

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 300,000,000

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 300,000,000 (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.

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 ____ July 2024 and is valid (as supplemented from time to time) until ____ July 2025. 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: ____ July 2024

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 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.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK 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 300,000,000 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.

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 "**USD**", "**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

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. 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 <https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation.

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.

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.

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 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.

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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 300,000,000 (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, USD or EUR, as decided by the Issuer, subject to any applicable legal or regulatory restrictions.
Maturities:	The Notes will have maturities of up to ten (10) years.

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 or USD 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 10 (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 12 (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.

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.

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 leaving the EU, (iii) the COVID-19 pandemic, (iv) the ongoing armed conflict in Ukraine, and (v) the new conflict between Israel and Hamas. 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 prolonged period of high 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.

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

- Economic downturn, shifts in consumer behaviour, diminished business and consumer confidence, inflation and market volatility, currency exchange rate fluctuations;
- Persistent, large budget deficits that could lead to an increasing public debt/GDP trajectory over the medium term and could translate into a sovereign rating re-evaluation for Romania; and
- 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 in the Middle East 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.

In 2024 local and presidential elections, as well as elections for the Parliament and European Parliament, have taken or are set to take place. Results of such elections may impact ongoing projects and initiatives, leading to political and economic uncertainty. The formation of a new government or changes within the existing government post-elections could lead to a period of uncertainty as new policies and directions are established.

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 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, among others, default risks, counterparty risk, country specific 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 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.

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.

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

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 all of the ten credit institutions that participate in the ROBOR/ROBID calculation (including the Issuer), as part of an investigation to assess whether such credit institutions have agreed to set the interest rate at a specific level and followed up with requests for information sent to the Issuer in May 2023 and March 2024 (the investigation being ongoing as at the date of the Base Prospectus). In addition, in September 2023 the Competition Council carried out a dawn raid at the headquarters of ten other credit institutions, the Credit Bureau and the Romanian Banks' Association in relation to consumers' access to loans. The Competition Council's investigation was focused on the method of calculating the clients' FICO (Fair Isaac Corporation Score) credit scoring, used for determining the creditworthiness of a consumer, in the process of granting consumer loans. Although the Issuer was not subject to the dawn raid and it does not use the FICO Score, the investigation launched by the Competition Council extended over the Issuer as well due to the fact that the Issuer (alongside other seventeen credit institutions) is a

shareholder of the Credit Bureau. (the organization which offers the FICO score as a product). This investigation is also ongoing as per the date of this Base Prospectus.

Separately, in March 2023, the National Authority for Consumer Protection ("**NACP**") carried out certain inspections over 18 banks in relation to the loans granted to individual clients and the repayment mechanics / calculation of interest rates under such loans. NACP concluded that the inspected banks had been using allegedly misleading commercial practices by not flagging more clearly to their clients the structure of the monthly repayment instalments (i.e. that interest represented a higher amount than the principal within the monthly instalments). Consequently, the Issuer (similarly to the other 17 credit institutions) was sanctioned with a fine of RON 50,000 (approximately EUR 10,000) and was ordered to stop the alleged misleading commercial practices individuals both in relation to the on-going loans in its portfolio and in relation to any future loans to individuals. The Issuer challenged these decisions in court and in September 2023 obtained the suspension of the application of these measures, pending the court's trial on the merits. As at the date of this Base Prospectus, the legal proceedings are still ongoing, without any significant developments.

In addition, there is also an ongoing inspection of NACP on local credit institutions in relation to the loan agreements concluded with consumers between 2004-2010, aimed to verify mainly the advertising of such loans, the manner in which the loans were granted and concluded and the information provided to consumers in relation to specific risks associated with loan. According to the media, the inspection may extend in the future in relation to loan agreements concluded after 2010 until the present days.

Antitrust, competition and consumer protection proceedings, if determined adversely, may lead to significant fines, penalties or other adverse consequences and may damage the Issuer's reputation. Furthermore, based on the findings of these proceedings, plaintiffs could seek compensation for any alleged damages as a result of anticompetitive or misleading business practices of the relevant credit institution. The occurrence of such events may have a material adverse effect on the Issuer's business, future lending policies and loan portfolio, 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 business risk (including strategic risk)

The Issuer is exposed to the risks tied to the choice of an inadequate business strategy or quick changes to the working assumptions, parameters, objectives or other factors that define the Issuer's strategy.

The Issuer sets its strategic objectives for subsequent periods of three years. The current strategic plan of the Issuer was approved in 2024 (the "**Strategic Plan**") (see "*Strategic Plan for 2024-2026 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.

Strategic risk / business risk can result from serious deteriorations of the market environment, changes in the competitive circumstances or customer behaviour and changes in the expense structure. Failure to identify and address such risks may adversely affect the Issuer's business, financial situation and results of operation.

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) or of a security. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned.

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 (informally referred to as "**Basel IV**"). 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 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. Increases of tax rates or additional taxes by the Romanian Government or the Parliament could reduce the Issuer's profitability. For example, in addition to the 16 per cent. corporate income tax paid by credit institutions, a new tax on the turnover of credit institutions (amounting to 2 per cent. of the turnover of credit institutions in the financial years 2024 and 2025 and to 1 per cent. of the turnover of credit institutions starting with the financial year 2026) was enacted in October 2023 among other fiscal budgetary measures meant to ensure Romania's financial sustainability in the longer run. Such additional tax will directly affect the Issuer by reducing its after-tax profitability.

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, and 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, and 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. While part of the regulatory requirements have been already implemented by the Issuer, the regulatory framework continues to evolve and additional requirements need to be further 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 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.

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 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 transposed Directive (EU) 2020/1828 of the European Parliament and of the Council of 25 November 2020 on representative actions for the protection of the collective interests of consumers and repealing Directive 2009/22/EC ("**Class Action Directive**") which enhances 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 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:

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 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 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.

There are risks that certain benchmarks may be administered differently or discontinued in the future, which may adversely affect the trading market for, value of and return on, Notes based on such benchmarks

Rates and indices which are deemed to be "benchmarks" are the subject of ongoing international, national and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently from the past, disappear entirely or be declared unrepresentative, or have other consequences that cannot be predicted.

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. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation could have a material impact on any Notes linked to a rate or index deemed to be a benchmark, in particular, if the methodology or other terms of a benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise 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 following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to such benchmark; (ii) trigger changes in the rules or methodologies used in the benchmarks or (iii) lead to the discontinuance or unavailability of the benchmark.

Where the relevant Final Terms specifies that Conditions 7(b) – 7(f) (*Benchmark Replacement — SOFR*) are not applicable, if the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Event (as defined in the Conditions) has occurred, then the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the purposes of determining a Successor Rate or an Alternative Benchmark Rate (as further described in Condition 7(a) (*Benchmark Replacement — SOFR*)) and, if applicable, an Adjustment Spread. If the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser and the Issuer cannot agree upon, or cannot select, the Successor Rate or Alternative Benchmark Rate, the Issuer may determine the replacement rate, provided that if the Issuer is unable or unwilling to determine the Successor Rate or Alternative Benchmark Rate, the further fallbacks described in the Conditions shall apply. If the Issuer is unable to appoint an Independent Adviser or if the Issuer fails to agree a Successor Rate or an Alternative Benchmark Rate or Adjustment Spread, if applicable, with the Independent Adviser, the Issuer may have to exercise its discretion to determine (or to elect not to determine) an Alternative Benchmark Rate or Adjustment Spread, if applicable, in a situation in which it is presented with a conflict of interest.

Where the relevant Final Terms specifies that Conditions 7(b) – 7(f) (*Benchmark Replacement – SOFR*) is applicable, if the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined in the Conditions) has occurred, the then-current Benchmark will be replaced by a Benchmark Replacement (determined by the Issuer in accordance with the Conditions) for all purposes relating to the relevant Notes in respect of all determinations on such date and for all determinations on all subsequent dates. The Issuer will have to exercise its discretion to determine (or to elect not to determine) a Benchmark Replacement and, if applicable, a Benchmark Replacement Adjustment, in a situation in which it is presented with a conflict of interest.

The use of a Successor Rate, an Alternative Benchmark Rate or a Benchmark Replacement may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on Notes if the relevant benchmark remained available in its current form.

Any of the above changes or any other consequential changes to benchmarks as a result of EU, or other international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes could have a material adverse effect on the trading market for, value of and return on any Notes linked to such benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation reforms and/or risks arising from the possible cessation or reform of

certain reference rates in making any investment decision with respect to Notes linked to or referencing a benchmark.

The market continues to develop in relation to SOFR as reference rates for Floating Rate Notes

Investors should be aware that the market continues to develop in relation to the Secured Overnight Financing Rate ("SOFR") as reference rate in the capital markets and its adoption as an alternative to interbank rates such as U.S. dollar LIBOR. In particular, market participants and relevant working groups have been working together to design alternative reference rates based on SOFR, including term SOFR reference rates (which seek to measure the market's forward expectation of an average SOFR rate over a designated term), or different measures of such alternative reference rates. The development of SOFR rates as interest reference rates for the Eurobond markets, as well as continued development of SOFR based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes.

The use of SOFR as a reference rate continues to develop both in terms of the substance of the calculation and in the adoption of market infrastructure for the issuance and trading of bonds referencing SOFR. In particular, investors should be aware that several different SOFR methodologies have been used in SOFR linked notes issued to date and no assurance can be given that any particular methodology, including the compounding formula in the Conditions, will gain widespread market acceptance.

The market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Conditions. If the relevant risk-free rates do not prove to be widely used in securities such as Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing rates that are more widely used. Furthermore, the Issuer may in future issue Notes referencing SOFR that differ materially in terms of interest determination when compared with Notes. In addition, the manner of adoption or application of SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SOFR.

SOFR differ from interbank offered rates in a number of material respects and have a limited history

SOFR differs from interbank offered rates in a number of material respects, including that SOFR is backwards-looking, compounded, risk-free overnight rate, whereas interbank offered rates such as LIBOR are expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that interbank offered rates SOFR may behave materially differently as interest reference rates for Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to interbank offered rates such as LIBOR (which is an unsecured rate).

The future performance of SOFR may therefore be difficult to predict based on the limited historical performance. The level of SOFR during the term of Notes may bear little or no relation to the historical level of SOFR. Prior observed patterns, if any, in the behaviour of market variables and their relation to SOFR such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, the interest on Notes which reference SOFR is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference SOFR to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes. Further, in contrast to LIBOR-based Notes, if Notes referencing SOFR become due and payable as a result of any of the events described in Condition 11 (*Events of Default*), or are otherwise redeemed early on a date other than an Interest Payment Date, the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined immediately prior to the date on which Notes become due and payable and shall not be reset thereafter.

The administrator of SOFR may make changes that could change the value of SOFR or discontinue SOFR

The Issuer has no control over its determination, calculation or publication of SOFR. There can be no guarantee that such rates will not be discontinued, suspended or fundamentally altered in a manner that is materially adverse

to the interests of investors in Floating Rate Notes linked to the relevant rate. In particular, The New York Federal Reserve (or a successor), as administrator of SOFR (and the SOFR Compounded Index) respectively, may make methodological or other changes that could change the value of SOFR or their related indices, including changes related to the method by which SOFR or a related index is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR or a related index. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SOFR or a related index (in which case a fallback method of determining the interest rate on Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing SOFR or a related index.

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
Consolidated and Separate Financial Statements for the financial year ended 31 December 2023	1-177
Independent Auditor's Report on the Consolidated and Separate Financial Statements for the financial year ended 31 December 2023	1-8
Consolidated and Separate Financial Statements for the financial year ended 31 December 2022	1-173
Independent Auditor's Report on the Consolidated and Separate Financial Statements for the financial year ended 31 December 2022	1-9

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.

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 300,000,000 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 27 October 2023.
- (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:

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

"**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);

"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 11 (*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 11 (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);

"Observation Period" in respect of each Interest Period means the period from, and including, the date falling "**p**" U.S. Government Securities Business Days preceding the first date in such Interest Period to, but excluding, the date falling "**p**" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period, with "**p**" being the number of U.S. Government Securities Business Days specified in the relevant Final Terms;

"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 Depository 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;

"SOFR", with respect to any U.S. Government Securities Business Day, means:

- (i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the **"SOFR Determination Time"**); or
- (ii) if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

"Compounded SOFR" with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the formulas indicated in Condition 6(c) below (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001);

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

"Treaty" means the Treaty for the functioning of the European Union, as subsequently amended;

"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;

"SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York, or any successor source;

"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 Depository 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;
- (ii) in relation to any sum payable in euro, a TARGET Settlement Day; and
- (iii) in relation to any sum payable in U.S. dollars, any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and is not a date on which banking institutions in New York are authorised or required by law or regulation to be closed;

"U.S. Government Securities Business Day" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (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, USD or in Euro and will have an individual face value (*valoare nominala*) of minimum EUR 100,000 (or its equivalent in RON or USD) 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 15 (*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 Depositary, in accordance with the rules of the Central Depositary. 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 Depositary 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 (other than for Floating Rate Notes referencing SOFR).* For those Notes in relation to which the applicable Final Terms will indicate that they bear interest at a floating rate and the Reference Rate is not SOFR, interest on the relevant Notes will be calculated as follows:

- $\text{Interest paid} = (\text{Note nominal value} * ([\text{Reference Rate}]_{\text{JYM}} + \text{margin}) / \text{no. of days during the respective year}) * \text{no. of days during the interest period}$

- (c) *Floating Rate Interest (for Floating Rate Notes referencing SOFR).* For those Notes in relation to which the applicable Final Terms will indicate that they bear interest at a floating rate and the Reference Rate is SOFR, interest on the relevant Notes will be, subject to Condition 7 (*Benchmark Replacement - SOFR*) calculated as the Benchmark plus or minus (as specified in the relevant Final Terms) the margin specified in the relevant Final Terms, all as determined by the Calculation Agent on the relevant Determination Date. "**Benchmark**" for the purpose of this Condition 6(c) means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out below:

Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days in the Interest Period or Observation Period, as the case may be, will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 7 (Benchmark Replacement – SOFR) below will apply.

- in the case of Compounded SOFR specified in the relevant Final Terms as being Compounded SOFR with Lookback:

$$\bullet \left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_{i-p\text{USBD}} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

•

where:

"**d₀**" for any Interest Period, is the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" is a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

"**SOFR_{i-pUSBD}**" for any U.S. Government Securities Business Day "i" in the relevant Interest Period, is equal to SOFR in respect of the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to that day "i";

"**n_i**" for any U.S. Government Securities Business Day "i" in the relevant Interest Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1");

"**d**" is the number of calendar days in the relevant Interest Period; and

"**p**" means, for any Interest Period, the number of U.S. Government Securities Business Days specified in the relevant Final Terms (it shall not be specified as less than five U.S. Government Securities Business Days without the prior agreement of the Calculation Agent).

- in the case of Compounded SOFR specified in the relevant Final Terms as being Compounded SOFR with Observation Period Shift:

$$\bullet \left[\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

"**d_o**" for any Observation Period, is the number of U.S. Government Securities Business Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to d_o, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

"**n_i**" for any U.S. Government Securities Business Day "i" in the relevant Observation Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day (i+1);

"**d**" is the number of calendar days in the relevant Observation Period; and

"**SOFR_i**" for any U.S. Government Securities Business Day "i" in the relevant Observation Period, is equal to SOFR in respect of that day "i".

- (d) *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:
- *Interest paid = (Note nominal value * interest rate / no. of days during the respective year) * no. of days during the interest period*
- (e) *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.
- (f) *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. **Benchmark Replacement – SOFR**

- (a) Notwithstanding the foregoing provisions of this Condition 7 but subject, where the Reference Rate specified in the relevant Final Terms is SOFR, to the operation of the fallback provisions specified in the definition of SOFR, if the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Event has occurred, when any rate of interest (or the relevant component part thereof) remains to be determined by reference to a Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable), then the following provisions shall apply:
- (i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (with the Issuer's agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the "**Alternative Benchmark Rate**") and, in either case, an alternative screen page or source (the "**Alternative Relevant Screen Page**") and an Adjustment Spread (if applicable) no later than three (3) Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**IA Determination Cut-off Date**") for purposes of determining the rate of interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 7(a) if a further Benchmark Event occurs);
 - (ii) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) in customary market usage for the purposes of determining floating rates of interest in respect of debt securities denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
 - (iii) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (ii) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) in customary market usage for purposes of determining floating rates of interest in respect of debt securities denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable), and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; provided, however, that if this sub-paragraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the Interest Determination Date (as applicable) relating to the next succeeding Interest Period in accordance with this sub-paragraph (iii), the Mid-Swap Floating Leg Benchmark Rate or Reference Rate applicable to such Interest Period for a term equivalent to the Relevant Interest Period published on the Relevant Screen Page as at the last preceding Interest Determination Date (including a EURIBOR Interest Determination Date) (though substituting, where a different Relevant Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Relevant Margin relating to the relevant Interest Period, in place of the margin relating to that last preceding Interest Period). For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period, and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the

first paragraph of this Condition 7(a);

- (iv) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 7(a));
 - (v) If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant rate of interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
 - (vi) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also specify changes to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Mid-Swap Floating Leg Benchmark Rate or Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 7(a)); and
 - (vii) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (vi) above to the Calculation Agent, the Fiscal Agent and the Noteholders.
- (b) These Conditions 7(b) – (7)(f) shall apply to all Notes where Conditions 7(b) – (7)(f) are specified as being applicable in the relevant Final Terms.
- (c) If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of Noteholders.
- (d) Any determination, decision or election that may be made by the Issuer pursuant to these Conditions 7(b) – (7)(f), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:
- (i) will be conclusive and binding absent manifest error;
 - (ii) will be made in the sole discretion of the Issuer; and
 - (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.
- (e) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any

Benchmark Replacement Conforming Changes, determined under these Conditions 7(b) – (7)(f) will be notified promptly by the Issuer to the Calculation Agent and the Paying Agent and, in accordance with Condition 15 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

- (f) No later than notifying the Calculation Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:
 - (i) confirming (i) that a Benchmark Transition Event has occurred, (ii) the relevant Benchmark Replacement and, (iii) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of these Conditions 7(b) – (7)(f); and
 - (ii) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

8. 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.

9. 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 15 (*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 10 (*Taxation*).

10. 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.

11. 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 15 (*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 10 (*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 11 (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 15 (*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 11 (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 11 (c) together with (ii) an excerpt from the Noteholders' Register issued by the Central Depositary 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 15 (*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.

12. **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 15 (*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 15 (*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.

13. 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.

14. 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.

15. 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

16. Modification

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

17. Governing law and jurisdiction

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

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 [•] 2024 [and the supplemental Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the EU Prospectus Regulation.

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.

- | | | |
|-----|---|--|
| 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 / USD] |
| 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 / SOFR +/- [•] 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]

<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
|-----|----------------------------|--|

(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
[•]	[•]	[•]	[•]

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

(iv) 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

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

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

(vii) Screen Rate Determination: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*

- Reference Rate: [[•][•] [EURIBOR/ROBOR/SOFR] / Alternative reference rate established on the basis of [•]]

- Interest Determination [The first Business Day in the relevant Interest Date(s): Period] / [•] days prior to each Interest Payment Date]
- Relevant Screen Page: [•]
- (viii) Margin: [+/-] [•] per cent. per annum
- (ix) Day Count Fraction: [•]
- (x) Observation Look-back Period [•] / Not Applicable
- (xi) "p" [•] U.S. Government Securities Business Days / Not Applicable (*If the Reference Rate is SOFR, "p" should be a minimum of 5 U.S. Government Securities Business Days.*)
- (xii) Benchmark Replacement Condition 7(a) (*Benchmark Replacement – Fallback: SOFR*) is applicable/ Conditions 7(b) – 7(f) (*Benchmark Replacement – SOFR*) are applicable
- 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:	[•]
-------	-----

Delivery:	Delivery against payment
-----------	--------------------------

4. DISTRIBUTION

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

USE OF PROCEEDS

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.

At the date of the present Base Prospectus, UniCredit Bank's majority shareholder is UniCredit S.p.A. (98.6298 per cent of share capital), with minority shareholders – Romanian private individuals (1.2758 per cent of share capital), Romanian companies (0.0441 per cent of share capital), foreign private individuals (0.0353 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 31 December 2023 comprised 168 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).

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 24.4 per cent share of UniCredit Eastern Europe revenues as of 31 December 2023), showing a good profitability (21 per cent of the total UniCredit Eastern Europe profit before tax as of 31 December 2023).

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 31 December 2023 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 31 December 2023 were as follows:

	31 December 2023
	<i>(per cent)</i>
UniCredit S.p.A.	98.6298
Other shareholders	1.3702
Total	100

Source: Consolidated and Separate Financial Statements of the Issuer for the financial year ended 31 December 2023.

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 7th position in the Romanian banking sector in terms of assets, with 8.4 per cent market share as at 31 December 2023 (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 49 per cent in the last five years and succeeded to become one of the most profitable banks.

Due to a high quality and highly efficient network, the Bank succeeded to achieve a large number of business volumes (9.1 per cent of all bank loans in the Romanian banking system), compared to a low number of branches (4 per cent of all bank branches in Romania as at 31 December 2023).

As one of the top corporate banks in the country, the Issuer increased its corporate¹ business volumes reaching 6.2 per cent growth year on year in terms of loans and 9.7 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 2023	Total industry *	The Issuer *	The Issuer's market share
	<i>(RON million)</i>	<i>(RON million)</i>	<i>(per cent.)</i>
<u>Loans</u>			
<i>Total Loans (the Bank & UCFin **)</i>	411,227	37,421	9.10
<i>Individuals Loans (the Bank & UCFin **)</i>	177,020	10,830	6.12
Companies	234,207	26,591	11.35
Total Loans (the Bank):	408,099	34,293	8.40
Individuals	173,892	7,702	4.43
Companies	234,207	26,591	11.35
<u>Deposits</u>			
Total Deposits (the Bank***):	602,234	50,650	8.41
Individuals	337,994	16,217	4.80
Companies	264,240	34,433	13.03

Source: National Bank of Romania reports for industry data (Consolidated Net Balance Sheet for the Monetary Financial Institutions, as of December 2023), 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 and Separate 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.

***Total Deposits data includes UCFin and the Bank.

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 separate and consolidated financial statements of the Bank as of 31 December 2023) that are to a material extent relevant to the evaluation of its solvency.

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

Rating

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 2023, Fitch has affirmed the Long Term Issuer Default Ratings (long-term IDRs) of UniCredit Bank S.A. at BBB with a Stable Outlook and the Short-term IDR of the Bank at F2. The Shareholder Support Rating was affirmed at bbb and the Viability Rating with positive rating watch was maintained 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 Rating Watch Positive

Presentation of Financial and other Information

Summary of Financial Information

The following tables comprise the statement of financial position, statement of comprehensive income and statement of cash flow information which are extracted from the audited consolidated and separate financial statements of the Issuer for the financial year ended 31 December 2023 (the "**Consolidated and Separate Financial Statements**").

As stated in the Consolidated and Separate Financial Statements of the Issuer's Group for the financial year ended 31 December 2023, 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**") and in accordance with provisions of Order 27/2010 issued by National Bank of Romania for approval of accounting regulations in accordance with International Financial Reporting Standards as endorsed by European Union, with subsequent amendments.

Statement of financial position information as included in the Consolidated and Separate Financial Statements of the Issuer's Group for the financial year ended 31 December 2023

	UniCredit Bank		UniCredit Bank Group	
	31 December			
	2023	2022	2023	2022
	(RON)			
Assets:				
Cash and cash equivalents	20,105,745,000	16,455,940,000	20,106,053,000	16,456,169,000
Financial assets at fair value through profit or loss	97,712,000	214,714,000	97,712,000	214,714,000
Derivatives assets designated as hedging instruments	242,560,000	310,229,000	242,560,000	310,229,000
Loans and advances to banks at amortized cost	142,096,000	399,455,000	142,096,000	399,455,000
Loans and advances to customers at amortized cost	33,892,452,000	31,054,544,000	36,196,421,000	32,849,251,000
Net lease receivables	7,300,000	11,342,000	4,305,696,000	3,788,693,000
Debt instruments at amortized cost	9,647,214,000	8,856,966,000	9,647,214,000	8,856,966,000
Other financial assets at amortized cost	497,953,000	250,620,000	558,257,000	319,475,000
Financial assets at fair value through other comprehensive income	2,016,760,000	1,920,172,000	2,026,525,000	1,922,518,000
Investment in subsidiaries	143,116,000	143,116,000	-	-
Property, plant and equipment	169,000,000	176,415,000	171,348,000	179,752,000
Right of use assets	242,889,000	181,355,000	254,151,000	199,230,000
Intangible assets	406,108,000	344,366,000	424,876,000	362,782,000

Current tax assets	-	-	22,059,000	8,109,000
Deferred tax assets	49,686,000	73,999,000	57,961,000	163,726,000
Other assets	51,504,000	50,866,000	419,432,000	175,767,000
Total assets	67,712,095,000	60,444,099,000	74,672,361,000	66,206,836,000
Liabilities:				
Financial liabilities at fair value through profit or loss	120,253,000	176,966,000	120,253,000	176,965,000
Derivatives liabilities designated as hedging instruments	202,404,000	262,514,000	202,404,000	262,514,000
Deposits from banks	1,240,982,000	1,050,418,000	1,240,982,000	1,050,418,000
Loans from banks	584,966,000	849,329,000	6,406,673,000	5,653,932,000
Deposits from customers	51,002,566,000	45,404,198,000	50,955,312,000	45,310,940,000
Debt securities issued	4,002,296,000	3,502,834,000	4,002,296,000	3,502,834,000
Other financial liabilities at amortized cost	1,149,294,000	1,239,449,000	1,185,038,000	1,307,973,000
Subordinated liabilities	842,632,000	836,761,000	952,073,000	945,604,000
Lease liabilities	250,414,000	193,362,000	255,803,000	198,403,000
Current tax liabilities	18,546,000	24,969,000	18,736,000	24,969,000
Provisions	226,903,000	250,737,000	206,162,000	250,064,000
Other non-financial liabilities	207,970,000	176,914,000	346,087,000	279,645,000
Total liabilities	59,849,226,000	53,968,451,000	65,891,819,000	58,964,261,000
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	(6,506,000)	(7,501,000)	(6,506,000)	(7,501,000)
Reserve on financial assets at fair value through other comprehensive income	(19,416,000)	(108,424,000)	(13,185,000)	(108,424,000)
Revaluation reserve on property, plant and equipment	22,500,000	17,177,000	22,500,000	17,177,000
Other reserves	432,942,000	399,973,000	432,942,000	399,973,000
Retained earnings	5,633,921,000	4,374,995,000	6,369,744,000	4,981,500,000
Total equity for parent company	7,862,869,000	6,475,648,000	8,604,923,000	7,082,153,000
Non-controlling interest	-	-	175,619,000	160,422,000
Total equity	7,862,869,000	6,475,648,000	8,780,542,000	7,242,575,000
Total liabilities and equity	67,712,095,000	60,444,099,000	74,672,361,000	66,206,836,000

Source: Consolidated and Separate Financial Statements of the Issuer's Group for the financial year ended 31 December 2023

Amounts are presented as included in the Consolidated and Separate Financial Statements of the Issuer's Group for the financial year ended 31 December 2023.

Statement of comprehensive income information as included in the Consolidated and Separate Financial Statements of the Issuer's Group for the financial year ended 31 December 2023

	UniCredit Bank		UniCredit Bank Group	
	31 December			
	2023	2022	2023	2022
	(RON)			
Interest income using effective interest rate method	3,399,485,000	2,158,078,000	3,720,308,000	2,428,686,000
Other interest income	15,000	10,000	246,577,000	142,630,000
Interest expense	(1,584,043,000)	(772,856,000)	(1,859,985,000)	(897,030,000)
Net interest income	1,815,457,000	1,385,232,000	2,106,900,000	1,674,286,000
Fee and commission income	749,236,000	621,832,000	827,876,000	680,157,000
Fee and commission expense	(316,951,000)	(237,423,000)	(334,880,000)	(252,427,000)
Net fee and commission income	432,285,000	384,409,000	492,996,000	427,730,000
Net income from instruments at fair value through profit and loss	424,701,000	347,795,000	424,639,000	347,676,000
Net gain/(loss) from foreign exchange	65,217,000	23,494,000	85,044,000	46,155,000
Fair value adjustments in hedge accounting	(7,616,000)	10,799,000	(7,616,000)	10,799,000
Net gain/(loss) from derecognition of financial assets measured at amortised cost	83,005,000	8,759,000	93,229,000	20,596,000

Net gain/(loss) from derecognition of financial assets measured at FVTOCI	(11,979,000)	-	(11,979,000)	-
Dividend income	3,868,000	33,184,000	3,868,000	3,196,000
Other operating income	12,780,000	12,577,000	12,540,000	8,780,000
Operating income	2,817,718,000	2,206,249,000	3,199,621,000	2,539,218,000
Personnel expenses	(500,259,000)	(463,572,000)	(566,521,000)	(525,288,000)
Depreciation and impairment of tangible assets	(96,996,000)	(100,048,000)	(105,279,000)	(109,209,000)
Amortization and impairment of intangible assets	(56,700,000)	(55,166,000)	(63,272,000)	(60,946,000)
Other administrative costs	(400,423,000)	(370,212,000)	(434,778,000)	(398,782,000)
Other operating costs	(21,549,000)	(11,072,000)	(32,262,000)	(17,355,000)
Operating expenses	(1,075,927,000)	(1,000,070,000)	(1,202,112,000)	(1,111,580,000)
Net impairment losses on financial instruments	(212,789,000)	(187,669,000)	(293,577,000)	(276,609,000)
Losses on modification of financial assets	65,000	207,000	65,000	207,000
Net operating income	1,529,067,000	1,018,717,000	1,703,997,000	1,151,236,000
Net impairment losses on non-financial assets	(449,000)	9,842,000	(449,000)	9,842,000
Net provision gains/ (losses)	(99,000)	(2,163,000)	(967,000)	4,108,000
Profit before tax	1,528,519,000	1,026,396,000	1,702,581,000	1,165,186,000
Income tax expense	(234,643,000)	(147,156,000)	(264,198,000)	(167,287,000)
Net profit for the reporting period	1,293,876,000	879,240,000	1,438,383,000	997,899,000
Attributable to:				
Equity holders of the parent company	-	-	1,423,187,000	984,455,000
Non-controlling interests	-	-	15,196,000	13,444,000
Other comprehensive income, net of tax:				
Items that will not be reclassified subsequently to profit or loss:				
Re-measurement of defined benefit liability	(1,520,000)	2,268,000	(1,520,000)	2,268,000
Revaluation of property, plant and equipment	5,280,000	2,061,000	5,280,000	2,061,000
Movement in investment revaluation reserve for equity instruments at FVTOCI	6,534,000	8,729,000	13,953,000	8,729,000
Income tax relating to items that will not be reclassified subsequently to profit or loss	(760,000)	(767,000)	(1,947,000)	(767,000)
Total items that will not be reclassified subsequently to profit or loss	9,534,000	12,291,000	15,766,000	12,291,000
Items that may be reclassified subsequently to profit or loss:				
Movement in reserve for debt instruments at FVTOCI:				
Gains/(losses) arising during the period	87,284,000	(125,436,000)	87,284,000	(125,436,000)
Reclassification of (gains)/losses included in profit or loss	11,979,000	-	11,979,000	-
Net changes in cash flow hedging reserve:				
Gains/(losses) arising during the period	1,119,000	29,686,000	1,119,000	29,686,000
Reclassification of (gains)/losses included in profit or loss	66,000	1,154,000	66,000	1,154,000
Income tax relating to items that may be reclassified subsequently to profit or loss	(15,933,000)	15,136,000	(15,933,000)	15,136,000
Total items that may be reclassified subsequently to profit or loss	84,515,000	(79,460,000)	84,515,000	(79,460,000)
Other comprehensive income, net of tax	94,049,000	(67,169,000)	100,281,000	(67,169,000)
Total comprehensive income	1,387,925,000	812,071,000	1,538,664,000	930,730,000
Attributable to:				
Shareholders of parent – company	-	-	1,523,468,000	917,286,000
Non-controlling interests	-	-	15,196,000	13,444,000

Source: Consolidated and Separate Financial Statements of the Issuer's Group for the financial year ended 31 December 2023.

Amounts are presented as included in the Consolidated and Separate Financial Statements of the Issuer's Group for the financial year ended 31 December 2023.

Statement of cash flows information as included in the Consolidated and Separate Financial Statements of the Issuer's Group for the financial year ended 31 December 2023

	UniCredit Bank		UniCredit Bank Group	
	31 December			
	2023	2022 (restated*)	2023	2022 (restated*)
	(RON)			
Profit for the reporting period before tax	1,528,519,000	1,026,396,000	1,702,581,000	1,165,186,000
Adjustments for non-cash items:				
Depreciation and amortization of property, plant and equipment and of intangible assets	153,696,000	155,212,000	168,551,000	169,822,000
Net impairment losses on financial instruments	301,957,000	222,485,000	407,734,000	312,009,000
Fair value (gain)/loss on derivatives and other financial assets held for trading	40,765,000	47,281,000	40,765,000	47,281,000
Other items for which the cash effects are investing or financing	16,719,000	993,000	45,948,000	53,013,000
Accrued interest and unwinding effect	78,224,000	44,914,000	100,116,000	45,926,000
Impairment of assets and provisions	(18,716,000)	21,531,000	(17,053,000)	88,976,000
FX impact	(56,691,000)	32,348,000	(46,283,000)	32,250,000
Other non-cash items	11,861,000	(29,511,000)	45,961,000	(70,168,000)
Operating profit before changes in operating assets and liabilities	2,056,334,000	1,521,649,000	2,448,320,000	1,844,295,000
Change in operating assets:				
Decrease in financial assets at fair value through profit and loss	52,115,000	102,023,000	52,115,000	102,023,000
Acquisition of debt instruments at amortized cost	(740,261,000)	(861,100,000)	(740,261,000)	(861,100,000)
Decrease in loans and advances to banks	255,982,000	95,001,000	255,982,000	95,485,000
(Increase) in loans and advances to customers	(3,073,840,000)	(3,855,224,000)	(3,689,868,000)	(3,762,234,000)
(Increase) in lease investments	(7,260,000)	(11,305,000)	(548,075,000)	(183,508,000)
(Increase) in other assets	(250,562,000)	(41,669,000)	(474,512,000)	(73,222,000)
Change in operating liabilities:				
Increase in deposits from banks	187,563,000	382,540,000	187,563,000	382,540,000
Increase in deposits from customers	5,467,316,000	5,161,250,000	5,299,988,000	5,224,225,000
Increase/(Decrease) in other liabilities	(88,664,000)	810,943,000	(81,045,000)	815,331,000
Income tax paid	(233,293,000)	(157,269,000)	(256,056,000)	(203,123,000)
Net cash from operating activities	3,625,430,000	3,146,839,000	2,454,151,000	3,380,712,000
Investing activities				
Proceeds on disposal of financial assets at fair value through other comprehensive income	359,980,000	74,146,000	359,980,000	74,146,000
Acquisition of financial assets at fair value through other comprehensive income	(360,786,000)	(428,738,000)	(360,786,000)	(428,738,000)
Proceeds on disposal of property, plant and equipment	1,243,000	171,000	1,243,000	246,000
Acquisition of property, plant and equipment and intangible assets	(132,617,000)	(135,356,000)	(139,653,000)	(140,026,000)
Dividends received	4,305,000	33,451,000	4,305,000	3,463,000
Net cash used in investing activities	(127,875,000)	(456,326,000)	(134,911,000)	(490,909,000)
Financing activities				
Dividends paid	(704,000)	(231,745,000)	(704,000)	(231,745,000)
Proceeds from bonds issued	480,000,000	2,751,896,000	480,000,000	2,751,896,000
Payments of bonds issued	-	(280,500,000)	-	(1,768,432,000)
Repayments of loans from banks	(264,648,000)	(218,175,000)	(3,349,718,000)	(1,347,756,000)
Drawdowns from loans from banks	-	492,947,000	4,265,962,000	2,914,975,000
Repayment of the lease liabilities	(79,988,000)	(70,135,000)	(82,492,000)	(73,630,000)
Net cash from financing activities	134,660,000	2,444,288,000	1,313,048,000	2,245,308,000
Net increase in cash and cash equivalents	3,632,215,000	5,134,801,000	3,632,288,000	5,135,111,000
Cash and cash equivalents at 1 January - gross value	16,458,822,000	11,270,425,000	16,459,052,000	11,270,506,000

Effect of foreign exchange rate changes	20,842,000	53,596,000	20,848,000	53,435,000
Cash and cash equivalents at 31 December - gross value	20,111,879,000	16,458,822,000	20,112,188,000	16,459,052,000
Impairment allowance	(6,134,000)	(2,882,000)	(6,135,000)	(2,883,000)
Cash and cash equivalents at 31 December - net value	20,105,745,000	16,455,940,000	20,106,053,000	16,456,169,000
Cash flow from operating activities include:				
Interest received	3,300,754,000	2,052,992,000	3,809,279,000	2,420,080,000
Interest paid	(1,276,291,000)	(619,477,000)	(1,523,852,000)	(706,784,000)

**For details regarding the restated figures, refer to note 3 included in the Consolidated and Separate Financial Statements of the Issuer Group published for the financial year ended 31 December 2023*

Source: Consolidated and Separate Financial Statements of the Issuer's Group for the financial year ended 31 December 2023

Amounts are presented as included in the Consolidated and Separate Financial Statements of the Issuer's Group for the financial year ended 31 December 2023.

The auditor KPMG Audit S.R.L. issued as at 8 March 2024 an unmodified audit opinion in connection with the Consolidated and Separate Financial Statements of the Issuer prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union and with the provisions of National Bank of Romania's Order no. 27 /2010 for the approval of the accounting regulations in accordance with IFRS, with subsequent changes, for the financial year ended 31 December 2023.

The auditor KPMG Audit S.R.L. issued as at 23 February 2023 an unmodified audit opinion in connection with the Consolidated and Separate Financial Statements of the Issuer prepared in accordance with the International Financial Reporting Standards as endorsed by European Union and with the provisions of National Bank of Romania's Order 27/2010 for the approval of the accounting regulations in accordance with IFRS, with subsequent changes, for the financial year ended 31 December 2022.

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 (issuing/receiving letters of guarantee/standby letters, import/export documentary letters of credit, import/export documentary collections), custody and depository services, specialized lending and corporate structured finance transactions, receivables and payables solutions (such as factoring, supply chain financing), 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 foreign exchange, transactions with financial instruments and derivatives;
- 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), leveraging on transactional packages, POS acquiring, deposits;
 - lending (unsecured overdrafts, working capital, investment products, capturing also the opportunities arising from guarantee schemes programs); and
 - digital services: Business NET, Business Mobile, e-sign, e-commerce.
- for individuals: products that are simple, safe, easy to understand and to use, but at the same time flexible and suited to the needs of customers
 - transactional offers (current account, debit card physical and virtual, mobile & online banking) adapted to each customer profile (junior, pensioners, payroll, private banking, etc.);

- lending (mortgages, consumer loan, credit cards);
- liabilities (deposits, saving accounts in local currency and foreign currency); and
- investments & insurance distribution.
- for financial institutions: money market operations and treasury operations, syndicated loans and structured finance, foreign exchange, transactions with financial instruments and derivatives, bond issues, trade finance (issuance of letters of guarantee based counter-guarantees, export letters of credit confirmation), 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 2023, according to the Bank's management accounts, 65% of the Bank's total revenues were generated by the Corporate Business Area (which services small, medium and large companies, public sector, financial institutions) and 35% per cent by the Retail Business and the Private Banking Areas (which service individuals and small-sized companies).

Strategic Plan / 2024 – 2026 and related developments

The current strategic plan of the Issuer, approved in 2024, comprises the following main objectives:

- consolidate the Issuer's corporate leadership position and develop a resilient business through:
 - intensifying the loan volumes origination ability and close monitoring of its market share, and maintaining the focus on the quality of the portfolio;
 - improving the profitability and the return on invested capital, as well as maximising the client relationship (increase the client base and client profitability);
 - continuing the process of digitalization and process simplification in order to increase the efficiency and improve the customer experience.
- Building sustainable business in order to reach critical mass in terms of clients and market share, by leveraging on: acquisition on increase of value customer base (increase the base of value clients and customer profitability), smart lending (market share growth supported also by digital processes), Total Financial Assets (TFA) (improved focus on RON sight accounts and Assets under Management (AuM) penetration), digitalization & simplification (automate and simplify the 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 31 December 2023, the gross funding from UniCredit Group totalled RON 1,652,218,608, out of which subordinated loans were in the amount of RON 838,220,100.

Starting with the second half of 2021 the Issuer launched several intra-group bond issuances in order to fulfil the MREL requirements as per the SPE (Single Point of Entry) strategy adopted at Group level. The issued instruments are senior non-preferred and subordinated bonds, UniCredit S.p.A. being the sole investor in line with the adopted strategy. As at 31 December 2023 the total nominal value of the issued senior non-preferred bonds for internal MREL purposes amounted to RON 2,586,792,000. The total nominal value of the issued subordinated bonds was of RON 241,268,100.

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 at 31 December 2023, these facilities amounted to RON 1,004,697,000 (being denominated in both EUR and RON). Additionally, in the past two years the Issuer issued two senior unsecured bonds in 2022 and 2023 (with maturities in December 2027 (ISIN RO3WU5H09299) and November 2028 (ISIN ROG0M1EGXBN8), respectively with an aggregate nominal amount of RON 968,500,000 as of at December 2023. An additional bond issued by the Bank in 2017 (ISIN ROUCTBDBC048) with a nominal amount of RON 183,500,000 as at 31 December 2023, will reach maturity in July 2024.

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

	31 December	
	2023	2022
	(RON)	
Borrowings from related parties*	1,652,218,608	1,265,389,514
Borrowings from non related parties	1,004,696,678	1,463,405,448
Bonds issued	3,980,060,100	3,484,596,900
Total	6,636,975,386	6,213,391,862

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.

In 2023, customer deposits increased by 12.3%, as compared to 2022 and reached RON 51 billion. According to the Bank's estimations based on peer banks' publicly available financial statements and press releases, the Bank is ranked 7th in terms of deposits with a market share of 8.41 per cent at the end of 2023.

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

	31 December			
	2023		2022	
	(amount)	(per cent)	(amount)	(per cent)
RON	32,439,373,000	64%	27,811,974,000	61%
Foreign currency	18,563,193,000	36%	17,592,224,000	39%
Total	51,002,566,000	100%	45,404,198,000	100%

Source: Issuer internal source

As of 31 December 2023, retail clients (individuals and micro companies) represented 37% of the portfolio, corporate clients accounted for 59% of the portfolio, while private banking clients represent 4% (31 December 2022: retail clients 36%, corporate clients 60%, private banking clients 4%).

Companies' deposits increased by RON 3.02 billion to RON 33.67 billion as of 31 December 2023 compared to 31 December 2022.

Deposits from individuals increased by RON 2.58 billion to RON 17.33 billion as of 31 December 2023 compared to 31 December 2022. The weight of individuals' deposits increased at 34% as of 31 December 2023 from 32% at 31 December 2022.

	31 December			
	2023		2022	
	(RON)	(per cent)	(RON)	(per cent)
Term deposits	18,013,196,000	35%	13,064,379,000	29%
Payable on demand	31,988,882,000	63%	31,377,356,000	69%
Collateral deposits	1,000,478,000	2%	962,422,000	2%
Certificates of deposits	10,000	0%	41,000	0%
Total	51,002,566,000	100%	45,404,198,000	100%

Source: Issuer internal source

Short term customer liabilities (composed of current accounts, saving accounts and overnight deposits) decreased their weight in total deposits from 69% as of 31 December 2022 to 63% as of 31 December 2023.

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

	31 December 2023					Total carrying amount
	Up to 1 Year	1 Year to 5 Years	Over 5 Years	No fixed maturity	Total contractual amount	
	(per cent)	(per cent)	(per cent)	(per cent)	(per cent)	
RON Outstanding	50,906,046,000	96,521,000	-	-	51,002,567,000	51,002,566,000
(per cent)	99.81%	0.19%	0%	0%		
	31 December 2022					Total carrying amount
	Up to 1 Year	1 Year to 5 Years	Over 5 Years	No fixed maturity	Total contractual amount	
	(per cent)	(per cent)	(per cent)	(per cent)	(per cent)	
RON Outstanding	45,307,486,000	96,712,000	-	-	45,404,198,000	45,404,198,000
(per cent)	99.79%	0.21%	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:

	31 December 2023		
	RON	Foreign currency	Total
	(per cent)	(per cent)	(per cent)
Loans and advances to customers			
Outstanding	19,198,448,000	14,694,004,000	33,892,452,000
(per cent)	57%	43%	100%
	31 December 2022		
	RON	Foreign currency	Total
	(per cent)	(per cent)	(per cent)
Loans and advances to customers			
Outstanding	16,912,454,000	14,142,090,000	31,054,544,000
(per cent)	54%	46%	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		31 December	
	2023	2022	2023	2022
	(RON)			
Corporate	25,840,395,000	23,989,287,000	(1,179,324,000)	(1,157,631,000)
Retail Micro ⁽¹⁾	639,865,000	564,547,000	(51,756,000)	(91,199,000)
Individuals	7,412,192,000	6,500,710,000	(359,353,000)	(330,403,000)
Total	33,892,452,000	31,054,544,000	(1,590,433,000)	(1,579,233,000)

⁽¹⁾ Companies with a turnover of less than EUR 1,000,000

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		31 December	
	2023	2022	2023	2022
	(RON)			
Corporate	20,417,612,000	18,722,784,000	(204,070,000)	(229,888,000)
Retail Micro ⁽¹⁾	286,497,000	275,539,000	(1,646,000)	(2,613,000)
Individuals	179,827,000	186,505,000	(1,919,000)	(902,000)
Total	20,883,936,000	19,184,828,000	(207,635,000)	(233,403,000)

Source: Issuer internal source

*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 9.14 per cent as of 31 December 2023 compared to 31 December 2022. Loan portfolio increased in absolute amount by 2.84 billion RON as of 31 December 2023 compared to 31 December 2022.

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	
		2023	2022
		(RON)	
Private entities (including individuals)		7,771,545,000	6,831,113,000
Retail Micro⁽¹⁾	G Commerce - wholesale and retail	212,152,000	200,624,000
	C Manufacturing	112,136,000	112,808,000
	A Agriculture - forestry - fisheries	106,331,000	126,751,000
	F Construction and civil engineering	69,561,000	52,532,000
	H Transport and storage services	51,520,000	39,337,000
	Other services	139,921,000	123,694,000
Total Retail Micro		691,621,000	655,746,000

		31 December	
		2023	2022
		(RON)	
Corporate	G Commerce - wholesale and retail	6,914,522,000	6,572,731,000
	C Manufacturing	5,595,385,000	5,453,115,000
	K Financial and insurance institutions	3,325,283,000	3,151,125,000
	O Public administration and defence; social security insurance	1,898,420,000	1,612,719,000
	A Agriculture - forestry - fisheries	1,810,618,000	1,813,460,000
	Other services	7,475,491,000	6,543,768,000
Total Corporate		27,019,719,000	25,146,918,000
Total		35,482,885,000	32,633,777,000
Allowance for impairment		(1,590,433,000)	(1,579,233,000)
Carrying amount		33,892,452,000	31,054,544,000

(1) Companies with a turnover of less than EUR 1,000,000

Source: Issuer internal source

Loan portfolio maturity

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

31 December 2023							
(RON)							
		Up to 3 months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	Total contractual amount	Total carrying amount
Loans advances and to customers		3,722,039,000	10,051,972,000	12,049,021,000	8,069,420,000	33,892,452,000	33,892,452,000

31 December 2022							
(RON)							
(RON)		Up to 3 months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	Total contractual amount	Total carrying amount
Loans advances and to customers		3,721,347,000	10,102,950,000	10,234,500,000	6,995,747,000	31,054,544,000	31,054,544,000

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		
	2023	2022
	(RON)	
Mortgages	7,637,261,000	6,690,156,000
Personal loans and car loans	10,144,000	17,817,000
Credit cards and overdraft	123,347,000	123,226,000
Corporate loans	26,275,374,000	24,297,863,000

Retail Micro ⁽¹⁾ loans	691,005,000	655,099,000
Factoring, Discounting, Forfaiting	745,754,000	849,616,000
Loans and advances to customers before allowances	35,482,885,000	32,633,777,000
Less allowance for impairment losses on loans	(1,590,433,000)	(1,579,233,000)
Net loans and advances to customers	33,892,452,000	31,054,544,000

(1) Companies with a turnover of less than EUR 1,000,000

Source: Issuer internal source

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

Large exposures of the Issuer

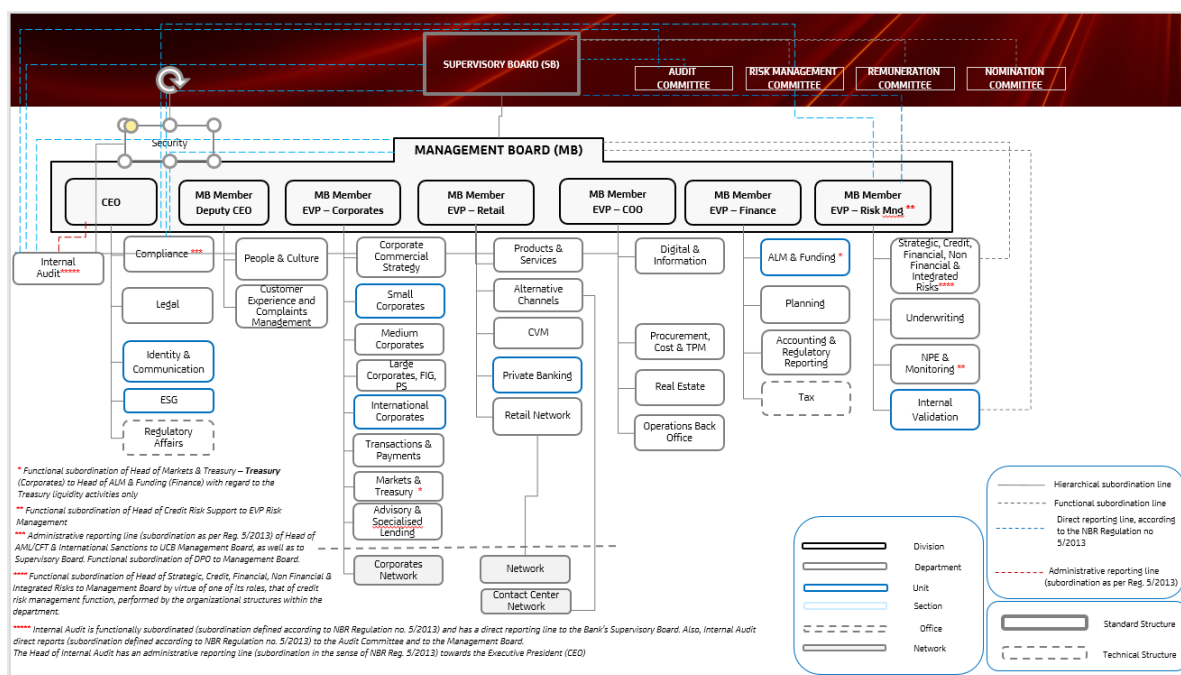
Large exposure includes Issuer's exposures towards the Ministry of Finance, the National Bank of Romania and the Issuer's own Group without considering any mitigation effect.

31 December						
Client Name	2023			2022		
	On-Balance Sheet Exposure	Off-Balance Sheet Exposure	TOTAL Exposure	On-Balance Sheet Exposure	Off-Balance Sheet Exposure	TOTAL Exposure
GROUP 1	10,663,078,700	451,964,123	11,115,042,823	7,540,687,161	532,282,279	8,072,969,440
GROUP 2	10,299,807,185	-	10,299,807,185	7,090,464,243	-	7,090,464,243
GROUP 3	699,123,733	732,178,261	1,431,301,994	104,281,708	898,594,892	1,002,876,600
GROUP 4	-	1,083,730,000	1,083,730,000	222,437,670	963,577,724	1,186,015,394
GROUP 5	76,446,290	734,744,773	811,191,063	91,164,746	686,359,065	777,523,811
GROUP 6	665,158,493	144,549,139	809,707,632	652,159,000	-	652,159,001
GROUP 7	548,972,409	212,062,878	761,035,287	674,010,654	85,538,421	759,549,075
GROUP 8	430,976,533	226,232,588	657,209,121	461,178,406	218,736,409	679,914,815
GROUP 9	204,596,113	9,122,448	213,718,561	224,792,355	32,906,566	257,698,921
GROUP 10	15,699,015,275	-	15,699,015,275	13,656,399,184	-	13,656,399,184
	<u>3,928,717,473</u>	<u>3,594,584,210</u>	<u>42,881,758,941</u>	<u>30,717,575,127</u>	<u>3,417,995,357</u>	<u>34,135,570,484</u>

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 audit, 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

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

The Risk Management Operative Committee ("**RMOC**") is a permanent committee with advisory attributions and is directly subordinated to the Management Board of UniCredit Bank SA.

RMOC has the mission 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 of certain activities of the Issuer and non-performing exposures portfolio management.

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:

- arbitration in cases of disagreements between different areas related to the transfer of a customer to/ from the "restructuring" or "workout" organizational structure;
- validation of clients' transfer from "restructuring" or "workout" classification to "performing" classification;
- approval of the expected credit loss (ECL), de-recognition and write-offs for restructuring and workout clients.

The Transactional Committee meets within two sub-committees:

- 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 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
- 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) is organized in the form of two subcommittees which meet in separate sessions, as follows:

- *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* - according to own perimeter of competence has the role of analysing and issuing decisions related to the reputational risk associated with credit cases / initiatives / transactions, as well as for non-credit activities and it is engaged with priority, before any other committee / other official decision. For the lending activity, the decision issued within this sub-committee is followed by 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, taking into account the Issuers's tolerance/risk appetite..

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;
- appropriate methodologies for identifying, measurement and evaluation of risks including both forward-looking and backward-looking tools;
- 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), strategic risk/ business risk, reputational risk, real estate risk, risk of excessive leverage, compliance risk and inter-concentration risk. For each of the above-mentioned risks, the Issuer has defined a framework for their management in accordance with the regulatory requirements, objectives, steps and related instruments, policies and procedures for an accurate identification and assessment, control mechanisms, reporting and mitigation measures., but also for being able to determine and have the adequate capital to cover such risks.

The general objective of the Risk Management Strategy implies promoting a clear and comprehensive risk culture and risk assuming consistent with the shareholders' expectations, the Issuer's strategic plan, legal requirements and the actual economic context.

Other objectives for the management of significant risks include:

- adequate and prudent management of risks and in particular of significant risks;
- mitigation – to the possible extent – of the unpredictability and uncertainty of the legal framework related to the financial-banking system;
- reduction, as much as possible, of the negative impact generated both by the current geopolitical context and by the increase of utilities prices;
- setting the general risk profile to medium-low level for 2024; and
- addressing the ESG agenda from the priority perspective of emerging risks associated with climate change and ensuring the necessary processes for sustainable financing.

These objectives are correlated with the Issuer's general strategic objectives defined in the business strategy for the current year.

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 the Issuer takes into consideration the following sub-categories of the credit risk: default risk (which also includes country risk and foreign currency risk), migration risk, counterparty credit risk and settlement risk, credit concentration risk (which also includes the risk associated with high-leverage transactions), residual risk and climate & environmental 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 administers 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.

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 and warning signals.

The warning signals that represent triggers for an analysis having as scope the classification as "watch list client" are defined in a manner which can cover a wide range of aspects and could be automatically implemented or manually detected leveraging on expert-based knowledge.

The output of the assessment is a managerial classification that, based on the relevant warning signals, could fall in one of the following managerial classes: Standard, Managerial Moderate Watchlist (Watch List 1), Managerial Medium-High Watchlist (Watch List 2), Restructuring/Workout.

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 for immovable properties and movable assets 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.

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

	31 December	
	2023	2022
	Collateral coverage*	
Corporate	34.90%	36.63%
Small (Micro)	67.86%	71.01%
Individuals	84.07%	82.63%

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 five main categories: individually significant impaired, other impaired loans, past due but not impaired, individually significant not impaired (performing) loans 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 and companies with turnover lower than 3 million EUR and the exposure higher than EUR 250,000, which have at least one default event, as defined in the Issuer's internal procedures, and significant corporate clients with turnover above 3 million EUR and the exposure higher than EUR 1 million with grade 8, 9 or 10, as defined in the internal rating of the Issuer. The 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.

Individually significant not impaired (performing) loans

Individually significant not impaired (performing) loans comprise significant private individuals and companies with turnover lower than EUR 1 million and the exposure higher than RON 15 million that are not impaired, as defined in the Issuer's internal procedures, and significant corporate clients with turnover higher than EUR 1 million and the exposure higher than RON 30 million with grades between 5 and 8, as defined in the internal rating of the Issuer. The two categories are also individually assessed by the Group.

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 chooses 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.

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	
	2023	2022
	(RON)	
Individually significant impaired loans		
Stage 3	733,736,000	797,557,000
Gross amount	733,736,000	797,557,000
Allowance for impairment	(557,815,000)	(640,484,000)
Carrying amount	175,921,000	157,073,000
Value of collateral	586,180,000	131,134,000
Property	67,856,000	100,321,000
Goods	354,156,000	2,071,000
Assignment of receivables	-	3,240,000
Other collateral	164,168,000	25,502,000
Other not individually impaired loans		
Stage 3	245,348,000	244,526,000
Gross amount	245,348,000	244,526,000
Allowance for impairment	(144,271,000)	(147,968,000)
Carrying amount	101,077,000	96,558,000
Value of collateral	183,107,000	172,633,000
Property	157,208,000	151,717,000
Goods	4,291,000	4,010,000
Other collateral	21,608,000	16,906,000
Past due but not individually impaired loans		
Stage 1	1,238,129,000	1,012,915,000
Stage 2	723,597,000	729,769,000
Gross amount	1,961,726,000	1,742,684,000
Allowance for impairment	(122,098,000)	(124,689,000)
Carrying amount	1,839,628,000	1,617,995,000
Neither past due nor individually impaired loans		
Stage 1	24,212,661,000	24,175,483,000
Stage 2	5,819,036,000	5,673,527,000
Gross amount	30,031,697,000	29,849,010,000
Allowance for impairment	(612,163,000)	(666,092,000)
Carrying amount	29,419,534,000	29,182,918,000
Individually significant not impaired (performing) loans		
Stage 1	1,078,616,000	-
Stage 2	1,431,762,000	-
Gross amount	2,510,378,000	-
Allowance for impairment	(154,086,000)	-
Carrying amount	2,356,292,000	-
Total carrying amount	33,892,452,000	31,054,544,000

Source: Issuer

Individually impaired loans decreased in 2023 compared to 2022 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			
	2023		2022	
	(RON)			
	Outstanding Amount	Expected credit losses/allowance	Outstanding Amount	Expected credit losses/allowance
	69,014,000	48,611,000	92,757,000	61,829,000
A Agriculture, forestry and fishing	6,000	5,000	8,000	8,000
B Mining and quarrying	317,075,000	233,788,000	282,466,000	223,124,000
C Manufacturing	9,000	5,000	43,000	27,000
D Electricity, gas, steam and air conditioning production and supply	33,000	32,000	2,551,000	2,234,000
E Water supply	51,919,000	40,061,000	144,447,000	114,338,000
F Construction	187,844,000	138,996,000	94,370,000	76,245,000
G Wholesale and retail trade	34,714,000	22,291,000	5,952,000	3,680,000
H Transport and storage	801,000	513,000	11,917,000	9,406,000
I Accommodation and food service activities	4,184,000	4,011,000	2,138,000	1,642,000
J Information and communication	25,000	19,000	20,000	12,000
K Financial and insurance activities	5,333,000	2,250,000	66,535,000	56,846,000
L Real estate activities	9,944,000	7,397,000	3,174,000	1,946,000
M Professional, scientific and technical activities	180,000	145,000	1,343,000	931,000
N Administrative and support service activities	78,296,000	56,062,000	111,985,000	85,304,000
O Public administration and defence, compulsory social security	295,000	185,000	382,000	189,000
P Education	1,266,000	544,000	126,000	86,000
Q Human health services and social work activities	25,000	19,000	14,000	10,000
R Arts, entertainment and recreation	218,121,000	147,152,000	221,855,000	150,595,000
S Other services				
	979,084,000	702,086,000	1,042,083,000	788,452,000
Total				

Source: Issuer

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

31 December				
2023		2022		
Outstanding amount	Expected credit losses/allowance	Outstanding amount	Expected credit losses/allowance	
(RON)				
Banat	130,636,933	86,316,538	18,880,688	12,558,051
Bucuresti	272,386,558	202,936,171	357,079,347	274,393,990
Crisana-Maramures	208,174,131	155,173,032	206,090,777	164,463,871
Dobrogea	34,159,738	19,938,666	38,214,345	22,636,744
Moldova	93,941,354	69,342,969	37,752,298	24,172,847
Muntenia	86,736,724	63,396,693	120,053,003	86,764,852

Oltenia	49,703,469	35,273,762	60,302,848	42,143,496
Transilvania	103,345,092	69,708,170	203,709,692	161,316,150
Total	979,084,000	702,086,000	1,042,083,000	788,450,000

Source: Issuer

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.

Derecognition

The derecognition of an exposure implies the deletion of the value of the receivables registered by the Issuer. This operation can be performed in case of loss of contractual rights over future cash flows or at the time of the transfer of rights and risks over the claim or by the will of the parties.

- Derecognition can be done entirely or partially based on prior approval according to the in-force regulations.
- The partial derecognition is carried out only for balance sheet credits and consists in reducing the value of the Issuer's claim, based on an addendum to the credit contract/debt remission agreement, by using the depreciation adjustments.

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 (CS01) 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 an 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 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

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 combined buffer requirement and 4.41% Pillar II buffer at consolidated level, reaching a 17.41 per cent regulatory limit). The Bank's capital adequacy ratio stands at a higher level than the regulatory requirement – at 22.79 per cent at sub-consolidated level as at December 2023.

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	
	2023	2022
	<i>(RON)</i>	
Tier 1 capital*	6,955,196,203	6,217,990,304
Tier 2 capital	1,002,103,604	1,156,967,820
Total own funds	7,957,299,807	7,374,958,124
Risk exposure amounts for credit risk, counterparty risk and receivables value decrease risk and free deliveries	25,567,563,576	24,393,765,118
Total risk exposure amount for position, foreign exchange and commodities' risks	1,650,462	25,203,945
Total risk exposure amount for operational risk	2,317,561,736	2,204,371,948
	18,547,975	25,626,561
Total requirements for own funds	27,905,323,749	26,648,967,571
Capital indicators		
Total capital ratio	28.52 %	27.67%
Tier 1 capital ratio	24.92%	23.33%

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% in UCFIN as of 31 December 2023.
- 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 % as of 31 December 2023 (direct controlling interest: 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% as of 31 December 2023.

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 and, starting with 2015, is also authorized as payment institution.

Financial Summary	31 December	
	2023	2022
	<i>(RON)</i>	
Total Assets	3,213,259,000	2,336,987,000
Total Equity	351,581,000	321,184,000
Profit for the year	30,397,000	26,893,000

Source: Consolidated and Separate Financial Statements of UCFin prepared in accordance with IFRS for the year ended 31 December 2023

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**	
	2023	2022
	<i>(RON thousands)</i>	
Total Assets	6,384,523	5,401,953
Total Equity	709,979	578,626
Profit for the year	125,874	118,559

Source: Consolidated and Separate Financial Statements of UCLC prepared in accordance with IFRS and NBR Order 27/2010 for the year ended 31 December 2023

*** Extract from the Separate Statements of Financial Position*

Other participations owned by the Issuer

The Issuer held the following participations in other companies as at 31 December 2023:

Name of the company	Nature of business	% interest held
Transfond S.A.	Other financial services	8.04%
Biroul de Credit S.A.	Financial activities	6.80%

Source: Separate and Consolidated Financial Statements of the Issuer's Group for the financial year ended 31 December 2023

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 in accordance with Romanian and European applicable legislation on prudential requirements for credit institutions.

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 affiliated parties, except the institutions, not to exceed, after taking into account the effect of credit risk mitigation, 25% from 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 these exposures within the maximum limits detailed above, a technical internal limit of 24% of the Issuer's total own funds was established for exposures to group of affiliated parties, respectively 24% of the Issuer's Tier 1 capital for exposures to a group of debtors and group of credit institution.

The trigger value for exposures that presents relevant risks (large exposures) is set at a minimum level of 10% of the Issuer's Tier 1 capital.

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 years were around 350 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.

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 31 December 2023 was 3,176 (compared to 3,241 as at 31 December 2022). The remuneration of the Management Board's members for 2023 amounted to RON 11,568,214 (compared to RON 13,617,147 in 2022).

The Issuer has in place incentive plans for its senior management, as part of the remuneration, consisting in cash and UniCredit S.p.A. shares (considered stock options under the tax regulation). The cost of this scheme is incurred by the Issuer and not by UniCredit S.p.A. and as a consequence, it is recognised as an employee benefit expense. In 2023 the cost of the scheme paid by the Bank amounted to the equivalent of RON 4,516,391 (compared to the equivalent of RON 4,695,955 in 2022).

The following table shows the Issuer's personnel expenses:

	31 December	
	2023	2022
	(RON)	
Fixed payments	391,941,726	381,523,626
Variable payments detail	52,030,057	37,772,465
Additional staff expenses	41,028,863	33,868,966
Severance expenses	7,214,595	284,206
Delegates expenses	4,356,420	6,127,437
Staff costs related to not employed people	2,543,097	2,611,985
Total (Staff Expenses)	499,114,758	462,188,686

Source: Issuer internal source (Performance and Reward Management)

Litigation

As at 31 December 2023 the Bank was involved in several litigations for which the probable total claims estimated by the Bank amounted to approximately RON 21,162,000 (the value of the monetary claims). The Bank, based upon legal advice, has assessed that a provision amounting to RON 6,248,000 as of 31 December 2023 is necessary to be booked for these claims.

Recent developments

On 23 October 2023, UniCredit S.p.A and Alpha Services and Holdings S.A. ("**Alpha**") announced that they had signed a binding term-sheet for the creation of a strategic partnership in Romania and Greece, which includes the merger of the Issuer with Alpha Bank Romania S.A., to create the third largest credit institution by total assets in the Romanian market. While the clearance from the European Commission was obtained in June 2024, other relevant transaction phases are still ongoing and transaction closing is subject to corporate approvals and all

necessary regulatory approvals and consents from supervisory and FDI authorities. Upon completion, Alpha group is expected to retain 9.9% of the combined entity share capital.

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
Mihaela Lupu	CEO	n/a
Feza Tan	Member / Deputy CEO	Supervisory Board Chairman 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.
Cengiz Arslan	Member	n/a
Raluca-Mihaela Popescu-Goglea	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.
Dimitar Todorov	Member	Supervisory Board member in: UniCredit Leasing Corporation IFN S.A.

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 Bulbank
Faik Acikalin	Member	Member of Supervisory Board of: Dogan Holding, Turkey, Karsu Tekstil SAN.TIC., Migros, Turkey Galatawind, Turkey

Name	Position in the Bank's Supervisory Board	Main activities outside the Bank
Nazan Somer Ozelgyn Zeynep	Member	Member of Supervisory Board of: UniCredit Croatia, UniCredit Slovenia, WORLDLINE S.A, Mapfre Insurance, Turkey
Riccardo Roscini	Vice-Chairman	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.

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 3,000 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 300,000,000.

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 300,000,000 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 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.

Minimum subscription.	The Final Terms may indicate that each investor must validly subscribe for a certain minimum number of Notes within the relevant Offer.
Subscription Period.	<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 an 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>
Intermediation method:	Best efforts method.
Successful Closing.	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).
Allocation.	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).
Transaction.	The transactions related to an Offer will take place through the BVB system on the Business Day following the Closing Date (the " Transaction Date ").
Settlement.	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).
Eligible Participants	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.

Change and withdrawal of Subscriptions

Eligible Investors may change the number of subscribed Notes or withdraw their initial subscription of Notes until the close of the bookbuilding process on the last Business Day of the Subscription Period (inclusive). The change of subscriptions by Eligible Investors will be subject to the same submission, processing and validation requirements as those for the initial subscription. Eligible Investors cannot change or withdraw their subscription for Notes after the Notes' allocation on the Closing Date.

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 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 according to the terms of the relevant investment services agreement, Subscription Form or otherwise agreed with the Dealer or the relevant Eligible Participant in respect to the Interest Rate and the number of allocated Notes, as soon as possible after the Interest Rate was established and the allocation process was completed. 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 market conditions at the time of the Offer.

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

Depository 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.

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.

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.

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 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.

In 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.

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 27 October 2023. 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 2023 there has been no significant change in the financial position of the Group.

Auditors

5. The Consolidated and Separate Financial Statements of the Issuer for the years ended 31 December 2022 and 31 December 2023 have been audited by KPMG Audit S.R.L., and the respective auditor's reports on these financial statements have been incorporated by reference in this Base Prospectus. KPMG Audit S.R.L. is a member of the Chamber of Financial Auditors of Romania and registered with the public electronic registry for financial auditors held by the Authority for the Public Supervision of the Statutory Audit Activity ("*ASPAAS*").

Documents on Display

6. 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) Consolidated and Separate Financial Statements for the financial years ended 31 December 2022 and 31 December 2023.

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

Material Contracts

7. 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

8. The Notes have been accepted for clearance through the Romanian Central Depositary. The appropriate International Securities Identification Number (ISIN) of 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)

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

Issuer website

10. 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

11. 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

12. 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.

THE ISSUER

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