

Base Prospectus dated 21 December 2022

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 600,000,000 Euro Medium Term Note Programme for the issue of Notes

Under the EUR 600,000,000 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 aggregate principal amount of Notes issued under the Programme outstanding will not at any time exceed EUR 600,000,000 (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 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.bourse.lu) 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 21 December 2023. 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.

Arrangers

Citigroup

Raiffeisen Bank International

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 and 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 Citigroup Global Markets Europe AG, Raiffeisen Bank International AG or CEC Bank S.A. in their capacity as dealers (including any entity appointed as an additional dealer, a "**Dealer**" and, together, the "**Dealers**") or as approval of the use of this Prospectus.

Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with 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 Arrangers, 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 any 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.

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 Benchmarks Regulation apply or whether an exemption pursuant to Article 2 (2) of the Benchmarks Regulation applies.

Each prospective investor in Notes must determine the suitability of any intended 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;
- (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.bourse.lu).

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.

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.

For a description of certain restrictions on offers and sales of the Notes and on the distribution of this Prospectus, see "*Subscription and Sale*".

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 Arrangers nor 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 Arrangers nor 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.

ALTERNATIVE PERFORMANCE MEASURES (APM)

This Prospectus contains certain alternative performance measures, as defined in the guidelines issued by ESMA concerning the presentation of alternative performance measures disclosed in regulated information and prospectuses, which are not recognised financial measures under the International Financial Reporting Standards as adopted by the European Union ("**IFRS**") or any other generally accepted accounting principles ("**GAAP**"). These alternative performance measures ("**APM**") may not be comparable to similarly titled measures of other companies. Such APM 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.

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

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 any currency, 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 600,000,000 (or the equivalent in other currencies). 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. 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.

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 SA ("**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**"), the Classification of Financial Instruments ("**CFI Code**"), 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 currently 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 the light of the information in this section and 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 current 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, 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.

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 customer deposits (particularly retail deposits), including current and savings accounts represent 89.88 per cent. of total Issuer's liabilities as at 31 December 2021, 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 December 2021 was of 184%, could fall to 168% in the scenario of a decrease of retail deposits by only 10%, and thus fall below the average level recorded at the national banking system level of 239% (although still 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 it may need would 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 (implied by the CRR, CRD IV, CRD V and BRRD) 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. For example, while the Issuer analyses risks associated to business continuity, the COVID-19 crisis proved that the process of evaluating risks to identify, analyse and evaluate in a systematic manner business continuity was not fully adequate for the Issuer in such situation.

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. Given that the Issuer has not yet issued any MREL-eligible instruments which are not also eligible as own funds, the own funds ratio as of 30 June 2022 was equal to the MREL ratio in terms of Total Risk Exposure Amount ("**TREA**") (i.e. at 22.07%) and at a level below the minimum required threshold applicable starting 1 July 2022 (including the applicable value of the combined buffer) of 23.36%. The main reason for the current non-compliance by the Issuer with the MREL requirement is the high volume of unrealised losses from marking to market government securities classified into the FVTOCI category (Fair Value Through Other Comprehensive Income), due to the steep increase in the market yields of these instruments.

In order to comply with the MREL requirement, the Issuer prepared and submitted to the NBR a plan of measures that anticipates compliance with the MREL requirement until 31 March 2023 at the latest, by using measures such as the issuance of MREL eligible bonds, the non-distribution of dividends to shareholders, as well as measures to control the level and intensity of risk-weighted assets ("**RWA**"), by reducing/optimising new lending from the RWA point of view. In case the Issuer does not manage to implement such measures and it breaches the MREL requirement outside the terms agreed with the NBR, this could have potential implications on the Issuer's performance.

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 which could include in the future securities of EU governments), while in the current interest rate environment there is also a higher demand for products with fixed interest rate. At the same time, in recent years the Issuer has recorded the transformation of deposits from term to sight as a consequence of low interest rate environment 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 affects the Bank indirectly. The high inflation environment (mainly fuelled by high energy prices) which translates into higher interest rates may slow down credit demand, may lead to an increased NPL rate and consequently decrease the Bank's net interest margin.

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.

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. (currently the largest bank in Romania by assets) 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). 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 has recently initiated such a control involving all ten banks (including the Issuer) which contribute to the establishment of ROBOR. 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.

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 31 December 2021, 20% of monetary assets and 21% of monetary liabilities were denominated in foreign currency, out of which EUR denominated monetary assets represented 18.5% of total monetary assets and EUR denominated liabilities accounted for 19.6% 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. 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 anti-fraud mechanisms in place and has further undertaken measures to upgrade its internal control and compliance system, and to set up measures to facilitate fraud risk management. However, the preventive measures may not fully detect fraudulent activities, which could have adverse effects on the Issuer's finances, 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 proper functioning of the Issuer's payment systems, 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. 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.

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, a recent 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. 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.

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.

Since mid-2022, the Issuer has six directors, while the statutory documents require eleven directors, and three managers, while the statutory documents require five managers.

The Issuer is required to abide by strict regulations when appointing its governing bodies. For example, the candidates must undergo an internal evaluation for adequacy, made by the Board of Directors Committee, and, if the candidate passes this evaluation, the process continues by obtaining the NBR's prior approval for appointment. Currently (i) two persons nominated as non-executive directors are undergoing evaluation for adequacy by the Board of Directors Committee, (ii) two persons nominated as executive directors, who passed the internal evaluation are in process of obtaining NBR's approval for appointment, and (iii) a new manager is undergoing approval process by the NBR.

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, and the uncertainty regarding the evolution of the SARS-CoV-2 ("**COVID-19**") pandemic, despite its decreased direct impact on economic activity, 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 CEE countries could in turn affect the Issuer's business.

The military action by the Russian Federation ("Russia") in Ukraine, the related negative economic and financial spill over 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. The resulting effects of these actions have caused and may continue to cause material negative disruptions, including but not limited to energy markets, global supply chains, economic growth and access to wholesale funding, all of which can have unforeseen impact on the Issuer's business activity and 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.

While these pressures would most likely be inflationary, if the post-COVID-19 worldwide economic recovery is significantly jeopardised, some disinflationary pressures could stem from a slowdown in disposable income or sluggish investments.

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.

As at the date of this Prospectus, the military conflict in Ukraine is 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 2021 Transparency International Corruption Perceptions Index, which evaluates data on corruption in countries throughout the world and ranks countries from 0 (least corrupt) to 100 (most corrupt), ranked Romania in 66th position (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.

Public budget deficit in Romania increased considerably in 2020 as a consequence of the COVID-19 pandemic. While decreasing in 2021, public deficit is likely to remain elevated also during 2023-2024, being fuelled by its large structural component (mainly a facet of an elevated level of pensions and public wages following large increases during 2016-2019). 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 periods 2014-2020 and 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.

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 the country 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 (1.6% during 2021, 1.9% during 2020, and 1.7% on average per year during 2017-2021) though these represent rather low levels 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.

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 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. A transfer is deemed speculative if it: (i) has no equivalent in an economic fact; or (ii) is not carried out for the purposes of mobilisation of trade receivables, refinancing of the financial creditor or the provision of financial collateral. In this context, the draft law provides, *inter alia*, that: (i) loan receivables against consumers may not be assigned to a party which is not a financial creditor; and (ii) a consumer can be released of his/her obligations by paying to the assignee the price of the assignment and that the assignee is not entitled to recover more than the price it has paid itself in relation to such an assigned loan receivable. The Consumers Protection Authority ("ANPC") would be empowered to check "speculative" nature of an assignment.
- 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.
- the draft law on protection of consumers against currency risk in credit agreements (registered with the Chambers of Deputies under no. PL-x no. 662/2019): the draft law states that at the request of a consumer, in order to balance the contract, creditors are bound to convert the currency of payment into the national currency or another currency in which such a consumer earns the majority of his/her income. It further provides that the conversion will be made at the exchange rate valid on the date of conclusion or perfection of the agreement, plus a maximum variation of 20% versus such an exchange rate. The oversight powers in relation to the application of such provisions are granted to ANPC.

All the above draft laws provide for a retroactive application, i.e. both in relation to existing loan agreements concluded with consumers as well as agreements to be concluded in the future. Further, such draft laws reiterate provisions which have been declared unconstitutional and therefore their approval in the proposed form remains questionable.

In addition to the above draft laws, there is also a draft law on the statute of ANPC (registered with the Chambers of Deputies under no. PL-x no. 176/2016) aimed at extending ANPC powers and changing the sanctioning regime by introducing fines applicable to the turnover of the infringer versus the current sanctioning regime which provides for fixed value and ranges of fines irrespective of the turnover of the infringer.

Lastly, Romania is expected to transpose 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**") which shall enhance the rights of consumer customers in lawsuits against professionals and enlarge the number of consumer customers that can take advantage of a court decision against such a professional, such as the Issuer. The transposition of the Class Action Directive is due by 25 December 2022, Member States are expected to apply the transposed measures under the Class Action Directive starting 25 June 2023.

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 impose, *inter alia*:

- A binding leverage ratio requiring institutions to maintain Tier 1 capital of at least 3% of their non-risk-weighted assets. An additional leverage ratio buffer will apply to global systemically important institutions ("**G-SIIs**"). Unlike the Basel III standard, CRR2 allows initial margin to reduce the exposure measure when applying the leverage ratio to derivatives. The CRR2 envisaged the leverage ratio buffer for G-SIIs to be applicable as of 1 January 2022. However, Regulation (EU) 2020/873 postponed the date of application of the leverage ratio buffer for G-SIIs by one year to 1 January 2023.
- A net stable funding requirement ("**NSFR**"). Unlike the liquidity coverage ratio (which focuses on the quality and liquidity of institutions' assets), the NSFR focuses on the liabilities side of the balance sheet and is designed to ensure that exposures are broadly matched with stable funding sources. The NSFR has been calibrated with a view to avoiding disruption to EU covered bond, derivatives and repo markets with discrete divergences from the international standard.
- A new approach to market risk, which reflects the Basel Committee's Fundamental Review of the Trading Book ("**FRTB**"). Initially the new framework will only apply as a reporting requirement. Since work on FRTB is continuing at the level of the Basel Committee, the new

framework will only be implemented as a binding capital requirement in the EU at a later date, subsequent to a separate legislative proposal from the Commission.

- A new approach to counterparty credit risk ("**SA-CCR**"), CRR2 constituting the EU's implementation of the new Basel standardised approach to SA-CCR. The new approach is more risk sensitive, providing better recognition of hedging, netting, diversification and collateral.
- Important provisions implementing the international standard on total loss absorbing capacity ("**TLAC**") for EU global systemically important banking group or bank ("**G-SIBs**").

On 27 October 2021, the European Commission adopted the Banking Package 2021, further endorsed by the European Council's proposal: new EU rules to strengthen banks' resilience and better prepare for the future. The package implies the review of the CRD and CRR frameworks as well as a separate legislative proposal to amend the Capital Requirements Regulation in the area of resolution (the so-called "daisy chain" proposal), all of which aimed at ensuring that EU banks become more resilient to potential future economic shocks, while contributing to Europe's recovery from the COVID-19 pandemic and the transition to climate neutrality. With this package, the implementation of the Basel III agreement in the EU will be finalised. The package consists of three pillars: (i) implementing Basel III while taking into account the specific features of the EU's banking sector, for example when it comes to low-risk mortgages. The proposal aims to strengthen resilience, without resulting in significant increases in capital requirements. It limits the overall impact on capital requirements to what is necessary, while it reduces compliance costs, in particular for smaller banks; (ii) sustainability - banks will be required to systematically identify, disclose and manage ESG risks as part of their risk management which includes regular climate stress testing by both supervisors and banks while proportionate disclosure rules regarding the degree to which banks are exposed to ESG risks will apply; and (iii) stronger supervision meaning supervisors overseeing EU banks will benefit from stronger supervision tools especially in relation to rules applicable in assessing whether senior staff have the requisite skills and knowledge for managing a bank or its subsidiaries. There is a high degree of uncertainty with regards to the proposed new frameworks, and subsequently how and when this will be implemented in the EU. It is thus too early to draw firm conclusions regarding the impact of the potential future capital requirements, and consequently how this will affect the capital requirements.

More generally, 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 provisions may have a material adverse effect on the investment in the Notes, which may in turn be a risk for any holder of Notes (each a "**Holder**") of losing their investment, as well as on the Issuer's business, financial condition, results of operations 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 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.

In September 2021, the NBR, in its role as Resolution Authority, has communicated to the Issuer the new MREL targets in accordance with BRRD 2 provisions. Following the transposition of BRRD 2 into local law (by virtue of Law no. 320/2021), the NBR has communicated to the Issuer in January 2022 further clarifications with regards to the MREL targets.

Following such process, it was decided that the Issuer shall comply with an MREL target of 18.36% (excluding combined buffer) in terms of TREA and 5.37% in terms of TEM (total exposure measurement) starting 1 July 2022 and to fully implement 18.91% of TREA and 5.37% of TEM by 1 January 2024, calculated based on end-2020 financial statements.

The Issuer is compliant with the MREL requirements in terms of total exposure measurement ("**TEM**") as of 1 July 2022. The realised level of indicator was 8.72% as at 30 June 2022 and 8.59% as at 30 September 2022 versus 5.37% which is the minimum required level.

However, the Issuer failed to fulfil the MREL requirement in terms of TREA starting from 1 July 2022. The realised level of indicator was 22.07% as at 30 June 2022 and 21.70% as at 30 September 2022 versus 23.36% which is the minimum required level. The Bank has no eligible liabilities, other than own funds. The main reason for non-compliance is the high volume of unrealised losses from marking to market government bonds classified into the FVTOCI category (Fair Value Through Other Comprehensive Income) that impact own funds, due to the steep increase in the market yields of these instruments.

The MREL risk-based targets (TREA) do not include the Combined Buffer Requirements ("**CBR**") of the Issuer (which are determined in line with the Government Emergency Ordinance 99/2006 on credit institutions and capital adequacy). Own funds held to meet CBR shall not be taken into account for the MREL – TREA targets (stacking order principle). Law no. 312/2015 regarding the recovery and resolution of credit institutions and investment firms (published in the Official Gazette, Part I No. 920 of 12/11/2015), as amended and supplemented, including the amendments introduced by Law no. 320/2021 amending and supplementing Law no. 312/2005 regarding the recovery and resolution of credit institutions and investment firms, as well as amending and supplementing certain laws in the financial field (published in the Official Gazette, Part I No. 1256 of 31 December 2021 transposing BRRD (as amended by BRRD 2)) and Regulation (EU) No 806/2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 ("**SRMR**") recognise as resolution strategies both a single and a multiple point-of-entry ("**SPE**" and "**MPE**") approach.

The resolution tools identified for the Issuer are bridge bank and sale of business.

The relevant minimum contribution 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 particular, under the bail-in tool, the resolution authorities may order a write-down of the Notes or convert them into CET 1 instruments. Apart from potentially being subject to resolution tools and exercise of other powers as set out under Law no. 312/2015, as amended or replaced from time to time (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. The Issuer received no fines for non-compliance with applicable anti-money laundering, anti-corruption and anti-terrorism financing rules. Generally applicable for an institution such as the Issuer, 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.

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 credit portfolio secured by collateral as recorded in its Historical Financial Information as at 31 December 2021, RON 6,98 billion loans granted to private individuals were secured by real estate collateral. The real estate market in Romania in the years 2020 and 2021 continued to grow despite the COVID-19 pandemic. Residential real estate prices continued to rise and mortgage loans granted by the Issuer continued to grow year on year, the annual average value registering a 25% increase. Price growth continues also in 2022 and the mortgage loans granted by end-September show that in 2022 their average value also has an ascending trend. 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 IFRS. 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. Details of the correction of the identified significant accounting error are presented in Note 2.2 of such statements and in the section "*Financial Information - Selected Financial Information*" below.

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 judgments, 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.

The main resolution tool 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 insolvency 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 234¹ 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.

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 bankruptcy proceedings (*faliment*) opened over the Issuer's assets, the following insolvency hierarchy applies to deposits and senior unsecured claims:

- (a) covered deposits claims including claims of deposit guarantee schemes subrogating to the rights and obligations of guaranteed depositors in insolvency or from the financing of measures for the resolution of the Issuer;
- (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 had they 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 Notes); and
- (d) unsecured claims resulting from debt instruments within the meaning of Article 234¹ 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 for stamp duties and stamp taxes, fees, costs and expenses regarding the bankruptcy proceedings, budgetary and certain NBR claims, employment claims) ("**Further Preferred Claims**"). Therefore, in case of 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 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 and otherwise respects the hierarchy of claims in an ordinary insolvency. See also " *Holders of the Ordinary Senior Notes are exposed to the risk of statutory loss absorption*" above.

Holders 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 (*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 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

Holders 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.

The main resolution tool 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 insolvency 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 234¹ 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 conditions for resolution and the Resolution Authority decides to apply a resolution tool to the Issuer, the Resolution Authority shall exercise the write down or conversion power in relation to relevant capital instruments (i.e. CET 1, AT 1 and Tier 2 instruments) before 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.

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 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 are not 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 234¹ 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 the senior ranking of Further Preferred Claims.

Therefore, in case of 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 234² 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 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 additional tier 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) (*faliment*) or liquidation (*lichidare*) of the Issuer may be adversely affected.

In addition, the ranking of Subordinated Notes in a 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 and otherwise respects the hierarchy of claims in an ordinary insolvency. See also " *Holders 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.

Holders 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.

Holders 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.

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 at its sole discretion, redeem 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 at its sole discretion, redeem 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 at its sole discretion redeem 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 value of the Subordinated Notes. During any period when the Issuer may elect to redeem the Subordinated Notes, the market value 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 value 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 and Resolution Authority.

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

Any early redemption and any repurchase of the Subordinated Notes is subject to the prior permission of the National Bank of Romania as the competent authority. 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.

Furthermore, even if the Issuer would be granted the prior permission of the competent 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 National Bank of Romania as the competent authority, 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

Holders 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.

The main resolution tool 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 insolvency 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 234¹ 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.

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 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 are not 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 234¹ 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 the senior ranking of Further Preferred Claims.

Therefore, in case of 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 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 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 remedies under the Eligible Notes are more limited than those typically available to the Issuer's unsubordinated creditors.

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. Furthermore, Holders of the Eligible Notes should be aware that they may be required to bear the financial risks of an investment in the Eligible Notes until their final maturity.

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 at its sole discretion, redeem 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 at its sole discretion, redeem the Eligible Notes early before their stated maturity, at any time for regulatory reasons.

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

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

The Issuer may, at its sole discretion, redeem the Eligible Notes early at any time either for reasons of taxation or regulatory reasons. In addition, if such right is provided in the Final Terms, the Issuer may at its sole discretion redeem the Eligible Notes before their stated maturity on a specified call redemption date.

The Issuer may, at its sole discretion, redeem the Eligible Notes early at any time either for reasons of taxation or regulatory reasons. In addition, if such right is provided in the Final Terms, the Issuer may at its sole discretion redeem the Eligible Notes before their stated maturity on a specified call redemption date.

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 would be 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.

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 or may reduce the amount recoverable by Holders of the Eligible Notes upon the Issuer's insolvency.

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**"), 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. The Holders are therefore exposed to the risk of an unfavourable development of market prices of its Notes which materialises if

the Holder sells the Notes prior to the final maturity of such Notes. 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 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.

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 shall be close of business on a Business Day prior to each relevant Interest Payment Date (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 European Central Bank 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 Benchmark 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 capital 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 the 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 is published on each TARGET2 banking day since 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 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.

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 discussed above, and other factors that may affect the value of the Notes.

Furthermore, as a result of 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 EC Regulation No. 1215/2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters 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 CRR) 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 (*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.

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.

The applicable Final Terms will indicate if, 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.

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 National Bank of Romania 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.

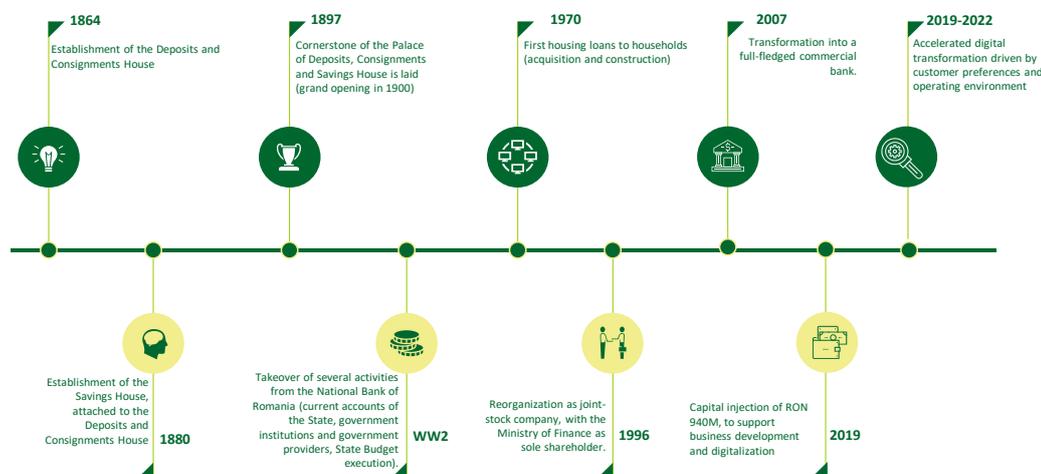
Between 1930 and 1949 the Issuer operated under the name "Casa Națională de Economii și Cecuri Poștale" (*National Savings and Postal Cheques House*), later changed to "Casa de Economii și Consemnațiuni" (*Savings and Consignments House*) and "Casa de Economii și Consemnațiuni C.E.C. S.A."

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 re-enter 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 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 branches and 961 agencies as of 30 June 2022.

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).

The Issuer does not have any subsidiary and the only shareholdings it has in other companies are minority stakes in *Biroul de Credit* (4.74%), *Fondul Roman de Garantare a Creditelor Pentru Intreprinzatorii Privati-Ifn SA* (3.10%), *Societatea de Transfer de Fonduri si Decontari Transfond* (2.69%), *Visa INC*, *Mastercard International* (<0.01%) 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, 1st 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 and the Historical Financial Information of the Issuer and issued independent auditor's reports thereon and reviewed the Interim Financial Statements and issued a review report thereon. The audit and review reports issued for the Historical Financial Information and Interim Financial Statements respectively, include emphasis of matter paragraphs and the reports are incorporated by reference. For more details please consult 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**")*. 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) 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.

Main strategical pillars

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 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).

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 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, Covid and Ukraine relief schemes 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;

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 5.3% market share in retail lending and 10.2% deposit-taking, in each case as of 31 December 2021 internally calculated by the Issuer on the basis of internal data and publicly available information. As of end-September 2022, the market share for retail lending accounted for approximately 5.4%, while the market share in deposit-taking accounted for approximately 10%. The Issuer's retail banking offers a variety includes 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 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).

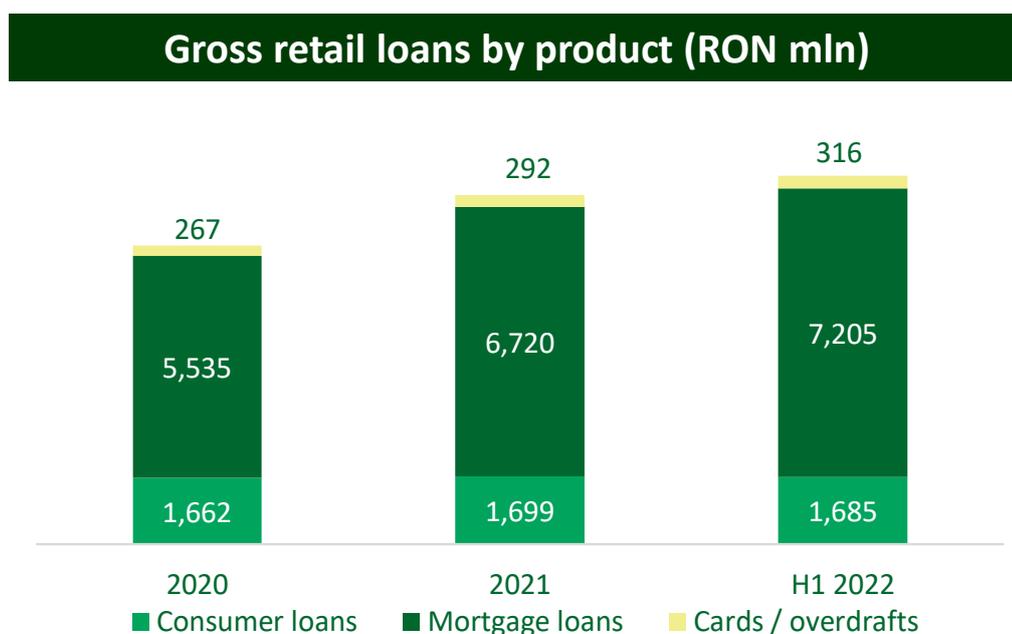
The Issuer prioritised the offering to its customers of instant payment services, allowing for instant 24/7 interbank settlement of local currency transactions, as well as full online opening of accounts and full online-accessed consumer loans and credit cards. The latest initiatives include:

- In December 2021, the Issuer launched the Figo Pay Package dedicated to special-needs customers and their attendants, as well as related social workers, and offering fee-free intrabank / interbank receipts in RON in a current /card account, fee-free intrabank payments in RON through the Internet Banking / Mobile Banking apps, fee-free cash withdrawals at any ATM of any bank in Romania and the EU, as well as an unlimited number of Direct Debit payment instructions.
- In September 2022, the Issuer launched the "Change the Bank" campaign with new bundles of products and services (such as the packaged current account free of charge for 12 months) aimed at stimulating transactional business and attracting resources; at the same time, the Issuer launched the Visa Multicurrency debit card which may be accessed both on- and offline, while also adding specific functionalities to the Mobile Banking application. Customers now benefit from a physical and / or virtual Visa Multicurrency debit card through which they may access a main current account in RON and perform transactions in nine other foreign currencies. A specific feature of this product is that customers may make fee-free cash withdrawals of up to RON 1,000/month or the equivalent in foreign currency at any ATM in Romania and the European Union.

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-instalment grace periods for mortgage loans and up to 24 free instalments on credit cards.

Mortgage loans remain the preferred product by retail customers, making up 78% of the total retail (retail customers) loan book of RON 9,206 million as of 30 June 2022:



Source: The Historical Financial Information and the Interim Financial Statements

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/m².

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.

Thus, during the year 2022, a series of financings were granted to companies established in rural areas or that develop energy consumption efficiency projects, generating jobs or providing access to social and health services for vulnerable categories.

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.

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.

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 group lending exposure, currently set at RON 15 million (approximately EUR 3 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 and the Mastercard Business debit card co-branded CEC Bank & #Localnicii.

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.

Deposits

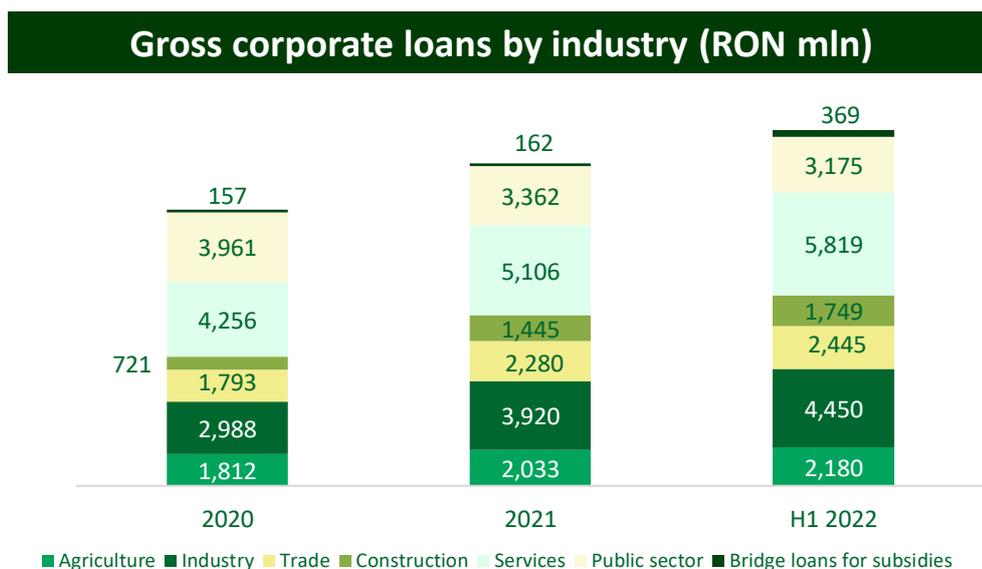
The Issuer offers a wide range of deposit products for corporate customers in RON, EUR and USD, including current accounts, overnight deposits, term deposits on different maturities and escrow accounts, all offered in digital channels like internet banking or mobile banking. Since 2021, corporate customers 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.

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 54.45% as of June 2022.

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



Source: The Historical Financial Information and the Interim Financial Statements

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.

The Issuer 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 3,200 as of 30 June 2022, with a total value of approximately RON 6.7 billion, while the non-reimbursable

component was approximately RON 16.1 billion (in each case as of 30 June 2022). Further, the Issuer granted over 68,000 bridge loans to companies in the agricultural field for subsidies from European funds, with a total value of RON 4.3 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 and the Competitiveness of Enterprises and Small and Medium-sized Enterprises ("**COSME**"), under which more than 1,000 credit facilities representing at least EUR 100 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.

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.), corresponding to granted loans in the total amount of more than RON 5 billion.

Between 2020 and June 2022, the Issuer was actively involved in the relief programs and schemes approved at national level under the COVID-19 temporary framework (IMM Invest, including the Agro IMM subcomponent, Rural Invest, IMM Prod and Garant Construct), with over 4,330 loans amounting to RON 3.6 billion, for which state guarantees were issued for a total value of RON 2.9 billion. Based on the same framework, the Issuer intermediated the collection of state aid amounting to approximately

RON 390 million in relation to the Romanian Government's grants offered to eligible beneficiaries (such as Horeca, GEO 130 – measures 1 and 2, Government Emergency Ordinance 161).

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; diverse customisable settings for cards; reduced fees by 60% compared to the standard fees applied in branches; and option to pay road taxes directly from the application.

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, Fitbit 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.

2.4 Dividend policy

The Ministry of Finance is strategically involved in the funding and capital plans of CEC Bank, inclusively 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 the last 3 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.

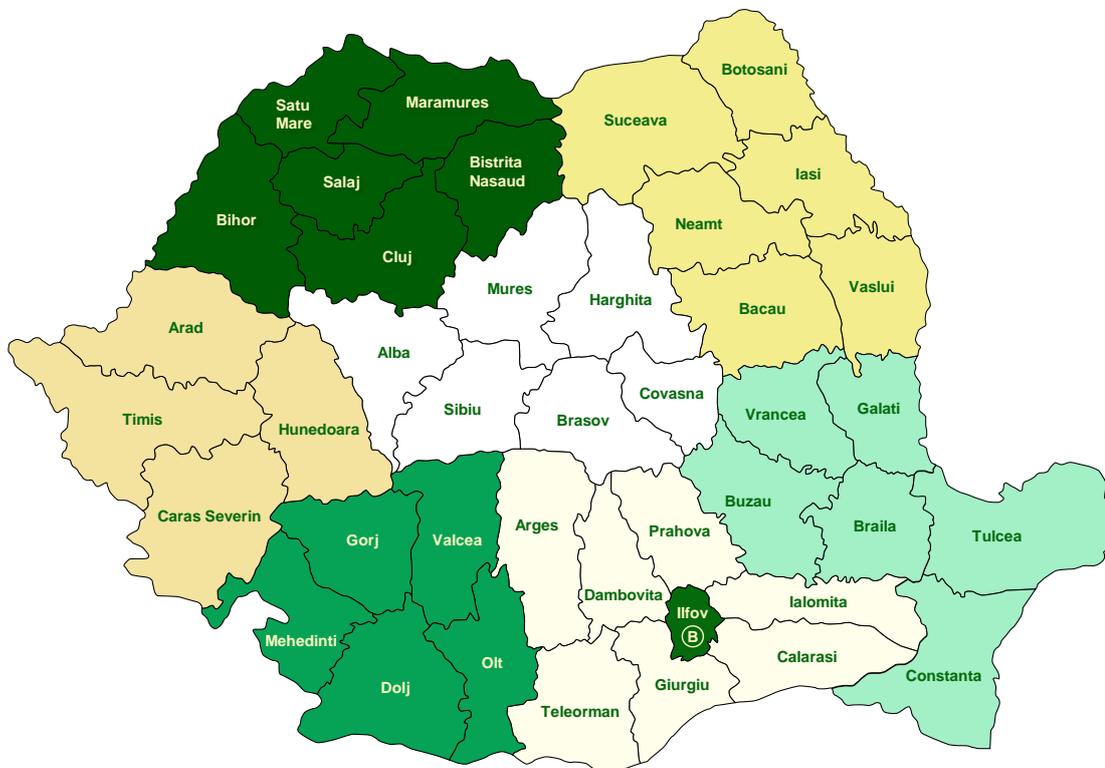
Following the successful implementation of Pluridio Treasury Sales System + Pricing Engine, foreign currency prices and deposits are now available online to customers, with a high level of customisation possibilities, thus establishing the Issuer as one of the main choices for corporate and SME customers.

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.

2.6 Unit network coverage (footprint) and transformation

As of 30 June 2022, the Issuer has a total of 1,009 banking units (48 county branches, urban agencies and rural agencies), servicing 2.1 million customers:



	Total units	Of which rural
North - West	142	68
North - East	158	89
South - East	151	80
South - Muntenia	149	78
Bucuresti - Ilfov	68	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;
- 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 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 available data as of end of June 2022, the Issuer ranks 7th in terms of asset size (RON 53,411 million total assets, as per financial reporting ("FINREP")), with a market share of 8%. The total net assets (for the avoidance of doubt, total net assets equals total assets according to FINREP statements, meaning it is equal to total liabilities plus equity) in the Romanian banking system used in this market share calculation was approximately RON 664 billion.

The official annual ranking of Romanian banks is published by NBR. The latest figures for 2021 are presented below:

Rank	Bank	Total assets (RON million)	Market share
1	Banca Transilvania	125,071	19.6%
2	Banca Comercială Română	89,091	13.9%
3	BRD – Groupe Société Générale	67,015	10.5%
4	ING Bank N.V., Amsterdam	59,306	9.3%
5	Raiffeisen Bank	59,157	9.3%
6	CEC Bank	50,661	7.9%
7	UniCredit Bank	50,176	7.8%

Source: NBR, "Raport anual 2021" based on FINREP.

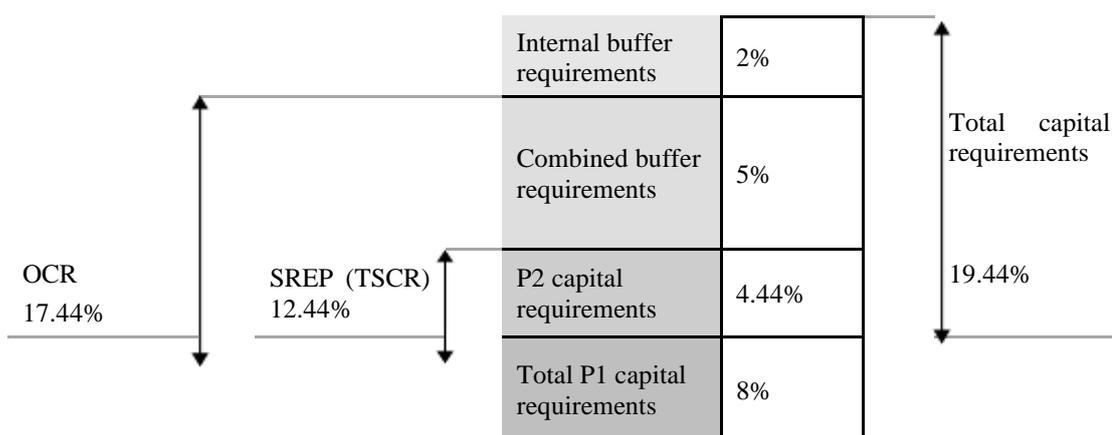
The Issuer faces strong competition from local banks and international banking groups with a local presence, as well as from other types of non-banking financial institutions (e.g. leasing companies in certain segments) operating in the financial services sector. The main competitors are Banca Transilvania 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 or Monese) 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 2022, 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 30 June 2022	Level (%)	Obs.
P1 capital ratios		
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%	
SREP (TSCR) capital ratios		
CET 1 - SREP (TSCR) requirements	6.99%	4.5% - CET 1 ratio (P1) and 2.49% - CET 1 SREP requirements
T1 - SREP (TSCR) requirements	9.33%	6% - T1 (P1) and 3.33% - SREP (TSCR) requirement
Total - SREP (TSCR) requirements	12.44%	8% - total capital requirements (P11) and 4.44% - SREP (TSCR) requirements
Overall Capital ratio (OCR)		
CET1 - (OCR) requirements	11.99%	6.99% - CET1 SREP (TSCR) and 5% - for covering combined buffer
T1 - (OCR) requirements	14.33%	9.33% - CET1 SREP (TSCR) and 5% - for covering combined buffer
Total overall capital requirements (OCR)	17.44%	12.44% - SREP (TSCR) requirements and 5% - for covering combined buffer
Internal threshold	19.44%	17.44% OCR and 2% internal buffer

30 June 2022	Value (million RON)
Own funds - total	5,010.66
Tier 1 own funds	3,610.66
Basis Tier 1 own funds (CET 1)	3,610.66
TREA	22,707.25

Source: Internal data as of 30 June 2022

Indicators	30 June 2022	TSCR	OCR	Internal threshold
Total CAR	22.07%	12.44%	17.44%	19.44%
Tier 1 CAR	15.90%	9.33%	14.33%	
Tier 1 basis (CET1)	15.90%	6.99%	11.99%	

Source: Internal data as of 30 June 2022

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.

The total capital ratio is over 22% as of 30 June 2022, i.e. above sector average (21.4%), according to the National Bank of Romania, Monthly Bulletin, October 2022.

Failure to fulfil the MREL requirements

On 30 June 2022, the Bank had a total equity ratio of 22.07% (including the deferred tax correction). Given that the Bank does not hold other MREL-eligible instruments, the own funds ratio was equal to the MREL ratio and at a level below the minimum threshold of the MREL ratio (including the applicable value of the combined buffer) of 23.36%, applicable to the Bank on 1 July 2022.

The main reason of non-compliance with the MREL requirement was the high volume of unrealised losses from marking to market government securities classified into the FVTOCI category (Fair Value Through Other Comprehensive Income), due to the steep increase in the market yields of these instruments.

In order to comply with the MREL requirement, the Issuer prepared and submitted to the NBR, which is the Resolution Authority, a plan of measures that anticipates (as requested by the NBR), compliance with the MREL requirement, until 31 March 2023 at the latest, by using measures such as *inter alia* the non-distribution of dividends to shareholders, as well as measures to control the level and intensity of risk-weighted assets ("**RWA**"), by reducing/optimising new lending from the RWA point of view.

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 2022 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 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 under the influence of COVID-19 pandemic crisis.

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.

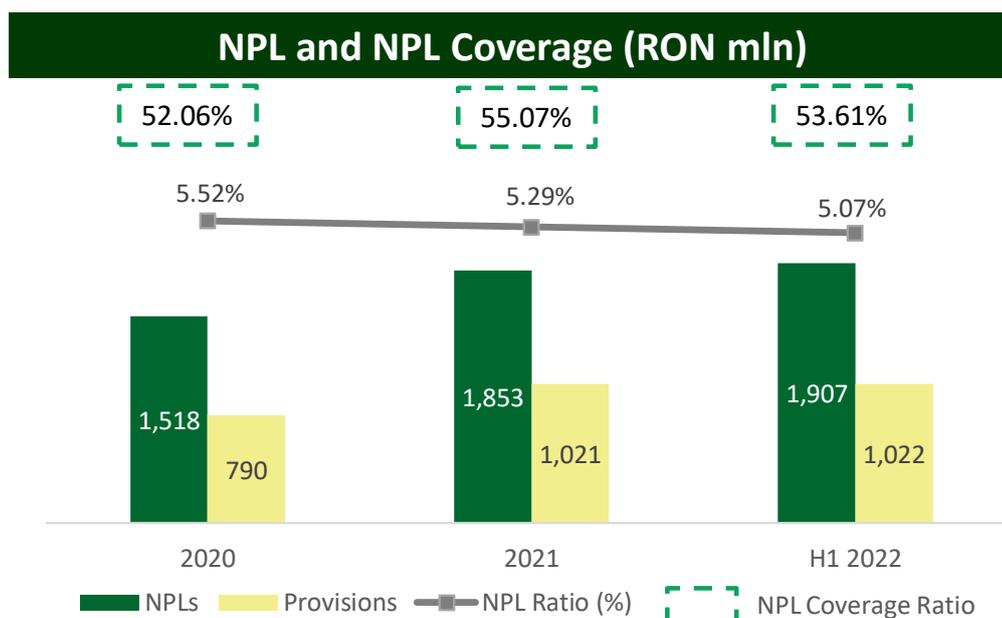
In the case of retail (private individuals) customers, financial performance is determined based on the credit rating and is reassessed during the credit cycle according to the information obtained on the fluctuation of income.

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.



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 (64% of total as of June 2022), followed by EUR (34% of total as of June 2022) and 2% other currencies.

The main currency for customer net loans is RON (82.5% of total as of June 2022), followed by EUR (16.7% of total as of June 2022) and 0.8% USD.

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 moderate level for the period 2022 - 2024.

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 17,759.75 million as of 30 June 2022, meaning a corresponding liquidity ratio of 184.73%, significantly higher than the regulatory level.

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 2022, the Issuer had an NSFR ratio of 183.54%, significantly above the regulatory level of 100% limit.

	30 June 2022
High-Quality Liquid Assets (RON mn)	17,759.75
Net Outflows (RON mn)	9,613.82
LCR value (%)	184.73
NSFR (%)	183.54

Source: Issuer internal data

As of June 2022, 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 (28% of total assets as of 30 June 2022, HQLA from liquidity perspective), is manageable from the IRRBB point of view, due to its low average maturity around 2.9Y.

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.

EV was below 10% as of 31 December 2020 (9.62%) and 30 June 2021 (8.80%) and below 5% as of 31 December 2021 (3.54%) and 30 June 2022 (4.86%), compared to the NBR limit of 20% of total own funds and the internal limit of 15% of total own funds.

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 and we are comfortably with the internal limits (14% of Tier 1 and 19% of total own funds) and regulatory limits (15% of Tier 1 and 20% of total own funds).

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 2022-2024, 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 2022 the Bank was classified with a low 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 2022, the final balance of provisions related to operational risk was RON 2,181.23 thousand and it was structured in: (i) provisions for litigation balance - RON 374.46 thousand, and (ii) provisions for fraud/other incidents balance - RON 1,806.77 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 2022, the reputational risk profile, the strategic risk profile and the outsourced activities risk profile were classified by the Issuer as low, 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 2021, 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 Issuer since the end of the last financial period for which financial information has been published

Since 30 June 2022, there have been no significant changes in the financial performance of the Issuer 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 and has prompted the European Union institutions to actively change the strategic development plans in the energy sector (REpowerEU), with consequences on the EU funds size which has been complemented by the new EU Funds package (NextGenerationEU). However, the new strategy comes with new rules that are still currently under discussion, but which are expected to affect in the short term the economic growth dynamics in the region, mainly because of the conditioning to reduce the energy consumption in EU in the very short term. Considering pre-existing supply chain problems and high inflation which drives up costs, the macroeconomic context is expected to translate into reduced credit demand, savings' pace and altogether slower business activity of the banking sector. Therefore, the ability of some customers to repay their loans is also being affected and the current trend of lower non-performing loans ("NPL") rate in the Romanian banking sector could be reversed.
- The COVID-19 pandemic still presents high uncertainty regarding its effects in the near future. Businesses and individuals have been financially cushioned through government support since 2020. Once the full effect of this state aid ceases, some businesses could still be in financial difficulties and such businesses and their employees could suffer negative consequences. The COVID-19 pandemic generated supply chain malfunctions, high and rising inflation not seen in decades and cost assumed by governments in support of their countries' economies brought about higher debt, such that EU fiscal rules (Stability and Growth Pact) were suspended in the past 3 years and will be suspended in 2023 as well. The long-term impact and effects of the ongoing COVID-19 pandemic cannot be fully estimated at the moment, which brings uncertainty to the business environment that could affect the future prospects of the Issuer.
- The regulatory requirements are changing and increasing with time. The regulatory requirements (implied by the CRR, CRD IV, CRD V and BRRD) and the respective amendments (in particular 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 and pandemics. 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, for which the probability has risen in the past months, based on the high frequency indicators in the Eurozone. 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.

- At 30 June 2022, the Bank was in breach of the MREL rate in terms of TREA. In order to comply with the MREL requirement, the Issuer prepared and submitted a plan of measures to the NBR that anticipates compliance with the MREL requirement until 31 March 2023 at the latest. For further information, please see the 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*" as well as "*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.*" Since 30 June 2022, to the date of this Prospectus, there have been no changes in this position.

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.

The Board of Directors is composed of 11 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.

The Executive Management Board ensures management of the day-to-day business and is composed of 5 (five) managers, 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.

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:

Member	Major functions outside the Issuer
Members of the Issuer's Board of Directors	
Tiberiu Valentin Mavrodin President, non-executive member	Not applicable
Mirela Sitoiu Non-executive member	Not applicable

Member	Major functions outside the Issuer
Bogdan Constantin Neacsu Executive member	President of the Romanian Association of Banks
Mihaela Lucica Popa Executive member	Not applicable
Ciprian Sebastian Badea Non-executive member	Not applicable
Mihai Gogancea Vatasoiu Non-executive member	Head of Administration Deputy Collection of legal entities - Tax Administration for Non-Resident Taxpayers - D.G.R.F.P. Bucharest
Members of the Issuer's Executive Management Board	
Bogdan Constantin Neacsu General Manager, President of the Executive Management Board	Not applicable
Mihaela Lucica Popa Manager, First Vice President of the Executive Management Board	Not applicable
Mirela Iovu Manager, Vice President of the Executive Management Board	President of the Association of Legal Advisors in the Financial-Banking System 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

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, made by the Board of Directors Committee, and, if the candidate passes this evaluation, the process continues by obtaining the NBR's prior approval for appointment. Currently (i) two persons nominated as non-executive directors are undergoing evaluation for adequacy by the Board of Directors Committee, (ii) two persons nominated as executive directors, which passed the internal evaluation are in process of obtaining NBR's approval for appointment, and (iii) a new manager is undergoing approval process by the NBR.

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 2022, the share capital of the Issuer, fully subscribed and paid, 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. The shares in the Issuer are not listed on any market.

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).

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 2020 and for the year ended 31 December 2020, from the Historical Financial Information (as defined below) as at 31 December 2021 and for the year ended 31 December 2021 and from the Interim Financial Statements (as defined below) as of and for the six months period ended 30 June 2022. The Annual Financial Statements and the Historical Financial Information have been prepared in accordance with Order no. 27/2010 of the NBR and subsequent amendments, which require that these financial statements are prepared in accordance with IFRS, while the Interim Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

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. Therefore, the Issuer prepared a second set of financial information relating to the financial year ended 31 December 2021 so as to correct such error, namely the Historical Financial Information as at 31 December 2021, approved by the Board of Directors on 20 October 2022. The Issuer's accounting policies applied in preparing the Annual Financial Statements and in preparing the Historical Financial Information are described in the Notes to the Annual Financial Statements and in the Notes to the Historical Financial Information, respectively. The Annual Financial Statements, the Historical Financial Information and the Interim Financial Statements included herein are presented in Romanian RON. The Issuer's financial year runs from 1 January to 31 December.

"**Annual Financial Statements**" means the Issuer's audited financial statements as at and for the year ended 31 December 2020, prepared in accordance with IFRS and incorporated by reference in this Prospectus (for more details please consult the section "*Documents Incorporated by Reference*").

"**Interim Financial Statements**" means the Issuer's unaudited financial statements for the six months period ended 30 June 2022, that include the comparative figures for the six months period ended 30 June 2021, prepared in accordance with IAS34 and incorporated by reference in this Prospectus (for more details please consult the section "*Documents Incorporated by Reference*").

"**Historical Financial Information**" means the restated set of the Issuer's historical financial information as at and for the year ended 31 December 2021, prepared in accordance with IFRS to correct a significant accounting error identified in the previously issued and approved statutory financial statements as at and for the year ended 31 December 2021 and incorporated by reference in this Prospectus (for more details please consult the section "*Documents Incorporated by Reference*").

Selected key historical financial information as at and for the years ended 31 December 2020 and 31 December 2021 and as at and for the six-month period ended 30 June 2022:

Income Statement information

RON mil	2020	2021	H1 2021	H1 2022
	Extracted from the audited Historical Financial Information		Extracted from the reviewed Interim Financial Statements	
Interest income calculated using the effective interest method	1,494.7	1,553.9	772.6	1,047.8
Interest expense	-429.4	-478.6	-232.8	-376.7
Net interest income	1,065.3	1,075.3	539.8	671.0
Commission income	300.1	343.1	160.1	178.9
Commission expense	-33.1	-45.6	-19.4	-25.4
Net commission income	267.0	297.5	140.7	153.5
Other income*	116.7	106.6	66.1	17.3
Operating income	1,449.0	1,479.4	746.7	841.8

RON mil	2020	2021	H1 2021	H1 2022
	Extracted from the audited Historical Financial Information		Extracted from the reviewed Interim Financial Statements	
Operating expenses	-1,059.4	-1,046.6	-536.6	-731.2
Profit before tax	389.5	432.9	210.1	110.6
Income tax expense	-51.8	-66.3	-41.5	-19.5
Net profit for the year/period	337.7	366.6	168.6	91.1

* Including Net gain from trading in foreign currencies, (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 Historical Financial Information and the Interim Financial Statements

Although lower compared to the same period of the previous year, the net profit in the first half of 2022 remained robust at RON 91.1million, with net interest and commission income up by 21.2% on account of new loan origination and enhanced transactional business, mainly offset by higher loan impairment charges and operating expenses, as well as by the lower income from securities transactions.

Increase in operating expenses was mainly driven by investments in digital infrastructure and network development, and by higher costs with deposit guarantee schemes.

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

RON million	2020	2021	H1 2022
	Extracted from the audited Historical Financial Information		Extracted from the reviewed Interim Financial Statements
Cash and equivalents at central banks	4,757.4	7,108.5	7,590.8
Loans and advances to banks	383.8	1,724.3	1,462.0
Securities and investments**	13,362.9	15,132.0	15,289.7
Loans and advances to customers	21,924.1	25,651.0	27,915.4
Assets other than listed above ***	822.1	998.2	1,167.1
Total Assets	41,250.3	50,614.1	53,425.1
Deposits from customers	34,833.1	42,024.4	47,464.3
Due to other banks, of which	1,637.8	2,451.5	1,049.1
Amounts due to banks (including NBR) and REPO liabilities	1,072.4	2,008.3	690.4
Borrowings from banks and other financial institutions	565.4	443.2	358.7
Subordinated debt	-	1,401.0	1,427.5
Liabilities other than listed above ****	293.4	881.0	266.2
Total Liabilities	36,764.2	46,757.9	50,207.2
Equity	4,486.0	3,856.2	3,218.0
Total Liabilities & Equity	41,250.3	50,614.1	53,425.1

** including Financial assets held for trading and measured at fair value through profit and loss, Financial assets mandatorily at fair value through profit or loss, Financial assets measured at fair value through other comprehensive income, Financial assets measured at amortised cost.

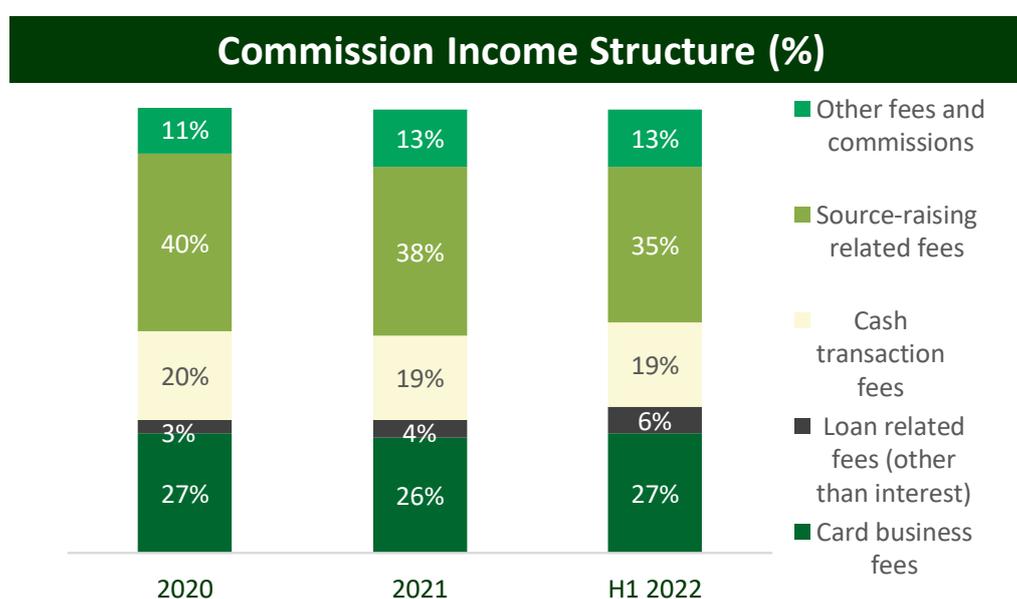
*** including Derivative financial assets, Property and equipment, Intangible assets, Investment property, Right-of-use assets, Deferred tax assets, Other financial assets, Other assets.

**** including Derivative financial liabilities, Current income tax liability, Deferred tax liabilities, Lease liabilities, Provisions, Other financial liabilities, Other liabilities.

Source: The Historical Financial Information and the Interim Financial Statements

The Issuer's assets rose to RON 53.4 billion at end-June 2022 (up 5.6% since end 2021), mainly driven by the growth of loans to non-bank customers, as well as of the securities portfolio, while on the liabilities side, customer deposits went up driven by additional resources raised from non-bank customers.

The Bank has historically had a strong savings franchise, a longstanding tradition of servicing retail clients, therefore the resources attracted from this segment made up about 60% of core deposits as of end-June 2022, representing an increase by 12.9% compared to 31 December 2021.



Source: The Historical Financial Information and the Interim Financial Statements

Against the rising interest rate environment, the growth rate in net interest income lags behind system average due to the specific setup of the current core banking system, which only allows the repricing of loans at beginning of quarters / semesters rather than at individual contractual maturity and thus induces a time lag versus deposits.

The growth in net impairment charges in 2022 was generated by the natural increase of the loan portfolio, by changes in expected credit loss ("ECL") model to cover the additional risks generated by the war in Ukraine, the increase of energy and gas prices and of inflation and interest rates, by improved coverage of NPLs (which, as a result, leads to a lower level of the systemic risk buffer), as well as by the slower recoveries from sell-offs and previous write-offs.

Operating expenses went up by 36.3% as at 30 June 2022 compared as against 30 June 2021, mainly driven by investments in digital infrastructure and network development, as well as by higher costs with the local and European deposit guarantee schemes driven by 2021 growth in client deposits.

Overall liquidity and funding is solid as the Bank maintains a strong loans to deposit ratio of 62% and a net stable funding ratio of 183.5%, significantly above the regulatory level of 100%.

Alternative Performance Measures

In this Prospectus, the Bank uses the following 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 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. Neither the assumptions underlying the APMs have been audited in accordance with IFRS or any generally accepted accounting standards 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 5.07% as of end-June 2022, while the ECL coverage of the non-performing exposures was 53.61% 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).

Ratio	31 December 2021	30 June 2022
NPL (%)	5.29	5.07
Coverage ratio for NPLs (%)	55.07	53.61

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	30 June 2021	30 June 2022
High-Quality Liquid Assets (RON mn)	14,004.11	17,759.75
Net Outflows (RON mn)	8,067.79	9,613.82
LCR value (%)	173.58	184.73
NSFR (%)	185.83	183.54

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	31 December 2021	30 June 2022
Cost income ratio (%)	56.09	60.83

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	31 December 2021	30 June 2022
Total assets (RON million)	50,661	53,411

Information from FINREP reporting is used by NBR (National Bank of Romania), among other data sources, in order to compare/analyse/present banking system data.

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.

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 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 [*if the Specified Currency is EUR or if TARGET is needed for other reasons, insert:* and the Trans-European Automated Real-time Gross settlement Express Transfer System (TARGET2) ("**TARGET**") [is] [are] operational [*if the Specified Currency is not EUR or if needed for other reasons insert:* and commercial banks and foreign exchange markets settle payments in [**all relevant financial centres**]].

"**Clearing System**" means [*if more than one Clearing System insert:* 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 "**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] [Reference Rate Determination Date] [Observation Day] [**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 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] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**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] [**determine other event**] 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] [Reference Rate Determination Date] [Observation Day] [**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] [**define other event**] 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] as selected by the Issuer.]

Reference Interest Rate replacement in case of a Discontinuation Event. If the Issuer determines in its reasonable discretion (i) it becomes unlawful for the Issuer or the Calculation Agent to use the Reference Interest Rate, or (ii) the administrator of the Reference Interest Rate ceases to calculate and publish the Reference Interest Rate permanently or for an indefinite period of time, or (iii) the administrator of the Reference Interest Rate becomes insolvent or an insolvency, a bankruptcy, restructuring or similar proceeding (affecting the administrator) is commenced by the administrator or its supervisory or regulatory authority, or (iv) the Reference Interest Rate is otherwise being discontinued or otherwise ceases to be provided (each of the events in (i) through (iv) a "**Discontinuation Event**"), the Reference Interest Rate shall be replaced, on [the] [each] [relevant Interest Determination Date] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**determine other day**] and, subsequently the Holders of the Notes in accordance with § 14. If, on any previous [Interest Determination Date] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**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 provisions (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] [Reference Rate Determination Date] [Observation Day] [**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 provision (I) or the Successor Screen Page determined in accordance with the above provision (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] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**determine other day**] on which such quotations were offered and shall thereafter inform the Holders of the Notes in accordance with § 14[.]; or]
- (b) 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 the Issuer determines in its reasonable discretion (i) it becomes unlawful for the Issuer or the Calculation Agent to use the Reference Swap Rate, or (ii) the administrator of the Reference Swap Rate ceases to calculate and publish the Reference Swap Rate permanently or for an indefinite period of time, or (iii) the administrator of the Reference Swap Rate becomes insolvent or an insolvency, a bankruptcy, restructuring or similar proceeding (affecting the administrator) is commenced by the administrator or its supervisory or regulatory authority, or (iv) the Reference Swap Rate is otherwise being discontinued or otherwise ceases to be provided (each of the events in (i) through (iv) a "**Discontinuation Event**"), the Reference Swap Rate shall be replaced, on the [relevant Interest Determination Date] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**determine other day**] and, subsequently the Holders of the Notes in accordance with § 14. If, on any previous [Interest Determination Date] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**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 provisions (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] [Reference Rate Determination Date] [Observation Day] [**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 provision (I) or the Successor Screen Page determined in accordance with the above provision (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] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**determine other day**] on which such quotations were offered and shall thereafter inform the Holders of the Notes in accordance with § 14[.] [; or]
- (b) 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(s), 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 Denomination¹] (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 (the "**Exchange Date**") not later than 180 days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be 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).]

¹ 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.

- (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 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 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)).

[An][The] "**Interest Period**" is respectively 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]* **[insert other period]**.

- (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**") and always remain unadjusted.] [Coupon Date is on **[insert Coupon Date]** (the "**Coupon Date**") and it remains unadjusted.]

[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.

"**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]; [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) 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)).

[An][The] "**Interest Period**" is [respectively] 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 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**") and always remain unadjusted.] [Coupon Date is on [**insert Coupon Date**] (the "**Coupon Date**") and it remains unadjusted.]

[The first Coupon Date shall be on [**insert first Coupon Date**]. The last Coupon Date shall be on [**insert last Coupon Date**].]

- (c) *Interest Payment Date[s].* Interest on the Notes shall be payable on [the] [each] Interest Payment 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]; [first Coupon Date is: [**insert first Coupon Date**] [("**First Coupon Date**")]] [last Coupon Date is: [**insert last Coupon Date**] [("**Last Coupon Date**")]].]

[Options for various Reference Rates regarding the rate of interest:

[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] [Reference Rate Determination Date] [Observation Day] [*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] [Reference Rate Determination Date] [Observation Day] [*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_o**" 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_o**", each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Applicable Period.

"**n_i**" 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 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 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 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**" corresponds to a surcharge or disagio in percentage points and has been determined [for the [first] [•] [Interest Period] as [•]] [for the [•] [Interest Period] as [•]] **[insert further]**.]

[Continuation of general terms and conditions for floating interest:

[(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[, each 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[, each 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] [Reference Rate Determination Date] [Observation Day] [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]]

[Continuation of general terms and conditions for interest:

- [(5)] *Accrual of Interest and Default Interest.* If the Issuer should fail 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.¹
- [(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**"):

¹ 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 [fifteenth][•] 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 [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.]

[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.]

[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][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.

(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].]

(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 § 6 [(5)], 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 [(6)] of this § 6.]
- (c) [Call Redemption Date[s]] [is] [are] **[insert Call Redemption Date[s]]**
- (d) [Call Redemption Amount[s]] [is] [are] **[insert Call Redemption Amount[s]]** [for the following Call Redemption Date[s] **[insert 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.]

[(5)] *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 of the early redemption or, if applicable and as the case may be the relevant Call Redemption Date; and
- (d) the Early Redemption Amount at which the Notes are redeemed or – if applicable – the Call Redemption Amount at which the Notes are redeemed.]

[If Notes are subject to Early Redemption at the Option of the Holder insert:

[(6)] *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]**" [is][are] [**insert Optional Early Redemption Date[s]**].
- (d) *Optional Early Redemption Amount*: ["**Optional Early Redemption Amount**" on [**insert Optional Early Redemption Date**] is [**insert Optional Early Redemption Amount**]]. [Optional Early Redemption Amounts are as follows: [on [**insert Optional Early Redemption Dates**][**insert Optional Early Redemption Amounts**]].]
- (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 is equal to [the Final Redemption Amount pursuant to § 6(2)][**insert other amount/rate**].]

[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 is equal to the Amortised Face 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 (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 his 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 from 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)²;
 - (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 the Conditions, Holders' Representative

- (1) *Amendment of the 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 the 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 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".

- (2) *Majority.* Resolutions shall be passed by a majority of not less than 75% of the votes cast. Resolutions relating to amendments of the 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.

[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, the following applies, 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 on the regulated market of the Luxembourg Stock Exchange, the following applies, insert:

- (1) *Publication.* As long as the Notes are listed on the Luxembourg Stock Exchange, notices concerning the Notes will be published on the website of the Luxembourg Stock Exchange on www.bourse.lu 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. The Issuer will also publish notices on its website 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 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 on any other basis 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 [*if the Specified Currency is EUR or if TARGET is needed for other reasons, insert:* and the Trans-European Automated Real-time Gross settlement Express Transfer System (TARGET2) ("**TARGET**") [is][are] operational [*if the Specified Currency is not EUR or if needed for other reasons insert:* and commercial banks and foreign exchange markets settle payments in [all relevant financial centres]].

"**Clearing System**" means [*if more than one Clearing System insert:* 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 "**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] [Reference Rate Determination Date] [Observation Day] [**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 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] [Reference Rate Determination Date] [Observation Day] **[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] [Reference Rate Determination Date] [Observation Day] **[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] **[determine other event]** 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] [Reference Rate Determination Date] [Observation Day] **[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] **[define other event]** 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] as selected by the Issuer.]

Reference Interest Rate replacement in case of a Discontinuation Event. If the Issuer determines in its reasonable discretion (i) it becomes unlawful for the Issuer or the Calculation Agent to use the Reference Interest Rate, or (ii) the administrator of the Reference Interest Rate ceases to calculate and publish the Reference Interest Rate permanently or for an indefinite period of time, or (iii) the administrator of the Reference Interest Rate becomes insolvent or an insolvency, a bankruptcy, restructuring or similar proceeding (affecting the administrator) is commenced by the administrator or its supervisory or regulatory authority, or (iv) the Reference Interest Rate is otherwise being discontinued or otherwise ceases to be provided (each of the events in (i) through (iv) a "**Discontinuation Event**"), the Reference Interest Rate shall be replaced, on [the] [each] [relevant Interest Determination Date] [Reference Rate Determination Date] [Observation Day] **[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 qualification of the Subordinated Notes as Tier 2 Capital 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] [Reference Rate Determination Date] [Observation Day] **[determine other day]** and, subsequently the Holders of

the Notes in accordance with § 14. If, on any previous [Interest Determination Date] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**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 provisions (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] [Reference Rate Determination Date] [Observation Day] [**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 provision (I) or the Successor Screen Page determined in accordance with the above provision (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] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**determine other day**] on which such quotations were offered and shall thereafter inform the Holders of the Notes in accordance with § 14.] [; or]
- (b) 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)]) (but not before five years from the issue date of the Notes, unless otherwise permitted by 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 the Issuer determines in its reasonable discretion (i) it becomes unlawful for the Issuer or the Calculation Agent to use the Reference Swap Rate, or (ii) the administrator of the Reference Swap Rate ceases to calculate and publish the Reference Swap Rate permanently or for an indefinite period of time, or (iii) the administrator of the Reference Swap Rate becomes insolvent or an insolvency, a bankruptcy, restructuring or similar proceeding (affecting the administrator) is commenced by the administrator or its supervisory or regulatory authority, or (iv) the Reference Swap Rate is otherwise being discontinued or otherwise ceases to be provided (each of the events in (i) through (iv) a "**Discontinuation Event**"), the Reference Swap Rate shall be replaced, on the [relevant Interest Determination Date] [Reference Rate Determination Date] [Observation Day] [**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 qualification of the Subordinated Notes as Tier 2 Capital 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] [Reference Rate Determination Date] [Observation Day] [**determine other day**] and, subsequently the Holders of the Notes in accordance with § 14. If, on any previous [Interest Determination Date] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**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 provisions (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] [Reference Rate Determination Date] [Observation Day] [**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 provision (I) or the Successor Screen Page determined in accordance with the above provision (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] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**determine other day**] on which such quotations were offered and shall thereafter inform the Holders of the Notes in accordance with § 14[.] [; or]
- (b) 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)]) (but not before five years from the issue date of the Notes, unless otherwise permitted by 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 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(s), 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 Denomination³] (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 (the "**Exchange Date**") not later than 180 days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be 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

³ 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.

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, unconditional, and subordinated obligations of the Issuer.

Subject as set out below, in the event of normal bankruptcy proceedings (*falliment*) or liquidation (*liquidare*) of the Issuer, any claim on the principal amount, interest and any Additional Amounts under the Notes will rank:

- (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) 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 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; (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 bankruptcy proceedings (*falliment*) or liquidation (*liquidare*) of the Issuer, rank:

- (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, 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 234¹ 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.

"**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.

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 or 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 bankruptcy (*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, 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 National Bank of Romania 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, BRRD, 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, as implemented into Romanian law, 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 CRD include references to any applicable provisions of law amending or replacing such articles from time to time.

"**Resolution Authority**" means the National Bank of Romania 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))].*

[An][The] "**Interest Period**" is respectively 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] [insert other period].*

(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**") and always remain unadjusted.] [Coupon Date is on **[insert Coupon Date]** (the "**Coupon Date**") and it remains unadjusted.]

[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.

"**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]; [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) 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))].

[An][The] "**Interest Period**" is [respectively] 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 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**") and always remain unadjusted.] [Coupon Date is on [insert Coupon Date] (the "**Coupon Date**") and it remains unadjusted.]

[The first Coupon Date shall be on [insert first Coupon Date]. The last Coupon Date shall be on [insert last Coupon Date].]

- (c) *Interest Payment Date[s].* Interest on the Notes shall be payable on [the] [each] Interest Payment 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]; [first Coupon Date is: [insert first Coupon Date] [{"**First Coupon Date**"}]] [last Coupon Date is: [insert last Coupon Date] [{"**Last Coupon Date**"}]].]

[Options for various Reference Rates regarding the rate of interest:

[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] [Reference Rate Determination Date] [Observation Day] **[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] [Reference Rate Determination Date] [Observation Day] **[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_o**" 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_o**", each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Applicable Period.

"**n_i**" 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 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 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 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**" corresponds to a surcharge or disagio in percentage points and has been determined [for the [first] [•] [Interest Period] as [•]] [for the [•] [Interest Period] as [•]] [insert further].]

[Continuation of general terms and conditions for floating interest:

- [(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[, each 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[, each 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] [Reference Rate Determination Date] [Observation Day] **[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 Notes with Fixed to [Fixed] [Floating] interest rates, insert:

(1) *Fixed Interest.*

- (a) *Rate of Interest, Fixed Interest Period[s], Interest Exchange Day.* 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**").

[A][The] "**Fixed Interest Period**" is respectively from (and including) the Interest Commencement Date to (but excluding) the [*in case of no adjustment of 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.

[*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]**")].]

- (b) *Fixed Coupon Date[s], Fixed Interest Payment Date[s].* Fixed interest 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**") and remain always unadjusted.] [Fixed Coupon Date is on [**insert Fixed Coupon Date**] (the "**Fixed Coupon Date**") and it remains unadjusted.]

[The first Fixed Coupon Date shall be on [**insert first Fixed Coupon Date**]. The last Fixed Coupon Date [**insert last Fixed Coupon Date**].]

Fixed interest on the Notes shall be payable on [each][the] Fixed Interest Payment Date.

"**Fixed Interest Payment Date**" means such Business Day, on which the fixed interest is in fact due and payable. The Fixed Interest Payment Date may fall on a Fixed Coupon Date or may shift to the appropriate Business Day – if the Fixed Coupon Date falls on a day which is not a Business Day – based on the application of the adjustment provision as set out in § 5[(6)] (Business Day Convention).

[*In the case of short/long Fixed Interest Period insert:* The [first] [last] Fixed Interest Period is [shortened] [extended]; [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 fixed 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).

[(2)] *Floating Interest.*

- (a) *Rate of Interest, Floating Interest Period[s], Floating Interest Payment Date[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))].

[A][The] "**Floating Interest Period**" is [respectively] 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 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**") and always remain unadjusted.]

["**Floating Coupon Date**" is the [**insert floating coupon date**] and it always remains unadjusted.]

[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**].]

- (c) *Floating Interest Payment Date[s]*.

Interest on the Notes shall be payable on [each][the] Floating Interest Payment Date.

"**Floating Interest Payment Date**" means such Business Day, on which the floating interest is in fact due and payable. The Floating Interest Payment Date may fall on the Floating Coupon Date or may shift to the appropriate Business Day – if the Floating Coupon Date falls on a day which is not a Business Day based on the application of the adjustment provision as set out in § 5[(6)] (Business Day Convention).

[*In the case of short/long Floating Interest Periods insert:* The [first] [last] Floating Interest Period is [shortened] [extended]; [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**"]].]

[**Options for various Reference Rates regarding the floating rate of interest:**

[*In case the floating rate of interest shall be calculated on the basis of a Reference Interest Rate, insert:*

- (d) *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 Interest Period in accordance with the formula below on the [Interest Determination Date] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**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_o**" 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_o**", each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Applicable Period.

"**n_i**" 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 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 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" corresponds to a surcharge or disagio in percentage points and has been determined [for the [first] [●] [Interest Period] as [●]] [for the [●] [Interest Period] as [●]] [insert further].]

[Continuation of general terms and conditions for floating interest:

[(3)] *Default 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[, each 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[, each 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] [Reference Rate Determination Date] [Observation Day] **[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]]

[Continuation of general terms and conditions for interest:

[(5)] *Accrual of Interest and Default Interest.* If the Issuer should fail 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.¹

[(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

¹ 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.

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 [fifteenth][•] 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.

[Continuation of general terms and conditions:

- [(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 [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.]

[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.]

(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.*

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[(8)], 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[(7)] (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.*

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.]

[In case that the Notes shall be redeemed on a certain [Business Day] [day], insert: Call Redemption Date[s] [is the following date:] [are the following dates:] [insert specific Call Redemption Date[s]] [each [Business Day] [•] during the period from and including [•] to (and including) [•]] [and each Coupon Date thereafter].]

[Call Redemption Amount[s]] [is] [are] **[insert Call Redemption Amount[s]]** [for the [following] Call Redemption Date[s] **[insert 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.]

[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 there is a change in the regulatory classification of the Notes that occurs on or after the issue date of the Notes that results, or would be likely to result, in their exclusion from own funds (as such terms is defined in the Capital Regulations) in full or in part.

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.*

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 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
 - (iv) in the case of a repurchase of the Notes, if the Notes are repurchased for market making purposes.

Notwithstanding the above conditions, if, at the time of any early redemption or repurchase, the prevailing Applicable Law applicable to the Issuer permits the early redemption or repurchase only after compliance

with one or more alternative or additional pre-conditions to those set out above, the Issuer shall comply with such other and/or, as appropriate, additional pre-conditions, if any.

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.

"**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 National Bank of Romania.

[(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 of the relevant early redemption or, if applicable and as the case may be, the relevant Call Redemption Date; [and]
- (d) [in case of an early redemption pursuant to [§ 6(3) (Early Redemption for Reasons of Taxation) and] § 6(5) (Early Redemption for Regulatory Reasons), the Early Redemption Amount at which the Notes are redeemed or if applicable – the Call Redemption Amount at which the Notes are redeemed.]]

[In the case of Notes other than Zero Coupon Notes:

[(9)] *Early Redemption Amount.*

For 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 is equal to [the [Final Redemption Amount] pursuant to § 6 (2)] **[insert other rate or amount].]**

[In the case of Zero Coupon Notes:

[(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.
- (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.]

([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 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 the Conditions, Holders' Representative

- (1) *Amendment of the 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 the 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 the 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 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 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, the following applies, 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 on the regulated market of the Luxembourg Stock Exchange, the following applies, insert:

- (1) *Publication.* As long as the Notes are listed on the Luxembourg Stock Exchange, notices concerning the Notes will be published on the website of the Luxembourg Stock Exchange on www.bourse.lu 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. The Issuer will also publish notices on its website 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 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 on any other basis 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 [*if the Specified Currency is EUR or if TARGET is needed for other reasons, insert:* and the Trans-European Automated Real-time Gross settlement Express Transfer System (TARGET2) ("**TARGET**") [is][are] operational [*if the Specified Currency is not EUR or if needed for other reasons insert:* and commercial banks and foreign exchange markets settle payments in [all relevant financial centres]].

"**Clearing System**" means [*if more than one Clearing System insert:* 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 "**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] [Reference Rate Determination Date] [Observation Day] [**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 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] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**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] [**determine other event**] 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] [Reference Rate Determination Date] [Observation Day] [**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] [define other event] 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] as selected by the Issuer.]

Reference Interest Rate replacement in case of a Discontinuation Event. If the Issuer determines in its reasonable discretion (i) it becomes unlawful for the Issuer or the Calculation Agent to use the Reference Interest Rate, or (ii) the administrator of the Reference Interest Rate ceases to calculate and publish the Reference Interest Rate permanently or for an indefinite period of time, or (iii) the administrator of the Reference Interest Rate becomes insolvent or an insolvency, a bankruptcy, restructuring or similar proceeding (affecting the administrator) is commenced by the administrator or its supervisory or regulatory authority, or (iv) the Reference Interest Rate is otherwise being discontinued or otherwise ceases to be provided (each of the events in (i) through (iv) a "**Discontinuation Event**"), the Reference Interest Rate shall be replaced, on [the] [each] [relevant Interest Determination Date] [Reference Rate Determination Date] [Observation Day] [**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 qualification of (i) the Senior Eligible Notes as eligible liabilities or (ii) the Non-Preferred Senior Eligible Notes as eligible liabilities, 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] [Reference Rate Determination Date] [Observation Day] [**determine other day**] and, subsequently the Holders of the Notes in accordance with § 14. If, on any previous [Interest Determination Date] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**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 provisions (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] [Reference Rate Determination Date] [Observation Day] [**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 provision (I) or the Successor Screen Page determined in accordance with the above provision (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] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**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] [Reference Rate Determination Date] [Observation Day] [**determine other day**] on which such quotations were offered and shall thereafter inform the Holders of the Notes in accordance with § 14[.] [; or]
- (b) 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, 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 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(s), 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 Denomination⁴] (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 (the "**Exchange Date**") not later than 180 days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be 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

⁴ 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.

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 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 depositary on behalf of both ICSDs.]

§ 3 Status

[In the case of Senior Eligible Notes, insert:

- (1) *Status Eligible Notes.* The Notes are intended to qualify as Eligible Liabilities Instruments (as defined below).

Ordinary Senior Eligible Notes: The obligations under the Notes constitute direct, unsecured and unsubordinated obligations of the Issuer ranking in the event of normal bankruptcy proceedings (*faliment*) or liquidation (*lichidare*) 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) with all other present and future unsecured and unsubordinated instruments or obligations of the Issuer, save for any Issuer Preferred Obligations; 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:

"Issuer's Preferred Obligations" means all obligations of the Issuer which pursuant to mandatory provisions of law are preferred so as to rank senior to ordinary unsecured and unsubordinated obligations of the Issuer.

"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 234¹ 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:

- (1) *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 which meet the criteria for debt instruments pursuant to Article 234¹ of the Romanian Insolvency Act. The Notes are intended to qualify as Eligible Liabilities Instruments (as defined below).

In the event of normal bankruptcy proceedings (*faliment*) or liquidation (*lichidare*) of the Issuer, claims on the principal amount, the 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 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 234¹ 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 the Romanian Law 312/2015 on recovery and resolution of credit institutions and investment firms and for amending and supplementing certain normative acts of financial matter (*Legea 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, and 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.

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 or 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 bankruptcy (*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, 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, 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 National Bank of Romania 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, BRRD, 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, as implemented into Romanian law, 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 CRD include references to any applicable provisions of law amending or replacing such articles from time to time.

"**Resolution Authority**" means the National Bank of Romania 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))].

[An][The] "**Interest Period**" is respectively 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] [insert other period].

(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**") and always remain unadjusted.] [Coupon Date is on [insert Coupon Date] (the "**Coupon Date**") and it remains unadjusted.]

[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.

"**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]; [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) 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))].

[An][The] "**Interest Period**" is [respectively] 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 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") and always remain unadjusted.] [Coupon Date is on [insert Coupon Date] (the "Coupon Date") and it remains unadjusted.]

[The first Coupon Date shall be on [insert first Coupon Date]. The last Coupon Date shall be on [insert last Coupon Date].]

- (c) *Interest Payment Date[s]*. Interest on the Notes shall be payable on [the] [each] Interest Payment 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]; [first Coupon Date is: [insert first Coupon Date] [("First Coupon Date")]] [last Coupon Date is: [insert last Coupon Date] [("Last Coupon Date")]].]

[*Options for various Reference Rates regarding the rate of interest:*

[*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] [Reference Rate Determination Date] [Observation Day] [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] [Reference Rate Determination Date] [Observation Day] [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_o**" 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_o**", each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Applicable Period.

"**n_i**" 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**" corresponds to a surcharge or disagio in percentage points and has been determined [for the [first] [•] Interest Period] as [•] [for the [•] Interest Period] as [•]] [insert further].]

[Continuation of general terms and conditions for floating interest:

[(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[, each 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[, each 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] [Reference Rate Determination Date] [Observation Day] [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]

[Continuation of general terms and conditions for interest:

- [(5)] *Accrual of Interest and Default Interest.* If the Issuer should fail 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.¹

- [(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

¹ 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.

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 [fifteenth][•] 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.

[Continuation of general terms and conditions:

[(6)] *Business Day Convention.* If the date for payment of any amount in respect of any Note 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 [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.]

[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.]

[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].]
- (c) Any such notice for early redemption shall be given pursuant to § 14 (Notices / [No] Stock Exchange Listing). 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 § 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]] [is] [are] **[insert Call Redemption Date[s]].**
- (c) [Call Redemption Amount[s]] [is] [are] **[insert Call Redemption Amount[s]]** [for the following Call Redemption Date[s] **[insert 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.]

[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 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 of the relevant early redemption or, if applicable and as the case may be, the relevant Call Redemption Date; [and]
- (d) [in case of an early redemption pursuant to [§ 6(3) (Early Redemption for Reasons of Taxation) and] § 6[(5)] (Early Redemption for Regulatory Reasons), the Early Redemption Amount at which the Notes are redeemed or if applicable – the 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 is equal to [the Final Redemption Amount pursuant to § 6(2)][**insert other amount/rate**].]

[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 is equal to the Amortised Face 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 to 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 (or any other relevant supervisory 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 BRRD 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 for continuing authorisation.

Notwithstanding the above conditions, if, at the time of any early redemption or repurchase, the prevailing supervisory regulations applicable to the Issuer permit the early redemption or repurchase only after compliance with one or more alternative or additional pre-conditions to those set out above, the Issuer shall comply with such other and/or, as appropriate, additional pre-conditions, if any.

For the avoidance of doubt, any refusal of any Resolution 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:

"**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 National Bank of Romania.

§ 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

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 the Conditions, Holders' Representative

(1) *Amendment of the 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 the 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.

- (2) *Majority.* Resolutions shall be passed by a majority of not less than 75% of the votes cast. Resolutions relating to amendments of the 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 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, the following applies, 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 on the regulated market of the Luxembourg Stock Exchange, the following applies, insert:

- (1) *Publication.* As long as the Notes are listed on the Luxembourg Stock Exchange, notices concerning the Notes will be published on the website of the Luxembourg Stock Exchange on www.bourse.lu 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. The Issuer will also publish notices on its website 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 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 on any other basis 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.bourse.lu).]

[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, the "**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.]

FINAL TERMS

[Date]

[Title of relevant Series of Notes]⁵ (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 [])]⁶

Series: [], Tranche []

[ISIN [..]]⁷

Interim ISIN []

Permanent ISIN []

issued pursuant to the
EUR 600,000,000 Euro Medium Term Note Programme
for the issue of Notes dated [●] of
CEC Bank S.A.

Legal Entity Identifier: 2138008AVF4W7FMW8W87

Issue Date: [●]

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 21 December 2022 [and the supplement(s) dated [●]] (the "**Prospectus**") (including the documents incorporated into the Prospectus by reference), pertaining to the Euro 600,000,000 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.bourse.lu), on the website of the Issuer (www.cec.ro) and copies may be obtained from CEC Bank S.A., Calea Victoriei 13, 030167 Bucharest, Romania. Investors shall be aware that a supplement to this Prospectus may be published. Such a supplement will be published in electronic form on the Issuer's website (www.cec.ro).

⁵ "Notes" in the Final Terms shall have the meaning of "Ordinary Senior Notes", "Subordinated Notes" or "Eligible Notes".

⁶ Include only in the case of fungible tranches.

⁷ Include in case of first tranche.

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 this 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 this 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 Terms and Conditions that apply to [Ordinary Senior][Subordinated][Notes][[Ordinary Senior][Non-Preferred Senior] Eligible Notes] (the "**Terms and Conditions**") set forth in this Prospectus as [Option I][Option II][Option III]. Capitalised terms not otherwise defined herein shall have the meanings specified in the set of Terms and Conditions.

All references in this part of the Final Terms to numbered Articles and subparagraphs are to Articles and subparagraphs of the Terms and Conditions.

All provisions in the 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) ⁸		
Business Day		[TARGET] [insert 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 ⁹	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 ¹⁰	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] [Reference Rate Determination Date] [Observation Day] [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]
Fallback for a Reference Interest Rate other than a compounded daily overnight reference rate in case of other than a Discontinuation Event		
	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] [Reference Rate Determination Date] [Observation Day] [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% <i>per annum</i>][No]

⁸ If not applicable, the following items may be deleted.

⁹ To be completed if the Reference Interest Rate or Reference Swap Rate is applicable.

¹⁰ To be completed if the Reference Rate is an Interest Rate.

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 financial centre] interbank market [in the Euro-Zone].
Fallbacks for a Reference Interest Rate other than a compounded daily overnight reference rate in case of a Discontinuation Event	
Reference Interest Rate Replacement Date	[each [relevant] Interest Determination Date] [Reference Rate Determination Date] [Observation Day] [determine other day]
Calculation of	[Rate of Interest] [or] [the] [Interest Amount][determine other rate or amount]
Procedures Determination Date	Not less than 3 Business Days prior to the [Interest Determination Date] [Reference Rate Determination Date] [Observation Day] [determine other day] relating to the [next succeeding Interest Period][determine other event / day]
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]
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] [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.]]
<input type="checkbox"/> Reference Swap Rate ¹¹	Is the [insert number of years/months][year][months] [insert relevant currency] Swap Rate and means [[•] / [insert definition /Screen Page]]
Fallback in case other than a Discontinuation Event	
Reset Reference Bank Rate	Reference Swap Rate Quotations provided by [five] [insert other number] leading swap dealers in the interbank market to the Issuer at approximately [insert time] ([insert time zone]), on the Interest Adjustment Determination Date.
Minimum number of Reference Swap Rate Quotations	[three] [insert other number]

¹¹ To be completed if the Reference Rate is a Swap Rate.

	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).
Fallback in case of a Discontinuation Event		
	Reference Swap Rate Replacement Date	[Interest Determination Date] [Reference Rate Determination Date] [Observation Day] [determine other day]
	Procedures Determination Date	[Interest Determination Date] [Reference Rate Determination Date][Observation Day] [determine other day] relating to the [next succeeding Interest Period] [determine other event / day]
	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][insert other definition for quotation] 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][insert other definition for quotation] applicable to the immediately preceding Interest Period.]
<input type="checkbox"/>	Interest Determination Date	means the [[second] insert other applicable number of days] 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.]
CURRENCY, DENOMINATION, ISSUE DATE(S), FORM, CUSTODY (§ 2)		
	Currency – Denomination – Issue Date	
	Issue Date	[•]
	Specified Currency	[•]
	Aggregate Principal Amount	[•]
	Aggregate Principal Amount in Words	[•]

	Specified Denomination ¹²	[•]
Form		
<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)	
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"/>	Fixed Rate Notes	
	Rate of Interest; Interest Period[s]	
	Interest Commencement Date	[•]
	Adjustment of Interest Periods	[Yes][No]
	Rate of Interest	[•] per cent [<i>per annum</i>] [insert other period]
	Coupon Date[s], Interest Payment Date[s],	
	Frequency of interest payments	[annually] [semi-annually] [quarterly]
	Coupon Date(s)	[<i>insert Coupon Dates</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]

¹² 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"/>	Floating Rate Notes¹³	
	Coupon Dates, Interest Payment Dates	
	Interest Commencement Date	[•]
	Adjustment of Interest Periods	[Yes][No]
	Frequency of interest payments	[annually] [semi-annually] [quarterly]
	Coupon Date(s)	[insert Coupon Dates]
	[First Coupon Date]	[insert First Coupon Date]
	[Last Coupon Date]	[insert Last Coupon Date]
	Short/Long Interest Periods	[specify] [Not Applicable]
	Interpolation	[Applicable] [Not Applicable]
	Rate of Interest	
<input type="checkbox"/>	For EURIBOR or another Reference Interest Rate other than a compounded daily overnight reference rate	[EURIBOR] [Insert Reference Interest Rate]
<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 <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	[positive][negative] Factor [and subsequently] [•] percentage points [•] percentage points [per annum] [insert other time period] [€STR] [Insert Compounded Daily Overnight Reference Rate] [Interest Determination Date] [Reference Rate Determination Date] [Observation Day] [determine other day] [Yes, at 0.00% per annum][No] [positive][negative] Factor [and subsequently] [•] percentage points [•] percentage points [per annum] [insert other time period]
	Rounding (for calculation of the Compounded Daily Overnight Reference Rate)	[fifth] [•] decimal place with [0.000005] [•]% being rounded upwards
	Observation Method	[Lag][Observation Shift]

¹³ If not applicable, the following items may be deleted.

		"D", the number of days in the year used for the calculation of the Rate of Interest	[360][365][●]
		"p"	[insert number of] Business Day[s]
		Interest Amount	
	<input type="checkbox"/>	Outstanding aggregate principal amount	
	<input type="checkbox"/>	Specified denomination ¹⁴	
		Notification of Rate of Interest and Interest Amount	
	<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][insert other date]
	<input type="checkbox"/>	Interest determination in arrear	
		Date of notification	[[second] [●] Business Day prior to the [relevant] Interest Period] [first day of [relevant] Interest Period] [second Business Day after the end of the [Interest Determination Date] [Reference Rate Determination Date] [Observation Day]] [insert other date]
		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"/>	Fixed to [Fixed] [Floating] Rate Notes¹⁵	
		[Fixed Interest]	
(1) a)		Fixed Rate[s] of Interest	[]% [per annum] [insert other period] [If applicable, insert Fixed Rate(s) of Interest for each Interest Period]
		Interest Commencement Date	[]
		Fixed Coupon Date(s)	[]
		Frequency of interest payments	[annually] [semi-annually] [quarterly]

¹⁴ 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.

¹⁵ If not applicable, the following items may be deleted.

		Interest Exchange Day	
		Adjustment of Interest Periods	[Yes][No]
(1) b)		[First] Fixed Coupon Date	[]
		[Last Fixed Coupon Date]	[]
		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]
		Business Day Convention	
	<input type="checkbox"/>	Modified Following Business Day Convention	[insert applicable Interest Periods]
	<input type="checkbox"/>	FRN Convention (specify period(s))	[] [months/other – specify]
	<input type="checkbox"/>	Following Business Day Convention	[insert applicable Interest Periods]
	<input type="checkbox"/>	Preceding Business Day Convention	[insert applicable Interest Periods]
		[First] [last] [short] [extended] Interest Period	[Not Applicable] []
(2)		Floating Interest	
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)]
		Business Day Convention	
	<input type="checkbox"/>	Modified Following Business Day Convention	[insert applicable Interest Periods]
	<input type="checkbox"/>	FRN Convention (specify period(s))	[] [months/other – specify]
	<input type="checkbox"/>	Following Business Day Convention	[insert applicable Interest Periods]

<input type="checkbox"/>	Preceding Business Day Convention	[insert applicable Interest Periods]
<input type="checkbox"/>	Frequency of interest payments	[annually] [semi-annually] [quarterly] [insert Floating Coupon Dates]
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
<input type="checkbox"/>	Factor	[for the [first] [●] Interest Period] as [+][-] [insert number] [insert further]
<input type="checkbox"/>	Margin	[for the [first] [●] Interest Period as [●]] [for the [●] Interest Period as [●]] [insert further]
<input type="checkbox"/>	For EURIBOR or another Reference Interest Rate other than a compounded daily overnight reference rate	[EURIBOR][Insert Reference Interest Rate]
<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] [●] percentage points [●] percentage points [per annum] [insert other time period]
<input type="checkbox"/>	For Compounded Daily €STR or another compounded daily overnight reference rate Determination Date Compounded Daily Overnight Reference Rate Floor	[€STR] [Insert Compounded Daily Overnight Reference Rate] [Interest Determination Date] [Reference Rate Determination Date] [Observation Day] [determine other day] [Yes, at 0.00% <i>per annum</i>][No]
<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] [●] percentage points [●] percentage points [per annum] [insert other time period]
	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"	[insert number of] Business Day[s]
		Interest Period	
	<input type="checkbox"/>	three months	
	<input type="checkbox"/>	six months	
	<input type="checkbox"/>	twelve months	
	<input type="checkbox"/>	Other Period	[]
		Margin	
	<input type="checkbox"/>	flat	
	<input type="checkbox"/>	plus	[•] [percentage points] [for the [first] [•] Interest Period] [insert further]
	<input type="checkbox"/>	minus	[•] [percentage points] [for the [first] [•] Interest Period] [insert further]
		Factor	[Not Applicable] [+][-] [insert Factor] [for the [first] [•] Interest Period] [insert further]
		Interest Amount	
	<input type="checkbox"/>	Outstanding aggregate principal amount	
	<input type="checkbox"/>	Specified denomination ¹⁶	
		Floating Interest Period	
	<input type="checkbox"/>	three months	
	<input type="checkbox"/>	six months	
	<input type="checkbox"/>	twelve months	
	<input type="checkbox"/>	Other	[]
		Margin	
	<input type="checkbox"/>	flat	
	<input type="checkbox"/>	plus	[•] [percentage points] [for the [first] [•] Interest Period] [insert further]
	<input type="checkbox"/>	minus	[•] [percentage points] [for the [first] [•] Interest Period] [insert further]

¹⁶ 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.

		Factor	[Not Applicable] [+] [-] [insert Factor] [for the [first] [●] Interest Period] [insert further]
		Interest Amount	
	<input type="checkbox"/>	Outstanding aggregate principal amount	
	<input type="checkbox"/>	Specified denomination ¹⁷	
		Notification of Rate of Interest and Interest Amount	
	<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] [insert other date]
	<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] [Reference Rate Determination Date] [Observation Day]] [insert other date]
		Fixed Interest	
		Fixed Rate of Interest	[] % [<i>per annum</i>] [insert other period]
		Interest Commencement Date	[]
		Fixed Coupon Date(s)	[]
		Frequency of interest payments	[annually] [semi-annually] [quarterly]
		[First] Fixed Coupon Date	[]
		[Last Fixed Coupon Date]	[]
		Adjustment of 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]

¹⁷ 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.

		Business Day Convention	
<input type="checkbox"/>	Modified Following Business Day Convention		[insert applicable Interest Periods]
<input type="checkbox"/>	FRN Convention (specify period(s))	[] [months/other – specify]	[insert applicable Interest Periods]
<input type="checkbox"/>	Following Business Day Convention		[insert applicable Interest Periods]
<input type="checkbox"/>	Preceding Business Day Convention		[insert applicable Interest Periods]
	Interest Payment Date preceding the Maturity Date		[]
	[First][last][short][long] Fixed Interest Period		[Not Applicable] []
<input type="checkbox"/>	Zero Coupon Notes¹⁸		
	[[Different] Amortisation Yield(s)]		[Not Applicable] [Insert applicable provisions]]
[Continuation of general term and conditions for interest]			
Accrual of Interest and Default Interest			
<input type="checkbox"/>	Principal amount		
<input type="checkbox"/>	Redemption amount		
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]
PAYMENTS (§ 5)			
Payment Reference Date			
<input type="checkbox"/>	Payment Reference Date		[Fifteenth][●] Business Day
Business Day Convention			
<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/other – specify]

¹⁸ If not applicable, the following items may be deleted.

REDEMPTION (§ 6)		
Redemption at Maturity		
<input type="checkbox"/>	Maturity Date	[]
<input type="checkbox"/>	Redemption Month and Redemption Year	[]
Final Redemption Amount		
<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]
Early Redemption		
<input type="checkbox"/>	Early Redemption for Reasons of Taxation	[Applicable][Not applicable]
	[Final Redemption Amount] [Early Redemption Amount]	[•]
[Early Redemption for Regulatory Reasons]		[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	[•]
Early Redemption at the Option of the Issuer¹⁹		[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	[•]

¹⁹ 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	[•]
		Early Redemption at the Option of the Holder²⁰	[Applicable][Not applicable]
		Optional Early Redemption Date(s)	[•]
		Optional Early Redemption Amount(s)	[•]
		Minimum Notice Period	[•]
		Maximum Notice Period	[•]
		Early Redemption Amount in case of Notes other than Zero Coupon Notes ²¹	[•]
		Early Redemption Amount in case of Zero Coupon Notes²²	[•]
	<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]
AGENTS (§ 7)			
	<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>]
EVENTS OF DEFAULT (§ 10)			
	<input type="checkbox"/>	Not applicable	
	<input type="checkbox"/>	Applicable	

²⁰ If not applicable, the following items may be deleted.

²¹ If not applicable, the following items may be deleted.

²² If not applicable, the following items may be deleted.

SUBSTITUTION (§ 11)²³		
<input type="checkbox"/>	§ 11(1)(d) provides for the issuance of a guarantee	
<input type="checkbox"/>	§ 11(1)(d) provides for the Substitute Debtor to have the same or better as the respective rating of the Issuer	
AMENDMENT OF THE CONDITIONS; HOLDERS' REPRESENTATIVE (§ 12)		
Appointment of Holders' Representative		
<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>
FURTHER ISSUANCES (§ 13)		
<input type="checkbox"/>	Last Issue Date for issues of further Subordinated Notes ²⁴	[•]
<input type="checkbox"/>	Not applicable	
NOTICES (§ 14)		
<input type="checkbox"/>	Notes are not intended to be listed	
<input type="checkbox"/>	Notes are intended to be listed on the Regulated Market of the Luxembourg Stock Exchange	

²³ Only applicable for Ordinary Senior Notes.

²⁴ Only applicable for 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 ²⁵		
	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 ²⁶		[Yes][No]
Securities Identification Numbers		
	[Interim ISIN] ²⁷	[●]
	[Permanent] ²⁷ ISIN	[●]
	[Interim Common Code] ²⁷	[●]
	[Permanent] ²⁷ Common Code	[●]
	[Interim German Securities Code] ²⁷	[●]
	[Permanent] ²⁷ German Securities Code	[●]

²⁵ 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.

²⁶ 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.

²⁷ Include only in the case of fungible tranches.

	Any other securities number	[•]
	Yield²⁸	[Not applicable]
	[Yield] [Unified Yield Rate]	[•] [•]
[Registration of the Administrator pursuant to the Benchmarks Regulation²⁹	
	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] [the transitional provisions in Article 51 of the Benchmarks Regulation apply], such that [insert name of Administrator] is not currently required to obtain [insert in case relevant administrator is located within the EEA or the United Kingdom: authorisation or registration] [insert in case relevant administrator is located outside the EEA or the United Kingdom: recognition, endorsement (or equivalence)].]
	Method of distribution	
<input type="checkbox"/>	Non-syndicated	
<input type="checkbox"/>	Syndicated	
	Stabilisation Dealer/Manager	
	Stabilisation Dealer/Manager	[insert details][None]

²⁸ Only applicable for Fixed Rate Notes and Zero Coupon Notes.

²⁹ Insert only in case of Notes which reference to a Benchmark, whose administrator has not been disclosed in the Prospectus.

Intended Admission(s) to Trading and Listing(s) / Dealing Agreements		
	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	
<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.	[•]
Rating³⁰		
	<p>[The Notes to be issued [have been] [are expected to be] rated:</p> <p>[/•]: [•]</p> <p>[[Other]: [•]]</p> <p>[The Notes are not expected to be rated.]</p> <p><i>[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider]</i></p>	
	<p>[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 (www.esma.europa.eu/page/List-registered-and-certified-CRAs).]</p> <p>[[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.]</p>	

³⁰ Do not complete, if the Notes are not rated on an individual basis.

	Prohibition of Sales to EEA and UK Retail Investors³¹	
	Prohibition of Sales to EEA Retail Investors:	[applicable] [not applicable]
	Prohibition of Sales to UK Retail Investors:	[applicable] [not applicable]
	[Third Party Information	
	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.]	

[CEC Bank S.A.

[Name & title of signatories]

³¹ 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.

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 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.

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 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.

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) (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) (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);

- (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

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not, directly or indirectly, in or into Switzerland (i) offer, sell, or advertise the Notes, or (ii) distribute or otherwise make available this Prospectus (including the applicable Final Terms) or any other document relating to the Notes, in a way that would constitute a public offering within the meaning article 35 of the Swiss Financial Services Act (the "**FinSA**"), except under the following exemptions under the FinSA: (y) to any investor that qualifies as a professional client within the meaning of the FinSA, or (z) in any other circumstances falling within article 36 of the FinSA, provided, in each case, that no such offer of Notes referred to in (y) and (z) above shall require the publication of a prospectus for offers of Notes pursuant to the FinSA, and further each Dealer has acknowledged and agreed, and each further Dealer appointed under the Programme will be required to acknowledge and agree, that neither this Prospectus nor any other document related to the Notes constitutes (i) a prospectus as such term is understood pursuant article 35 FinSA and the implementing ordinance to the FinSA, or (ii) a key information document within the meaning of article 58 FinSA (if and when entered into force).

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 a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA; or
- (b) where no consideration is or will be given for the transfer; or

- (c) where the transfer is by operation of law; or
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

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 and by Article 2 (2) letter o) of the Regulation No. 5/2018 on issuers and operations with securities ("**Regulation No. 5/2018**");
 - (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation and Article 2 para (2) letter o) of the Regulation No. 5/2018), 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 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

General Information

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.
- 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, the Holder having the obligation related to taxation of the interest.

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 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 and www.clearstream.com) and on the website of the International Capital Market Services Association (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 Arrangers, 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:

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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 and obtains a refund of any amounts so withheld, it shall pay any such amounts to the Beneficial Owner within ten Business Days of receipt thereof from 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

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 Board of Directors resolution dated 21 December 2022 and by the Issuer's Executive Management Board resolution dated 21 December 2022.

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	PDF page reference in the relevant document
<p>English language translation of the CEC Bank S.A.'s Annual Financial Statements as at 31 December 2020 prepared in accordance with International Financial Reporting Standards as endorsed by the European Union and the audit report on the Annual Financial Statements as at 31 December 2020</p> <p>Source: Annual Financial Statements as at 31 December 2020 prepared in accordance with the International Financial Reporting Standards endorsed by the European Union (https://www.cec.ro/sites/default/files/2022-12/2020_Financial%20statement%20%26%20Independent%20auditors%20report%20%26%20Responsibility%20statement%20at%2031%20dec%202020_0.pdf)</p>	
<p>Statement of profit or loss and other comprehensive income</p> <p>Statement of financial position</p> <p>Statement of changes in equity</p> <p>Cash flow statement</p> <p>Notes to the financial statements</p> <p>Independent Auditor's Report</p> <p>Statement regarding the responsibility for preparing the financial statements</p>	<p>3 - 4</p> <p>5</p> <p>6 - 7</p> <p>8 - 10</p> <p>11 - 137</p> <p>138 - 143</p> <p>144</p>
<p>English language translation of the CEC Bank S.A.'s Historical Financial Information as at 31 December 2021 prepared in accordance with International Financial Reporting Standards as endorsed by the European Union and the audit report for the Historical Financial Information as at 31 December 2021</p> <p>Source: Historical Financial Information as at 31 December 2021 prepared in accordance with the International Financial Reporting Standards endorsed by the European Union (https://www.cec.ro/sites/default/files/2022-12/2021_Historical%20financial%20information%20%26%20Independent%20auditors%20report%20%26%20Responsibility%20statement%20at%2031%20dec%202021_0.pdf)</p>	
<p>Statement of profit or loss and other comprehensive income</p> <p>Statement of financial position</p> <p>Statement of changes in equity</p> <p>Cash flow statement</p> <p>Notes to the financial statements</p>	<p>3 - 4</p> <p>5</p> <p>6 - 7</p> <p>8 - 10</p> <p>11 - 156</p>

Document/Heading	PDF page reference in the relevant document
Independent Auditor's Report	157 - 162
Statement regarding the responsibility for preparing the financial statements	163
English language translation of the CEC Bank S.A.'s Interim Financial Statements prepared in accordance with International Accounting Standard 34 and the review report for the Interim Financial Statements Source: Interim Financial Statements as at 30 June 2022 prepared in accordance with International Accounting Standard 34 (https://www.cec.ro/sites/default/files/2022-12/2022_Interim%20financial%20statement%20%26%20Independent%20auditors%20report%20for%20H1%202022.pdf)	
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Please note that the English language translations referred to above are translations from the originals, which were prepared in Romanian language. All possible care has been taken to ensure that the translations are accurate representation of the originals.

For the avoidance of doubt, such parts of the Annual Financial Statements as at 31 December 2020, the Historical Financial Information as at 31 December 2021 and the Interim Financial Statements respectively, which are not explicitly listed in the tables 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 2020, the Historical Financial Information as at 31 December 2021 and the Interim Financial Information were extracted from the page numbers indicated in the header/footer of the relevant document.

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.bourse.lu).

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.bourse.lu).

NAMES AND ADDRESSES

Issuer

CEC Bank S.A.
13 Calea Victoriei
030167 Bucharest
Romania

Arrangers

Citigroup Global Markets Europe AG
Reuterweg 16
60323 Frankfurt am Main
Germany

Raiffeisen Bank International AG
Am Stadtpark 9
1030 Vienna
Austria

Dealers

Citigroup Global Markets Europe AG
Reuterweg 16
60323 Frankfurt am Main
Germany

Raiffeisen Bank International AG
Am Stadtpark 9
1030 Vienna
Austria

CEC Bank S.A.
13 Calea Victoriei
030167 Bucharest
Romania

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 LLP
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