separate condensed interim statement of changes in equity	5 - 8
Consolidated and separate condensed interim statement of cash flows	9 - 11
Notes to the condensed interim financial information	12 - 110
Independent Auditor's Review Report  (link: <a href="https://www.cec.ro/sites/default/files/2024-10/Audit%20report%20IAS%2034_30.06.2024_ENG_0.pdf">https://www.cec.ro/sites/default/files/2024-10/Audit%20report%20IAS%2034_30.06.2024_ENG_0.pdf</a> )	1 - 2
The terms and conditions set out in the Issuer's base prospectus dated 21 December 2022, as further amended through the subsequent supplements (link to the base prospectus dated 21 December 2022: <a href="https://www.cec.ro/sites/default/files/2024-10/Base-Prospectus-_2022-12-21.pdf">https://www.cec.ro/sites/default/files/2024-10/Base-Prospectus-_2022-12-21.pdf</a> )	78 - 152
The second supplement dated 2 February 2023 to the Issuer's base prospectus dated 21 December 2022, amending Option III of the Terms and Conditions. (link: <a href="https://www.cec.ro/sites/default/files/2024-10/Prospectus-Supplement-2nd-_2023-02-02.pdf">cec.ro/sites/default/files/2024-10/Prospectus-Supplement-2nd-_2023-02-02.pdf</a> )	3 - 9

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.

For the avoidance of doubt, such parts of the Annual Financial Statements as at 31 December 2022, the Consolidated and Separate Financial Statements as at 31 December 2023 and the Condensed Interim Consolidated and Separate Financial Information as at 30 June 2024, respectively, which are not explicitly listed in the tables

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\* Refers to page number of PDF document.

above, are not incorporated by reference into this Prospectus as these parts are either not relevant for the investor or covered elsewhere in this Prospectus.

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

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

The indicated page references in the tables above regarding the Annual Financial Statements as at 31 December 2022, the Audited Consolidated and Separate Financial Statements as at 31 December 2023 and the Consolidated and Separate Interim Financial Information as at 30 June 2024 were extracted from the PDF page numbers indicated in the header/footer of the relevant document, except where indicated otherwise.

***Availability of documents incorporated by reference***

Any documents incorporated herein by reference are available free of charge and may be inspected during usual business hours on any working day from the date hereof for the whole life of this Prospectus at CEC Bank S.A., Calea Victoriei 13, 030167 Bucharest, Romania and will be published on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)).

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from CEC Bank S.A., Calea Victoriei 13, 030167 Bucharest, Romania and the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)).

## NAMES AND ADDRESSES

### Issuer

**CEC Bank S.A.**  
13 Calea Victoriei  
030167 Bucharest  
Romania

### Arrangers and Dealers

**Erste Group Bank AG**  
Am Belvedere 1  
1100 Vienna  
Austria

**ING Bank N.V.**  
Foppingadreef 7  
1102 BD Amsterdam  
The Netherlands

### Fiscal Agent

**Citibank, N.A.**  
Citigroup Centre  
Canary Wharf  
London E14 5LB  
United Kingdom

### Legal Advisers to the Issuer

*as to German law*

**Dentons Europe (Germany) GmbH & Co. KG**  
NEXTOWER  
Thurn-und-Taxis-Platz 6  
60313 Frankfurt am Main  
Germany

*as to Romanian law*

**Dentons Europe – Zizzi-Caradja si Asociatii**  
**SPARL**  
The Mark  
Calea Grivitei nr. 84-98  
Sector 1  
010735 Bucharest  
Romania

### Legal Advisers to the Arrangers

*as to German law*

**Clifford Chance Partnerschaft mbB**  
Junghofstraße 14  
60311 Frankfurt am Main  
Germany

*as to Romanian law*

**Clifford Chance Badea SPRL**  
28-30 Academiei Street, Excelsior Center  
District 1, Bucharest  
Romania

### Independent Auditor

**KPMG Audit S.R.L.**  
DN1 Bucuresti-Ploiesti Road No 89A  
District 1, Bucharest  
Romania