

THIS ENGLISH LANGUAGE BASE PROSPECTUS REPRESENTS AN UNOFFICIAL TRANSLATION OF THE ROMANIAN LANGUAGE BASE PROSPECTUS APPROVED BY THE FINANCIAL SUPERVISORY AUTHORITY. IN CASE OF ANY DISCREPANCIES BETWEEN THE ENGLISH AND THE ROMANIAN LANGUAGE VERSIONS, THE ROMANIAN LANGUAGE PROSPECTUS AS APPROVED BY THE FINANCIAL SUPERVISORY AUTHORITY SHALL PREVAIL.

BASE PROSPECTUS



UNICREDIT BANK S.A.

(a joint-stock company incorporated in Romania)

EUR 200,000,000

Euro Medium Term Note Programme

This Base Prospectus has been approved by the Financial Supervisory Authority (the "**FSA**"), which is the Romanian competent authority under Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"), as a base prospectus issued in compliance with the EU Prospectus Regulation for the purpose of giving information with regard to the issue of registered senior unsecured notes (the "**Notes**") by UniCredit Bank S.A. (the "**Issuer**" or the "**Bank**") under the Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus, during the period of twelve months after the date hereof. The aggregate principal amount of outstanding Notes issued under the Programme will not at any time exceed EUR 200,000,000 (or the equivalent in other currencies).

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).

Application will be made to the Bucharest Stock Exchange for the Notes in each Tranche to be admitted upon their issue to trading on the Bucharest Stock Exchange's spot regulated market. The Issuer has obtained the preliminary approval ("*acordul de principiu*") of the Bucharest Stock Exchange for the entire Programme in view of admitting to trading the Notes issued under the Programme on the spot regulated market of the Bucharest Stock Exchange. The Bucharest Stock Exchange's spot regulated market is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments.

The Issuer has been rated BBB from long-term issuer default rating perspective with a stable outlook by Fitch Ratings ("**Fitch**") and F2 from short-term issuer default rating perspective. The Notes have not been rated. Fitch is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, Fitch is included in the list of credit ratings agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/Listregistered-and-certified-CRAs>) in accordance with the CRA Regulation. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its respective obligations under the Notes are discussed under "Risk Factors" below.

The FSA has only approved the Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of any Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Notes.

This Base Prospectus and any supplement hereto will be published in electronic form on the website of the Bucharest Stock Exchange (www.bvb.ro) and on the website of the Issuer (www.unicredit.ro). For the avoidance of doubt, the content of the aforementioned websites does not form part of this Base Prospectus, unless that information is explicitly incorporated by reference into this Base Prospectus.

This Base Prospectus was approved by the FSA on 7 December 2022 and is valid (as supplemented from time to time) until 7 December 2023. There is no obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies after such date.

THIS BASE PROSPECTUS HAS BEEN APPROVED BY THE FSA. THE APPROVAL BY THE FSA OF THIS BASE PROSPECTUS DOES NOT CONSTITUTE A GUARANTEE OR ANY KIND OF ASSESSMENT BY THE FSA WITH REGARD TO THE OPPORTUNITY, THE ADVANTAGES OR DISADVANTAGES, THE PROFIT OR RISKS INVOLVED IN ACCEPTING THE OFFERING, THE OBJECT OF THE APPROVAL DECISION. THE APPROVAL CERTIFIES ONLY THE CONFORMITY OF THIS PROSPECTUS WITH THE LEGAL REQUIREMENTS AND THE RULES ADOPTED FOR THE APPLICATION THEREOF.

READ THE BASE PROSPECTUS BEFORE SUBSCRIBING

Arranger

UNICREDIT BANK S.A.

The date of this Base Prospectus is: 21 November 2022

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IMPORTANT NOTICES

Responsibility for this Base Prospectus

The Issuer accepts responsibility for the information contained in this Base Prospectus and any Final Terms and declares that, to the best of its knowledge, the information contained in this Base Prospectus is in accordance with the facts and the Base Prospectus makes no omission likely to affect its import.

Final Terms

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**"). Copies of Final Terms in relation to Notes to be listed on the Bucharest Stock Exchange will also be published on the website of the Bucharest Stock Exchange (www.bvb.ro).

Other relevant information

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Final Terms.

The Issuer confirms that any information from third party sources has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third-party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer.

Neither the Dealers (as such will be named in the relevant Final Terms) nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes.

Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Restrictions on distribution

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription Procedure*".

In particular, 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

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jurisdiction of the United States. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S).

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

Product Governance under Directive 2014/65/EU (as amended)

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

The Final Terms in respect of any Notes may include a legend entitled "EU MiFID II 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 person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU as amended ("**EU 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.

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 EU MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (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.

EU Benchmarks Regulation

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the EU Benchmark Regulation. The registration status of any administrator under the EU Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

Programme limit

The maximum aggregate principal amount of Notes outstanding under the Programme will not exceed EUR 200,000,000 and, for this purpose, any Notes denominated in another currency shall be translated into EUR at the date of the agreement to issue such Notes (calculated at the exchange rate published by NBR at such date). The maximum aggregate principal amount of the Notes which may be outstanding under the Programme may be increased from time to time if the Issuer's extraordinary general meeting of shareholders so decides, in which case the Issuer will publish an amendment to the Base Prospectus for this purpose.

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Certain definitions

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**RON**", "**Lei**" or "**lei**" are to the lawful currency of Romania, references to "**U.S.\$**", "**U.S. dollars**" or "**dollars**" are to United States dollars and references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Ratings

Series of Notes issued under the Programme will be rated or unrated. Where a Series of Notes is rated, such rating will not necessarily be the same as the Issuer's rating described above or the rating(s) assigned to Notes already issued. Where a Series of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Notes will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Final Terms.

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OVERVIEW

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer may decide that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a new Prospectus will be published.

Words and expressions defined in the "Terms and Conditions of the Notes" or elsewhere in this Base Prospectus have the same meanings in this overview.

The Issuer:	UniCredit Bank S.A., a credit institution incorporated as a Romanian joint-stock company and operating in accordance with Romanian legislation.
Arranger:	UniCredit Bank S.A.
Dealer(s):	Dealer(s) will be appointed by the Issuer to intermediate the offer of each Tranche of Notes and will be indicated in the relevant Final Terms
Paying Agent:	UniCredit Bank S.A. or such other Person specified in the applicable Final Terms
Description:	Euro Medium Term Note Programme
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription Procedure</i> ").
Programme Size:	Up to EUR 200,000,000 (or its equivalent in RON) outstanding at any time. The Issuer may increase the amount of the Programme if the Issuer's extraordinary general meeting of shareholders so decides, in which case the Issuer will publish an amendment to the Base Prospectus.
Issuance in Tranches:	<p>Notes will be issued in Tranches. The Notes of each Tranche will be subject to identical terms in all respects.</p> <p>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. The Notes of each Series will all be subject to identical terms except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches.</p>
Distribution:	Notes may be distributed by way of private placement or public offer (any such private placement or public offer, an " Offer ") and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be issued in RON or EUR, as decided by the Issuer, subject to any applicable legal or regulatory restrictions.
Maturities:	The Notes will have maturities of up to seven (7) years.

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Issue Price:	Notes may be issued at an issue price which is at nominal value or at a discount to, or premium over, the nominal value.
Interest:	Notes will be interest-bearing. Interest may accrue at a fixed rate or a floating rate or a combination thereof and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be decided by the Issuer and on redemption and will be calculated on the basis of such Day Count Fraction as may be decided by the Issuer.
Floating Rate Notes:	<p>Floating rate Notes will bear interest at a rate determined on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service.</p> <p>The margin (if any) relating to such floating rate will be decided by the Issuer for each Series of floating rate Notes.</p> <p>Floating rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on floating rate Notes in respect of each Interest Period, as decided prior to issue by the Issuer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be decided by the Issuer.</p>
Redemption:	The Notes cannot be redeemed prior to their stated maturity other than for taxation reasons, or in case of a change in the control over the issuer or following an Event of Default.
Denomination of Notes:	The Notes will be issued in such denominations as may be decided by the Issuer, save that the minimum denomination of each Note will be EUR 100,000 (or the RON equivalent of such amount).
Tax Regime:	The Issuer shall make all payments in respect of the Notes without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 9 (a), unless such deduction is required by law. In such case the Issuer will make such withholdings or deductions from the principal and/or interest paid to relevant Noteholder.
Cross Acceleration:	The terms of the Notes will contain a cross acceleration provision as further described in Condition 11 (c)
Listing and admission to trading:	The Issuer has obtained the preliminary approval (" <i>acordul de principiu</i> ") of the Bucharest Stock Exchange for the entire Programme in view of admitting to trading the Notes issued under the Programme. Application will be made to the Bucharest Stock Exchange for the Notes to be admitted upon their issue to trading on the Bucharest Stock Exchange's spot regulated market.
United States Selling Restrictions:	Regulation S, Category 2.
Status:	The Notes are senior, unsubordinated, unconditional and unsecured obligations of the Issuer.
Form:	The Notes will be issued in registered form.

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Rating:	The Notes are not expected to be rated.
Governing Law:	The Notes will be governed by Romanian law.
Clearing Systems:	RoClear (Romanian Clearing-Settlement, Custody, Depository and Registry System) managed by the Romanian Central Depository
Selling Restrictions:	See " <i>Selling and Transfer Restrictions</i> ".
Risk Factors:	Investing in the Notes involves risks. See " <i>Risk Factors</i> ".
Financial Information:	See " <i>Description of the Issuer - Presentation of Financial and other Information</i> ".
Use of proceeds:	The net proceeds from each issue of Notes will be used for the general financing purposes of the Issuer. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. In addition, factors which may be relevant for the purpose of assessing market risks associated with the Notes are also described below.

Potential Investors should note that the risks described below are not the only risks the Issuer faces. The Issuer has described only those risks relating to its business, operations, financial condition or prospects that it considers to be material and of which it is currently aware. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware. Potential investors should read these factors together with other detailed information set out elsewhere in this Prospectus and make their own views prior to investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes

Business conditions and general economy

As part of a global financial institution, the Issuer's businesses are highly sensitive to changes in financial markets and economic conditions generally in Europe, the United States and elsewhere around the world. The Issuer could be confronted with a significant deterioration of market and economic conditions resulting, among other things, from crises affecting capital or credit markets, liquidity constraints, regional or global recessions, sharp fluctuations in commodity prices (including oil), currency exchange rates or interest rates, inflation or deflation, sovereign debt rating downgrades, restructurings or defaults, or adverse geopolitical events (including acts of terrorism and military conflicts). Market disruptions and sharp economic downturns, which may develop quickly and hence may not be hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on the Issuer's financial condition, results of operations or cost of risk.

The latest global events increased the risk of an abrupt reversal of investor sentiment towards emerging economies, with implications for the local financial system, the most important being: (i) the heightened geopolitical tensions worldwide, (ii) the UK vote to leave the EU, (iii) the COVID-19 pandemic and (iv) and the ongoing armed conflict in Ukraine. Under the circumstances, the slower dynamics of international trade, the economic performance of the major emerging economies (particularly of China) and the lingering headwinds to growth in advanced economies contribute to higher uncertainty surrounding the future developments in world economy, with an impact on the volatility of capital flows.

Following a period with historical low levels interest rates (as governments around the world pursued expansionary monetary policies to mitigate the economic and social impacts of the COVID-19 pandemic), such trend was reversed due to the spike in worldwide inflation which triggered a rapid increase in interest rates which could have a negative impact on the economy, financial position of debtors and market value of securities, and thus on the profitability and capital position of the Issuer.

The military action by the Russian Federation ("Russia") in Ukraine, and 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

The recent actions of Russian military forces in Ukraine has escalated 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 material additional, 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 the novel coronavirus (SARS-CoV-2) and the disease it causes (COVID-19), can have unforeseen impact on banking operations, the social and economic environment, and financial market developments. Although these risks decreased considerably in recent period in the context of the newly developed vaccines, 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.

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A protracted uncertainty or disruptions caused by the above risk factors may include several negative consequences for the Issuer:

- Temporary moratoria on the credit obligations of clients towards the Issuer, such as the one instituted by the Government Emergency Ordinance no. 37/2020 or Government Emergency Ordinance no. 90/2022 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 from time to time, may temporarily affect the Issuer's financial revenue streams;
- Economic downturn, shifts in consumer behaviour, diminished business and consumer confidence, inflation and market volatility, currency exchange rate fluctuations;
- 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 and the COVID-19 pandemic are both ongoing and their 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 being imposed, or current or new restrictions persist for a prolonged period.

The value of investments in the Notes could be adversely affected by political and economic uncertainty

Romania has undergone major changes during its recent history. Many political and economic reforms have taken place, but Romania's economy still has a number of structural weaknesses. These include a reliance on industrial sector exports, an ageing population which will require greater government expenditure on social services in the future, and, historically, a current account imbalance, as well as delayed absorption of EU funds and a lack of certain key reforms, each of which may affect Romania's creditworthiness.

Moreover, Romania has experienced periods with significant political instability. In particular, for the past several years, the political environment in Romania has been unstable, dominated by political conflict and under significant pressure from massive street protests. Conflicts between the Government, the Parliament and the country's President may lead to political and social turmoil, which could hinder policymaking, as well as slow down economic development and institutional reforms.

Changes in market sentiment could also result in an abrupt increase in risk premia, causing dislocation in global financial markets which could have an adverse effect on economic activity, including in Romania and the EU where substantially all of the Issuer's business activities reside, thereby potentially reducing the Issuer's profitability and having an adverse effect on the Issuer's business and ability to lend to 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. 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.

Furthermore, the Romanian economy is one of the largest beneficiaries of EU Recovery and Resilience Facility ("RRF"). RRF beneficiary countries are set to see increased investment projects, direct and indirect boost to lending, adding to economic growth. Success of RRF-led growth depends on timely reforms and utilisation of available funds under the programme. Potential lack of progress of reform and lack of programme absorption may result in suboptimal growth outcomes for the Romanian economy, compared to what is set to be achievable in medium term.

Certain risks associated with an investment in Romania may be greater than risks inherent in more developed markets

An investment in a country such as Romania, which joined the EU in 2007, but which is still a developing market, is subject to greater risks than an investment in a country with a more developed economy and more developed

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political and legal systems. Although progress has been made in reforming Romania's economy and political and legal systems, the development of Romania's legal infrastructure and regulatory framework is still ongoing. As a consequence, an investment in Romania carries risks that are not typically associated with investing in more mature markets.

Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, an investment in Romania is appropriate. Generally, investments in frontier markets, such as Romania, are only suitable for sophisticated investors who can fully appreciate the significance and consequences of the risks involved. Also, the investment in Notes may be contaminated by the potential negative events on the financial markets or in other countries' economies, especially in neighbouring Romania and / or the EU.

Market risks

Adverse fluctuations in interest rates (including changes in the differences between the levels of prevailing short- and long-term rates), spreads, currency exchange rates and market prices of shares, bonds and other notes subject to market risk activities in connection with the Issuer's treasury operations and management of its balance sheet structure or in the market values of financial derivatives, may result in unexpected losses.

Such fluctuations or losses may also have an adverse impact on the revenues generated from the banking operations of the Issuer and could have an adverse impact on its financial condition, results of operations and ability to service its payment obligations under the Notes.

Liquidity risk

The Bank is exposed to liquidity risk, arising out of mismatches between the maturities of the Bank's assets and liabilities. Increased market volatility, changes in general economic conditions, pandemics, geopolitical events or other factors could lead to a significant level of withdrawal of customer deposits (which represent the main source of funding for the Issuer), cause difficulty for the Bank to access additional funding and/or rollover its maturing debt or increase the cost of available funding sources, decreasing the profitability of the Bank. Failure to manage liquidity risk might have a material adverse effect on the Bank's business, reputation, financial condition and results of operations.

Credit and counterparty risk, including defaults by large international financial institutions

The Issuer's business is subject to the risk that borrowers and other contractual partners may not be able to meet their obligations to the Issuer due to insolvency, bankruptcy, lack of liquidity, global or local economic issues, operational failure, political developments or other reasons. Credit risk comprises non-payment risks, country specific risks and default risks. Any deterioration in the creditworthiness of a borrower or counterparty may lead to an increase in the Issuer's credit risk.

The Issuer's lending activity is performed based on internal norms and procedures, aligned with regulatory requirements, as approved by the relevant management bodies.

Although the Issuer regularly reviews its credit exposures, defaults may arise from unforeseen events or circumstances. Default by a major borrower or counterparty or by a particular category (by business or geographic segment) of borrower or counterparty or a general increase in levels of default beyond current levels of provisions could have a material adverse effect on the Issuer's business, results of operations and financial condition.

Defaults by large financial institutions, such as credit institutions or insurance undertakings, could adversely affect the financial markets in general. The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships between the institutions. As a result, concerns about, or a default by, one or more large financial institutions could lead to significant market-wide liquidity problems, losses or defaults by other financial institutions. The afore-described risks are generally referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Issuer interacts on a daily basis. The occurrence of any of these events or a combination thereof could have a material adverse effect on the Issuer.

Defaults by sovereign borrowers (states or other public entities), could adversely affect the financial markets in general. As a result, concerns about a default, or an actual default, by one or more sovereign borrowers could lead to significant market-wide liquidity problems and losses. Moreover, as a result of such a default, the Issuer may

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be required to take impairments on its exposures to the sovereign debt of certain European countries. The occurrence of any of these events or a combination thereof could have a material adverse effect on the Issuer.

The Issuer's strategy on the management of the credit risk is defined by several objectives, for example:

- Identifying, measuring and adequate management both of credit risk in general, and sub-categories of credit risk in particular;
- Targeting a balanced portfolio of assets (e.g. properly structured by corporate/retail segments, activity sectors, geographical areas, lending products, maturities, etc.);
- Adequate credit risk management by applying risk mitigation techniques and by optimizing risk-weighted assets;
- Periodically monitoring of credit products in order to identify high-risk products and take specific measures to reduce the risk;
- Re-evaluation of the eligibility criteria and the credit risk management framework associated with certain portfolios/credit products that have higher default rate;
- Increasing the efficiency and effectiveness of the forbearance measures offered to customers who have experienced financial difficulties;
- Ensuring an efficient management of non-performing loans by taking specific measures in order to reduce non-performing loans rate;
- Maintaining an adequate level of IFRS provisions related to non-performing loans in order to cover the related expected losses;
- Aggregate management of significant risk, for the identification of inter correlation between different types of risks;
- Reduction as much as possible of the negative impact generated by the unpredictability and uncertainty of the legislative framework of the banking system.

Risks related to the significant increase in the price of electricity and natural gas

Electricity and gas prices have increased considerably in recent months in Romania, and also in many European countries. These increases generate chain price increases for a wide range of basic products and services for the population.

This leads to the erosion of the purchasing power of the citizens of Romania, including those who accessed loans from the Issuer. Unless the Government applies measures to counterbalance, at least partially, these increases in energy and gas prices, this situation may lead to an increase in the Issuer's exposure to credit risk and revenues below those estimated, a reduction in the achievement of budgeted targets and financial results.

Operational risk

Unexpected costs and losses can arise due to human error, flawed management processes, natural and other catastrophes, technological (including information technology systems) failure and external events.

Operational risks may be differentiated between internal risk factors – for example unauthorised actions, theft, fraud, settlement and process errors, business disruptions or system failures – and external risk factors, including property damages and fraudulent intent. The occurrence of such events, in particular of any business interruption (for example due to the failure of communication systems, etc.) or system-related default on counter performance by contractual partners, may cause significant losses to the Issuer. Banks and their activities are increasingly dependent on highly sophisticated information technology ("IT") systems. IT systems are vulnerable to a number of problems, such as computer virus infection, malicious hacking, physical damage to vital IT centres and software or hardware malfunctions. Additionally, further operational risks may stem from inadequate or failed internal processes, people and systems or from external events. Failure to manage such risks may affect the Issuer's ability to fulfil its obligations under the Notes.

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Investment Portfolio Risk

The Issuer is exposed to the risk of unfavourable changes in the value of the Issuer's investment portfolio. Market volatility makes it more difficult to predict trends and implement effective investment portfolio strategies. Although the Issuer takes steps to manage its investment portfolios and employs risk mitigation techniques, there can be no assurance that the Issuer will not sustain losses in respect of its investment portfolios in the future. Any such loss could have a material adverse effect on the Issuer's results of operations and financial conditions.

The Issuer has a relatively large exposure to Romanian government bonds in its asset structure, leading to increased single sovereign interest rate risk on earnings and capital

The Issuer carries a significant part of its assets in investment portfolio and most of the investment portfolio is held in Romanian sovereign bonds. This represents a relatively concentrated position against one sovereign state, increasing the link between sovereign and banking health. In this context, a changing interest rate environment could add volatility to Issuer's earnings profile and capital position. Part of such volatility could come from changes in interest income for the Issuer as bond mature and reinvestment yields differ from those of maturing debt. Another source of volatility and impact on capital could come from revaluation of government bond instruments in light of changing market rate levels. Depending on accounting methodology, this could impact equity through the profit and loss statement or directly through other comprehensive income.

Compliance Risk (including reputational risks)

The Issuer operates in a highly regulated industry. Any breach or non-observance of the legislation and regulatory framework, contracts, antitrust or competition law, recommended practices or ethical standards by the Issuer or its Group may lead to fines, damages and/or termination of contracts or reputational damage, incurring the risk to register financial losses.

For example, on 1 November 2022, the Romanian Competition Council initiated inspections at the headquarters of the ten credit institutions that participate in the ROBOR calculation, as part of an investigation to assess whether such credit institutions have agreed to set the interest rate at a specific level. Antitrust and competition proceedings, if determined adversely, generally lead to significant fines, penalties or other adverse consequences. Furthermore, based on the findings of antitrust proceedings, plaintiffs could seek compensation for any alleged damages as a result of anticompetitive business practices of the relevant credit institution. The occurrence of such events may have a material adverse effect on the Issuer's business, results of operations and financial condition.

The Issuer is exposed to structural interest and exchange rate risk

The Issuer is exposed to the risk of loss or write downs in the Issuer's assets arising from variations in interest or exchange rates. Structural interest and exchange rate risk arises from commercial activities and from operations involving equity capital, investments and bond issues. Also, as the major part of the Issuer's customers and assets are located in Romania, financial transactions denominated in currencies other than RON give rise to foreign currency risks which could potentially impact on the Issuer's business, operations and financial condition or prospects.

The Issuer is exposed to strategic and business risk

The Issuer is exposed to the risks tied to the choice of a given business strategy or resulting from the Issuer's inability to execute its strategy.

The Issuer sets its strategic objectives for subsequent periods of three years. The current strategic plan of the Issuer was approved in 2022 (the "**Strategic Plan**") (see "*Strategic Plan for 2022-2024 and related developments*").

The Strategic Plan is based on projections and estimates relating to the occurrence of future events and regarding the effect of initiatives and steps taken by the Issuer in the time of the Strategic Plan. The main assumptions upon which the Strategic Plan is based relate to the macroeconomic environment in which the Issuer operates, which is beyond the control of the Issuer, and to assumptions relating to specific actions and future events to be undertaken by the Issuer, which may not occur or evolve differently than assumed in the Strategic Plan. Such circumstances could determine even significant deviations from the projections included in the Strategic Plan.

In addition, the Issuer is exposed to business risk, which is defined as representing the adverse, unexpected changes in business volume and/or margins, which can lead to serious losses in earnings, thereby diminishing the

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market value of a company. Failure to identify and address the business risk may adversely impact the Issuer's business, financial situation and results of operations.

Risk of suspension, downgrade or withdrawal of rating

The risk related to the Issuer's ability to fulfil its obligations (liquidity risk) as issuer of Notes is characterised, among other matters, by the rating of the Issuer. A rating is the opinion of a rating agency on the credit standing of an issuer, i.e., a forecast or an indicator of a possible credit loss due to insolvency, delay in payment or incomplete payment to the investors. It is not a recommendation to buy, sell or hold securities. The rating agency may in particular suspend, downgrade or withdraw a rating. Such suspension, downgrading or withdrawal may have a material adverse effect on the market value and trading price of the Notes. A downgrading of the rating may also lead to a restriction of the access to funds and, consequently, to higher refinancing costs. As ratings may include assumptions with regard to potential support by parent companies and/or states and other public entities and as these support assumptions may change, a downgrading of the rating could be based on such lower support assumptions without being caused by any deterioration in the economic situation of the issuer.

Changes to legal and regulatory framework applicable to the banking business

As a result of the 2007-2008 global financial and economic crisis, the regulatory framework for credit institutions' capital and liquidity have come under heavy scrutiny by legislators, regulators and advisory bodies in Europe and worldwide. The Basel Committee on Banking Supervision ("**BCSB**") has issued or revised a significant number of requirements and standards applicable to credit institutions business (i.e. the "**Basel III**" framework).

Basel III increases minimum common equity and minimum tier 1 capital requirements as a percentage of risk-weighted assets and introduces additional conservation and countercyclical capital buffers. These risk-based capital requirements will be complemented by a non-risk weighted measure in the form of a leverage ratio of tier 1 capital to total exposures (including on-balance sheet and off-balance sheet items). Also, quantitative requirements will need to be complemented by more stringent qualitative capital and liquidity standards.

In addition, Basel III enhances the risk capital coverage, particularly in relation to trading and securitisation activities and counterparty credit risk exposures arising from derivatives, repo and securities financing activities. Further, Basel III introduces, among other things: (i) a minimum liquidity coverage ratio (LCR) to promote short-term liquidity resilience; and (ii) a minimum net stable funding ratio (NSFR) to enhance longer-term funding resilience.

On 7 December 2017, the BCBS published, under the header "*Finalising Basel III post-crisis reforms*" the revised capital requirements frameworks for credit risk and operational risks. The revisions seek to restore credibility in the calculation of risk-weighted assets and improve the comparability of banks' capital ratios by: (i) enhancing the robustness and risk sensitivity of the standardized approaches for credit risk, credit valuation adjustment risk and operational risk; (ii) constraining the use of the internal model approaches, by placing limits on certain inputs used to calculate capital requirements under the internal ratings-based approach for credit risk and by removing the use of the internal model approaches for credit valuation adjustment risk and for operational risk; (iii) introducing a leverage ratio buffer to further limit the leverage of global systemically important banks; and (iv) replacing the existing Basel II output floor with a more robust risk-sensitive floor based on the BCBS revised Basel III standardised approach. 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.

The EU Bank Recovery and Resolution Directive 2014/59/EU (the "**BRRD**") implemented in Romania through Law no. 312/2015 regarding the recovery and resolution of credit institutions and investment firms sets also the framework for minimum levels of own funds and eligible liabilities that need to be maintained by a bank both on stand-alone and consolidated basis for resolution purposes. BRRD has been modified 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 ("**BRRD2**"), as implemented in Romania by through Law no. 320/2021.

However, considering that the reform of the financial system is still an on-going process, where the NBR is also entitled to prescribe additional prudential requirements, it is currently not possible to predict the nature and extent of future changes to the regulatory framework applicable to banking business in Romania. Any new regulatory

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requirements or any changes in existing rules or in supervision or enforcement practices could impose burdensome new requirements on the Issuer, especially at the level of the costs generated by the implementation of such changes, which currently cannot be estimated, or cause the Issuer to experience difficulties adjusting to and complying with such regulatory framework, which could have a certain adverse effect on its business, financial condition and results of operations.

Uncertain and unpredictable fiscal and financial policies

The Issuer's performance is significantly affected by changes in fiscal and financial policies in Romania. Demand stimulating policies, such as the successive increases of the minimum wage and the public sector wage increases, were successful in accelerating economic growth, but the potential growth remained limited, as public investments, especially in infrastructure is lagging behind. This growth driven mainly by private consumption could be the source of new internal and external macroeconomic imbalances. Pro-cyclical demand, unstable geo-political context, energy crisis and unsustainable fiscal-policies lead to inflationary pressures.

The Issuer is subject to extensive supervisory and regulatory regimes in Romania

As a credit institution, the Issuer must comply with rules seeking to preserve its stability and solidity, limit its risk exposure and protect depositors, creditors and investors. The Issuer must also comply with the capital adequacy requirements established by the NBR. As a provider of financial services, the Issuer is subject to rules that govern, among other things, the sale, placement and marketing of financial instruments. In addition, the Issuer also has to comply with a number of other requirements relating to general corporate law issues, such as employee protection, labour law, social benefits, competition law and taxation, or specific requirements resulting from the applicable Romanian capital markets regulations.

The Issuer is also required to deal appropriately with various legal and regulatory requirements in relation to aspects such as conflicts of interest, ethical issues, anti-money laundering laws, international financial sanctions, competition law, legislation regarding personal data, privacy and security information rules.

Actual or alleged failure to comply with the applicable laws and regulations could lead to fines, damage to the Issuer's reputation, enforced suspension of operations or withdrawal of operating licenses. Such non-compliance could have a material adverse impact on the Issuer's assets, financial position and result of operations and on the Issuer's ability to meet its obligations under the Notes.

Environmental, social and governance (ESG) factors are new regulatory requirements that need to be integrated within the Issuer's internal risk management framework.

ESG factors are key factors in measuring the sustainability and social impact of a financial institution. ESG factors are those environmental, social or governance elements that can have a positive effect or negative impact on the Issuer's financial performance or solvency.

The Issuer must take into account in the future the risks associated with ESG factors in terms of borrowers' financial conditions, in particular the potential impact of environmental factors and climate change. Climate change risk was identified as a risk that is estimated to have an impact both on the clients' financial capacity and on banks.

In order to incorporate and adequately assume the risk generated by climate change, the Issuer has increased the level of granularity related to the sectors of activity at the level of each industry, considering that the impact generated may be different from one subcategory to another within the same industry from the perspective of the transition cost, as well as from the perspective of the impact on the environment.

Issuer started to manage transition risk, ensuring proper origination for relevant exposures, monitoring and management of the portfolios, following a holistic approach including portfolio steering through industry credit risk strategies.

Regarding physical risk, Issuer focuses on the enhancement of the methodology to assess vulnerable portfolios and mitigate related risks.

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

Currently 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 costlier, 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 or an authorised collection agency; 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 excessive interest rates (registered with the Chambers of Deputies under no. PL-x no. 664/2019): under this draft law the annual effective interest rate in relation to consumer loans is capped at the "commercial" rate published by the NBR plus 15 basis points while the annual effective interest rate in relation to consumer mortgage loans is capped at the then "commercial" rate published by the NBR rate plus 2 basis point. The oversight powers in relation to the application of such provisions are granted to ANPC;
- 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, therefore, should such draft laws enter into force upon the completion of the ongoing legislative process, they may have a sector wide impact on Romanian banks (including the Issuer) depending also on the size and quality of their retail portfolios. However, 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

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repealing Directive 2009/22/EC ("**Class Action Directive**") which shall enhance the rights of consumer customers in trials against professionals such as the Issuer and enlarge the number of consumer customers that can take advantage of a court decision against such a professional 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 operates in a highly competitive environment and reputational damage could harm its competitive position

The Issuer is subject to intense competition in Romania from, *inter alia*, subsidiaries or branches of international banks, local banks, non-banking financial institutions or businesses providing financial and other services. This competition exists in all of the Issuer's lines of business. Moreover, fintech companies are competing directly with traditional banking institutions and remain attractive to the existing and potential customers of such institutions by providing enhanced customer experience in a fully digital environment for certain banking and related products and services.

In Romania, the presence of large competitors in the banking and financial services sector has resulted in intense competition for virtually all of the Issuer's products and services. The Issuer's business and results of operations may be adversely affected if it is unable to maintain or increase its market share in Romania in key lines of business.

Moreover, the Issuer's reputation for financial strength and integrity is critical to its ability to attract and retain customers and counterparties. Its reputation could be harmed by events attributable to it and the decisions of its management, as well as by events and actions of others outside its control. Independent of the merit of information being disseminated, unfavourable descriptions of the Issuer could have adverse effects on its business and its competitive position.

The Issuer's reputation could be adversely affected by several events, including in particular: failing to appropriately manage the conflict of interests, representatives' or employees' misconduct, a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action, especially to the extent the latter becomes the focus of extensive media reporting. Reputational damage could translate into a loss of business that could have a material adverse effect on the Issuer's results of operations and/or financial position.

Extended market declines can reduce liquidity in the markets, making it harder to sell assets, possibly leading to material losses

In a number of the Issuer's businesses, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if the Issuer is not able to close out deteriorating positions in a timely way. This is especially true for assets the Issuer holds for which the markets are relatively illiquid by nature. Assets that are not traded on stock exchanges or other public trading markets, such as derivatives and fixed income instruments, are valued based on the Issuer's internal models and market-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses that the Issuer did not anticipate. In order to mitigate the market risk arising, the Issuer has employed back to back conditions for certain client derivatives business.

The Issuer depends on access to financing and other sources of liquidity, which may be restricted for reasons beyond its control

The ability to access short term and long term funding is essential to the Issuer's businesses. If the Issuer is unable to access secured or unsecured debt markets on terms it considers acceptable or if it experiences unforeseen outflows of cash or collateral, including a material decrease in customer deposits, the Issuer's liquidity could be impaired. The Issuer's liquidity could be adversely affected by factors the Issuer cannot control, such as general market disruptions, operational disruptions affecting the Issuer or a third party, negative views about the financial services industry in general, the Issuer's short term or long term financial prospects, changes in credit ratings or even the perception among market participants of the Issuer, or other financial institutions. Moreover, the Issuer's ability to access financing and its cost of obtaining long term unsecured funding is directly related to its credit spreads on financial markets, both regarding bonds and derivative financial instruments, also outside of its control. Liquidity constraints may have a material adverse effect on the Issuer's business, financial condition, results of operations and ability to meet its obligations to its counterparties.

Sovereign debt levels of Member States

The EU financial markets and broader international debt markets could be impacted by concerns over sovereign debt levels of Member States, requirement for support of the banking system and speculation about the stability of the EU, thereby disrupting debt markets and resulting in an increase in the volatility of bond yields of the debt of Member States thereby potentially adversely impacting on the value of bond positions held by the Issuer. This could also result in an increase in sovereign borrowing costs and a consequent increase in banks' funding costs, including for the Issuer which would adversely impact profitability, liquidity, as well as having a potentially adverse impact on the Issuer's business.

Dislocations and liquidity disruptions in EU financial markets or elsewhere

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

The volatility of the financial markets may cause the Issuer to suffer losses on its trading and investment activities

Market instability could adversely affect the Issuer's trading and investment positions in a range of securities and derivatives, including related to interest rates, currencies and prices of fixed income securities. The Issuer effectively implements a system of limits and restrictions related to the trading products and exposures. Nevertheless, the Issuer may still be exposed to a number of risks related to changes in the value of such products, including the risk of unfavourable market price movements relative to its long or short positions, a decline in the market liquidity of the related instruments, volatility in market prices, interest rates or foreign currency exchange rates. Market volatility makes it more difficult to predict trends and implement effective trading strategies and increases risk of losses from net long positions when prices decline and, conversely, from net short positions when prices rise. The Issuer has investments in Romanian government debt securities placed in collect and sell portfolios, hence being exposed to the risk of loss due to downward movements in the price of these securities. A potential loss generated by its trading and/or investment activities could have a material adverse effect on the Issuer's business, financial condition and/or results of operations. Nevertheless, the limits allocated for the trading activity, both overall and specifically for the "held to collect and sale" (HTCS) portfolio, are structured in such a way compared to the overall balance sheet exposure that the Issuer maintains an acceptable risk level and is able to accurately forecast the profitability as well as liquidity and capital ratios.

Changes in interest rates may adversely affect the Issuer's banking business

Issuer's performance is influenced by changes in the level of interest rates, as well as in the difference between the levels of prevailing short-term and long-term rates. The amount of net interest earned during any given period may significantly affect the Issuer's overall revenues and profitability. The Issuer's management of interest rate sensitivity may affect its results of operations. Interest rate sensitivity refers to the relationship between changes in market interest rates and changes in net interest income. Any mismatch between the sensitivity of interest owed by the Issuer and interest due to the Issuer (in the absence of suitable protection against such mismatch) could have adverse material effects on the Issuer's business, financial condition and results of operations. In this respect, the Issuer employs interest rate risk mitigation techniques – development of behavioural models and hedge accounting.

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, particularly in EUR. The Issuer translates such assets and liabilities, as well as interest earned or paid on such assets and liabilities, and gains/losses realized upon the sale of such assets, to RON in preparing its financial statements. Consequently, fluctuations in the rate of exchange of the currencies into Romanian lei may have a negative impact on the Issuer's reported consolidated results of operations, financial position and yearly cash flows, although the Issuer set and follows compliance with stringent limits and performs measures aimed at reducing exchange rate risk.

The Issuer is exposed to legal risks that could negatively affect its financial condition or results of operations

The legal and judicial systems in Romania are not as developed as in some other European countries. Existing laws and regulations may be applied inconsistently and it may not be possible, in certain circumstances, to obtain legal remedies in a reasonably timely manner. As a member of the European Union since 2007, Romania has undergone and continues to undergo changes in legislation pursuant to its EU membership. As a result of these continuous changes and of the relative novelty of the pieces of legislation transposed into Romanian legislation, there is a lack of established practice under many securities, tax and other regulatory regimes in Romania and new regulations are subject to contradictory or ambiguous and frequently changing interpretations by Romanian regulatory authorities. Consequently, the Issuer could face tax, securities and other regulatory compliance-related risks that may be less predictable than in countries with more stable regulatory systems.

The Romanian judicial system may also generate unjustified delays in the resolution of cases. The enforcement of judgments sometimes proves difficult which has meant that the enforcement of rights through the Romanian court systems may be laborious. This lack of legal certainty and the inability to obtain effective legal remedies in a reasonably timely manner may adversely affect the Issuer's business, financial condition and results of operations, and the trading price of the Notes.

Bankruptcy laws and procedural safeguards

An important part of the Issuer's assets is due from debtors and/or secured by assets that are subject to Romanian bankruptcy and enforcement laws. Such bankruptcy and enforcement laws do not in all respects offer the same level of rights, remedies and protections that creditors enjoy under the legal regimes in other EU jurisdictions. In particular, Romanian bankruptcy and enforcement laws and practice may make it comparatively more difficult and time-consuming for the Issuer to recover amounts in respect of its secured and unsecured claims before the Romanian courts. This may adversely affect the Issuer's financial condition and the ability of the Issuer to make payment under the Notes.

Dependence on its parent to provide financing for MREL (regulatory) purposes

The Issuer is majority-owned by UniCredit S.p.A. and thus is controlled by the latter and its owners. UniCredit S.p.A. is a key capital provider and lender to the Issuer with respect to MREL (Minimum Requirement for own funds and Eligible Liabilities) eligible instruments under the SPE (Single Point of Entry) approach. Although it is expected that the involvement of the parent will continue, there can be no assurance that it would continue to provide to the Issuer financial or other support during normal market conditions or in the event of future financial turmoil, and there can be no assurance that the Issuer's business and results of operations would not be materially adversely affected if the major shareholder ceases to control the Issuer. Should political and economic risks in Italy heighten, the Issuer might not be sheltered from sovereign debt tensions in the main shareholder's country.

The Issuer may be subject to tax liabilities.

In its business activities, the Issuer is required to pay various taxes and contributions, such as profit tax, value added tax, various social contributions and others. While the Issuer believes it has paid its taxes when due, interpretation of applicable rules by tax authorities may differ. In practice, tax inspections typically result in tax authorities requiring payment of additional amounts as well as interest and/or penalties. Recently, both the Romanian Government and EU institutions have applied significant pressure in relation to taxes paid or payable by banks. Whether as a result of such pressure from the fiscal authorities or in the ordinary course of business, it is likely that the Issuer will be subject to one or more tax inspections during the term of the Notes. The results of such tax inspections may be the imposition of material additional amounts on the Issuer and this may have a material and adverse effect on the Issuer's business, financial condition, results of operations and prospects.

General risks relating to the Notes

Set out below is a brief description of certain risks relating to the Notes generally:

Independent Review and Advice

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines

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and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A prospective investor may not rely on the Issuer or the Dealer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Assessment of Investment Suitability

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

- a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in the Base Prospectus or any supplement;
- b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear applicable risks.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or charges in accordance with the laws of Romania. Potential investors are advised not to rely only upon the tax summary contained in this Base Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus.

No legal and tax advice

Each prospective investor should consult its own advisers as to legal, tax and related aspects in connection with its investment in the Notes. A Noteholder's effective yield on the Notes may be diminished by the tax on that Noteholder in connection with its investments in the Notes.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.

The Notes may be redeemed prior to maturity.

In the event that, as a result of a change in law or regulation, the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Romanian Government or any political subdivision thereof or any authority therein or thereof having power to tax, and such obligation cannot be avoided by reasonable measures, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

The exercise of a Change of Control Put Option in respect of a significant number of the Notes may affect the liquidity of the Notes in respect of which such put option is not exercised and the occurrence of a change of control of the Issuer may result in the acceleration of other indebtedness of the Issuer

In the event that a Change of Control (as defined in the Terms and Conditions of the Notes) is triggered, each Noteholder may require the Issuer to redeem or, at the Issuer's option, procure the purchase of, all or part of its Notes at their principal amount together with any accrued and unpaid interest to (but excluding) the date of redemption. Depending on the number of Notes in respect of which such put option is exercised in conjunction, if applicable, with any Notes purchased by the Issuer and cancelled, any trading market of the Notes in respect of

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which such put option is not exercised may become less liquid or illiquid. Any such reduction in liquidity may adversely affect the market value of the Notes. In addition, investors may not be able to reinvest the money they receive upon such early redemption in securities with the same yield as the redeemed Notes.

A Change of Control of the Issuer may also cause the acceleration of other indebtedness of the Issuer. In the event that a Change of Control of the Issuer resulted in the simultaneous acceleration of the majority or a significant part of the Issuer's outstanding debt, there may be a material adverse affect on the Issuer's financial condition.

Change of law

The conditions of the Notes (including any non-contractual obligations arising therefrom or connected therewith) are based on relevant laws in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to such laws, or the official application or interpretation of such laws or administrative practices after the date of this Base Prospectus.

Insufficient reflection by credit ratings and securities analysts

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings 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. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

The trading market for the Notes will be influenced by the research and reports that industry or securities analysts publish about the Issuer or its businesses. If one or more of the analysts who cover the Issuer or its industries downgrade the Notes, the market price of the Notes would likely decline. If one or more of these analysts ceases coverage of the Issuer or fails to regularly publish reports on the Issuer, the Issuer could lose visibility in the financial markets, which could cause the market price of the Notes or trading volume to decline.

Noteholders' rights

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. Resolutions of general meetings of Noteholders may be taken with majorities different from the majorities required for adoption of equivalent resolutions in other EU member states. Also, defined majorities can bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Risks related to the market generally

Market value of the Notes

The Issuer's credit ratings are an assessment of its ability to pay its obligations, including those on the offered Notes. Consequently, actual or anticipated declines in the Issuer's credit ratings may affect the market value of the relevant Notes.

In addition, the market value of the Notes will be affected by the Issuer's creditworthiness and/or that of the UniCredit Group and a number of additional factors, including variations of market interest and yield rates and the time remaining to the maturity date.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in Romania or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

The Notes may not be actively traded

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

The dimension of the Romanian bonds market is still modest compared to other European countries, while the number of corporate bonds issues by Romanian banks is limited. There is no guarantee that the Notes, even though

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expected to be listed on the spot market of the BVB, will be actively traded, and if they are not, this is likely to increase their price volatility and/or adversely affect the price of the Notes.

Inability to list the Notes on the BVB

The admission of the Notes to trading on the spot market of the BVB requires that this Base Prospectus be approved by the Financial Supervisory Authority, as the competent authority in Romania under the Prospectus Regulation, and that the BVB approve the listing and trading thereon. Admission to trading on the BVB is subject to certain requirements. The Issuer intends to take all necessary steps to ensure that the Notes are admitted to trading on the BVB as soon as possible after the issuance of the Notes. However, there is no guarantee that, should the admission conditions change, all of such listing conditions will be met. Consequently, should the applicable admission conditions change, there is no assurance that the Notes will be admitted to trading on the spot market of the BVB on the estimated date or at all.

Suspension of Trading in the Notes

The BVB has the right to suspend trading in listed bonds if the issuer fails to comply with the regulations of the exchange (such as, for example, specific disclosure requirements) or if such suspension is necessary to protect the interests of market participants or the orderly functioning of the market is temporarily endangered. There can be no assurance that trading in the Notes will not be suspended. Any suspension of trading could adversely affect the trading price of the Notes. Moreover, if the Issuer fails to fulfil certain requirements or obligations under the applicable laws and regulations relevant to companies whose securities are listed on the BVB, or if the orderly stock exchange trading, the safety of trading thereon or investors' interests are endangered, the Notes can be excluded from trading on the BVB. There can be no assurance that such a situation will not occur in relation to the Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the currency specified in the applicable Final Terms (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency - equivalent value of the principal payable on the Notes and (3) the Investor's Currency - equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected.

Legal investment considerations

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

Interest Rate Risks

Investment in fixed rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of fixed rate Notes. If an investor holds Notes which are not denominated in the investor's home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

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EURIBOR and/or ROBOR may be discontinued or reformed in the future

EURIBOR and ROBOR and other interest rates or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. The EU Benchmarks Regulation could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions or result in adverse consequences to holders of any floating rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation reforms or arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

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INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

Document	Pages Incorporated
Annual Consolidated and Separate Financial Statements 2021	1-181
Independent Auditor's Report on the Annual Consolidated and Separate Financial Statements 2021	1-6
Annual Consolidated and Separate Financial Statements 2020	1-185
Independent Auditor's Report on the Annual Consolidated and Separate Financial Statements 2020 ...	1-6
Interim Condensed Consolidated and Separate Financial Statements as at 30 June 2022	3-90
Independent Auditor's Report on Review of the Interim Condensed Consolidated and Separate Financial Statements as at 30 June 2022	1-2

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, at <https://www.unicredit.ro/en/institutional/the-bank/financial-reports.html#financialstatements> or the Issuer's headquarters at 1F Expozitiei Blvd., 1st District, Bucharest, Romania. Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference into this base prospectus, information contained on the website does not form part of this Base Prospectus.

Unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

Supplements

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the FSA in accordance with Article 23 of the EU Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to supersede statements contained in this Base Prospectus (or any earlier supplement) or in a document which is incorporated by reference in this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

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FINAL TERMS

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer. In relation to the different types of Notes which may be issued under the Programme the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained in the relevant Final Terms.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms as supplemented to the extent described in the relevant Final Terms.

TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions of the Notes (the "**Conditions**") which, as completed by the relevant Final Terms, will apply to each Note issued under the Programme. The relevant Final Terms shall not amend or replace any information in this Base Prospectus. With respect to the obligations of the Issuer in connection with the Notes, these Conditions, as completed by the relevant Final Terms, are the only terms regulating the obligations of the Issuer, irrespective of any other separate arrangement that may exist between the Issuer and any of its investors.*

1. Introduction

- (a) *Programme*: UniCredit Bank S.A. (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 200,000,000 in aggregate principal amount of registered senior unsecured notes (the "**Notes**"), on the basis of the resolution of the Extraordinary General Meeting of Shareholders passed on 21 October 2022.
- (b) *Final Terms*: Notes issued under the Programme 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. Each Tranche is the subject of a final terms (the "**Final Terms**") which supplements these Conditions. The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *The Notes*: All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms.

The final number of Notes in each Tranche will be decided by the Issuer, on the basis of investors' demand, on the relevant Closing Date.

- (d) *Trading*: Application will be made to the Bucharest Stock Exchange for the Notes to be admitted upon their issue to trading on the Bucharest Stock Exchange's spot regulated market. The Issuer has obtained the preliminary approval ("*acordul de principiu*") of the Bucharest Stock Exchange for the entire Programme in view of admitting to trading the Notes issued under the Programme.

2. Interpretation

- (a) *Definitions*: In these Terms and Conditions the following expressions have the following meaning:

"**Calculation Agent**" means UniCredit Bank S.A. or such other Person specified in the relevant Final Terms as the party responsible for calculating the Interest Rate(s) and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**Paying Agent**" means UniCredit Bank S.A. or such other Person specified in the relevant Final Terms as the party responsible for paying the Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**FSA**" means the Romanian Financial Supervisory Authority (*Autoritatea de Supraveghere Financiară*);

"**Depository Agreement**" means the agreement to be entered into by the Issuer and the Central Depository for the purpose of registering the Notes with the system of the Central Depository (RoClear);

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"Interest Commencement Date" means the Settlement Date or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Payment Date" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms;

"Redemption Date" means, as appropriate, the Maturity Date or an early redemption date established pursuant to paragraphs (b) (*Redemption for tax reasons*) or (c) (*Change of Control Put Option*) of Condition 10 (*Redemption and Purchase*);

"Redenomination Date" means the date on which the redenomination of the Notes into Euro pursuant to paragraph (c) of Condition 3 (*Form, Currency and Denomination*) becomes effective;

"Reference Date" means the fifteenth (15th) Business Day before an Interest Payment Date or before a Redemption Date;

"Interest Determination Date" means (for those Notes in relation to which the applicable Final Terms will indicate that they bear interest at a floating rate) the date specified in the Final Terms;

"Settlement Date" means the second (2nd) Business Day after the Transaction Date, on which the settlement of the Notes in a specific Tranche shall take place *via* the clearing-settlement system of the Central Depository, as specified in the relevant Final Terms;

"Closing Date" means the last day of the subscription period within the Offer, as indicated in the relevant Final Terms;

"Issue Date" means the Settlement Date as specified in the relevant Final Terms;

"Optional Redemption Date" means the date which is the fifth (5th) business day following the end of the Put Period (as defined in Condition 10 (c) below);

"Maturity Date" has the meaning given in the applicable Final Terms;

"Transaction Date" means the Business Day following the Closing Date, when the relevant Dealer will execute the transaction related to the Offer of a specific Tranche of Notes in the Bucharest Stock Exchange system, as specified in the relevant Final Terms;

"Central Depository" means *Depozitarul Central S.A.*, the Romanian securities central depository;

"Noteholder" means the person in whose name one or several Notes are registered on the Reference Date in the Noteholders' Register or in the books of a Participant which is registered in the Noteholders' Register;

"EURIBOR" means the interest rate benchmark known as the Euro Zone Interbank Offered Rate which is managed and calculated by European Money Markets Institute and published by a designated distributor in accordance with the requirements from time to time of the European Money Markets Institute (or any person which takes over administration of that rate);

"Discontinuation Event" means a situation where the Issuer determines in its reasonable discretion that (i) it becomes unlawful for the Issuer or the Calculation Agent to use the Reference Rate, or (ii) the administrator of the Reference Rate ceases to calculate and publish the Reference Rate permanently or for an indefinite period of time, or (iii) the administrator of the Reference 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 Rate is otherwise being discontinued or otherwise ceases to be provided;

"Subsidiary" means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (i) whose affairs and policies the first Person controls or has the power to control, directly or indirectly, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"Security Interest" means any movable or immovable mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"UniCredit Group" means UniCredit S.p.A., any successor thereof (provided that such successor is a Subsidiary or affiliate of UniCredit S.p.A.) and its Subsidiaries.

"Indebtedness" means any present or future indebtedness, imposed by law, such as taxes, duties and the like, or by contract in the form of, or represented or evidenced by, any instrument, agreement, bonds, notes, debentures, loans, leases, loan stock or securities, whether or not such instruments are capable of being quoted, listed or ordinarily dealt in on any stock exchange or over-the-counter or other securities market, **except for** any deposits from the Issuer's clients;

"Specified Time" means 11:00 Bucharest time or London time (as applicable), two (2) Business Days before a proposed Interest Payment Date or the Interest Commencement Date or such other time indicated in the applicable Final Terms;

"Offer" means a public offer or private placement of a Tranche of Notes;

"Screen Page" means Refinitiv Eikon (the former REUTERS) Screen Page [EURIBOR01] or [ROBOR=] (as applicable) or each successor page;

"Participant" means an entity entitled to open securities accounts with the Central Depository, in its own name or in its name and on behalf of its clients;

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date (or, if the Notes are redeemed on any earlier date, the relevant Redemption Date);

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"First Interest Payment Date" means the date specified in the relevant Final Terms;

"Reference Rate" means (1) the offered quotation for a specific number of months EURIBOR / ROBOR (as indicated in the Final Terms) which appears on the Screen Page as at the Specified Time on the Interest Determination Date, or (2) if a Discontinuation Event has occurred, either (i) the reference rate which is determined by any applicable law or regulation or announced by the administrator of the Reference Rate, the competent central bank or a regulatory or supervisory authority as the successor rate for the Reference Rate and the source of which is accessible to the Calculation Agent, or (ii) in any other case, a rate determined or procured, as the case may be, by the Issuer as indicated in the Final Terms;

"Interest Rate" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"Default Interest Rate" means the rate specified in the applicable Final Terms;

"Noteholders' Register" or "Register" means the evidence of Noteholders, electronically held by the Central Depositary pursuant to the Deposit Agreement;

"ROBOR" means the interest rate benchmark known as the Romanian Interbank Offered Rate, which is currently provided by the NBR;

"Change of Control" means UniCredit Group or its inheritors (in each case, whether through a legal entity, trust or otherwise) ceasing, directly and/or indirectly, to hold beneficially more than 50 per cent. of the issued share capital of the Issuer;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Put) or the Early Redemption Amount (Tax) or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

"Early Redemption Amount (Tax)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Early Redemption Amount (Put)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Final Redemption Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system or any successor thereto;

"TARGET Settlement Day" means any day on which TARGET2 is open for the settlement of payments in euro;

"Business Day" means:

- (i) in relation to any sum payable in lei, any day on which the Central Depositary is operational and banks are open for general business in Romania according to the rules of the National Bank of Romania and settle payments in RON; and

- (ii) in relation to any sum payable in euro, a TARGET Settlement Day.
- (b) *Interpretation:* Headings and sub-headings are for ease of reference only and shall not affect the construction of these Conditions.

3. Form, Currency and Denomination

- (a) *Form:* The Notes will be nominative, dematerialised (registered) Notes. Upon their issue, application will be made for the Notes to be registered with the FSA and with the Noteholders' Register which will be held by the Central Depository.
- (b) *Denomination and Currency:* The Notes will be denominated in RON or in Euro and will have an individual face value (*valoare nominala*) of minimum EUR 100,000 (or its equivalent in RON) each. No fractional Notes will be issued.
- (c) *Redenomination:* Should Romania become a participating Member State in the single currency of the European Economic and Monetary Union pursuant to the Treaty (the "**Accession**") before the relevant Maturity Date, on any Interest Payment Date after the Accession the Issuer may, by giving at least 30-day notice and subject to any applicable legal provisions, redenominate all the outstanding Notes which were initially denominated in RON into Euro and adjust the aggregate principal amount and the denomination of such Notes accordingly. For the avoidance of doubt, the Issuer will have the right (but will not be obliged) to re-denominate the Notes from all, or only part of, the Series of Notes, at its option.

The redenomination of the Notes shall be made by converting the principal amount of each Note from RON into Euro using the applicable RON/Euro conversion mechanism established by the Council of the European Union and the European Parliament pursuant to the Treaty and, unless otherwise provided under the above-mentioned conversion mechanism, rounding the resultant figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Unless otherwise provided under the above-mentioned conversion mechanism and if the Issuer so elects, the figure resulting from the conversion of the principal amount of each Note using the applicable RON/Euro conversion rate shall be rounded downwards to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 14 (*Notices*) and any applicable legal provisions. Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to the Noteholders by the Issuer.

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

The Issuer shall not be liable to the Noteholders or any other person, neither in its capacity as Issuer nor as Paying Agent, for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

4. Issuance, Title and Transfer

- (a) *Title:* Title over Notes will be evidenced by book entries (*înscrieri în cont*) and will be registered in the Noteholders' Register by the Central Depository, in accordance with the rules of the Central Depository. No hard-copy documents representative for the Notes will be issued.
- (b) *Issuance and Delivery.* The Notes will be delivered to the Noteholders on the Settlement Date.

- (c) *Transfer*: The Notes will be transferred (and entries in the Noteholders' Register will be made) in accordance with the applicable rules of the Central Depository and the Bucharest Stock Exchange and the applicable Romanian legislation.

No person may require the transfer of a Note during the period from (and including) the Reference Date immediately preceding the relevant Redemption Date up to (and including) that Redemption Date.

All costs in connection with the transfer of a Note will be borne by the relevant Noteholder.

5. Status

The Notes in each Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time both mandatory and of general application under Romanian law) with all other present or future unsecured and unsubordinated obligations of the Issuer.

6. Interest

- (a) *Accrual of interest*. The Notes bear interest at the Interest Rate from, and including, the relevant Interest Commencement Date. Interest shall be calculated on the basis of the actual number of days in the relevant Interest Period and of the actual number of days in the corresponding year.
- (b) *Floating Rate Interest*. For those Notes in relation to which the applicable Final Terms will indicate that they bear interest at a floating rate, interest on the relevant Notes will be calculated as follows:
- $\text{Interest paid} = (\text{Note nominal value} * ([\text{Reference Rate}]_{F/M} + \text{margin}) / \text{no. of days during the respective year}) * \text{no. of days during the interest period}$
- (c) *Fixed Rate Interest*. For those Notes in relation to which the applicable Final Terms will indicate that they bear interest at a fixed rate, interest on the relevant Notes will be calculated as follows:
- $\text{Interest paid} = (\text{Note nominal value} * \text{interest rate} / \text{no. of days during the respective year}) * \text{no. of days during the interest period}$
- (d) *Interest ceasing*. Notes will cease to bear interest from, and including, the Redemption Date, unless the payment of principal is unfoundedly refused or postponed on such date. In such event, interest will continue to accrue on the principal amount of the Notes pursuant to Condition 7 (*Default Interest*) below (both before and after the relevant court decision, as the case may be) until the day on which all sums due in respect of the Notes up to that day are received by or on behalf of the relevant Noteholder.
- (e) *Day count fraction*. Where interest is required to be calculated in respect of a period shorter than an Interest Period, it shall be calculated (i) on the basis of the actual number of days in the period from and including the most recent Interest Payment Date to, but excluding, the relevant payment date, divided by the actual number of days in the corresponding year or (ii) as otherwise indicated in the applicable Final Terms.

7. Default Interest

If the Issuer fails to pay any amount payable by it under the Notes on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment at the Default Interest Rate.

8. Payments

- (a) *Principal*: Payment of principal under the Notes from each Series will be made on the applicable Redemption Date pursuant to paragraph (d) (*Methods of payment*) below.
- (b) *Interest*: Interest will be paid on each Interest Payment Date pursuant to paragraph (d) (*Methods of payment*) below and the applicable Final Terms. The first Interest Payment Date for the Notes will be indicated in the applicable Final Terms. The last Interest Payment Date for the Notes will be the applicable Redemption Date.
- (c) *Paying Agent, Calculation Agent*. The initial Calculation Agent and Paying Agent in relation to the Notes, which will calculate and make the payments of principal and interest to the Noteholders, will be the Issuer or another Person indicated in the relevant Final Terms.

The Issuer reserves the right at any time to change the Paying Agent or the Calculation Agent, provided that there will at all times be a Paying Agent having a specified office in Romania. Any such change shall become effective only after a 30-day notice thereof shall have been given to the Noteholders by the Issuer in accordance with Condition 14 (*Notices*). The expressions "**Calculation Agent**" and "**Paying Agent**" shall include any successor Calculation Agent and successor Paying Agent, respectively, appointed from time to time by the Issuer.

- (d) *Methods of payment*. Payment of principal and interest shall be made in compliance with the applicable laws and the procedures established in the Deposit Agreement, in the agreements concluded between the Central Depository and the Participants and between the Central Depository and the relevant Paying Agent.

Payment of principal and interest under RON denominated Notes will be made by the Paying Agent to the Central Depository for further transfer to those Noteholders who were registered in the Noteholders' Registry as at the Reference Date (either (i) directly or (ii) through the relevant Participants/custodian agents whose client the relevant Noteholder is as at the Reference Date), in accordance with the rules of the Central Depository and applicable laws.

Payment of principal and interest under EUR denominated Notes will be made by the Issuer to the Central Depository and, further, by the Central Depository to the account of the Participants authorized to access TARGET2 – Securities or of the custodian agent whose client the relevant Noteholder is as at the Reference Date, in an amount corresponding to the Notes registered in the accounts held by the Noteholder with such Participant / custodian agent as at the Reference Date (and such Participant/custodian agent has the legal obligation to register the respective amounts in the account it keeps in its internal systems for each such Noteholder).

Any fees levied by the intermediary banks (other than the Paying Agent), the Central Depository and/or the Participants/custodian agents in respect of payments hereunder shall be borne by the Noteholders.

- (e) *Reference Date*: Payments in respect of the Notes will be made by the Paying Agent through the Central Depository to the persons shown as Noteholders at close of business on the applicable Reference Date and all payments validly made to the Central Depository will fully and irrevocably discharge the Issuer and the Paying Agent in respect of the relevant Noteholders. No person who acquires a Note between the applicable Reference Date and the corresponding Interest Payment Date will be entitled to receive payment in relation to such Note.
- (f) *Payments on Business Days*: If the due date for payment of any amount in respect to any Note is not a Business Day, the Noteholder shall not be entitled to payment until the next succeeding Business Day.
- (g) *Payments subject to tax laws*: All payments in respect of the Notes are subject in all cases to any

applicable tax or other laws and regulations in the place of payment and to the provisions of Condition 9 (*Taxation*).

9. Taxation

- (a) *No gross-up*: All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Romania or any political subdivision thereof or any authority therein or thereof having power to tax, **unless** the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall make such withholding or deduction from the principal and/or interest payment made to the respective Noteholder but shall, for the avoidance of doubt, not be required to pay additional amounts in respect of such withholding or deduction.
- (b) *Taxing jurisdiction*: If the Issuer at any time becomes subject to tax on its net income, profit or gains in any taxing jurisdiction other than, or in addition to, Romania by reason only of a change in (i) the place of residence or domicile of the Issuer or (ii) the activities carried on by the Issuer, references in these Conditions to Romania shall be construed as references to Romania and/or such other jurisdiction.
- (c) *Waiver*: The Paying Agent (to the extent different than the Issuer) shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence for individual Noteholders except to the extent already provided for above.

10. Redemption and Purchase

- (a) *Redemption at maturity*. Unless previously redeemed or purchased as provided below, the Notes in each Series will be redeemed by the Issuer at their principal amount on the applicable Maturity Date.
- (b) *Redemption for tax reasons*. The Notes in any Series may be redeemed at the option of the Issuer, in whole but not in part, at any time upon giving not less than 30-day nor more than 60-day notice to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable) if:
 - (i) the Issuer has or, on the following Interest Payment Date will, become obliged to pay additional amounts as referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Romania or any political subdivision or any authority thereof or therein having power to tax or any change in the application or official interpretation of such laws or regulations (including a decision of a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the Notes; and
 - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the respective Notes were then due.

In such case, the Notes in the respective Series will be redeemed at their principal amount, together with interest accrued (if any and if so provided for in the Final Terms) until (but excluding) the applicable Redemption Date.

- (c) *Change of Control Put Option.* If, at any time while any Note remains outstanding, there occurs a Change of Control, each Noteholder will have the option (the "**Put Option**") (unless, prior to the giving of the Put Notice (as defined below), the Issuer gives notice to redeem the Notes under Condition 10 (b) above) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of, all or part of its Notes, on the Optional Redemption Date at the principal amount outstanding of such Notes together with (or where purchased, together with an amount equal to) interest accrued to, but excluding, the Optional Redemption Date.

As soon as reasonably practicable upon the Issuer becoming aware that a Change of Control has occurred, the Issuer shall give notice (a "**Put Notice**") to the Noteholders in accordance with Condition 14 (*Notices*) specifying the nature of the Change of Control and the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition 10 (c).

To exercise the Put Option, a Noteholder must notify the Issuer within the period of 45 days after a Put Notice is given (the "**Put Period**") by sending (i) a duly signed and completed notice of exercise in the form obtainable from the Issuer (a "**Put Option Notice**") in which the Noteholder shall specify a bank account to which payment is to be made under this Condition 10 (c) together with (ii) an excerpt from the Noteholders' Register issued by the Central Depository or the custodian whose client the Noteholder is indicating the Notes it then owns.

A Put Option Notice once given shall be irrevocable. The Issuer shall redeem or, at the option of the Issuer procure the purchase of, the Notes in respect of which the Put Option has been validly exercised as provided above (subject to the deposit of the excerpt from the Noteholders' Register as described above) by the Optional Redemption Date. Payment in respect of such Notes will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Option Notice.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Noteholder may incur as a result of or in connection with such Noteholder's exercise or purported exercise of, or otherwise in connection with, Put Option (whether as a result of any purchase or redemption arising therefrom or otherwise).

If 75 per cent. or more in principal amount of the Notes then outstanding have been redeemed pursuant to this Condition 10 (c) the Issuer may, on not less than thirty (30) nor more than sixty (60) days irrevocable notice to the Noteholders in accordance with Condition 14 (*Notices*) given within 30 (thirty) days after the Optional Redemption Date, redeem on a date to be specified in such notice at its option, all (but not some only) of the remaining Notes at their principal amount, together with interest accrued to but excluding the date of redemption.

- (d) *Purchases.* The Issuer may at any time purchase Notes from any Series in the open market or otherwise (including by means of public offer) and at any price, in compliance with the relevant legal provisions. All Notes purchased by the Issuer may, at the option of the Issuer, be held or resold by the Issuer, in compliance with the relevant legal provisions.

Notes so purchased and held by the Issuer will not entitle the Issuer to vote at any Meeting of Noteholders and will not be taken into account for the purposes of calculating the quorums for meetings and decision making of Noteholders.

- (e) *Cancellation.* All Notes redeemed by the Issuer will be cancelled and may not be reissued or resold.

11. Events of default

If any of the following events (each, an "**Event of Default**") occurs:

- (a) *Non-payment.* Any amount of principal is not paid within five (5) Business Days from the Redemption Date or any amount of interest in relation to the Notes is not paid within five (5) Business Days from the due Interest Payment Date; or
- (b) *Breach of any other obligation.* The Issuer fails to duly perform or observe any of its material obligations under these Conditions (other than any obligation of payment of principal or interest in relation to the Notes), which failure continues un-remedied for forty-five (45) days after written notice thereto has been delivered by any Noteholder to the Issuer pursuant to Condition 14 (*Notices*); or
- (c) *Cross-acceleration.* The acceleration of the maturity (other than by prepayment or redemption) of any Indebtedness of the Issuer provided that the aggregate amount of the respective Indebtedness in respect of which the acceleration has occurred equals or to exceeds the equivalent of EUR 25,000,000; or
- (d) *Insolvency and dissolution.* (i) The opening of the bankruptcy procedure with regard to the Issuer as determined by a competent court of law, (ii) the Issuer ceases to effect payments in general or announces its inability to meet its financial obligations generally, or (iii) the Issuer goes into liquidation, otherwise than for the purposes of reconstruction, merger or amalgamation in which the successor entity assumes all the obligations of the Issuer with respect to the Notes; or
- (e) *Repudiation and illegality.* The validity of the Notes is contested by the Issuer or the Issuer denies any of its payment obligations under the Notes (either by a general suspension of payments or a moratorium on the payment of debt or otherwise) or it is or becomes unlawful for the Issuer to perform or comply with all or any of its payment obligations in relation to the Notes or any such obligations shall be or become unenforceable or invalid, in each case as a result of any law or regulation in Romania or any ruling of any court in Romania the decision of which is final; or
- (f) *Withdrawal of license:* The Issuer has its license withdrawn by the National Bank of Romania;

then any Noteholder may, by written notice to the Issuer pursuant to Condition 14 (*Notices*), declare the Notes held by it to be due and payable at their principal amount, together with accrued interest, **provided however, that** in the event specified in paragraph (b) any notice declaring the Notes due shall become effective only when the Issuer has received such notice from Noteholders holding at least 25 per cent of the principal amount of all the Notes then outstanding.

12. Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Notes are subject to a limitation period of three (3) years from the due payment date thereof.

13. Noteholders' Meetings

- (a) *Meetings of Noteholders.* Holders of Notes in each Series may meet in general meetings in order to decide on their interests (each, a "**Meeting of Noteholders**"). Such meetings shall be held at the expense of the Issuer and shall be convened by the Issuer (1) upon the written request of Noteholders holding not less than a quarter (1/4) of the aggregate principal amount of all the Notes in that Series, or (2) after the appointment of the Noteholders' Representative, at his/her request.

The Meeting of Noteholders is authorised to (among others), according to the Company Law no. 31/1990, as subsequently amended and republished (the "**Company Law**"):

- (i) appoint a representative of the Noteholders (the "**Noteholders' Representative**") and one or more deputies (who will have the right to represent them in front of the Issuer and the court and shall be able to attend the General Shareholders' Assemblies of the Issuer) and decide upon their remuneration;
- (ii) perform all the acts for the supervision and the defence of the Noteholders' common interests;
- (iii) establish a fund that may be made up of the interest due to the Noteholders, in order to cope with the expenses necessary for the defence of their rights, establishing at the same time the rules for the management of such a fund;
- (iv) oppose to any amendment to the articles of association of the Issuer or to the Conditions of the Notes, by means of which the rights of the Noteholders might be affected; and
- (v) express their opinion upon the issue of new bonds.

The decisions mentioned at paragraphs (i)-(iii) are made with a majority representing at least a third (1/3) of the aggregate principal amount of all the outstanding Notes.

In the other cases, mentioned at paragraphs (iv)-(v) above, the presence of at least two thirds (2/3) of the aggregate principal amount of all the outstanding Notes and the favourable vote of at least four fifths (4/5) of the Notes represented at the Meeting of Noteholders are required.

The decisions of the Meeting of Noteholders are also mandatory for the Noteholders who were not present at the Meeting or voted against that decision. The decisions made by the Meeting of Noteholders may be contested in court by the Noteholders who did not participate at the Meeting or voted against the decision and requested their opposition to be mentioned in the minutes of the Meeting.

- (b) *Applicable rules.* The conduct and powers of the Meeting of Noteholders are governed by the provisions of the Company Law. The amendment or replacement of such relevant legal provisions may result in changes to the conduct and powers of the Meeting of Noteholders.

14. Notices

- (a) *Notice to Noteholders.* Any notice to the Noteholders will be validly delivered to the Noteholders by way of publication on the Issuer's website and on the website of the BVB. Any such notice will be deemed to have been given on the day of its first publication.

Notice to the Issuer. Any notice to the Issuer will be validly delivered if sent by registered post at the address below. Any such notice will be deemed to have been given on the date that mail is delivered.

UniCredit Bank S.A.
Blvd. Expozitiei nr. 1F
012101 Sector 1, Bucharest
Romania

15. Modification

These Conditions may be amended without the consent of the Noteholders to correct a manifest error.

16. Governing law and jurisdiction

- (a) *Governing law:* The Notes and all non-contractual obligations arising out of or in connection with the

THIS ENGLISH LANGUAGE BASE PROSPECTUS REPRESENTS AN UNOFFICIAL TRANSLATION OF THE ROMANIAN LANGUAGE BASE PROSPECTUS APPROVED BY THE FINANCIAL SUPERVISORY AUTHORITY. IN CASE OF ANY DISCREPANCIES BETWEEN THE ENGLISH AND THE ROMANIAN LANGUAGE VERSIONS, THE ROMANIAN LANGUAGE PROSPECTUS AS APPROVED BY THE FINANCIAL SUPERVISORY AUTHORITY SHALL PREVAIL

Notes are governed by, and shall be construed in accordance with, Romanian law.

- (b) *Competent courts:* Any dispute arising from or in connection with the Notes will be submitted to the Romanian competent courts.

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FORM OF FINAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

Each Dealer represents and agrees 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 Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area other than Romania. 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 Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

Each Dealer represents and agrees 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 Base Prospectus as completed by the Final Terms thereto 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.

EU MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of the 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 only, each as defined in Directive 2014/65/EU (as amended, "**EU MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Final Terms dated [•]

UNICREDIT BANK S.A.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Legal entity Identifier (LEI): [•]

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [•] 2022 [and the supplemental Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the EU Prospectus Regulation.

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This document constitutes the Final Terms of the Notes described herein for the purposes of the EU Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information.

The Base Prospectus has been published on the website of the Bucharest Stock Exchange (www.bvb.ro) and on the website of the Issuer (www.unicredit.ro).

In accordance with the EU Prospectus Regulation, no prospectus is required in connection with the issuance of the Notes described herein.

A summary of the individual issue of Notes is annexed to the Final Terms.

- | | | |
|-----|---|--|
| 1. | Issuer: | UniCredit Bank S.A. |
| 2. | [(i) Series Number:] | [•] |
| | [(ii) Tranche Number:] | [•] |
| | [(iii) Date on which the Notes become fungible:] | [Not Applicable / The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on the Issue Date.] |
| 3. | Specified Currency: | [EUR / RON] |
| 4. | Aggregate Nominal Amount: | [•] |
| 5. | Nominal Value | [•] |
| 6. | Issue Price: | [•] per cent. of the Nominal Value [plus accrued interest from [•]] |
| 7. | (i) Issue Date: | [•] |
| | (ii) Interest Commencement Date: | [[•] / Settlement Date]] |
| 8. | Maturity Date: | [•] |
| 9. | Interest Basis: | [[•] per cent. Fixed Rate] /
[•][•] [ROBOR / EURIBOR +/- [•] per cent. Floating Rate]

(see paragraph [13/14 below]) |
| 10. | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of the Nominal Value. |
| 11. | Status of the Notes: | Senior (unsubordinated) |
| 12. | Management Board approval for issuance of Notes obtained: | [•] |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed rate Note Provisions [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Rate of Interest: [•] per cent. per annum payable in arrear on each Interest Payment Date

(ii) Interest Payment Date(s): [•] in each year

Previous Interest Payment Date	Reference date	Current Interest Payment Date	Number of days calculated pursuant to Condition 6 (<i>Interest</i>)
	[•]	[•]	Depends on the settlement Date
[•]	[•]	[•]	[•]

(v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / other]

(vi) Yield: [•]

- Indication of yield *The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.*

14. Floating rate Note Provisions [Applicable/Not Applicable]

(If not applicable delete the remaining sub-paragraphs of this paragraph)

(i) Specified Time: [11:00 [Bucharest / London] time / [other]]

(ii) Specified Interest Payment Dates: [•]

Previous Interest Payment Date	Reference date	Current Interest Payment Date	Number of days calculated pursuant to Condition 6 (<i>Interest</i>)
	[•]	[•]	Depends on the settlement Date
[•]	[•]	[•]	[•]

(iii) First Interest Payment Date: [•]

(iv) Business Day Convention: Following Business Day Convention

(vi) Manner in which the Rate(s) of Interest is/are to be determined: [European Money Markets Institute Screen Rate Determination / other]

(vii) Party responsible for calculating the Rate of Interest and/or Interest Amount: [•] shall be the Calculation Agent

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- (viii) Screen Rate Determination: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- Reference Rate: [[•][•] [EURIBOR/ROBOR] / Alternative reference rate established on the basis of [•]]
 - Interest Determination Date(s): [The first Business Day in the relevant Interest Period] / [•] days prior to each Interest Payment Date]
 - Relevant Screen Page: [•]
- (xi) Margin: [+/-] [•] per cent. per annum
- (xiv) Day Count Fraction: [•]
15. Default Interest [•]
16. Paying Agent [•]

PROVISIONS RELATING TO REDEMPTION

17. Call Option Early Redemption for Taxation Reasons
- (i) Early Redemption Amount: 100 per cent. of the Nominal Value
18. Put Option Change of Control Put Option
- (i) Early Redemption Amount: 100 per cent. of the Nominal Value
19. Final Redemption Amount of each Note [•]

Signed on behalf of UniCredit Bank S.A.:

By:

Duly authorised

PART B – OTHER INFORMATION

1. OFFER

- | | |
|---------------------------|---|
| (i) Minimum subscription | [Not applicable] / [Each investor must validly subscribe minimum [•] Notes] |
| (ii) Successful closing | [Not applicable] / [The offer will be considered successful if [•] per cent. of all of the offered Notes are validly subscribed in aggregate] |
| (iii) Subscription Period | [•] - [•] |
| (iv) Closing Date | [•] |
| (v) Transaction Date | [•] |
| (vi) Settlement Date | [•] |

2. LISTING AND ADMISSION TO TRADING

- | | |
|---------------------------|--|
| (i) Admission to Trading: | [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the spot regulated market of the Bucharest Stock Exchange with effect from [•].] / [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the spot regulated market of the Bucharest Stock Exchange with effect from [•].] |
|---------------------------|--|

(When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

- | | |
|--|-----|
| (ii) Estimate of total expenses related to admission to trading: | [•] |
|--|-----|

3. OPERATIONAL INFORMATION

ISIN:	[•]
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Delivery:	Delivery against payment
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4. DISTRIBUTION

- | | |
|---------------------------------------|---------------------------------|
| (i) Method of Distribution: | [Syndicated] / [Non-syndicated] |
| (B) Stabilisation Manager(s), if any: | Not Applicable |
| (iii) Name of Dealer: | [Alpha Bank Romania S.A.] / [•] |

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(iv) U.S. Selling Restrictions: Reg S Compliance Category 2;

(v) Prohibition of Sales to EEA Retail Investors: Applicable

(vi) Prohibition of Sales to UK Retail Investors: Applicable

7. REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS

Reasons for the offer: [Give details] / [See "Use of Proceeds" in Base Prospectus"]

Estimated net proceeds: [•]

5. RATINGS [The Notes to be issued have not been rated]
[The Notes have been rated [•] by [•]].

6. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)

Save for any fees payable to the Dealer(s), so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Dealer(s) and its/their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. [(Amend as appropriate if there are other interests)]

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USE OF PROCEEDS

15. 3.2(C)

An amount equal to the net proceeds from each issue of Notes will be used for the general financing purposes of the Issuer. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF UNICREDIT BANK S.A. AS ISSUER

General Information

The legal name of the Issuer is UniCredit Bank S.A. (the "**Bank**" or the "**Issuer**") a joint-stock company incorporated in Romania and operating in accordance with Romanian legislation. The Issuer is registered under the Trade Register number J40/7706/1991 attributed on 30 July 1991, with the Banking Register under number RB-PJR-40-011/18.02.1999, having EUID ROONRC J40/7706/1991, sole registration code: 361536, fiscal attribute: RO, subscribed and paid-up capital of 455,219,478.30 RON.

The Issuer's headquarters are at 1F Expozitiei Blvd., 1st District, postal code 012101, Bucharest, Romania, (telephone: +40 21 200 2000).

Pursuant to its Articles of Association, the corporate object of the Issuer can be summarized as the conducting of banking activities.

As of June 2007, the Issuer is member of the UniCredit Group, at the moment being directly controlled by UniCredit S.p.A., with registered office at Piazza Gae Aulenti 3 - Tower A – 20154, Milano, Italy.

To the date of the present Base Prospectus, UniCredit Bank's majority shareholder was UniCredit S.p.A. (98.6298 per cent of share capital), with minority shareholders - Romanian private individuals (1.2772 per cent of share capital), Romanian companies (0.0441 per cent of share capital), foreign private individuals (0.0339 per cent of share capital) and foreign companies (0.0150 per cent of share capital).

The management of the Issuer is governed by a two-tier system, by the Management Board and respectively by the Supervisory Board, in accordance with the prerogatives provided by the Articles of Association of the Issuer and within the authority levels given by the General Meeting of Shareholders. The members of the Management Board exercise their responsibilities under the oversight of the Supervisory Board.

The Issuer acts as a "one-stop-shop" for financial services providing retail and commercial banking services in Romanian Lei (RON) and foreign currency to individuals and legal entities. These services include: accounts opening, domestic and international payments, foreign exchange transactions, working capital finance, medium and long term facilities, retail loans, bank guarantees, letter of credits and documentary collections, derivative financial instruments, transactions with government securities on the primary and secondary market.

The Issuer operates through the Head Office located in Bucharest and through its network of branches and agencies, which as of 30 June 2022 comprised 164 branches and agencies located in Bucharest and in the country.

History

The Bank was established as a Romanian commercial bank on 30 July 1991 and operated under the name Banca Comerciala "Ion Tiriac" S.A. On 1 September 2006 Banca Comerciala "Ion Tiriac" S.A. merged with HVB Bank Romania S.A., resulting Banca Comerciala HVB Tiriac S.A.

UniCredit Group entered the local market in 2001 by taking over the local subsidiary of the Turkish bank Demirbank. In 2005 UniCredit Group bought HVB Bank, which locally owned HVB Romania S.A.

On 1 June 2007 the former UniCredit Romania S.A. and Banca Comerciala HVB Tiriac S.A. merged into UniCredit Tiriac Bank S.A.

In June 2015 UniCredit Bank Austria AG purchased all the shares held by Tiriac Holdings Limited in UniCredit Tiriac Bank S.A. As a result, UniCredit Bank Austria A.G. increased its holdings in UniCredit Tiriac Bank from 50.6 per cent to 95.6 per cent

On 30 July 2015, the Extraordinary General Meeting of Shareholders decided upon the change of the Bank's name, from UniCredit Tiriac Bank S.A. to UniCredit Bank S.A.

On 1 October 2016, 98.328 per cent of the share capital of UniCredit Bank S.A was transferred from UniCredit Bank Austria AG to UCG Beteiligungsverwaltung GmbH (due to the demerger project between the two entities) and, subsequently, from UCG Beteiligungsverwaltung GmbH to UniCredit S.p.A. (as a result of the cross-border merger project between the two entities).

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The Issuer's position within UniCredit Group

UniCredit is a pan-European Commercial Bank with a unique service offering in Italy, Germany, Central and Eastern Europe. Our purpose is to empower communities to progress, delivering the best-in-class for all stakeholders, unlocking the potential of our clients and our people across Europe.

UniCredit Group is present in Romania through: UniCredit Bank, UniCredit Consumer Financing, UniCredit Leasing Corporation, UniCredit Insurance Broker, UniCredit Leasing Fleet Management.

The Issuer is considered a solid revenue generator for UniCredit Eastern Europe (accounting for 24.7 per cent share of UniCredit Eastern Europe revenues as of 30 June 2022), showing a good profitability (25.4 per cent of the total UniCredit Eastern Europe profit before tax as of 30 June 2022).

With a solid and healthy position in terms of financial results and solvency profile, the Bank is expected to remain an engine for growth in the CEE and one of the major partners for achievement of UniCredit Group strategic objectives.

Share capital and shareholders

The statutory share capital of the Bank as at 30 June 2022 was of RON 455,219,478.3 represented by 48,948,331 ordinary shares having a face value of RON 9.30 each. The shareholders of the Bank as at 30 June 2022 were as follows:

	30 June 2022
	<i>(per cent)</i>
UniCredit S.p.A.	98.6298
Other shareholders	1.3702
Total	100

Source: Interim Condensed Consolidated and Separate Financial Statements of the Issuer as at 30 June 2022.

The majority voting rights in the Issuer is held directly by UniCredit S.p.A.. Hence, UniCredit S.p.A. exercises direct control over the Issuer through the majority of voting rights and, implicitly, through the right to appoint most of the members in the Supervisory Board and the Management Board.

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

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

The Issuer's position on the local market

The Bank was ranked on the 6th position in the Romanian banking sector in terms of assets, with 8.2 per cent market share as at 31 December 2021 (according to National Bank of Romania reports).

With a balanced mix of local knowledge with cross-border business experience and international expertise, the Bank proved to be a successful business model that increased market share over the years, by expanding its business volumes up to 52 per cent in the last five years and succeeded to become one of the most profitable banks.

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Due to a high quality and highly efficient network, the Bank succeeded to achieve a large number of business volumes (8.9 per cent of all bank loans in the Romanian banking system), compared to a low number of branches (5 per cent of all bank branches in Romania as at 31 December 2021).

As one of the top corporate banks in the country, the Issuer increased its corporate¹ business volumes reaching 23.3 per cent growth year on year in terms of loans and 10.3 per cent growth year on year in terms of deposits.

The Issuer's position on the Romanian market is reflected by its market share in respect of the following banking segments:

31 December 2021	Total industry *	The Issuer *	The Issuer's market share
	<i>(RON million)</i>	<i>(RON million)</i>	<i>(per cent.)</i>
<u>Loans</u>			
Total Loans (the Bank & UCFin **)	338,201	30,394	9.0%
<i>Individuals Loans (the Bank & UCFin **)</i>	166,555	9,149	5.5%
Companies	171,646	21,245	12.4%
Total Loans (the Bank):	335,996	28,189	8.4%
Individuals	164,350	6,944	4.2%
Companies	171,646	21,245	12.4%
<u>Deposits</u>			
Total Deposits (the Bank):	485,827	40,023	8.2%
Individuals	283,869	12,139	4.3%
Companies	201,958	27,884	13.8%

Source: National Bank of Romania reports for industry data (Consolidated Net Balance Sheet for the Monetary Financial Institutions, as of December 2021), and Issuer for the Issuer related data

**Loans and deposits volumes include only the principal amounts, while in rows "Deposits" and "Lending" the accrued interest and deferred income or expense are also included, in line with the presentation in the Consolidated IFRS Financial Statements. Such additional amounts have not been included in the calculation of market shares due to unavailability of public market data. Total industry loans include volumes of non-banking financial institutions.*

***Since opening UCFin in 2008, the Bank has discontinued the offer of non-secured consumer loans which are now granted only through UCFin.*

Recent events particular to the Bank which are to a material extent relevant for the evaluation of its solvency

The Bank is not aware of any recent events which are particular to the Bank (i.e. occurring after the most recent published audited and separate consolidated financial statements of the Bank as of 31 December 2021) that are to a material extent relevant to the evaluation of its solvency.

Rating

¹Corporate business volumes include loans and deposits granted to companies differentiated by turnover, shareholder structures, or domain of activity.

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There is a direct correlation between the rating of the Bank and that of UniCredit Group on one side and of Romania sovereign rating on the other side. In December 2021, Fitch upgraded the Long Term Issuer Default Ratings (long-term IDRs) of UniCredit Bank S.A. from BB+ to BBB (reflecting the upgrade of its parent UniCredit S.p.A. to BBB and Fitch's decision to equalize the ratings of the Romanian subsidiary with those of the parent) and the Short-term IDR of the Bank from B to F2 (reflecting Fitch's view of a high probability of support from its parent). The new Shareholder Support Rating was issued at bbb and the Viability Rating was confirmed at bb, reflecting expected very strong propensity of UniCredit S.p.A. to provide support, given the inclusion of UniCredit Bank S.A. in UniCredit's single-point-of-entry (SPE) resolution group and considerable reputational risk for UniCredit S.p.A. from a default of UniCredit Bank S.A.

The Bank's ratings, according to Fitch, are as follows:

Long-term foreign currency IDR	BBB Rating Outlook Stable
Short-term foreign currency IDR	F2
Shareholder Support	bbb
Viability	bb

Presentation of Financial and other Information

Summary of Financial Information

The following tables comprise the statement of financial position, statement of comprehensive income and cash flow statement which are extracted from the audited consolidated and separate financial statements of the Issuer as at 31 December 2020 and as at 31 December 2021 (the "**Annual Financial Statements**").

As stated in the notes to the Annual Financial Statements, the separate financial statements and the consolidated financial statements of the Issuer have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**").

The data in tables below presented for 31 December 2021 and 31 December 2020 were derived from the Annual Financial Statements published for 31 December 2021 and were not restated to reflect the restatements made in the Interim Condensed Consolidated and Separate Financial Statements as at 30 June 2022 that are described in details under "***Restatement of Annual Figures in the Interim Condensed Consolidated Financial Statements as at 30 June 2022**" at page 55 of this Base Prospectus.

Statement of financial position as included in the Separate and Consolidated Financial Statements of the Issuer Group published for 31 December 2021

	UniCredit Bank		UniCredit Bank Group	
	31 December			
	2021	2020	2021	2020
	(RON)			
	(Not restated*)			
Assets:				
Cash and cash equivalents	11,269,028,000	12,229,614,000	11,269,108,000	12,236,808,000
Financial assets at fair value through profit or loss	259,355,000	555,337,000	259,355,000	555,337,000
Derivatives assets designated as hedging instruments	12,249,000	-	12,249,000	-
Loans and advances to banks at amortized cost	493,611,000	212,130,000	493,611,000	212,130,000
Loans and advances to customers at amortized cost	27,427,573,000	22,286,540,000	29,395,410,000	25,229,315,000
Net lease receivables	-	-	3,722,302,000	3,515,814,000
Debt instruments at amortized cost	7,950,629,000	6,148,138,000	7,950,629,000	6,148,138,000
Other financial assets at amortized cost	192,123,000	113,032,000	209,484,000	138,777,000

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	UniCredit Bank		UniCredit Bank Group	
	31 December			
	2021	2020	2021	2020
	(RON)			
	(Not restated*)			
Financial assets at fair value through other comprehensive income	1,675,069,000	3,018,027,000	1,677,415,000	3,020,373,000
Investment in subsidiaries	143,116,000	143,116,000	-	-
Property, plant and equipment	186,624,000	205,101,000	194,583,000	215,505,000
Right of use assets	162,870,000	189,896,000	168,672,000	198,789,000
Intangible assets	284,598,000	231,976,000	300,752,000	245,934,000
Current tax assets	-	-	568,000	858,000
Deferred tax assets	59,683,000	41,246,000	142,887,000	119,797,000
Other assets	58,971,000	71,605,000	115,834,000	130,965,000
Total assets	50,175,499,000	45,445,758,000	55,912,859,000	51,968,540,000
Liabilities:				
Financial liabilities at fair value through profit or loss	32,129,000	73,017,000	32,129,000	73,017,000
Derivatives liabilities designated as hedging instruments	66,812,000	81,216,000	66,812,000	81,216,000
Deposits from banks	666,990,000	595,076,000	666,990,000	595,076,000
Loans from banks and other financial institutions at amortized cost*	570,921,000	778,203,000	4,170,873,000	5,564,667,000
Deposits from customers*	40,069,143,000	36,259,081,000	39,815,528,000	35,772,365,000
Debt securities issued	1,014,391,000	470,747,000	2,491,879,000	1,922,036,000
Other financial liabilities at amortized cost	434,967,000	453,359,000	500,899,000	518,044,000
Subordinated liabilities	835,325,000	822,466,000	944,183,000	929,593,000
Lease liabilities	164,895,000	192,717,000	168,791,000	196,836,000
Current tax liabilities	35,135,000	969,000	41,468,000	6,801,000
Provisions	216,201,000	193,874,000	220,124,000	223,576,000
Other non-financial liabilities	171,771,000	164,315,000	248,436,000	243,364,000
Total liabilities	44,278,680,000	40,085,040,000	49,368,112,000	46,126,591,000
Equity				
Share capital	1,177,748,000	1,177,748,000	1,177,748,000	1,177,748,000
Share premium account	621,680,000	621,680,000	621,680,000	621,680,000
Cash flow hedging reserve	(33,407,000)	(46,441,000)	(33,407,000)	(46,441,000)
Reserve on financial assets at fair value through other comprehensive income	(10,389,000)	107,908,000	(10,389,000)	107,908,000
Revaluation reserve on property, plant and equipment	14,122,000	12,722,000	14,122,000	12,722,000
Other reserves	365,616,000	325,516,000	365,616,000	325,516,000
Retained earnings	3,761,449,000	3,161,585,000	4,262,398,000	3,521,959,000
Total equity for parent company	5,896,819,000	5,360,718,000	6,397,768,000	5,721,092,000
Non-controlling interest	-	-	146,979,000	120,857,000
Total equity	5,896,819,000	5,360,718,000	6,544,747,000	5,841,949,000
Total liabilities and equity	50,175,499,000	45,445,758,000	55,912,859,000	51,968,540,000

Source: Audited Separate and Consolidated Financial Statements of the Issuer as at 31 December 2021

*Amounts are presented as included in the Separate and Consolidated Financial Statements of the Issuer's Group as at 31 December 2021. Amounts are not restated for the restatements as presented in the Interim Financial Statements as of 30 June 2022. The detailed description of the restatements is provided under "Restatement of

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Annual Figures in the Interim Condensed Consolidated Financial Statements as at 30 June 2022" at page 55 of this Base Prospectus.

Statement of comprehensive income as included in the Separate and Consolidated Financial Statements of the Issuer Group published for 31 December 2021

	UniCredit Bank		UniCredit Bank Group	
	31 December			
	2021	2020	2021	2020
		(RON)		
		(Not restated*)		
Interest income*	1,266,445,000	1,291,400,000	1,693,527,000	1,759,217,000
Interest expense	(192,576,000)	(302,569,000)	(317,278,000)	(450,551,000)
Net interest income	1,073,869,000	988,831,000	1,376,249,000	1,308,666,000
Fee and commission income	519,788,000	410,571,000	574,290,000	452,808,000
Fee and commission expense	(173,517,000)	(137,976,000)	(187,107,000)	(146,202,000)
Net fee and commission income	346,271,000	272,595,000	387,183,000	306,606,000
Net income from instruments at fair value through profit and loss	315,335,000	305,188,000	315,322,000	305,186,000
Net gain/(loss) from foreign exchange	(7,760,000)	68,079,000	14,577,000	81,240,000
Fair value adjustments in hedge accounting	(651,000)	(2,504,000)	(651,000)	(2,504,000)
Net gain/(loss) from derecognition of financial assets measured at amortized cost	851,000	4,999,000	1,286,000	11,606,000
Net gain/(loss) from derecognition of financial assets measured at FVTOCI	28,879,000	47,322,000	28,879,000	47,322,000
Dividend income	2,229,000	1,972,000	2,229,000	1,972,000
Other operating income	10,680,000	11,252,000	9,451,000	18,719,000
Operating income	1,769,703,000	1,697,734,000	2,134,525,000	2,078,813,000
Personnel expenses	(412,116,000)	(376,092,000)	(467,557,000)	(428,668,000)
Depreciation and impairment of tangible assets	(92,663,000)	(90,868,000)	(100,520,000)	(98,735,000)
Amortization and impairment of intangible assets	(53,946,000)	(47,482,000)	(58,813,000)	(51,970,000)
Other administrative costs	(316,629,000)	(279,729,000)	(343,527,000)	(303,855,000)
Other operating costs	(10,711,000)	(10,973,000)	(38,329,000)	(21,709,000)
Operating expenses	(886,065,000)	(805,144,000)	(1,008,746,000)	(904,937,000)
Net operating income*	883,638,000	892,590,000	1,125,779,000	1,173,876,000
Net impairment losses on financial assets*	(97,940,000)	(366,461,000)	(166,979,000)	(510,918,000)
Losses on modification of financial assets	(123,000)	(2,673,000)	(123,000)	(2,673,000)
Net impairment losses on non-financial assets	(11,449,000)	(5,527,000)	(11,449,000)	(5,527,000)
Net provision gains/(losses) *	(19,953,000)	27,343,000	5,912,000	19,910,000
Net gains/(loss) from other investment activities	78,000	-	(325,000)	-
Profit before tax	754,251,000	545,272,000	952,815,000	674,668,000
Income tax expense	(114,945,000)	(141,610,000)	(147,164,000)	(170,735,000)
Net profit for the year	639,306,000	403,662,000	805,651,000	503,933,000
Attributable to:				
Equity holders of the parent company	-	-	779,531,000	492,974,000
Non-controlling interests	-	-	26,120,000	10,959,000
Net profit for the year	-	-	805,651,000	503,933,000

Other comprehensive income, net of tax

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	UniCredit Bank		UniCredit Bank Group	
	31 December			
	2021	2020	2021	2020
		(RON)		
		(Not restated*)		
Items that will not be reclassified subsequently to profit or loss				
Re-measurement of defined benefit liability	142,000	(1,134,000)	142,000	(1,134,000)
Revaluation of property, plant and equipment	1,728,000	-87,000	1,728,000	(87,000)
Movement in investment revaluation reserve for equity instruments at FVTOCI	430,000	144,000	430,000	144,000
Income tax relating to items that will not be reclassified subsequently to profit or loss	(419,000)	285,000	(419,000)	285,000
Total items that will not be reclassified subsequently to profit or loss	1,881,000	(792,000)	1,881,000	(792,000)
Items that may be reclassified subsequently to profit or loss				
Movement in reserve for debt instruments at FVTOCI:				
Gains/(losses) arising during the period	(112,380,000)	151,437,000	(112,380,000)	151,437,000
Reclassification of (gains)/losses included in profit or loss	(28,879,000)	(47,322,000)	(28,879,000)	(47,322,000)
Net changes in cash flow hedging reserve:				
Gains/(losses) arising during the period	14,255,000	726,000	14,255,000	726,000
Reclassification of (gains)/losses included in profit or loss	1,262,000	931,000	1,262,000	931,000
Income tax relating to items that may be reclassified subsequently to profit or loss	20,118,000	(16,923,000)	20,118,000	(16,923,000)
Total items that may be reclassified subsequently to profit or loss	(105,624,000)	88,849,000	(105,624,000)	88,849,000
Other comprehensive income for the year, net of tax	(103,743,000)	88,057,000	(103,743,000)	88,057,000
Total comprehensive income for the year	535,563,000	491,719,000	701,908,000	591,990,000
Attributable to:				
Shareholders of parent – company	-	-	675,788,000	581,031,000
Non-controlling interests	-	-	26,120,000	10,959,000

Source: Audited Separate and Consolidated Financial Statements of the Issuer Group as at 31 December 2021.

*Amounts are presented as included in the Separate and Consolidated Financial Statements of the Issuer's Group as at 31 December 2021. Amounts are not restated for the restatements as presented in the Interim Financial Statements as of 30 June 2022. The detailed description of the restatements is provided under "**Restatement of Annual Figures in the Interim Condensed Consolidated Financial Statements as at 30 June 2022*" at page 55 of this Base Prospectus.

Statement of cash flows as included in the Separate and Consolidated Financial Statements of the Issuer Group published for 31 December 2021

	UniCredit Bank		UniCredit Bank Group	
	31 December			
	2021	2020	2021	2020
	(RON)			
	(Not restated*)			
Profit for the year before tax	754,251,000	545,272,000	952,815,000	674,668,000

Adjustments for non-cash items:

THIS ENGLISH LANGUAGE BASE PROSPECTUS REPRESENTS AN UNOFFICIAL TRANSLATION OF THE ROMANIAN LANGUAGE BASE PROSPECTUS APPROVED BY THE FINANCIAL SUPERVISORY AUTHORITY. IN CASE OF ANY DISCREPANCIES BETWEEN THE ENGLISH AND THE ROMANIAN LANGUAGE VERSIONS, THE ROMANIAN LANGUAGE PROSPECTUS AS APPROVED BY THE FINANCIAL SUPERVISORY AUTHORITY SHALL PREVAIL

	UniCredit Bank		UniCredit Bank Group	
	31 December			
	2021	2020	2021	2020
		(RON)		
		(Not restated*)		
Depreciation and amortization of property, plant and equipment and of intangible assets	146,609,000	138,350,000	159,333,000	150,705,000
Net impairment losses on financial assets	203,562,000	422,702,000	271,479,000	589,416,000
Fair value gain/(loss) on derivatives and other financial assets held for trading	1,797,000	(10,990,000)	1,797,000	(10,990,000)
Other items for which the cash effects are investing or financing	17,775,000	15,082,000	101,433,000	109,922,000
Other non-cash items	237,635,000	(245,346,000)	237,731,000	(165,262,000)
Operating profit before changes in operating assets and liabilities	1,361,629,000	865,070,000	1,724,588,000	1,348,459,000
Change in operating assets:				
Decrease in financial assets at fair value through profit and loss/other comprehensive income	1,425,862,000	5,349,788,000	1,425,862,000	5,349,788,000
Acquisition of debt instruments at amortized cost	(1,767,886,000)	(6,036,170,000)	(1,767,886,000)	(6,036,170,000)
(Increase)/Decrease in loans and advances to banks	(280,887,000)	358,329,000	(276,750,000)	357,915,000
(Increase)/Decrease in loans and advances to customers	(5,347,061,000)	(112,123,000)	(4,427,580,000)	318,117,000
Increase in lease investments	-	-	(246,588,000)	(270,099,000)
(Increase)/Decrease in other assets	(76,810,000)	(26,004,000)	(66,513,000)	43,459,000
Change in operating liabilities:				
Increase/(Decrease) in deposits from banks	71,938,000	(1,071,026,000)	71,938,000	(1,071,026,000)
Increase in deposits from customers	3,445,611,000	1,482,935,000	3,678,686,000	1,764,033,000
(Decrease)/Increase in other liabilities	(25,085,000)	108,838,000	(905,442,000)	129,038,000
Income tax paid	(79,516,000)	(135,390,000)	(115,570,000)	(168,279,000)
Net cash (used in)/ from operating activities*	(1,272,205,000)	784,247,000	(905,255,000)	1,765,235,000
Investing activities				
Proceeds on disposal of property, plant and equipment	-	-	-	311,000
Acquisition of property, plant and equipment and intangible assets	(120,730,000)	(141,175,000)	(127,820,000)	(149,257,000)
Loss from sale of equity investments	-	-	(724,000)	-
Dividends received	2,301,000	2,462,000	2,301,000	2,462,000
Net cash used in investing activities*	(118,429,000)	(138,713,000)	(126,243,000)	(146,484,000)
Financing activities				
Dividends paid	(229,000)	(490,000)	(229,000)	(490,000)
Proceeds from bonds issued	544,401,000	-	544,401,000	-
Payments of bonds issued	-	(146,000,000)	(8,279,000)	(154,146,000)
Repayments of loans from financial institutions	(216,317,000)	(245,879,000)	(2,428,303,000)	(2,507,888,000)
Drawdowns from loans from financial institutions	-	217,775,000	1,855,938,000	1,522,235,000

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	UniCredit Bank		UniCredit Bank Group	
	31 December			
	2021	2020	2021	2020
	(RON)			
	(Not restated*)			
Repayment of the lease liabilities	(62,429,000)	(57,000,000)	(64,523,000)	(57,442,000)
Net cash (used in)/from financing activities	265,426,000	(231,594,000)	(100,995,000)	(1,197,731,000)
Net (decrease)/increase in cash and cash equivalents	(1,125,208,000)	413,940,000	(1,132,493,000)	421,020,000
Cash and cash equivalents at 1 January - gross value	12,234,872,000	11,698,363,000	12,242,063,000	11,698,460,000
Effect of foreign exchange rate changes	160,761,000	122,569,000	160,936,000	122,583,000
Cash and cash equivalents at 31 December - gross value	11,270,425,000	12,234,872,000	11,270,506,000	12,242,063,000
Impairment allowance	(1,397,000)	(5,258,000)	(1,398,000)	(5,255,000)
Cash and cash equivalents at 31 December -net value	11,269,028,000	12,229,614,000	11,269,108,000	12,236,808,000

	UniCredit Bank		UniCredit Bank Group	
	31 December			
	2021	2020	2021	2020
	(RON)			
	(Not restated*)			
Cash flow from operating activities include:				
Interest received	1,273,694,000	1,274,465,000	1,661,460,000	1,759,448,000
Interest paid	(200,734,000)	(314,748,000)	(306,797,000)	(451,235,000)

Source: Audited Separate and consolidated Financial Statements of the Issuer as at 31 December 2021

*Amounts are presented as included in the Separate and Consolidated Financial Statements of the Issuer's Group as at 31 December 2021. Amounts are not restated for the restatements as presented in the Interim Financial Statements as of 30 June 2022. The detailed description of the restatements is provided under *"*Restatement of Annual Figures in the Interim Condensed Consolidated Financial Statements as at 30 June 2022"* at page 55 of this Base Prospectus.

The report issued by the independent auditors of the Issuer, Deloitte Audit S.R.L., dated 25 February 2022 in respect of the Issuer's separate and consolidated financial statements as at 31 December 2021 states that the separate and consolidated financial statements present fairly in all material respects, the financial position of the Bank and of the Group as at 31 December 2021, and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The report issued by the independent auditors of the Issuer, Deloitte Audit S.R.L., dated 1 March 2021 in respect of the Issuer's separate and consolidated financial statements as at 31 December 2020 states that the separate and consolidated financial statements present fairly in all material respects, the financial position of the Bank and of the Group as at 31 December 2020, and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The following tables comprise the statement of financial position, statement of comprehensive income and cash flow statement which are extracted from the interim condensed consolidated and separate financial statements of the Issuer and the Issuer Group as at 30 June 2022 (the **"Interim Financial Statements"**).

THIS ENGLISH LANGUAGE BASE PROSPECTUS REPRESENTS AN UNOFFICIAL TRANSLATION OF THE ROMANIAN LANGUAGE BASE PROSPECTUS APPROVED BY THE FINANCIAL SUPERVISORY AUTHORITY. IN CASE OF ANY DISCREPANCIES BETWEEN THE ENGLISH AND THE ROMANIAN LANGUAGE VERSIONS, THE ROMANIAN LANGUAGE PROSPECTUS AS APPROVED BY THE FINANCIAL SUPERVISORY AUTHORITY SHALL PREVAIL

As stated in the notes to the Interim Financial Statements, the separate financial statements and the consolidated financial statements of the Issuer have been prepared in accordance with IAS 34 "Interim Financial Reporting" as endorsed by the European Union ("IAS 34").

Statement of financial position as included in the Interim Condensed Consolidated and Separate Financial Statements published for 30 June 2022

	UniCredit Bank		UniCredit Bank Group	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	(RON)			
	(Restated)			(Restated)
Assets:				
Cash and cash equivalents	11,198,094,000	11,269,028,000	11,198,306,000	11,269,108,000
Financial assets at fair value through profit or loss	215,720,000	259,355,000	215,720,000	259,355,000
Derivatives assets designated as hedging instruments	205,137,000	12,249,000	205,137,000	12,249,000
Loans and advances to banks at amortized cost	580,096,000	493,611,000	580,099,000	493,611,000
Loans and advances to customers at amortized cost	30,068,386,000	27,427,573,000	31,987,717,000	29,395,410,000
Net lease receivables	-	-	3,751,877,000	3,722,302,000
Debt instruments at amortized cost	9,107,666,000	7,950,629,000	9,107,666,000	7,950,629,000
Other financial assets at amortized cost	246,393,000	192,123,000	310,175,000	209,484,000
Financial assets at fair value through other comprehensive income	1,825,888,000	1,675,069,000	1,828,234,000	1,677,415,000
Investment in subsidiaries	143,116,000	143,116,000	-	-
Property, plant and equipment	184,441,000	186,624,000	191,904,000	194,583,000
Right of use assets	188,726,000	162,870,000	193,177,000	168,672,000
Intangible assets	306,699,000	284,598,000	322,944,000	300,752,000
Current tax assets	-	-	568,000	568,000
Deferred tax assets	86,214,000	59,683,000	174,210,000	142,887,000
Other assets	65,837,000	58,971,000	113,748,000	115,834,000
Total assets	54,422,413,000	50,175,499,000	60,181,482,000	55,912,859,000
Liabilities:				
Financial liabilities at fair value through profit or loss	93,683,000	32,129,000	93,683,000	32,129,000
Derivatives liabilities designated as hedging instruments	194,515,000	66,812,000	194,515,000	66,812,000
Deposits from banks	726,167,000	666,990,000	726,167,000	666,990,000
Loans from banks*	594,096,000	570,921,000	4,064,227,000	3,995,917,000
Deposits from customers*	42,188,632,000	40,069,143,000	42,005,757,000	39,990,484,000
Debt securities issued	1,809,388,000	1,014,391,000	3,295,951,000	2,491,879,000
Other financial liabilities at amortized cost	1,917,014,000	434,967,000	1,979,474,000	500,899,000
Subordinated liabilities	834,712,000	835,325,000	943,511,000	944,183,000
Lease liabilities	189,793,000	164,895,000	193,460,000	168,791,000
Current tax liabilities	28,522,000	35,135,000	37,962,000	41,468,000
Provisions	198,656,000	216,201,000	201,580,000	220,124,000
Other non-financial liabilities	156,529,000	171,771,000	242,059,000	248,436,000
Total liabilities	48,931,707,000	44,278,680,000	53,978,346,000	49,368,112,000
Equity				
Share capital	1,177,748,000	1,177,748,000	1,177,748,000	1,177,748,000

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	UniCredit Bank		UniCredit Bank Group	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	(RON)			
		(Restated)		(Restated)
Share premium account	621,680,000	621,680,000	621,680,000	621,680,000
Cash flow hedging reserve	(19,797,000)	(33,407,000)	(19,797,000)	(33,407,000)
Reserve on financial assets at fair value through other comprehensive income	(189,680,000)	(10,389,000)	(189,680,000)	(10,389,000)
Revaluation reserve on property, plant and equipment	16,097,000	14,122,000	16,097,000	14,122,000
Other reserves	398,068,000	365,616,000	398,068,000	365,616,000
Retained earnings	3,486,590,000	3,761,449,000	4,047,521,000	4,262,398,000
Total equity for parent company	5,490,706,000	5,896,819,000	6,051,637,000	6,397,768,000
Non-controlling interest	-	-	151,499,000	146,979,000
Total equity	5,490,706,000	5,896,819,000	6,203,136,000	6,544,747,000
Total liabilities and equity	54,422,413,000	50,175,499,000	60,181,482,000	55,912,859,000

Source: Interim Condensed Consolidated and Separate Financial Statements of the Issuer as at 30 June 2022

* The detailed description of the restatements is provided under "**Restatement of Annual Figures in the Interim Condensed Consolidated Financial Statements as at 30 June 2022*" at page 55 of this Base Prospectus.

Statement of comprehensive income as included in the Interim Condensed Consolidated and Separate Financial Statements published for 30 June 2022

	UniCredit Bank	UniCredit Bank Group		
	For the 6-month period ended 30 June			
	2022	2021	2022	2021
	(RON)			
		(Restated)		(Restated)
Interest income using EIR*	883,610,000	607,572,000	1,013,167,000	753,725,000
Other interest income*	-	-	66,672,000	65,660,000
Interest expense	(230,150,000)	(89,676,000)	(280,238,000)	(153,417,000)
Net interest income	653,460,000	517,896,000	799,601,000	665,968,000
Fee and commission income	290,040,000	243,453,000	316,891,000	271,150,000
Fee and commission expense	(104,450,000)	(75,278,000)	(110,965,000)	(81,992,000)
Net fee and commission income	185,590,000	168,175,000	205,926,000	189,158,000
Net income from instruments at fair value through profit and loss	104,664,000	165,062,000	104,664,000	165,049,000
Net gain/(loss) from foreign exchange	2,191,000	4,082,000	12,595,000	14,716,000
Fair value adjustments in hedge accounting	11,106,000	(843,000)	11,106,000	(843,000)
Net gain/(loss) from derecognition of financial assets measured at amortized cost	8,790,000	149,000	15,923,000	467,000
Net gain/(loss) from derecognition of financial assets measured at FVTOCI	-	42,291,000	-	42,291,000
Dividend income	3,196,000	2,229,000	3,196,000	2,229,000
Other operating income	6,180,000	5,539,000	19,033,000	6,935,000
Operating income	975,177,000	904,580,000	1,172,044,000	1,085,970,000

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	UniCredit Bank		UniCredit Bank Group	
	For the 6-month period ended 30 June			
	2022	2021	2022	2021
	(RON)			
		(Restated)		(Restated)
Personnel expenses	(220,325,000)	(202,164,000)	(250,243,000)	(228,067,000)
Depreciation and impairment of tangible assets	(47,695,000)	(46,095,000)	(51,082,000)	(50,046,000)
Amortization and impairment of intangible assets	(23,086,000)	(26,450,000)	(25,923,000)	(28,839,000)
Other administrative costs	(218,589,000)	(184,669,000)	(232,771,000)	(196,596,000)
Other operating costs	(5,736,000)	(5,682,000)	(19,042,000)	(24,243,000)
Operating expenses	(515,431,000)	(465,060,000)	(579,061,000)	(527,791,000)
Net impairment losses on financial assets*	(50,266,000)	(27,463,000)	(105,066,000)	(49,529,000)
Losses on modification of financial assets	153,000	(65,000)	153,000	(65,000)
Net operating income*	409,633,000	411,992,000	488,070,000	508,585,000
Net impairment losses on non-financial assets	576,000	1,759,000	576,000	1,759,000
Net provision gains/ (losses) *	(2,090,000)	(386,000)	(1,726,000)	7,677,000
Net gains/(loss) from other activities	-	-	-	(153,000)
Profit before tax	408,119,000	413,365,000	486,920,000	517,868,000
Income tax expense	(66,893,000)	(61,379,000)	(81,538,000)	(81,652,000)
Net profit for the period	341,226,000	351,986,000	405,382,000	436,216,000
Attributable to:				
Equity holders of the parent company	-	-	400,862,000	421,879,000
Non-controlling interests	-	-	4,520,000	14,337,000
Net profit for the period	-	-	405,382,000	436,216,000
Other comprehensive income, net of tax				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of property, plant and equipment	1,002,000	735,000	1,002,000	735,000
Movement in investment revaluation reserve for equity instruments at FVTOCI	(1,720,000)	894,000	(1,720,000)	894,000
Income tax relating to items that will not be reclassified subsequently to profit or loss	1,247,000	(284,000)	1,247,000	(284,000)
Total items that will not be reclassified subsequently to profit or loss	529,000	1,345,000	529,000	1,345,000
Items that may be reclassified subsequently to profit or loss				
Movement in reserve for debt instruments at FVTOCI:				
Gains/(losses) arising during the period	(211,721,000)	92,000	(211,721,000)	92,000
Reclassification of (gains)/losses included in profit or loss	-	(42,291,000)	-	(42,291,000)
Net changes in cash flow hedging reserve:				
Gains/(losses) arising during the period	15,363,000	7,184,000	15,363,000	7,184,000
Reclassification of (gains)/losses included in profit or loss	839,000	1,214,000	839,000	1,214,000
Income tax relating to items that may be reclassified subsequently to profit or loss	31,283,000	5,408,000	31,283,000	5,408,000
Total items that may be reclassified subsequently to profit or loss	(164,236,000)	(28,393,000)	(164,236,000)	(28,393,000)

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	UniCredit Bank		UniCredit Bank Group	
	For the 6-month period ended 30 June			
	2022	2021	2022	2021
			(RON)	
		(Restated)		(Restated)
Other comprehensive income for the period, net of tax	(163,707,000)	(27,048,000)	(163,707,000)	(27,048,000)
Total comprehensive income for the period	177,519,000	324,938,000	241,675,000	409,168,000
Attributable to:				
Shareholders of parent – company	-	-	237,155,000	394,831,000
Non-controlling interests	-	-	4,520,000	14,337,000
Other comprehensive income	-	-	241,675,000	409,168,000

Source: Interim Condensed Consolidated and Separate Financial Statements of the Issuer as at 30 June 2022

* The detailed description of the restatements is provided under "**Restatement of Annual Figures in the Interim Condensed Consolidated Financial Statements as at 30 June 2022*" at page 55 of this Base Prospectus.

Statement of cash flows as included in the Interim Condensed Consolidated and Separate Financial Statements published for 30 June 2022

	UniCredit Bank		UniCredit Bank Group	
	For the 6-month period ended 30 June			
	2022	2021	2022	2021
	(RON)			
		(Restated)		(Restated)
Profit for the period before tax	408,119,000	413,365,000	486,920,000	517,868,000
Adjustments for non-cash items:				
Depreciation and amortization of property, plant and equipment and of intangible assets	70,782,000	72,545,000	76,893,000	78,885,000
Net impairment losses on financial assets	105,130,000	72,227,000	159,464,000	92,995,000
Fair value (gain)/loss on derivatives and other financial assets held for trading	13,710,000	(6,635,000)	13,710,000	(6,635,000)
Other items for which the cash effects are investing or financing	796,000	9,796,000	7,688,000	70,151,000
Other non-cash items	(51,489,000)	46,543,000	(46,079,000)	90,247,000
Operating profit before changes in operating assets and liabilities	547,048,000	607,841,000	698,596,000	843,511,000
Change in operating assets:				
Acquisition of debt instruments at amortized cost	(1,086,309,000)	(1,641,208,000)	(1,086,309,000)	(1,641,208,000)
(Increase)/Decrease in loans and advances to banks	(83,676,000)	14,252,000	(81,336,000)	14,598,000
(Increase) in loans and advances to customers	(2,714,625,000)	(1,852,990,000)	(2,681,249,000)	(1,515,960,000)
(Increase) in lease investments	-	-	(48,684,000)	(155,700,000)
(Increase) in other assets	(62,398,000)	(36,076,000)	(100,503,000)	(29,509,000)

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	UniCredit Bank		UniCredit Bank Group	
	For the 6-month period ended 30 June			
	2022	2021	2022	2021
	(RON)			
		(Restated)		(Restated)
Change in operating liabilities:				
Increase in deposits from banks	59,052,000	215,245,000	59,052,000	215,245,000
Increase/(Decrease) in deposits from customers	1,928,203,000	(1,658,560,000)	1,867,365,000	(1,447,747,000)
Increase in other liabilities	897,615,000	353,315,000	604,089,000	7,918,000
Income tax paid	(67,506,000)	(22,468,000)	(83,834,000)	(37,639,000)
Net cash used in operating activities*	(582,596,000)	(4,020,649,000)	(852,813,000)	(3,746,491,000)
Investing activities				
(Increase)/Decrease in financial assets at fair value through profit and loss/other comprehensive income	(337,328,000)	798,269,000	(337,328,000)	798,269,000
Proceeds on disposal of property, plant and equipment	-	-	-	200,000
Acquisition of property, plant and equipment and intangible assets	(57,079,000)	(42,977,000)	(60,017,000)	(45,055,000)
Dividends received	3,269,000	2,312,000	3,269,000	2,312,000
Net cash used in investing activities*	(391,138,000)	757,604,000	(394,076,000)	755,726,000
Financing activities				
Dividends paid	(93,000)	(91,000)	(93,000)	(91,000)
(Payments)/Proceeds from bonds issued	790,967,000	-	790,967,000	-
Repayments of loans from financial institutions	(100,264,000)	(127,422,000)	(1,009,620,000)	(1,074,017,000)
Drawdowns from loans from financial institutions	123,698,000	-	1,308,416,000	669,804,000
Repayment of the lease liabilities	(33,191,000)	(32,223,000)	(35,266,000)	(33,127,000)
Net cash from/ (used in) financing activities	781,117,000	(159,736,000)	1,054,404,000	(437,431,000)
Net decrease in cash and cash equivalents	(192,617,000)	(3,422,781,000)	(192,485,000)	(3,428,196,000)
Cash and cash equivalents at 1 January - gross value	11,270,425,000	12,234,872,000	11,270,506,000	12,242,063,000
Effect of foreign exchange rate changes	121,433,000	70,926,000	121,433,000	70,926,000
Cash and cash equivalents at 30 June - gross value	11,199,241,000	8,883,017,000	11,199,454,000	8,884,793,000
Impairment allowance	(1,147,000)	(1,307,000)	(1,148,000)	(1,307,000)
Cash and cash equivalents at 30 June -net value	11,198,094,000	8,881,710,000	11,198,306,000	8,883,486,000

UniCredit Bank		UniCredit Bank Group	
For the 6-month period ended 30 June			
2022	2021	2022	2021
	(Restated)		(Restated)

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(RON)

Cash flow from operating activities include:

Interest received	812,380,000	615,631,000	988,952,000	837,211,000
Interest paid	(199,576,000)	(98,002,000)	(236,834,000)	(142,457,000)

Source: Interim Condensed Consolidated and Separate Financial Statements of the Issuer as at 30 June 2022

** The detailed description of the restatements is provided in section "*Restatement of Annual Figures in the Interim Financial Statements as of 30 June 2022" below.*

***Restatement of Annual Figures in the Interim Financial Statements as at 30 June 2022**

The Group reclassified certain amounts after publishing the consolidated and separate financial statements as at 31 December 2021 in order to ensure the comparability of the data and information with the current year presentation, as below.

Consolidated and separate statement of financial position

The amount of RON 174,956,000 for the Group representing withdrawals from the International Finance Corporation (IFC) and intended for the granting of financings, was reclassified from caption "Loans from banks" to caption "Deposits from customers".

The Group also reclassified certain amounts related to six months' period ended at 30 June 2021 but after publishing the interim condensed consolidated financial statements as at 30 June 2021, as presented below.

UniCredit Bank Group			
31 December 2021			
	<i>Published</i>	<i>Restatement</i>	<i>*Restated</i>
		(RON)	
Loans from banks	4,170,873,000	(174,956,000)	3,995,917,000
Deposits from customers	39,815,528,000	174,956,000	39,990,484,000

Consolidated and separate statement of comprehensive income

"Interest Income" caption in amount of RON 819,385,000 for the Group, was split between (i) "Interest income using EIR" caption in amount of RON 753,725,000 and (ii) "Other interest income" caption in amount of RON 65,660,000.

UniCredit Bank Group			
30 June 2021			
	<i>Published</i>	<i>Restatement</i>	<i>*Restated</i>
		(RON)	
Interest income	819,385,000	(819,385,000)	-
Interest income using EIR	-	753,725,000	753,725,000
Other interest income	-	65,660,000	65,660,000

"Net impairment losses on financial assets" caption in amount of RON 44,188,000 for the Group and RON 23,371,000 for the Bank, respectively, has been recalculated at the value of RON 49,529,000 for the Group and RON 27,463,000 for the Bank, by including the net expense/income with provisions for financial guarantees and off-balance sheet commitments.

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"Net provision gains/(losses)" caption in amount of RON 2,336,000 for the Group/ RON (4,478,000) for the Bank has been recalculated at value of RON 7,677,000 for the Group / RON (386,000) for the Bank, by excluding the net expense/income with provisions for financial guarantees and off-balance sheet commitments.

	UniCredit Bank			UniCredit Bank Group		
	30 June 2021					
	<i>Published</i>	<i>Restatement</i>	<i>*Restated</i>	<i>Published</i>	<i>Restatement</i>	<i>*Restated</i>
	<i>(RON)</i>					
Net impairment losses on financial assets	(23,371,000)	(4,092,000)	(27,463,000)	(44,188,000)	(5,341,000)	(49,529,000)
Net provision gains/(losses)	(4,478,000)	4,092,000	(386,000)	2,336,000	5,341,000	7,677,000

"Net operating income" caption has been recalculated at a value of RON 508,585,000 for the Group and RON 411,992,000 for the Bank (compared to the previously presented amount of RON 558,179,000 for the Group and RON 439,520,000 for the Bank, respectively) by including the "Net impairment losses on financial assets" and "Losses on modification of financial assets".

	UniCredit Bank			UniCredit Bank Group		
	30 June 2021					
	<i>Published</i>	<i>Restatement</i>	<i>*Restated</i>	<i>Published</i>	<i>Restatement</i>	<i>*Restated</i>
	<i>(RON)</i>					
Net operating income	439,520,000	(27,528,000)	411,992,000	558,179,000	(49,594,000)	508,585,000

Consolidated and separate statement of cash flows

The "Net cash used in operating activities" caption in amount of RON (2,948,222,000) for the Group and RON (3,222,380,000) for the Bank, respectively, has been recalculated at the value of RON (3,746,491,000) for the Group and RON (4,020,649,000) for the Bank, by excluding the value of Increase/(Decrease) in financial assets at fair value through profit and loss/other comprehensive income of RON 798,269,000 for the Group/Bank.

The "Net cash (used in)/from investing activities" caption in amount of RON (42,543,000) for the Group and RON (40,665,000) for the Bank, respectively, has been recalculated at the value of RON 755,726,000 for the Group and RON 757,604,000 for the Bank, by including the value of Increase/(Decrease) in financial assets at fair value through profit and loss/other comprehensive income (RON 798,269,000 for the Group/Bank).

	UniCredit Bank			UniCredit Bank Group		
	30 June 2021					
	<i>Published</i>	<i>Restatement</i>	<i>*Restated</i>	<i>Published</i>	<i>Restatement</i>	<i>*Restated</i>
	<i>(RON)</i>					
Net cash used in operating activities	(3,222,380,000)	(798,269,000)	(4,020,649,000)	(2,948,222,000)	(798,269,000)	(3,746,491,000)
Net cash used in investing activities	(40,665,000)	798,269,000	757,604,000	(42,543,000)	798,269,000	755,726,000

Business activities

Overview of main services and products

The Issuer offers a wide range of financial products and services to its customers such as:

- for corporate companies (small, medium and large companies including international companies and public institutions): lending and deposit taking, cash management, including special solutions for advanced liquidity management (cash pooling), trade finance, custody and depository services, specialized lending and corporate structured finance transactions, financial advisory services (preparation and execution of sell-side processes, advisory in buy-side processes and advisory on capital markets transactions via the group entities), syndicated loans , as well as transactions with government securities and derivative financial instruments;
- for small sized enterprises (micro companies with turnover below EUR 1 million):
 - payment services and liquidity management (based on a current account or through classic bank account operations), having as main priorities: the growth of a sustainable eco-system in order to reach relevant mass and become the main Bank of the micro companies and the increase of clients through partnerships, leveraging on transactional offers;
 - smart lending (simplified and fast lending processes and capturing the opportunities arising from guarantee schemes programs);
 - RON deposits;
 - digitalization & simplification (facilitate Micro companies digitalization through competitive Business NET, Business Mobile, instant lending, e-sign, e-commerce);
- for individuals & private banking: the offer includes products that are simple, safe, easy to understand and to use, but at the same time flexible and suited to the needs of customers, having as main priorities: building sustainable business in order to reach critical mass in terms of clients and market share, by leveraging on the following four pillars: Value Customers (increase the base of value clients and customer profitability), Smart Lending (market share growth supported also by digital processes), Liabilities & investments (increase RON deposits and Investment funds penetration), Digitalization & Simplification (automate and simplify product offer, end to end processes and customer journeys);
- for financial institutions: money market operations and treasury operations, syndicated loans and structured finance, currency and derivatives transactions, transactions and investments in financial instruments, bond issues, trade finance, custody and depository services, LORO accounts in RON, as well as other related products (E-banking tools, Cash Management services, including special solutions for advanced liquidity management), guarantee agreements, etc.

In 2021, according to the Bank's management accounts, 58 per cent of the Bank's total revenues were generated by the Corporate Business Area (which services small, medium and large companies, public sector, financial institutions), 34 per cent by the Retail Business and the Private Banking Areas (which service individuals and small-sized companies) and 8 percent by other business segments.

Strategic Plan / 2022 – 2024 and related developments

The Issuer sets its strategic objectives in a three term plans. The current strategic plan of the Bank, approved in 2022, comprises the following main objectives:

Consolidate our Corporate leadership position and develop resilient business by:

- (i) Maintaining our loan volumes origination ability
- (ii) Increasing our market penetration while improving the profitability and return on capital invested
- (iii) Focus on digitalization to increase efficiency and improve customer experience

On Retail, building sustainable business in order to reach critical mass in terms of clients and market share, by leveraging on the following four pillars: Value Customers (increase the base of value clients and customer profitability), Smart Lending (market share growth supported also by digital processes), Total Financial Assets

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(increase RON deposits and AuM penetration), Digitalization & Simplification (automate and simplify our product offer, end to end processes and customer journeys).

Funding sources

Borrowings

The Issuer follows a self-sufficiency funding strategy based on a well-diversified funding base, targeting the growth of local funding sources through a wide variety of products offered to its customers (sight, savings, term deposits), supplementary supranational funding as well as capital market transactions (e.g. medium- and long-term placements of own issues).

The funding profile of the Issuer is completed through the provisions of intragroup liquidity aimed at fulfilling regulatory requirements (Internal MREL under the Single Point of Entry approach).

As of 30 June 2022 the gross funding from UniCredit Group totalled RON 1,184,651,903, out of which subordinated loans were in the amount of approx. 833 million RON.

Starting with the second half of 2021 the Bank finalised several internal bond issues in order to fulfil the internal MREL requirements as per the SPE (Single Point of Entry) strategy adopted at group level. The instruments issued are senior non preferred and UniCredit S.p.A. is the sole investor as per the adopted strategy.

Nevertheless, increasing financing self-sufficiency is a major objective for the Issuer. Consequently, the Issuer has also entered into medium and long-term financing agreements with Supranational institutions. As of 30 June 2022, these facilities amounted to RON 583.5 million (being denominated in both EUR and RON). Additionally, the Bank has issued three senior unsecured bonds in 2017 (with maturities in July 2020 – ROUCTBDBC022, July 2022 - ROUCTBDBC030 and July 2024 – ROUCTBDBC048) out of which two were still outstanding as of 30 June 2022 (2022 and 2024 maturities) totalling a nominal amount of 464,000,000 RON.

The following table shows the breakdown of borrowed funds by the Issuer:

	31 December		30 June	
	2021	2020	2022	2021
	<i>(RON)</i>			
Borrowings from related parties*	1,042,802,447	1,033,909,478	1,184,651,903	1,374,432,168
Borrowings from non related parties	1,029,727,575	1,160,964,197	968,018,025	924,679,050
Bonds issued	1,008,291,000	464,000,000	1,799,258,000	464,000,000
Total	3,080,821,022	2,658,873,675	3,951,927,928	2,763,111,218

Source: Issuer internal source

Amounts representing outstanding, without accruals

** Includes: loans from banks, deposits from banks, subordinated loans.*

Deposits

The Issuer's primary source of funding is represented by customer deposits. The Bank's strategy envisages a sustainable credit growth sustained by an adequate diversification of funding in terms of sources, therefore the improvement of the loan to deposit ratios through encouraging stable customer deposits is a continuous focus of all business areas.

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In 2021, customer deposits increased by 10.5 per cent, as compared to 2020 and reached RON 40.06 billion. According to the Bank's estimations based on peer banks' publicly available financial statements and press releases, the Bank is ranked 7 in terms of deposits with a market share of 7.9 per cent at the end of 2021.

The table below shows the currency profile of the Bank's deposits from customers:

	31 December				30 June			
	2021		2020		2022		2021	
	(amount)	(per cent)	(amount)	(per cent)	(amount)	(per cent)	(amount)	(per cent)
RON	24,650,465,000	62%	21,795,739,000	60%	25,558,012,000	61%	21,248,733,000	61%
Foreign currency	15,418,678,000	38%	14,463,342,000	40%	16,630,620,000	39%	13,556,157,000	39%
Total	40,069,143,000	100%	36,259,081,000	100%	42,188,632,000	100%	34,804,890,000	100%

Source: Issuer internal source

The table below shows details of the Bank's deposit structure by type of customers:

	31 December				30 June			
	2021		2020		2022		2021	
	(RON)	(per cent)	(RON)	(per cent)	(RON)	(per cent)	(RON)	(per cent)
Companies	27,184,821,574	68%	24,552,672,403	68%	28,936,629,253	69%	22,627,423,237	65%
Individuals	12,884,321,426	32%	11,706,408,597	32%	13,252,002,747	31%	12,177,466,763	35%
Total	40,069,143,000	100%	36,259,081,000	100%	42,188,632,000	100%	34,804,890,000	100%

Source: Issuer internal source

Companies' deposits increased by RON 2.63 billion to RON 27.18 billion as of 31 December 2021 compared to 31 December 2020 and increased by RON 6.3 billion to RON 28.93 billion as of 30 June 2022 compared to 30 June 2021.

Deposits from individuals increased by RON 1.17 billion to RON 12.88 billion as of 31 December 2021 compared to 31 December 2020 and increased by RON 1.07 billion to RON 13.25 billion as of 30 June 2022 compared to 30 June 2021. The weight of individuals' deposits remained at 32 per cent as of 31 December 2020 and 31 December 2021 and decreased from 35 per cent as of 30 June 2021 to 31 per cent as at 30 June 2022.

	31 December				30 June			
	2021		2020		2022		2021	
	(RON)	(per cent)	(RON)	(per cent)	(RON)	(per cent)	(RON)	(per cent)
Term deposits	7,139,262,000	18%	8,215,363,000	23%	10,309,053,000	25%	7,107,848,000	21%
Payable on demand	31,930,448,000	80%	27,146,663,000	75%	30,937,862,000	73%	26,909,643,000	77%
Collateral deposits	999,328,000	2%	896,793,000	2%	941,686,000	2%	787,136,000	2%

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Certificates of deposits	105,000	0%	262,000	0%	31,000	0%	263,000	0%
Total	<u>40,069,143,000</u>	<u>100%</u>	<u>36,259,081,000</u>	<u>100%</u>	<u>42,188,632,000</u>	<u>100%</u>	<u>34,804,890,000</u>	<u>100%</u>

Source: Issuer internal source

Short term customer liabilities (composed of current accounts, saving accounts and overnight deposits) increased their weight in total deposits from 75 per cent as of 31 December 2020 to 80% per cent as of 31 December 2021, as a result of low interest rates environment.

The table below shows the breakdown of the Bank's deposits by maturity:

31 December 2021						
RON	Up to 1 Year	1 Year to 5 Years	Over 5 Years	No fixed maturity	Total contractual amount	Total carrying amount
Outstanding	39,869,421,000	163,244,000	36,478,000	0	40,069,143,000	40,069,143,000
(per cent)	99.50%	0.41%	0.09%	0.00%		
31 December 2020						
RON	Up to 1 Year	1 Year to 5 Years	Over 5 Years	No fixed maturity	Total contractual amount	Total carrying amount
Outstanding	36,033,731,000	210,337,000	35,516,000	0	36,279,584,000	36,259,081,000
(per cent)	99.32%	0.58%	0.10%	0.00%		
30 June 2022						
RON	Up to 1 Year	1 Year to 5 Years	Over 5 Years	No fixed maturity	Total contractual amount	Total carrying amount
Outstanding	42,185,428,000	3,204,000	0	0	42,188,632,000	42,188,632,000
(per cent)	99.99%	0.01%	0.00%	0.00%		
30 June 2021						
RON	Up to 1 Year	1 Year to 5 Years	Over 5 Years	No fixed maturity	Total contractual amount	Total carrying amount
Outstanding	34,740,439,000	64,451,000	0	0	34,804,890,000	34,804,890,000
(per cent)	99.81%	0.19%	0.00%	0.00%		

Source: Issuer internal source

Lending

The general objective of the Bank's lending strategy involves promoting of a clear and comprehensive risk culture and risk undertaking, consistent with the shareholders' expectations, the Bank's strategy and the legal requirements. This objective is correlated with the Bank's general strategic objectives, such as: adequate and prudent management of risks and in particular of significant risks; diversification of products; conservation of a sustainable profitability threshold; mitigation of the negative impact generated by the economic crisis; identification of optimal solutions for the clients who are confronted with the negative effects of the financial crisis; adequate training of the personnel, so that they may offer high quality services to customers; local integration of the existent standards at UniCredit Group's level under the form of internal regulations and procedures.

Loan portfolio by type of currency

The table below shows the currency profile of the Bank's loans to customers:

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31 December 2021			
	RON	Foreign currency	Total
Loans and advances to customers			
Outstanding	17,225,478,000	10,202,095,000	27,427,573,000
(per cent)	63%	37%	100
31 December 2020			
	RON	Foreign currency	Total
Loans and advances to customers			
Outstanding	12,943,887,000	9,342,653,000	22,286,540,000
(per cent)	58%	42%	100
30 June 2022			
	RON	Foreign currency	Total
Loans and advances to customers			
Outstanding	18,288,629,000	11,779,757,000	30,068,386,000
(per cent)	61%	39%	100
30 June 2021			
	RON	Foreign currency	Total
Loans and advances to customers			
Outstanding	14,705,461,000	9,395,478,000	24,100,939,000
(per cent)	61%	39%	100

Source: Issuer internal source

Loan portfolio by type of clients

The table below presents the breakdown of the Bank's loan portfolio by type of customers:

	On-balance* (net book value)				Expected credit losses			
	31 December		30 June		31 December		30 June	
	2021	2020	2022	2021	2021	2020	2022	2021
<i>(RON thousands)</i>								
Corporate	18,275,583	14,036,769	22,625,953	15,528,235	(1,178,002)	(1,118,977)	(1,291,545)	(1,081,474)
Small companies	2,404,017	2,049,144	603,112	2,144,777	(217,970)	(217,298)	(95,595)	(235,281)
Individuals	6,747,973	6,200,627	6,839,321	6,427,927	(209,596)	(218,000)	(259,221)	(216,654)
Total	27,427,573	22,286,540	30,068,386	24,100,939	(1,605,568)	(1,554,275)	(1,646,361)	(1,533,409)

Source: Issuer internal source

**on-balance sheet exposures represent amounts drawn from credit facilities, current and overdue principal, current and overdue interest and penalties.*

	Off-balance* (net book value)				Expected credit losses			
	31 December		30 June		31 December		30 June	
	2021	2020	2022	2021	2021	2020	2022	2021
<i>(RON thousands)</i>								
Corporate	16,075,992	13,307,734	18,397,556	14,681,532	(184,709)	(169,145)	(174,333)	(169,768)
Small companies	1,061,830	1,018,380	250,923	966,457	(13,857)	(6,436)	(4,217)	(11,485)
Individuals	189,521	200,657	184,479	189,465	(464)	(582)	(880)	(438)
Total	17,327,343	14,526,771	18,832,958	15,837,454	(199,030)	(176,163)	(179,430)	(181,691)

Source: Issuer internal source

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**off-balance sheet exposures represent amounts undrawn from credit facilities, letters of credit, letters of guarantee, risk participation agreements etc.*

*** client segmentation as per internal segmentation rules (updated in 2022 in accordance with Group's strategy).*

The Bank's total loan portfolio increased by 23.06 per cent as of 31 December 2021 compared to 31 December 2020 and increased by 24.76 per cent as of 30 June 2022 compared to 30 June 2021. Loan portfolio increased in absolute amount by 5.14 billion RON as of 31 December 2021 compared to 31 December 2020 and increased by 5.96 billion RON as of 30 June 2022 compared to 30 June 2021.

Loan portfolio by sector

A presentation of the Bank's on balance sheet loan portfolio by sector is included in the table below:

		31 December		30 June	
		2021	2020	2022	2021
		(RON)			
Private entities (including individuals)		6,957,569,000	6,418,585,000	7,098,542,000	6,644,581,000
SME	G Commerce - wholesale and retail	1,046,779,000	888,870,000	213,104,000	893,229,000
	A Agriculture - forestry - fisheries	293,729,000	275,067,000	129,300,000	300,091,000
	C Manufacturing	558,231,000	503,417,000	124,859,000	524,060,000
	F Construction and civil engineering	250,051,000	178,033,000	52,837,000	216,407,000
	H Transport and storage services	159,059,000	115,755,000	40,243,000	127,884,000
	Other services	314,138,000	305,299,000	138,364,000	318,387,000
Total SME		2,621,987,000	2,266,441,000	698,707,000	2,380,058,000
Corporate	G Commerce - wholesale and retail	4,959,045,000	3,904,754,000	6,558,836,000	4,221,367,000
	C Manufacturing	5,111,872,000	4,533,906,000	5,782,327,000	4,678,855,000
	K Financial and insurance institutions	2,371,772,000	770,510,000	2,721,195,000	1,555,121,000
	D Production and supply of electricity, gas, steam and air conditioning	727,868,000		1,731,356,000	
	L Real estate	1,733,698,000	1,751,353,000	1,678,357,000	1,734,999,000
	A Agriculture - forestry - fisheries		1,072,905,000		1,091,753,000
	Other services	4,549,330,000	3,122,361,000	5,445,427,000	3,327,614,000
Total Corporate		19,453,585,000	15,155,789,000	23,917,498,000	16,609,709,000
Total		29,033,141,000	23,840,815,000	31,714,747,000	25,634,348,000
Allowance for impairment		(1,605,568,000)	(1,554,275,000)	(1,646,361,000)	(1,533,409,000)
Carrying amount		27,427,573,000	22,286,540,000	30,068,386,000	24,100,939,000

Source: Issuer internal source

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Loan portfolio maturity

The table below presents the Bank's loan portfolio by maturity:

31 December 2021						
<i>(RON)</i>						
	Up to 3 months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	Total contractual amount	Total carrying amount
Loans and advances to customers	3,377,101,000	8,457,008,000	8,846,729,000	6,746,735,000	27,427,573,000	27,427,573,000
31 December 2020						
<i>(RON)</i>						
	Up to 3 months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	Total contractual amount	Total carrying amount
(RON)						
Loans and advances to customers	2,951,570,000	7,276,288,000	6,002,797,000	6,055,885,000	22,286,540,000	22,286,540,000
30 June 2022						
<i>(RON)</i>						
	Up to 3 months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	Total contractual amount	Total carrying amount
(RON)						
Loans and advances to customers	3,727,668,000	9,905,058,000	9,470,745,000	6,964,915,000	30,068,386,000	30,068,386,000
30 June 2021						
<i>(RON)</i>						
	Up to 3 months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	Total contractual amount	Total carrying amount
(RON)						
Loans and advances to customers	3,674,647,000	7,446,510,000	6,732,653,000	6,247,129,000	24,100,939,000	24,100,939,000

Source: Issuer internal source

In line with its profitable growth strategy, the Bank has focused on granting both shorter term loans, sustaining cash management and payment services business through the current accounts transactions connected to such products, and medium term loans.

Breakdown of loan portfolio by products

The table below shows the Bank's loan portfolio structure by type of lending product:

	31 December		30 June	
	2021	2020	2022	2021
<i>(RON)</i>				
Mortgages	6,805,127,000	6,249,560,000	6,949,357,000	6,483,527,000
Personal loans and car loans	30,256,000	43,130,000	24,001,000	36,269,000
Credit cards and overdraft	122,187,000	125,894,000	124,353,000	124,777,000
Corporate loans	18,562,932,000	14,337,421,000	22,937,367,000	15,745,505,000
SME loans	2,598,313,000	2,232,551,000	697,616,000	2,343,641,000
Factoring, Discounting, Forfaiting	914,326,000	852,259,000	982,053,000	900,629,000
Loans and advances to customers before allowances	29,033,141,000	23,840,815,000	31,714,747,000	25,634,348,000
Less allowance for impairment losses on loans	(1,605,568,000)	(1,554,275,000)	91,646,361,000)	(1,533,409,000)

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Net loans and advances to customers	<u>27,427,573,000</u>	<u>22,286,540,000</u>	<u>30,068,386,000</u>	<u>24,100,939,000</u>
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Source: Issuer internal source

Loan portfolio has grown on all product types, with the exception of personal loans and car loans and credit cards and overdraft. Since opening UCFin in 2008, the Bank has discontinued the offer of these products which are now granted only through UCFin, benefiting from the highly specialised group approach in this respect.

Large exposures of the Issuer

Large exposure includes Issuer's exposures towards the Ministry of Finance, the National Bank of Romania and the Issuer's own Group without considering any mitigation effect.

31 December						
Client Name	2021			2022		
	On-Balance Sheet Exposure	Off-Balance Sheet Exposure	TOTAL Exposure	On-Balance Sheet Exposure	Off-Balance Sheet Exposure	TOTAL Exposure
GROUP 1	3,105,944,029	-	3,105,944,029	4,554,746,981	-	4,554,746,981
GROUP 2	918,952,064	2,498,791	921,450,855	986,724,894	2,459,047	989,183,941
GROUP 3	7,386,615,923	751,646,421	8,138,262,344	6,137,704,167	608,113,375	6,745,817,542
GROUP 4	40,627,377	827,261,645	867,889,022	18,551,106	672,676,507	691,227,613
GROUP 5	405,419,147	290,265,110	695,684,257	-	-	-
GROUP 6	637,816,808	82,138,460	719,955,268	-	-	-
GROUP 7	416,184,166	114,551,421	530,735,587	-	-	-
GROUP 8	252,344	600,846,843	601,099,187	-	-	-
GROUP 9	394,698,526	551,647,781	946,346,307	-	-	-
GROUP 10	9,754,726,892	2,185,760,951	11,940,487,843	9,554,529,090	-	9,554,529,090
	<u>23,061,237,276</u>	<u>5,406,617,423</u>	<u>28,467,854,699</u>	<u>21,252,256,238</u>	<u>1,283,248,929</u>	<u>22,535,505,167</u>

Source: Issuer internal source

31 June						
Client Name	2022			2021		
	On-Balance Sheet Exposure	Off-Balance Sheet Exposure	TOTAL Exposure	On-Balance Sheet Exposure	Off-Balance Sheet Exposure	TOTAL Exposure
GROUP 1	4,499,414,250	-	4,499,414,250	3,471,734,873	-	3,471,734,873
GROUP 2	890,970,387	2,497,427	893,467,814	937,530,283	2,487,984	940,018,267
GROUP 3	6,085,981,005	1,006,554,338	7,092,535,343	4,709,725,921	1,246,894,833	5,956,620,754
GROUP 4	18,579,702	1,162,565,123	1,181,144,825	13,690,121	854,720,092	868,410,213
GROUP 5	515,682,298	32,006,561	547,688,859	-	-	-
GROUP 6	431,529,075	199,930,038	631,459,113	-	-	-
GROUP 7	635,611,470	115,915,679	751,527,149	-	-	-
GROUP 8	196,517,290	807,061,072	1,003,578,362	-	-	-
GROUP 9	780,687,303	289,735,677	1,070,422,980	-	-	-

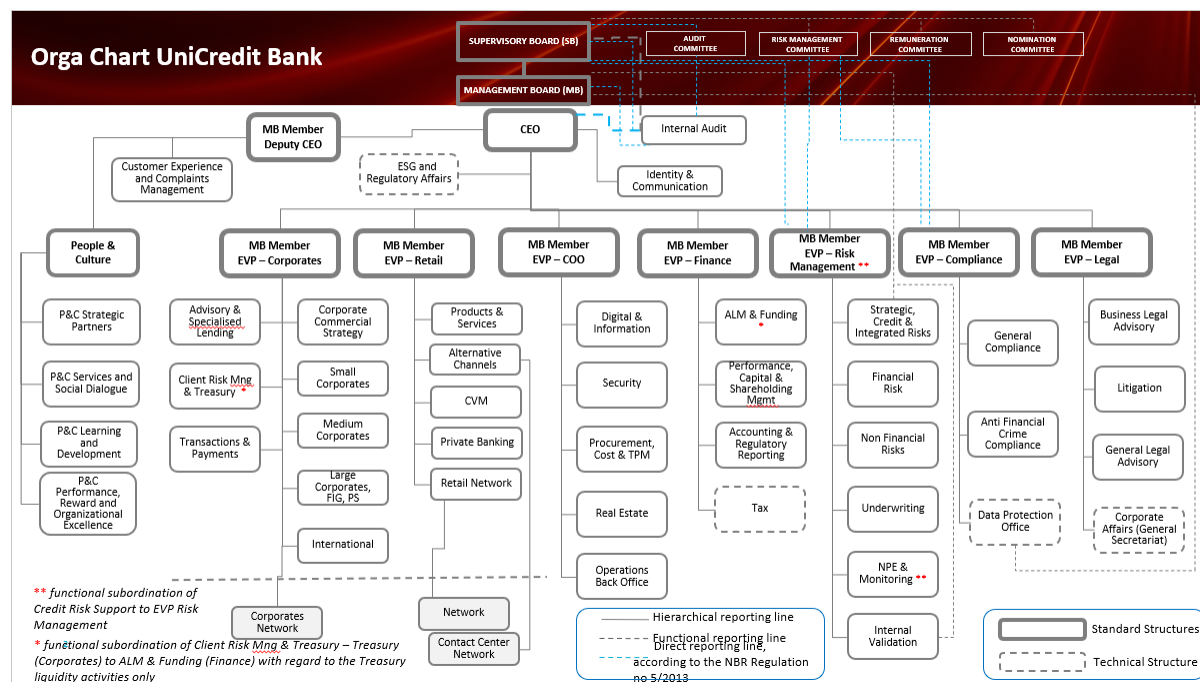
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GROUP 10	10,996,744,181	2,556,324,342	13,553,068,523	10,394,585,429	1,324,703,693	11,719,289,122
	25,051,716,961	6,172,590,257	31,224,307,218	19,527,266,627	3,428,806,602	22,956,073,229

Source: Issuer internal source

Organisational structure

The following chart shows the organisational structure of the Issuer in terms of business departments:



The activities of the major committees of the Issuer are described below.

Supervisory Board Committees

The Supervisory Board has established the following specialized advisory committees, taking into account the fact that the delegation of responsibilities to such committees does not in any way exempt the Supervisory Board from the collective exercise of its attributions and responsibilities

Audit Committee

The Audit Committee assists the Supervisory Board in fulfilling its responsibilities in the field of audit, having an active role in the internal control system, risk management systems, internal audit, statutory audit and financial auditor, financial statements, financial reporting and accounting policies.

The Audit Committee consists of 3 (three) members, appointed by the Supervisory Board from its members and/or from the members appointed by the general meeting of shareholders

Remuneration Committee

The Remuneration Committee assists the Supervisory Board in fulfilling its responsibilities in terms of remuneration policies and practices and on the incentives created for risk, capital and liquidity management.

The Remuneration Committee consists of 3 (three) members, appointed by the Supervisory Board from its members that exercise this position as long as they are members of the Supervisory Board.

Nomination Committee

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The Nomination Committee assists the Supervisory Board in fulfilling its responsibilities in terms of identifying, evaluating and recommending candidates for vacancies in the management body and in terms of reviewing, reporting and making recommendations to the Supervisory Board regarding related policies, the process of nomination and continuous evaluation of the adequacy of the members of the management body and of the management body as a whole.

The Nomination Committee consists of 3 (three) members, appointed by the Supervisory Board from its members that exercise this position as long as they are members of the Supervisory Board.

Risk Management Committee

The Risk Management Committee assists the Supervisory Board in fulfilling its responsibilities in terms of proper risk management.

The Risk Management Committee consists of 3 (three) members, appointed by the Supervisory Board from its members that exercise this position as long as they are members of the Supervisory Board

Committees established under Management Board subordination

Risk Management Operative Committee

Risk Management Operative Committee has a consultative role, its mission being to analyse the aspects regarding the risks (including risk of conduct and risk of fraud), other than those subject to the responsibilities of other committees and to issue consultative decisions, opinions and recommendations to the Management Board in connection with the analysed aspects, including in connection with the outsourcing process of some activities of the Issuer and the management of the non-performing exposures' portfolio..

As a general rule, Risk Management Operative Committee meets on a quarterly basis and whenever requested by any of its members.

Transactional Committee

Transactional Committee has a decision-making role and is the main approval authority in relation to individual credit exposures / credit lending transactions, based on the delegated powers based on the delegated authorities of the Management Board, within the limits established by it, in with respect to all segments of their bank customers, its main mission being organized in order to analyse, approve, recommend, approve and / or reject applications for loan applications and related Memoranda for changes to previously approved transactions, including attributions related to:

- Validation of clients' transfer to Restructuring and Workout structures;
- Arbitration in cases of disagreements between different organizational structures related with the transfer of a customer to / from Restructuring / Workout (according to specific procedures);
- Validation of clients' transfer from Restructuring or Workout classification to Performing classification
- Approval of credit risk provisions and write-offs for restructuring and workout clients/exposures

Transactional Committee meets in two sessions:

- Credit Sub-Committee (for performing exposures), and
- Special Credit Sub-Committee (for non performing exposures),

and is structured on several levels of decision.

Financial Risk Committee

The Financial Risk Committee has a consultative or decisional role, depending on the aspects that are the object of its analysis also based on the competence delegated by the Management Board, and is responsible for ensuring the adequate management of the bank's balance sheet and monitoring the financial risk position with the aim of

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optimizing the bank's profit within the approved risk limits. In this regard, the Committee sets strategies, policies, methodologies and limits related to financial risks (liquidity risk, interest rate risk in the banking book, FX risk and market risk).

The Financial Risk Committee is organized in two subcommittees.

- ALCO Sub-committee - dedicated to the ALM perimeter (including liquidity risk, interest rate risk in the banking book, FX risk), with the following responsibilities:
 - ensure the adequate management of the bank balance sheet, in a proactive manner
 - monitor the financial risk position in order to optimize the bank's profit within the approved risk limits
 - advise and sets strategies, policies and methodologies for liquidity risk, FX and banking book interest rate risks (subsequently subject, where appropriate, to the approval of the Management Board and / or the Supervisory Board)
 - approve limits for liquidity, interest rate in the banking book and FX risks
 - approve the investment portfolio plan and replicating strategies
 - approve the Funding Plan and Contingency Funding Plan
 - approve the methodology for fund transfer pricing and managerial alphas
 - set standard external interest rate levels/pricing
 - evaluate the impact of transactions significantly affecting the overall financial risk portfolio profile
 - approve internal transfer prices, including methodological issues, as well as external product prices
 - advise on and approve any other matters related to liquidity, interest rate in the banking book and FX risks.
- Market Risk Sub-committee - dedicated to the market risk perimeter, with the following responsibilities:
 - advise and approve strategies, policies, methodologies for market risk and counterparty credit risk (subsequently subject, where appropriate, to the approval of the Management Board and / or the Supervisory Board)
 - monitor the financial risk position in order to optimize the Issuer's profit within the approved risk limits
 - approve market risk limits, as well as new relevant Treasury products (subsequently subject to the approval of the Management Board)
 - advise on and approve any other matters related to market risk

Project & Expenses Committee

Project & Expenses Committee has a consultative or decision-making role, depending on the subjects submitted for analysis according to its responsibilities and based on the competence delegated by the MB, regarding to the all projects at the Issuer's level and related costs, as well as the non-HR costs (OPEX) and capital expenditure (CAPEX) of the Issuer and of the UniCredit Subsidiaries

Project & Expense Committee meets within two sessions:

- Project Sub-Committee Session (involved in issues related to the management of the Issuer's portfolio of projects, including the initiation and monitoring of project implementation. This CPC session will also approve project costs, according to the delegated approval powers) and

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- Cost Sub-Committee (having a decision-making role, approving OPEX costs and capital expenditures (CAPEX), according to the delegated approval powers, other than those related to projects, while ensuring operational monitoring, estimation and optimization of OPEX and CAPEX costs, both for the Issuer but and for its subsidiaries).

Crisis Committee

The Crisis Committee has a decision-making role, based on the competence delegated by the MB, both the Crisis Committee and the related work teams being established by decision of the MB, their mission being to coordinate and ensure operational support in crisis situations. adopt the necessary operational decisions

Non-Financial Risk Committee (NFRC)

NFRC has an advisory role or decision-making role (as mentioned below), as the case may be, with the possibility to issue opinions, as appropriate, on major incidents affecting ICT and information security services, as well as decisions on the reputational risks associated with lending or non-lending cases / initiatives / transactions (in its perimeter of competence).

Non-financial Risks Committee (NFRC) meets within two sessions:

- *NFRC - ICT, Security, Cyber Risk Sub-Committee* involved in the analysis of major incidents affecting ICT services in the reference area, as well as those with potential major impact, in order to identify and take corrective action to effectively resolve ongoing incidents and to prevent new incidents and, and to monitor information security management in all areas defined by internal regulations and group policies
- *NFRC - Reputational Risk Sub-Committee* - having the role of analysing and issuing of decision related to the reputational risk associated with credit cases / initiatives / transactions, as well as for non-credit activities and it is involved with priority, before any other committee / other official decision. For the lending activity, the decision issued within this sub-committee is followed by the decision on reputational risk, the analysis of the lending worthiness and the final lending decision, according to the established decision-making powers. For transactions other than lending, the decision of this sub-committee is requested before the analysis and approval of the respective transaction.

The Security & Healthy Committee

The Security & Healthy Committee has a consultative role, its mission being to ensure the involvement of employees in the elaboration and application of decisions in the field of occupational health and safety within the Issuer, according to the legal framework in force

Risk Management

The culture regarding the risks within the Issuer is integrated and defined overall, being based on complete understanding of risks the Issuer is confronting with and of the manner they are managed, having a tolerance/risk appetite of the Issuer.

The Issuer' strategic objectives include also the development of sound culture regarding the management of risks, extended both at the management level and also to the business lines with responsibilities in risk management area, by identifying through the set of activities performed and for each significant activity, of the ratio between risks and profits which Issuer considers acceptable within the conditions of a prudent and healthy ongoing business performance.

The Issuer aims to develop a holistic framework for the management of significant risks taking into account the correlations and interdependences between different risk types.

The framework for risk management is based on:

- definition and set up of basic principles, of policies, procedures, limits and related controls for managing the risks;
- an organized structure specialized in the management and control of risks;

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- strategies and specific techniques for measurement, evaluation, monitoring, decrease and reporting the risks.

The framework for management of significant risks is transposed clearly and transparently in internal norms, procedures, including manuals and codes of conduct, making a distinction between the overall standards applicable to all employees and the rules applied specifically to certain categories of personnel. The Supervisory Board is the Issuer's statutory body, with overall responsibility for the establishment and oversight of the Issuer's risk management framework, to approve the Issuer's risk profile and for supervising and for monitoring the management decision-making process which exercises a permanent control over the management of the Issuer's activity as it is performed by the Management Board and for supervising the conduct of the Issuer's business activities

The Management Board implements the risk management strategy and policies approved by the Supervisory Board regarding the management for significant risks, and is responsible for the day-to-day management activity of the Issuer, and accountable for its fulfilment to the Supervisory Board.

At the level of the Management Board the following committees are established: the Financial Risk Committee, Non-Financial Risk Committee, the Risk Management Operative Committee and the Transactional Committee as per the description above.

The Issuer's risk management policies are established to identify and analyse the risks faced by the Issuer, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Issuer, through its training and management standards and procedures aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Based on the UniCredit Group's approach and on the internal analysis performed with the Group's guidance, the Issuer identifies the following risks as being significant/ material for the Issuer's activity: credit risk, market risk and Interest Rate Risk in the Banking Book (IRRBB), liquidity risk, operational risk with all its subcategories (including legal risk, conduct risk, ICT and Security risk), business risk, reputational risk, real estate risk, strategic risk, risk of excessive leverage, compliance risk and inter-concentration risk. For each of the above mentioned risks, the Issuer has defined specific strategies and objectives, as well as policies and procedures for an accurate assessment, control mechanisms and mitigation measures. Thus, steps and related instruments are detailed for identifying, measuring, monitoring and controlling each of the material risks presented above, but also for being able to determine and have the adequate capital to cover such risks.

Objectives regarding risk management are correlated with the overall strategic objectives of the Issuer:

- adequate and prudent management of risks and in particular, of significant risks;
- increase of loan portfolio in a selective manner and achievement of a balanced structure of customers segments;
- diversification of products;
- maintaining of sustainable profitability level;
- decrease – as much as possible – of the negative impact generated by the economic crisis;
- identify optimum solutions adapted to the clients' needs which are confronting with the negative effects of economic-financial crisis;
- training the employees such that to offer quality services to the clients;
- integrating locally solid standards through internal regulations and procedures.

The risks management within the Issuer culture implies:

- the culture regarding the risk management;

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- the framework regarding risk management;
- the policy for the approval of new products.

Credit risk

Credit risk is the potential risk of financial loss to the Issuer if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Issuer's loans and advances to customers and other banks and investment securities.

The credit risk strategy is set based on all the Issuer's activities which present a significant exposure from the credit risk perspective that will be taken into consideration.

In the assessment of credit risk, Issuer takes into consideration the following sub-categories of the credit risk: counterparty credit risk and settlement risk, foreign currency risk, country risk, credit concentration risk and specialized lending risk.

The lending activity is performed by instruments which regulate and manage the credit parameters, by rules and procedures, included in internal policies and procedures, approved by the relevant management bodies.

The Issuer assesses the credit risk in all activities affected by this kind of risk, no matter if the results of the respective activities are reflected in the balance sheet or off balance sheet.

The Issuer establishes steps and disposes of instruments both for identifying, measuring, monitoring and controlling the credit risk. Starting with July 2012, the Issuer calculates the credit risk capital requirement under Foundation IRB Approach for the following categories of clients: corporate (except for real estate clients), multinationals, banks, sovereign and securities industries. For the rest of the portfolios, the Issuer is still applying the Standardized Approach.

The Issuer implemented an internal assessment system (rating system) for the evaluation of the risk associated to each customer (by applying an internal rating specific for each client category).

A credit is granted only when it is approved by the competent body within the Issuer. The following bodies have credit approval competence and participate to the decision-making process, according to their specific decision-making rules:

- The Management Board, based on the Supervisory Board's delegated competencies;
- Transactional Committee (at different levels), based on the delegated competencies of the Management Board.

Approval process

The Issuer grants loans and administrates them through the Head Office and through its branches in the country.

The assessment of the feasibility of providing a product to a specific debtor is performed on the basis of a risk analysis related to the debtor eligibility, its repayment capacity, the financed transaction and the supplied collateral.

Loans are granted only based on the borrower's capacity to repay the financing. Collateral is always the last source of repayment of the loan and payment of interests/ fees.

Review process

The credit review process is divided in rating and client/ exposure review.

The rating is at least annually reviewed and analysed, but also at any time the Issuer receives relevant information that may affect the correct valuation of the credit risk. Through rating calculation, an estimation of its impact over the credit risk variables (such as the probability of default) must be determined. The expected credit losses amount and the expected loss are also calculated on this basis.

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As a general rule, all credits with a maturity longer than one year (medium term and long term credits) are reviewed at least on an annual basis until the maturity of the loan. A new review of the rating is required based on the last available financial statements. There are situations when, due to the deterioration of the borrower's rating, a shorter period is considered for the review of the loan. Also, when changes occur to the basic characteristics of the loan (such as changes in the credit limit or in the main activity of the company) the credit is reviewed, even if the period from the previous review date is shorter than one year.

Monitoring process

With the aim of preventing the losses due to non-payment or delayed payment within a credit transaction, the relevant Relationship Managers or Credit Risk Support Specialists monitor the fulfilment of the client's obligations by: (i) constant monitoring of the turnover through the client's accounts; (ii) constant monitoring of the client's compliance with the conditions in the loan agreement; (iii) permanent contact with the client, including visits to its headquarters or operation premises; (iv) periodical verification and analysis of the reporting documents, of the financial situations and of any other relevant documents; (v) periodical verifications the quality and quantity of the collateral.

If, further to the monitoring process, the rating (risk classification) of the client is deteriorating or the general situation of the client is worsening, a written opinion is prepared by the Credit Risk Support Specialists organizational structure within the Risk Management Division, deciding the client's classification and the measures to be implemented (if the case).

Collateral policy

The Issuer has a dedicated structure within the Risk Management organizational structure that coordinates the collateral valuation process within the lending activity. Based on well-defined criteria, the Issuer has established a list of agreed valuers.

The Issuer accepts a wide range of collaterals to mitigate credit risk, in line with group standards and according to local legislation. In general, the Issuer requires a comfortable level of collateralization for the loans in all client segments, depending on several criteria (e.g. client segment, rating of the client, quality of the collateral etc.).

Any form of collateral serves only as additional security for the secured loan and as such is taken into account at the time the creditworthiness of the entity requesting the credit facility is assessed. Therefore, this assessment mainly concentrates on determining whether the entity requesting the credit facility is able to meet its obligations autonomously regardless of whether additional collateral is provided (ability to repay).

In order to protect against fluctuations in the market value of assets assigned to the Issuer as collateral, the value of the collateral should generally provide an adequate margin in excess of the current value of such assets, and this margin is properly adjusted as a function of the intrinsic characteristics of these assets.

When assessing collateral, special emphasis is placed on the enforceability of the collateral and its appropriateness. The collateral obtained must be valid, effective and binding for the collateral provider, and it must be enforceable with respect to third parties in all jurisdictions, including in the event of the insolvency or receivership of the borrower and/or the collateral provider. Due to the importance of this requirement, including for the purposes of mitigating the capital requirement for credit risk, the internal procedure and related processes governing this area are particularly strict, to ensure that the documents obtained are completely in order from a formal and substantive standpoint.

With regard to appropriateness, security is said to be appropriate when it is qualitatively and quantitatively sufficient with respect to the amount and nature of the credit facility, provided there are no significant risk elements associated with the provider of security.

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The table below presents the collateral coverage related to the collateralised loan portfolio of the Issuer:

	31 December		30 June	
	2021	2020	2022	2021
	Collateral coverage*			
Corporate	38,03%	40,78%	35,83%	38,99%
Small (Micro)	69,73%	58,88%	72,19%	62,89%
Individuals	81,27%	80,06%	81,70%	80,66%

Source: Issuer internal source

**Collateral coverage ratio represents the material value (market value impacted by haircuts applied) of the collateral divided by the loans exposure.*

For the Individuals segment, the increase in the collateral coverage is due to the structure of the portfolio product, given that the highest part of the portfolio consist of secured products (see "*Breakdown of loan portfolio by products*"), while unsecured consumer loans and credit cards are currently granted by UniCredit Consumer Finance and, therefore, the Issuer's remaining portfolio of such loans is naturally depleting.

Credit Classification and Provisions

The Issuer applies the IFRS9 methodologies for credit classification and provisions starting with 1st of January 2018.

Loan portfolio is assessed for credit risk based on internal rating models. Customers are assigned with a certain rating notch which indicates the one-year probability of default. Rating notches are mapped to the UniCredit Group Wide Master Scale. The Master Scale provides a standard rating scale for the entire UniCredit Group loan portfolio and also ensures comparability with rating scales from external rating agencies, based on the one-year probabilities of default assigned to each rating notch (calibration).

The Master Scale contains 10 rating classes, which are subdivided in 27 rating notches. Customers in the rating notches 1+ to 8 are expected to default only with a low probability and are defined as non-impaired customers. Rating notches 8-, 9 and 10 contains impaired customers in accordance with regulatory definitions for impaired clients.

The overall risk exposure is disclosed according to the amount of identifiable impairment into four main categories: individually significant impaired, other impaired loans, past due but not impaired and neither past due nor individually impaired according to the internal rating of the Group and the past due status.

Impaired loans (including leasing receivables)

Loans and receivables are impaired and impairment adjustment incur whether an objective impairment evidence exist as a result of:

- one or many triggers which appeared after initial recognition of the investment (default events);
- that default event has an impact on estimated future cash flow of the asset which can be reliable measured.

Individually significant impaired loans

Individually significant impaired loans comprise significant private individuals (more than EUR 250,000) which have at least one default event, as defined in the Issuer's internal procedures, and significant corporate clients (more than EUR 1 million) with grade 8-, 9 or 10, as defined in the internal rating of the Issuer; these two categories are individually assessed by the Group.

For all of them, the collaterals are divided between property, goods, and assignment of receivables and other. Other collateral includes pledge on stocks, machinery, cash and financial risk insurance.

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Neither past due nor individually impaired loans

It includes all exposures not classified in the above categories and considered to be all performing.

Other impaired loans

Other impaired loans include all private individuals' exposures which are more than 90 days overdue and corporate and business clients' exposures with grade 8-, 9 and 10 which are not individually significant.

Past due but not impaired loans

Loans for which contractual interest or principal payments are past due but the Group believes that impairment is not appropriate on the basis of the level of security/collateral available and / or the stage of collection of amounts owed to the Group.

Allowances for impairment

The Issuer establishes an allowance for impairment losses based on the internal methodology as described below.

Loans and debt securities classified as financial assets at amortized cost, financial assets at fair value through comprehensive income (with the exception of equity instruments) and relevant off-balance sheet exposures are tested for impairment as required by IFRS9.

In this regard, these instruments are classified in stage 1, stage 2 or stage 3 according to their absolute or relative credit quality with respect to initial disbursement. Specifically:

- stage 1: includes (i) newly issued or acquired credit exposures, (ii) exposures for which credit risk has not significantly deteriorated since initial recognition, (iii) exposures having low credit risk (low credit risk exemption);
- stage 2: includes credit exposures that, although performing, have seen their credit risk significantly deteriorating since initial recognition;
- stage 3: includes impaired credit exposures.

For exposures in stage 1, impairment is equal to the expected loss calculated over a time horizon of up to one year. For exposures in stages 2 or 3, impairment is equal to the expected loss calculated over a time period corresponding to the entire duration of the exposure.

In order to meet the requirements of the standard, the Issuer has developed specific models to calculate expected loss based on PD, LGD and EAD parameters. In this context "forward looking" information was included through the elaboration of specific scenarios.

Regarding debt securities, the Issuer choose the application of the low credit risk exemption on investment grade securities in full compliance with IFRS 9 accounting standard.

Allowances for impairment of loans and receivables are based on the present value of expected cash flows of principal and interest. In determining the present value of future cash flows, the basic requirement is the identification of estimated collections, the timing of payments and the discount rate used.

The amount of the loss on impaired exposures classified as non-performing loans and unlikely to pay, according to the categories specified below, is the difference between the carrying amount and the present value of estimated cash flows discounted at the original interest rate of the financial asset.

For IFRS provisioning purposes, the Issuer uses the default definition in compliance with EBA-GL-2016-07 Final Report on Guidelines on default definition. Basically, all loans classified as defaulted according to Basel III IRB default definition (calculation on client level) are considered to be loans with objective evidence of impairment and all impaired positions will in general trigger a specific provision.

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Non-performing loans ("NPLs")

One of the Issuer's priorities is the management of NPLs portfolio, focused on maximizing the recovered amounts and defined annually under a specific NPE Strategy and NPE Operational Plan. The Issuer has built tailor-made strategies for all clients' segments, with clear roles, timelines and recovery actions. The collections strategies used in the recovery process are: hard collection, settlement and restructuring options, portfolio sale and legal actions (forced execution and insolvency), depending upon the number of days past due.

The table below shows a breakdown of impaired exposures according to the Bank of Italy Risk Classes, which is also used by the Bank in line with Group guidelines:

	31 December		30 June	
	2021	2020	2022	2021
	(RON)			
Individually significant impaired loans				
Stage 3	1,296,527,000	1,355,689,000	1,103,515,000	1,339,798,000
Gross amount	1,296,527,000	1,355,689,000	1,103,515,000	1,339,798,000
Allowance for impairment	(1,070,627,000)	(1,018,565,000)	(949,896,000)	(1,074,810,000)
Carrying amount	225,900,000	337,124,000	153,619,000	264,988,000
Fair value of collateral	236,213,000	285,956,000	130,371,000	191,640,000
Property	199,533,000	187,107,000	101,531,000	148,696,000
Goods	19,379,000	38,813,000	2,667,000	8,373,000
Assignment of receivables	4,058,000	29,946,000	7,374,000	11,748,000
Other collateral	13,243,000	30,090,000	18,799,000	22,823,000
Other impaired loans				
Stage 3	303,095,000	377,836,000	219,776,000	326,623,000
Gross amount	303,095,000	377,836,000	219,776,000	326,623,000
Allowance for impairment	(124,021,000)	(162,558,000)	(95,087,000)	(129,209,000)
Carrying amount	179,074,000	215,278,000	124,689,000	197,414,000
Fair value of collateral	206,018,000	201,207,000	161,572,000	221,079,000
Property	188,310,000	189,969,000	145,047,000	205,282,000
Goods	4,321,000	3,173,000	3,802,000	5,797,000
Assignment of receivables	343,000	1,417,000	0	462,000
Other collateral	13,044,000	6,648,000	12,723,000	9,538,000
Past due but not impaired				
Stage 1	400,358,000	410,106,000	1,142,397,000	564,506,000
Stage 2	710,949,000	572,985,000	1,100,532,000	495,037,000
Gross amount	1,111,307,000	983,091,000	2,242,929,000	1,059,543,000
Allowance for impairment	(35,140,000)	(47,026,000)	(126,489,000)	(34,868,000)
Carrying amount	1,076,167,000	936,065,000	2,116,440,000	1,024,675,000
Neither past due nor impaired				
Stage 1	20,118,247,000	15,012,101,000	22,925,962,000	16,901,832,000
Stage 2	6,203,965,000	6,112,098,000	5,222,565,000	6,006,552,000
Gross amount	26,322,212,000	21,124,199,000	28,148,527,000	22,908,384,000
Allowance for impairment	(375,780,000)	(326,126,000)	(474,889,000)	(294,522,000)
Carrying amount	25,946,432,000	20,798,073,000	27,673,638,000	22,613,862,000
Total carrying amount	27,427,573,000	22,286,540,000	30,068,386,000	24,100,939,000

Source: Issuer internal source

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Individually impaired loans decreased in 2021 compared to 2020 and in the first semester of 2022 compared to the same period of 2021 due to write off actions but also due to closing of exposures through recovery process, in line with NPE strategy of decreasing non-performing exposure.

Non-performing financings are classified according to 8-, 9 and 10 risk ratings (default ratings triggered by default events, such as: 90+ days past due, un-likelihood to pay, insolvency, etc.).

The table below presents the breakdown of non-performing loans of the Bank by sector:

	31 December				30 June			
	2021		2020		2022		2021	
	(RON)							
	Outstanding Amount	Expected credit losses/allowance	Outstanding Amount	Expected credit losses/allowance	Outstanding Amount	Expected credit losses/allowance	Outstanding Amount	Expected credit losses/allowance
A Agriculture, forestry and fishing	75,446,991	61,662,497	63,819,323	41,555,532	68,068,323	57,235,610	67,572,569	50,494,017
B Mining and quarrying	13,929	7,845	1,339,055	1,134,599	2,224	2,098	112,726	112,126
C Manufacturing	550,615,640	432,429,636	621,019,155	436,074,939	467,837,639	403,564,430	583,854,903	435,595,808
D Electricity, gas, steam and air conditioning production and supply	28,376,577	26,349,005	31,027,752	23,269,213	78,051	49,537	28,732,272	23,564,440
E Water supply	11,794,842	9,730,538	11,810,742	9,403,979	10,882,590	8,246,827	12,983,570	9,879,507
F Construction	48,511,799	37,240,036	50,911,158	38,763,684	52,701,778	45,017,717	55,601,242	45,015,387
G Wholesale and retail trade	199,467,890	167,381,933	222,469,571	167,892,809	159,141,357	135,951,789	182,890,011	154,458,797
H Transport and storage	28,742,951	23,769,825	17,566,374	12,753,757	24,511,280	21,399,838	13,288,253	10,063,472
I Accommodation and food service activities	51,171,499	45,351,134	61,149,404	42,201,691	45,066,724	40,008,260	57,229,322	50,885,980
J Information and communication	20,336,132	18,932,999	25,724,352	22,841,933	17,996,505	17,286,894	21,931,217	20,614,823
K Financial and insurance activities	51,899	32,718	30,045	15,142	18,635	13,826	22,873	12,670
L Real estate activities	93,511,143	78,596,287	31,727,967	23,664,992	81,129,408	68,180,024	30,915,646	23,133,167
M Professional, scientific and technical activities	44,891,603	34,489,610	43,396,788	38,677,250	4,289,606	2,794,469	48,272,570	44,230,661
N Administrative and support service activities	3,426,145	2,135,815	6,297,300	4,227,360	2,122,439	1,418,013	3,686,013	2,248,427
O Public administration and defence, compulsory social security	157,836,616	113,904,886	222,205,006	159,446,590	157,657,798	113,842,732	224,817,600	161,321,965
P Education	478,115	245,037	565,290	302,552	420,968	215,401	519,663	266,428
Q Human health services and social work activities	5,247,015	4,686,668	7,650,740	6,741,605	4,327,100	4,138,615	10,165,194	8,063,422
R Arts, entertainment and recreation	38,914	23,503	191,778	113,134	5,954	4,950	169,540	158,532
S Other services	283,824,317	137,678,096	314,623,184	152,042,546	231,196,863	125,613,239	323,656,065	163,900,085
Total	1,603,784,016	1,194,648,068	1,733,524,984	1,181,123,306	1,327,455,242	1,044,984,271	1,666,421,250	1,204,019,714

Source: Issuer internal source

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The table below presents the breakdown of non-performing loans of the Issuer by geographical regions:

	31 December				30 June			
	2021		2020		2022		2021	
	Outstanding amount	Expected credit losses/allowance	Outstanding amount	Expected credit losses/allowance	Outstanding amount	Expected credit losses/allowance	Outstanding amount	Expected credit losses/allowance
(RON)								
Banat	75,784,936	59,392,768	72,496,813	43,668,544	65,865,120	55,030,309	70,945,018	53,811,961
Bucuresti	713,582,510	538,883,610	644,307,091	456,274,825	590,102,679	469,343,544	621,585,618	453,989,757
Crisana-Maramures	283,155,563	200,771,266	330,701,210	227,527,931	262,140,461	213,602,941	318,182,264	223,986,333
Dobrogea	49,241,999	29,154,064	74,698,888	46,668,337	55,154,771	36,258,537	75,402,763	52,035,217
Moldova	152,785,053	116,589,636	165,760,421	104,437,256	105,119,452	78,415,947	160,870,078	109,032,391
Muntenia	76,449,881	61,055,014	126,118,338	91,517,170	68,263,107	57,276,312	103,507,453	83,775,686
Oltenia	83,796,503	60,490,155	96,846,019	58,135,569	50,957,604	34,462,075	96,465,978	68,265,636
Transilvania	168,987,571	128,311,555	222,596,204	152,893,673	129,852,048	100,594,606	219,462,078	159,122,733
Total	<u>1,603,784,016</u>	<u>1,194,648,068</u>	<u>1,733,524,984</u>	<u>1,181,123,305</u>	<u>1,327,455,242</u>	<u>1,044,984,271</u>	<u>1,666,421,250</u>	<u>1,204,019,714</u>

Source: Issuer internal source

Write-off policy

The Issuer writes off a loan through a direct reduction operation of the gross book value for the 100 per cent provisioned loans and the transfer in off balance accounts, where it will be tracked to recovery. At the moment all legal actions for recovery will be exhausted, deregistration will be performed from off balance accounts.

Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/ issuer's credit standing) will affect the Issuer's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The Supervisory Board lays down strategic guidelines for taking on market risks by calculating, depending on the propensity to risk and objectives of value creation in proportion to risks assumed, capital allocation for all business segments, in compliance with UniCredit Group strategies.

Financial Risk Committee (with its subcommittee – Market Risk) and Supervisory Board have overall authority for market risk. The Financial Risk unit ensures the measurement and monitoring of risks assumed in accordance with internal policies and procedures and guidelines set out by UniCredit Bank S.p.A.

Asset and Liability Management (ALM)&Funding organizational structure, in coordination with Client Risk Management & Treasury - Trading manages strategic and operational balance sheet management, with the objective of ensuring a balanced asset position and the operating and financial sustainability of the Issuer's growth policies on the loans market, optimizing the Issuer's exchange rate, interest rate and liquidity risk.

The Issuer separates its exposure to market risk between trading and non-trading portfolios. Trading portfolio is held by Trading structure under Client Risk Management & Treasury, and includes positions arising from market making and proprietary position taking, together with most financial assets that are managed on a fair value basis.

Also all foreign exchange risk is transferred and sold down by Assets and Liability Management (ALM & Funding) to the Trading organizational structure. Accordingly, the foreign exchange position is treated as part of the Issuer's trading portfolios for risk management purposes. As a result there is no foreign exchange risk that might affect the balance sheet, all being managed by the Trading structure under a very clear set of limits and rules set by the regulator, as well as the group and local market risk.

Exposure to market risks - Value at Risk Tool

The principal tool used to measure and control market risk exposure is Value at Risk (VaR). VaR is the maximum estimated loss that will arise on the entire portfolio over a specified period of time (holding period) from an adverse market movement with a specified probability (confidence level).

The Issuer uses a VaR warning limit for total market risk, for the banking book, interest rate in the banking book and for the trading book, for Markets Trading and for Assets and Liability Management (ALM & Funding). Such limit is subject to review and approval by UniCredit Bank S.p.A, Financial Risk Committee, Management Board and Supervisory Board.

The limitations of the VaR methodology are recognized by supplementing VaR limits with other position and sensitivity limit analyses such as interest rate basis point value (IR BP01) for interest rate sensitive instruments, credit spread basis point value (CPV) for exposure on government paper, loss warning level. The Issuer uses a range of stress tests to model the financial impact of a variety of exceptional market scenarios on the Issuer's positions.

Foreign exchange (FX) Sensitivity analysis

The FX net open position limits are assigned by the Issuer in a prudent manner.

The limits are expressed in EUR equivalent and the exposure to the limits is monitored on a daily basis by Financial Risk department.

The Issuer also uses a range of stress tests to model the financial impact of a variety of exceptional FX market scenarios on the Issuer's positions.

Exposure to market risks - basis point value tool

Interest rate risk is managed principally through monitoring interest rate basis point value and by having pre-approved limits for re-pricing bands.

The Issuer uses a IR BP01 limits for total interest rate risk, for the banking book and for the trading book, for Markets and for Assets and Liability Management (ALM & Funding). Financial Risk Committee (through its ALCO subcommittee) as well as the Supervisory Board are the monitoring bodies for compliance with these limits and they are assisted by Financial Risk in its day-to-day monitoring activities.

Liquidity risk

Liquidity risk is the risk that the Issuer could encounter difficulties in meeting obligations from its financial liabilities.

The potential generators of liquidity risk for the Bank are the following:

- Liquidity mismatch risk - the risk of a mismatch between either the amounts or the timing of cash inflows and outflows;
- Liquidity contingency risk - the risk that future events may require a materially larger amount of liquidity than the Bank currently requires; That might be due to the loss of liabilities, requirements to fund new assets, difficulty in selling liquid assets or difficulty obtaining much needed new liabilities in the case of a liquidity crisis.;
- Market liquidity risk – the potential that an institution cannot easily unwind or offset specific exposures, such as investments held as liquidity reserves, without incurring a loss because of inadequate market depth or market disruptions.

Management of liquidity risk

By its very nature, the liquidity risk is a systemic risk with a high contagion potential for the whole banking system. Therefore, in order to limit the potential damage caused by liquidity problems, the Issuer is permanently assessing the broad macroeconomic conditions, with a special focus on data concerning the banking system. The Issuer's

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approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Issuer's reputation.

Liquidity management is structured on several levels of authority, in the context of the Bank being part of UniCredit Group framework for liquidity.

Asset and Liability Management (ALM & Funding) is the organizational structure responsible for managing the liquidity risk at the Bank's level, reporting to the Executive Vice-President responsible for Finance. Financial Risk Committee sets the strategy for managing liquidity and regularly reviews it in light of any changes in the internal or external environments, also defining the measures to implement the strategy and monitoring the compliance with the set liquidity framework.

The liquidity and funding strategy of the Bank is defined / reviewed at least on a yearly basis by considering the strategy and business model of the Bank, the actual and expected macroeconomic/financial conditions and the funding capacity of the Bank, as well as the overall risk tolerance as reflected by the Risk Appetite Framework (RAF).

Within the liquidity risk management process, the Bank distinguishes between going concern and contingency liquidity management, as well as short term and medium-long term liquidity management.

The short-term liquidity management is centred on daily monitoring of cash-flows generated by the general banking activities and the analysis of potential evolutions of these cash-flows, minimum reserve requirements management and maintenance of adequate levels of high quality collateral (composed of eligible securities for the NBR open market operations that could be used to access liquidity if unsecured funding is not available). Temporary excess liquidity of the banking book on each currency is generally invested short-term.

Regarding structural liquidity management, the following goals are set by the Bank: ensuring necessary liquidity for the Bank in a proper structure as required by the balance sheet developments, encouraging long-term stable retail client deposits and close monitoring of loans-to-deposits ratio across all business lines in order to ensure a sustainable credit growth, ensuring self-sufficiency in Bank's funding and an adequate diversification of funding (in terms of sources, maturities, currencies), managing the medium and long term funding. Liquidity planning (preparation, monitoring and execution of the annual Funding Plan) has an important role within the liquidity management process.

The liquidity position of the Bank is also evaluated under a range of stress test scenarios, with different severity levels and time horizons, in order to ensure that the Bank holds a sufficient amount of high quality liquid assets that will allow survival in a potential liquidity crisis. Within liquidity stress testing process, the Bank simulates negative liquidity developments in case of scenarios such as market crisis, name crisis and combined scenario (market and bank specific problems). The stress tests produce an outcome through a dynamic simulation of flows which estimates the cash outflows that need to be refinanced by liquid assets or additional borrowing for a predetermined set of future time frames.

Further to setting and implementing the strategy for managing liquidity as going concern, the Bank set a strategy for liquidity management under crisis conditions (contingency funding plan), which comprises a general framework of tasks, responsibilities and processes to manage liquidity crises in order to be solvent and liquid at any time and also defines early warning indicators to be monitored on a continuous basis and the potential actions to execute based on different operational frameworks whether triggered by external factors (systemic crises) or bank specific factors (name crisis). The strategies are evaluated and reviewed annually or when demanded by changes in business environment or by regulatory requirements.

Operational risk

The Issuer developed an internal model for measuring capital requirements for operational risk. The model is based on internal loss data, external loss data (consortium and public data), scenario generated loss data and risk indicators.

Capital at risk is calculated at a confidence level of 99.90 per cent on the overall loss distribution for both regulatory and economic purposes.

Capital Adequacy

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The Issuer's regulatory capital is analysed into two tiers:

- Tier 1 capital, which includes ordinary share capital, share premium, retained earnings, legal, statutory and other reserves, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes;
- Tier 2 capital, which includes qualifying subordinated liabilities and other regulatory adjustments.

In implementing current capital requirements, the National Bank of Romania requires the Issuer to maintain a prescribed ratio of total capital to total risk - weighted assets (8 per cent to which capital buffers are added – respectively 5 per cent at consolidated level, reaching a 13 per cent regulatory limit). The Bank's capital adequacy ratio stands at a higher level than the regulatory requirement – at 21.27 per cent at individual level as at June 2022.

The Issuer's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognized and the Issuer recognizes the need to maintain a balance between the higher returns that may be possible with greater gearing and the advantages and security afforded by a sound capital position.

In order to raise capital efficiency and improve the key performance indicators, the Bank monitors on a monthly basis changes in Risk Weighted Assets ("**RWA**") at client level and actions at different levers are taken to increase RWA optimization.

The Issuer and its individually regulated operations are compliant with all capital requirements

The Issuer's solvency ratio is set out below:

	31 December		30 June	
	2021	2020	2022	2021
	(RON)			
Tier 1 capital*	5,107,443,659	5,253,271,450	4,881,262,265	5,191,448,429
Tier 2 capital	928,856,942	902,584,062	938,936,847	917,910,338
Total own funds	6,036,300,601	6,155,855,512	5,820,199,112	6,109,358,767
Risk exposure amounts for credit risk, counterparty risk and receivables value decrease risk and free deliveries	23,692,376,457	19,699,197,266	25,070,520,470	21,234,007,305
Total risk exposure amount for position, foreign exchange and commodities' risks	85,725,956	159,815,181	55,208,647	188,463,140
Total risk exposure amount for operational risk	2,134,231,843	1,892,892,415	2,215,869,265	1,955,816,548
Total risk exposure amount for credit value adjustment	2,348,824	3,952,970	16,858,807	3,506,167
Total requirements for own funds	25,914,683,079	21,755,857,832	27,358,457,189	23,381,793,160
Capital indicators				
Total capital ratio	23.29%	28.30%	21.27%	26.13%
Tier 1 capital ratio	19.71%	24.15%	17.84%	22.20%

Source: COREP Report for UniCredit Bank stand-alone.

Subsidiaries and associated entities

UniCredit Bank is exercising direct and indirect control over the following subsidiaries:

- UniCredit Consumer Financing IFN S.A. ("**UCFin**"), having its current registered office at, 1F Expozitiei, District 1, Bucharest, Romania, provides consumer finance loans to individual clients. The Bank has a shareholding of 50.10% per cent in UCFIN as of 30 September 2022.
- UniCredit Leasing Corporation IFN S.A. ("**UCLC**"), having its current registered office at, 1F Expozitiei, District 1, Bucharest, Romania, provides financial lease services to corporate clients and individuals. UCLC, previously associate entity, has become a subsidiary of the Bank starting with April 2014 when the Bank obtained 99.955% indirect controlling interest (direct controlling interest: 99.90%). The Bank has an indirect shareholding interest of 99.98 per cent as of 30 September 2022 (direct controlling interest:

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99,96%), as a result of the merger of UCLC with UniCredit Leasing Romania SA ("UCLRO") finalized in June 2015, whereby UCLRO was absorbed by UCLC.

- UniCredit Insurance Broker S.R.L. ("UCIB"), having its current registered office in, 1F Expozitiei, District 1, Bucharest, Romania, intermediates insurance policies related to leasing activities to legal entities and individuals, in which the Bank has an indirect controlling interest (through UCLC which owns 100% UCIB) of 99.98% per cent as of 30 September 2022

UniCredit Consumer Financing IFN S.A.

UniCredit Consumer Financing IFN S.A. ("UCFin") started its operations in Romania as member of UniCredit Group in 2008. UCFin is a non-banking financial institution which provides consumer loans to individuals, such as: unsecured personal loans with no specific destination, point-of-sale financing loans, and car loans in partnership with various car dealers. UCFin has also been licensed by the Romanian Insurance Supervision Commission to act as insurance agent specialised in bancassurance services.

Financial Summary	31 December		30 June	
	2021	2020	2022	2021
	(RON)			
Total Assets	2,068,708,229	2,149,897,511	2,189,309,325	2,106,902,287
Total Equity	294,290,859	241,997,967	303,323,627	270,703,103
Profit for the year	52,292,894	21,932,845	9,032,758	28,705,139

Source: Audited Financial Statements of the UCFin as at 31 December 2020 and 31 December 2021

Interim Financial Statements of the UCFin as at 30 June 2021 and 30 June 2022

UniCredit Leasing Corporation IFN S.A.

UniCredit Leasing Corporation IFN S.A. ("UCLC") is a non-banking financial institution which provides leasing services to resident and non-resident customers. UCLC offers both operational and financial leasing with an average maturity of 12 to 60 months and covers a wide area of fields such as: industrial equipment, cars, real estate, sale and lease back, public leasing.

According to the publicly available information, UCLC has maintained its top position on the financial leasing market in the last years.

Financial Summary	31 December*		30 June**	
	2021	2020	2022	2021
	(RON thousands)			
Total Assets	4,939,876	5,023,265	5,199,670	4,937,217
Total Equity	489,725	400,835	531,737	442,224
Profit for the year	88,868	58,760	41,663	41,276

Source: Audited Separate Financial Statements prepared in accordance with NBR Order 8/2019

Separate Interim Financial Statements prepared in accordance with NBR Order 8/2019

** Extract from UniCredit Leasing Corporation IFN SA's Seaparate Financial Statements consolidated by UniCredit Bank SA

Other participations owned by the Issuer

The Issuer held the following participations in other companies as at 30 September 2022:

Name of the company	Nature of business	% interest held
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Transfond S.A.	Other financial services	8.04%
Biroul de Credit S.A.	Financial activities	6.80%
Fondul Roman de Garantare a Creditelor pentru Intreprinzatorii Privati IFN S.A.	Other credit activities	3.10%
VISA Inc.	Cards	0.069%

Affiliated party transactions

The exposures toward a group of parties affiliated to the Issuer are limited to maximum 25% of total own funds after taking into account the effect of credit risk mitigation.

If the group of parties affiliated to the Issuer includes one or more institutions, the exposure value cannot exceed either 25% of UniCredit Bank's total own funds or the equivalent of 150 million EUR, depending on whichever is greater, provided that the sum of exposures to all connected clients, excepting the institution, not to exceed, after taking into account the effect of credit risk mitigation, 25% from its total own funds of the Issuer.

Note: If the equivalent of 150 million EUR is greater than 25% of the Issuer's total own funds, the exposure value cannot exceed a reasonable limit compared to the Issuer's total own funds. Currently, this limit was established at 26% from its total own funds of UniCredit Bank.

For anticipating and framing of these exposures within the maximum limits, detailed above, it was established a technique internal limit of 24% of its total own funds for exposures to group of debtors, group of credit institution and group of affiliated parties.

The trigger limit established for exposures towards affiliated parties and for those that presents relevant risks (including large exposures) is established at minimum level of 10% of Issuer's total own funds.

The Issuer grants standard loans to affiliated parties under specific total exposure limits described above, which are daily monitored by the responsible department. Also, for every new loan granted to an affiliated party, responsible persons in Head Office check the impact of the new exposure on the existing level versus the limit set.

Information technology

The IT systems of the Bank are periodically benchmarked against the banking industry through different surveys and market studies by external consultants. The reports received rated the Bank's IT among the top players in terms of efficiency.

The Issuer's capital expenditure in IT during the last three were around 339 million RON and targeted mainly the implementation and upgrade of the following applications: Digitalization, cards architecture upgrade, lending systems – business process management, core banking system updates, payments processing systems and systems having direct impact on customer, business intelligence solutions (Data Warehouse).

The Bank's IT Systems are designed and maintained in order to sustain the Bank's Strategy and UniCredit Group Strategy on short and long term. The application landscape is tuned accordingly in order to sustain the strategy and to be aligned with the best practices. Bank's proprietary software system is based on the CORE02 banking system.

Business Continuity is an important aspect for the Issuer and therefore the Bank is using two data centers, one of them running as a disaster recovery facility in an alternate location, providing redundancy for all business critical systems and applications.

Insurance

The Issuer has an insurance framework covered both on the local insurance market as well as UniCredit Group level (master policies), for mitigating specific risks as described below and is renewed yearly.

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Currently, the Issuer has in place the following insurances:

- Property insurance covering the assets belonging to the Issuer such as buildings, equipment, furniture and data processing equipment etc. These assets are insured under a comprehensive "all risks" policy, with an insurer with solid financial standard (currently, the insurer is Generali Asigurari);
- Liability insurance covering general civil liability of the Issuer, as well as Employer's Liability (liability in connection with the employees) and Tenant's Liability (liability in connection with the Issuer's leased premises). The maximum limit of indemnity is maintained at an adequate level (currently five million euro) and the insurance policy is placed with a reputable insurance company (currently Generali Asigurari);
- Banker's Blanket Bond (BBB) insurance is a comprehensive insurance for financial system, placed as part of the UniCredit Group insurance program (the local policy is part of the Master policy issued at group level). The policy covers mainly three sections: A. On premises B. Computer Crime C. Professional Liability;
- Directors & Officers Liability is covered by the Master policy issued at group level;
- Cyber: protection against business interruption, third parties' requests of indemnity and insurable sanctions related to a cyber-attack. The policy covers all the Companies of the Group
- Other local insurance policies covering specific risks such as: fraudulent use of cards, credit insurance - Factoring, professional liability of legal advisors, terrorism etc.

Employees

The number of the Bank's employees at 30 June 2022 was 3016 (compared to 3006 as at 30 June 2021). The remuneration of the Board's members for 2021 amounted to RON 13,505,687 (compared to RON 11,778,516 in 2020).

The Bank has in place incentive plans for its senior management, consisting in stock options and performance shares which provide that UniCredit S.p.A. shares will be settled to the grantees. The cost of this scheme is incurred by the Bank and not by UniCredit S.p.A. and as a consequence, it is recognised as an employee benefit expense. In 2021 the cost of the scheme paid by the Bank amounted to the equivalent of RON 1,331,370 (compared to the equivalent of RON 1,290,824 in 2020).

The following table shows the Issuer's personnel expenses:

	31 December	
	2021	2020
	(RON)	
Fixed payments	334,044,584	317,869,167
Variable payments detail	37,991,533	23,728,624
Additional staff expenses	30,574,444	28,739,544
Severance expenses	466,838	661,028
Delegates expenses	6,574,464	7,482,342
Staff costs related to not employed people	1,043,016	263,589
Total (Staff Expenses)	410,694,881	378,744,297

Source: Issuer internal source

Litigation

As at 30 September, 2022 the Bank was involved in several litigations for which the probable total claims estimated by the Bank amounted to approximately RON 45,540,715 (the value of the monetary claims). The Bank, based upon legal advice, has assessed that a provision amounting to RON 12,297,796 as of 30 September 2022 is

necessary to be booked for these claims.

Recent developments

On 21 October 2021 the Issuer's Ordinary General Meeting of Shareholders decided that the dividend distribution for profits recorded in 2021 be decreased from RON 583,928,747 (as initially approved by the Ordinary General Meeting of Shareholding on 6 April 2022) to RON 233,858,876.

Governance

Management

There is no potential conflict between the duties of the Management Board and Supervisory Board members towards the Issuer and their private interests and/or other duties.

Management Board

As at the date of this Base Prospectus, the members of the Management Board of the Issuer, their position in the Issuer or its affiliates and their principal outside activities are as follows:

Name	Position in the Bank's Management Board	Main activities outside the Bank
Răsvan Radu*	Executive President CEO	Chairman of Supervisory Board in: UniCredit Leasing Corporation IFN S.A., UniCredit Consumer Financing IFN S.A.
Feza Tan	Member / Deputy CEO	Supervisory Board member in: UniCredit Leasing Corporation IFN S.A., UniCredit Consumer Financing IFN S.A.
Antoaneta Curteanu	Member	Supervisory Board member in: UniCredit Consumer Financing IFN S.A.
Carlo Driussi	Member	Supervisory Board member in: UniCredit Leasing Corporation IFN S.A.
Nicola Longo Dente	Member	Supervisory Board member in: UniCredit Leasing Corporation IFN S.A.,
Andrei Bratu	Member	Supervisory Board member in: UniCredit Leasing Corporation IFN S.A., UniCredit Consumer Financing IFN S.A.
Diana Ciubotariu	Member	n/a
Dragos Birlog	Member	n/a

** After having been the Issuer's CEO for 18 years, Răsvan Radu will continue his career within other entities of UniCredit Group and will be replaced by Septimiu Postelnicu (currently Deputy CEO of UniCredit Bulbank in Bulgaria), who will take over his role as CEO and Chairman of the Management Board of the Issuer upon his approval by the NBR. At the same time, Raluca-Mihaela Popescu Goglea was nominated as Executive Vice-President, coordinating the Corporates Division, starting with 1st of December 2022, subject to the approval of the NBR and Mr. Dimitar Todorov was nominated as Executive Vice-President, coordinating the Finance Division, starting with 1st of November 2022, subject to the approval of the NBR.*

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The business addresses for each member of the Management Board is 1F, Expozitiei Blvd, 012101, Bucharest.

Supervisory Board

As at the date of the Base Prospectus, the members of the Supervisory Board, their position in the Issuer or its affiliates and their principal outside activities are as follows:

Name	Position in the Bank's Supervisory Board	Main activities outside the Bank
Pasquale Giamboi	Chairman	Member of Supervisory Board of: UniCredit Bank Banja Luka, UniCredit Bank Slovenia, UniCredit Bulbank
Faik Acikalin	Member	Member of Supervisory Board of: Dogan Holding, Turkey, Karsu Tekstil SAN.TIC., Migros, Turkey Galatawind, Turkey
Nazan Somer Ozelgyn Zeynep	Member	Member of Supervisory Board of: UniCredit Croatia, WORLDLINE S.A, Mapfre Insurance, Turkey
Riccardo Roscini	Member	n/a
Grazziana Mazzone	Member	Member of Audit Committee in UniCredit Banja Luka
Teodora Petkova	Member	Member of Supervisory Board of: UniCredit Bulbank AD, Zagrebacka Banka, Management Board member (Head of Eastern Europe) in UniCredit S.p.A

Corporate Governance

The Bank complies with all applicable rules relating to corporate governance in force under the laws of Romania.

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TAXATION

The tax laws of the investor's State and of Romanian tax laws might have an impact on the income received from the Notes. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.

DETAILS OF THE OFFER(S) UNDER THE PROGRAMME

General information about the offer

Notes. The Issuer will offer for sale under the Programme up to 2,000 unsecured registered senior Notes, with an individual face value (*valoare nominala*) of minimum EUR 100,000 (or its equivalent in RON) each, and an aggregate principal value of maximum EUR 200,000,000.

Notes will be issued in Tranches and 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 of Notes.

Should the Notes in a Tranche be oversubscribed, the Issuer will have the right (without being obliged) to increase the number of Notes in that Tranche, provided that at no time shall the aggregate principal value of all the Notes then outstanding under the Programme can exceed EUR 200,000,000 unless the Issuer's extraordinary general meeting of shareholders decides to increase the Programme and the Base Prospectus is the subject of an appropriate amendment.

Eligible Investors. The Notes are offered exclusively to qualified investors as defined in article 2(e) of the EU Prospectus Regulation (the "**Qualified Investors**") who will be approached by the Arranger and/or the relevant Dealer for this purpose, except for those investors whose subscription in the relevant Offer would constitute a violation of applicable legislation (for example, participation in the Offer of US citizens in violation of Regulation S under the Securities Act). Investors who are not Romanian and intend to acquire Notes must become acquainted with the laws applicable to the Offer in their jurisdictions and the restrictions set out in "*Selling and Transfer Restrictions*" below.

Issue date. The Notes under each Tranche will be delivered to investors on the Settlement Date (as defined below).

Interest Rate. The Interest Rate for the Notes in each Series will be decided following a bookbuilding process during which the Issuer will gauge the interest of Qualified Investors to purchase the relevant Notes. The final Interest Rate for the relevant Notes will be established by the Issuer following such bookbuilding process (see "*Bookbuilding process*" below).

Offer Price and Yield. The Notes may be offered at nominal value, at a premium to nominal value or at a discount from nominal value.

The offer price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer at the time of issue in accordance with prevailing market conditions, and the offer price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the offer price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

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<i>Minimum subscription.</i>	The Final Terms may indicate that each investor must validly subscribe for a certain minimum number of Notes within the relevant Offer.
<i>Subscription Period.</i>	<p>Subscriptions for the Notes in a Tranche will be made during the period indicated by the relevant Dealer (the "Subscription Period"). The Issuer may decide to close a Offer earlier than the last day of the initially indicated Subscription Period (the "Closing Date"), in which case the Offer will close at the time and on the Business Day indicated by the Issuer for this purpose (the "Accelerated Closing Date").</p> <p>The Issuer may also extend the Subscription Period or change other dates related to an Offer, in compliance with Romanian legislation.</p>
<i>Intermediation method:</i>	Best efforts method.
<i>Successful Closing.</i>	The Final Terms may indicate that the relevant Offer will be considered successful if a certain minimum per cent of all of the Notes initially offered in that Tranche are validly subscribed in aggregate within that Offer (see " <i>Successful Closing</i> " below).
<i>Allocation.</i>	Allocation of the Notes in a Tranche will take place, and the final number of the Notes in that Tranche will be decided (based on the level of subscriptions from investors) and announced, on the Closing Date (see " <i>Allocation of the Notes</i> " below).
<i>Transaction.</i>	The transaction related to an Offer will take place through the BVB system on the Business Day following the Closing Date (the " Transaction Date ").
<i>Settlement.</i>	Settlement will take place through the Central Depository's system on the second (2 nd) Business Day after the Transaction Date (the " Settlement Date ") (see " <i>Settlement</i> " below).
<i>Eligible Participants</i>	Any Participant qualified as participant in the BVB trading system that signed an irrevocable and unconditional commitment (the " Letter of Commitment ") whereby it undertook to observe the provisions of this Base Prospectus and the applicable laws.

Withdrawal of Subscriptions

Subscriptions made within an Offer are irrevocable and may not be withdrawn or amended by investors. As an exception, if the Base Prospectus is subject to an amendment, subscriptions may be withdrawn within a maximum of three (3) Business Days from the date when the respective amendment to the Base Prospectus is communicated to the investors. Investors may withdraw a subscription by filling in a revocation form ("*formular de revocare a acceptului de subscriere*") at the unit where the subscription was made.

Successful Closing

If less than the per cent indicated in the Final Terms of all of the initially offered Notes in a Tranche are validly subscribed in aggregate within an Offer at the end of the Subscription Period, the Issuer will have the right (without being obliged) to reject all the subscriptions for the Notes in that Tranche, in which case that Offer will lapse and the Notes in the respective Tranche will not be issued.

Bookbuilding process

The Issuer shall determine the investors to whom invitations to submit an interest to acquire Notes under the Offer shall be sent.

The Arranger and the Dealer will run a bookbuilding process during the relevant Subscription Period when investors will be asked to express their interest in acquiring the Notes. To this end, investors will be required to specify the number of Notes which they would be willing to acquire and the interest rate for such Notes, which should fall within an indicative interval specified in advance by the Arranger and/or the Dealer

The total principal amount of the Notes, the Interest Rate, as well as the number of subscribed and allocated Notes within a Tranche shall be established by the Issuer upon its discretion after the completion of the bookbuilding

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process and shall be notified by the Dealer to investors. The allocation made by the Issuer is binding for all investors.

Investors shall be notified verbally, by e-mail or by other means agreed with the Dealer or the relevant Eligible Participant (according to the terms of the relevant investment services agreement, Subscription Form or otherwise) regarding the Interest Rate and the number of allocated Notes, as soon as possible after establishing the Interest Rate and completing the allocation process. Each potential investor commits to purchase the number of allocated Notes and it is considered that it agrees that it would not be able to exercise any right to cancel or terminate or, subject to any statutory withdrawal rights, to otherwise withdraw such commitment.

Allocation of the Notes

On the Closing Date, after the closing of the bookbuilding process, the Notes shall be discretionary allocated to investors based on the criteria established by the Issuer.

Several factors shall be taken into account when determining the size of the Offer and the allocation criteria, including the level of subscriptions, the type of investors in the bookbuilding process and the then existing market conditions.

By subscribing under the Offer, investors understand and agree that they may be assigned fewer Notes than the number of Notes for which they express their interests or may not receive any Notes at all. Investors understand and agree that they cannot refuse the Notes that were allocated to them and shall have no right to challenge or oppose such allocation.

Also, investors understand and agree that they shall not have the right to enquire, and the Issuer and the Dealer shall have no obligation to disclose, the reasons for the allocation and the decisions regarding the Interest Rate and shall not assume any liability in relation to the reasons underlying the respective allocation.

Orders corresponding to the Notes allocated to investors, based on the subscriptions validated by the Dealer and the Eligible Participants, shall be registered in the public offerings segment of the BVB trading system by the Dealer and/or by the Eligible Participants with whom subscriptions have been made, exclusively according to the allocations made by the Issuer.

An investor may execute multiple subscriptions (one or more buy orders) in accordance with the procedures presented in "*Subscription Procedure*".

Reasons independent from the Issuer or the Dealer may lead to delays in processing the data in respect of the subscriptions and in notifying the results of the Offer. As a consequence, neither the Issuer nor the Dealer will be liable for delays in the return of the amounts due to the investors in the event that an Offer is over-subscribed. In such case, the Issuer and the Dealer shall have no liability to the investors.

Transaction

On the Transaction Date, the Dealer and, if the case, the Eligible Participants, shall execute the orders corresponding to the Notes allocated to investors in the public offerings market of the BVB trading system.

Within one (1) Business Day from the Transaction Date, the Dealer and the Eligible Participants shall send to all investors or, as the case may be, to their custodian agents, the transaction confirmations including the number of allocated Notes.

Settlement

Settlement will be made through the Central Depositary on the Settlement Date.

In certain cases, the Central Depositary has the right (i) to suspend or cancel the registration of an instruction, if there are doubts about its content or about the authority of the person who gave the respective instruction or if it discovers that the provisions of its regulations or the related agreements have been breached and (ii) to ignore instructions containing errors or other flaws or which are not carried out properly by authorized persons. Neither the Issuer, nor the relevant Dealer shall be responsible for the fulfilment or non-fulfilment by the Central Depositary or other Participants of their obligations under the rules, procedures, and agreements that govern their operations on the date when such obligations are or should have been fulfilled.

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Admission to trading

The Issuer intends to request the admission of each Tranche of Notes to trading on the Bucharest Stock Exchange's spot regulated market. The Issuer has obtained the preliminary approval ("*acordul de principiu*") of the Bucharest Stock Exchange for the entire Programme in view of admitting to trading the Notes issued under the Programme on the Bucharest Stock Exchange.

Should the Notes in a Tranche not be admitted to trading on the Bucharest Stock Exchange's spot regulated market, the total consideration paid for the Notes in that Tranche will be returned to each investor, provided that such investor has sent a reimbursement request to the Issuer no later than sixty (60) days from the date when the Issuer had publicly announced the rejection of the application for the admission to trading.

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SUBSCRIPTION PROCEDURE

By subscribing in the Offer, each investor confirms having read the Base Prospectus, having accepted the terms and conditions set out in the Base Prospectus and the relevant Final Terms and having made the subscription according to the terms included in the Base Prospectus and the relevant Final Terms.

Each investor guarantees to the Issuer and the Dealer that they are Qualified Investors that can legally purchase the Notes (without being subject to any restrictions or limitations) in their jurisdiction of residence. Any subscription made in violation of the Base Prospectus or applicable law shall be considered null and void and shall be cancelled.

By subscribing in the Offer, each investor confirms and guarantees, inter alia, that it is not a resident of the United States of America and neither does it act for any person residing in the United States of America.

Subscription procedure

Subscriptions can be made during the entire Subscription Period of the relevant Offer, each Business Day during the hours indicated by the Dealer.

Investors can subscribe in an Offer through the relevant Dealer and, if the case, Eligible Participants that signed and submitted to the Dealer the Letter of Commitment.

Each Eligible Participant must ensure that its internal systems allow it to meet the requirements included in this Base Prospectus, the Final Terms or any other instructions sent out by the Dealer including, but without being limited to, the requirements on the availability of funds and settlement of transactions carried out after the acceptance of subscriptions by the respective Eligible Participant. Investors that subscribe through the Dealer / an Eligible Participant and have a custodian agent undertake to send the settlement instruction to the custodian agent in due time in order to ensure that sufficient funds are available. Neither the Issuer nor the Dealer shall be liable in case of failure by any Eligible Participant to meet any of the requirements in this Base Prospectus, Final Terms or in any other instruction of the Dealer.

Any subscription/purchase order submitted to participants that are not Eligible Participants shall not be considered and neither the Issuer nor the Dealer shall be liable for not taking into account such subscription/purchase order.

Subscription Documents

In case an investor has concluded an investment services agreement with the Dealer or with an Eligible Participant with whom applications may be made in accordance with this Base Prospectus, the Final Terms and the instructions sent out by the Dealer, such investor may validly subscribe for Notes on the basis of orders given pursuant to such agreement and by any means of communication provided by such an agreement, accompanied by the Payment Evidence (as defined in "Payment for Subscriptions" below), without being required to submit other documentation, unless any changes occurred in relation to his/her/its identification details since the latest update transmitted to the Dealer or the Eligible Participant, as applicable.

In all the other cases in which an investor has not concluded an investment services agreement with the Dealer or with an Eligible Participant, such investor may validly subscribe for Notes exclusively through the Dealer, by filling in and signing a subscription form (the "**Subscription Form**"), accompanied by the Payment Evidence and the applicable identification documents required by the Dealer, so that the latter may perform the know your customer formalities according to its internal regulation in force.

In case of EUR denominated Notes, investors can subscribe only based on an investment services agreement concluded with the Dealer or with an Eligible Participant, as the case may be.

The Dealer and the Eligible Participants will accept subscriptions in accordance with their know your client policies, with their internal regulations regarding acceptance, validation and transmission for execution of the subscription orders, as well as with the rules regarding the settlement risk management, and with the requirements included in this Base Prospectus and the Final Terms.

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Payment for Subscriptions

In order to be accepted, a subscription must be accompanied by the application documents indicated in section "*Subscription Documents*" above and by one of the following documents (each a "**Payment Evidence**"):

- (a) evidence of payment of an amount equal to the issuance price multiplied by the number of Notes indicated in the application submitted by the investor, via bank transfer, in the client account(s) opened with the Dealer or with the relevant Eligible Participant, as applicable - in case the relevant investor has concluded a valid investment agreement with the Dealer and/or an Eligible Participant;
- (b) a settlement commitment statement issued by a custodian agent, undertaking the responsibility for the settlement;
- (c) letter of bank guarantee issued by a credit institution from the European Union for the purpose of covering the settlement risk undertaken by the Dealer/the Eligible Participant; or
- (d) written statement from the Eligible Participant undertaking the responsibility for settling the amount indicated in the application, in accordance with the limitations imposed by the FSA.

In order for the subscription to be valid, the amount due for the subscribed Notes must be (i) paid in full, (ii) guaranteed in full by a custodian or by the Dealer or the relevant Eligible Participant or (iii) accompanied by a bank letter of guarantee issued by an EU credit institution.

The amounts transferred by an investor to the client account(s) shall not bear interest in favour of the respective investor.

The existing cash in the client account opened with the Dealer or with Eligible Participants, which is assigned for the payment of Notes, cannot be used by the investor for other transactions.

Subscriptions for Notes shall only be considered for the amount effectively transferred to the client account(s) or validly indicated in the commitments mentioned under items (b)-(d) above.

If the amount transferred by an investor to the client account(s) or indicated in the commitments mentioned under items (b)-(d) above is higher than the individual nominal value of the Notes multiplied by the number of Notes indicated by that investor in its application, the subscription will only be validated for the number of Notes mentioned in the respective subscription.

If the amount transferred by an investor to the client account(s) or indicated in the commitments mentioned under items (b)-(d) above is lower than the individual nominal value of the Note multiplied by the number of Notes indicated by that investor in its application, or if the subscription procedures herein were not complied with, the subscription of such investor will be invalidated for the entire number of Notes subscribed for, and the investor shall be reimbursed the amount transferred by it less any banking transfer fees within 5 (five) Business Days from the Closing Date.

The price for the subscribed Notes will be paid net of any banking fees. Bank fees or any other fees, including any other fees applicable by any relevant market institutions, regarding the payment of the Notes will be borne separately by the investors. Such fees cannot be quantified by the Issuer or the Dealer. Investors will not bear any costs or additional fees in connection with the submission of the subscriptions for the Notes, excluding the costs (if the case) related to the opening and management of a securities account (if the respective investor does not already have such an account) and any fees of the Dealer/Eligible Participants due under the relevant agreements or according to any regulations issued by the entity that accepts such subscriptions.

If the client account(s) are not effectively credited with the amounts representing the value of the subscriptions made by investors by the cut-off time announced by the Issuer or the Dealer, the subscription of such investors will be invalidated.

Subscriptions that are not validated will not be considered in the allocation process.

The decision to reject or accept the application as valid shall be final and binding on the investor. None of the Issuer, the Dealer or any of their respective officers, agents or employees will accept any liability for any such

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decision and no claim will be made against any such persons in respect of non-delivery of Notes, or for any loss resulting from such non-delivery.

If case a subscription made by an investor is rejected or the investor is allocated a smaller number of Notes, the total consideration paid in advance for the Notes will be returned to the investor (less any bank transfer commissions and any applicable commissions of the relevant market institutions) to the bank account indicated by such investor in the Subscription Form or the investment services agreement (or otherwise agreed) concluded with the Dealer or the relevant Eligible Participant, as the case may be. In case of investors that subscribed based on the Subscription Form, the reimbursement shall be made within five (5) Business Days from the expiry of Closing Date or from the date on which subscriptions were rejected.

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SELLING AND TRANSFER RESTRICTIONS

Prohibition of Sales to EEA Retail Investors

Each Dealer represents and agrees 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 Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area other than Romania. 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 Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

Prohibition of Sales to UK Retail Investors

Each Dealer represents and agrees 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 Base Prospectus as completed by the Final Terms thereto 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.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

GENERAL INFORMATION

Authorisation

1. The establishment of the Programme was authorised by a resolution of the Extraordinary General Meeting of the Shareholders of the Issuer dated 21 October 2022. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Notes.

Listing

2. The Issuer has obtained the preliminary approval ("*acordul de principiu*") of the Bucharest Stock Exchange for the entire Programme in view of admitting to trading the Notes issued under the Programme. It is expected that each Tranche of Notes which is to be admitted to the spot regulated market of the Bucharest Stock Exchange will be admitted separately as and when issued, upon submission to the Bucharest Stock Exchange of the applicable Final Terms, subject only to the issue of the Notes of that Tranche.

Legal and Arbitration Proceedings

3. Save as disclosed in this Base Prospectus, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the twelve months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and/or the Group.

Significant/Material Change

4. Save as disclosed in this Base Prospectus, since 31 December 2021 there has been no significant change in the financial position of the Group.

Auditors

5. The Annual Consolidated and Separate Financial Statements of the Issuer for the years ended 31 December 2020 and 31 December 2021 have been audited by Deloitte Audit SRL, and the respective auditor's reports on these financial statements have been incorporated by reference in this Base Prospectus. Deloitte Audit S.R.L. is a member of the Chamber of Financial Auditors of Romania.
6. The interim financial statements of the Issuer for the period ended 30 June 2022 have been reviewed by KPMG Audit S.R.L., and the respective auditor's report on these interim financial statements has been incorporated by reference in this Base Prospectus. KPMG Audit S.R.L. is a member of the Chamber of Financial Auditors of Romania.

Documents on Display

7. Copies of the following documents (together with the English translations thereof) may be inspected during normal business hours at the offices of the Issuer and on the Issuer's website www.unicredit.ro for twelve months from the date of this Base Prospectus:
 - (a) the Base Prospectus;
 - (b) the articles of association of the Issuer; and
 - (c) the Annual Consolidated and Separate Financial Statements for the years ended 31 December 2020 and 31 December 2021 and the Interim Condensed Consolidated and Separate Financial Statements for the six months ended 30 June 2022.

For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

This Base Prospectus will be available, in electronic format, on the website of the Bucharest Stock

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Exchange (www.bvb.ro) and on the website of the Issuer (www.unicredit.ro).

Material Contracts

8. The Issuer has not entered into any contracts (other than in the ordinary course of business) which are, or may be, material or contain provisions under which the Issuer has an obligation or entitlement which is, or may be, material to the ability of the Issuer to meet its obligations in respect of the Notes.

Clearing of the Notes

9. The Notes have been accepted for clearance through the Romanian Central Depository. The appropriate common code and the International Securities Identification Number (ISIN) in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Legal Entity Identifier (LEI)

10. The Legal Entity Identifier (LEI) of the Issuer is 5493003BDYD5VPGUQS04.

Issuer website

11. The Issuer's website is www.unicredit.ro. Unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

Validity of Base Prospectus and Base Prospectus supplements

12. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

Information not applicable to the Prospectus under Annex 7, Annex 15 and Annex 28 of the Delegated Regulation (EU) 2019/980

13. The items enumerated below from the following Annexes of the Delegated Regulation (EU) 2019/980 are not applicable to this Prospectus:

Annex 7: items 2.2, 8.1, 8.2, 10.2, 11.1.2, 11.2.2.

Annex 15: items 4.8 sub-paragraphs (d) and (e), 4.15.

Annex 28: item 1.

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THE ISSUER

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(For the years 2020 and 2021)

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INDEPENDENT AUDITOR

(For the year 2022)

KPMG Audit SRL

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