

NOTE: THIS PROSPECTUS SUMMARY IS DRAWN UP ON THE BASIS OF THE INFORMATION AVAILABLE AT THE DATE BELOW. UNTIL THE EFFECTIVE TIME OF THE ADMISSION TO TRADING ON THE BUCHAREST STOCK EXCHANGE OF THE BONDS, THIS INFORMATION MAY SUFFER CHANGES IN ACCORDANCE WITH THE EVENTS SUBSEQUENT TO THIS DATE

SUMMARY OF THE PROSPECTUS FOR ADMISSION TO TRADING ON THE REGULATED MARKET MANAGED BY THE BUCHAREST STOCK EXCHANGE OF THE UNSECURED SUBORDINATED BONDS ISSUED BY



Patria Bank S.A

(joint stock company established in accordance with Romanian legislation)

THE PROSPECTUS FOR ADMISSION TO TRADING WAS APPROVED BY FSA BY DECISION NO 1379/13.11.2019

Intermediary: SSIF Tradeville S.A.



The approval visa applied on the prospectus for admission to trading has no guarantee value and it is not another form of appreciation of the F.S.A. regarding the opportunity, the advantages or the disadvantages, the profit or the risks that transactions to be concluded could present by accepting the admission to trading subject of the approval decision. The approval decision certifies only the regularity of the prospectus regarding the requirements of the law and the norms adopted in its application.

NOTICE TO INVESTORS

The Prospectus ("**Prospectus**") referred to in this document ("**Summary**" or the "**Document**") was approved by the Financial Supervisory Authority of Romania ("FSA"), which is the Romanian competent authority within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 regarding the prospectus to be published in the case of a public offer of securities or admission of securities to trading on a regulated market, and repealing Directive 2003/71 / EC ("**Prospectus Regulation**") and the rules for implementing in Romania the Prospectus Regulation, as a prospectus for admission to trading, in accordance with Law no. 24/2017 regarding the issuers of financial instruments and market operations ("**The Law on Issuers**"), with the secondary regulations issued by the FSA in application of the Law on Issuers, as well as with Regulation (EU) no. 979/2019 and Regulation (EU) no. 980/2019 supplementing the Prospectus Regulation.

This Summary refers to the Prospectus on the intention to admit to trading on the regulated market managed by the Bucharest Stock Exchange ("**Admission to trading**") of a number of 10,000 subordinated, non-convertible, unsecured, subordinated bonds denominated in Euro, issued in Euro, maturing within 8 years from the Issue Date, respectively from September 20, 2019, with a nominal unit value of EUR 500 and a semiannual payable interest rate of 6.5% per year ("**Bonds**") and whose total nominal value is EUR 5,000,000 issued by Patria Bank SA a joint stock company established according to the Romanian laws, with the registered office in Pipera Road no. 42, Globalworth Plaza Building, 7th, 8th and 10th floors, Sector 2, Bucharest, Romania, Fiscal Identification Code RO11447021, Registration number at the Trade Register J40 / 9252/2016 ("**Issuer**", "**Bank**" or "**Company**").

The issue of the Bonds as well as the admission of the Bonds on the Bucharest Stock Exchange were approved by the Decision of the Extraordinary General Meeting of the Shareholders of the Issuer from 13.08.2019 and by the Decision of the Board of Directors of Patria Bank no. 338 / 30.08.2019, and the admission to trading of the bonds on the regulated market managed by the Bucharest Stock Exchange was approved by the Decision of the Board of Directors of the Patria Bank no. 389 from 24.10.2019.

The Prospectus is prepared for the admission to trading of the Bonds and does not refer to nor can be used as a basis for justifying an investment in shares issued by the Issuer or in any subsequent offer launched by the Issuer.

An investment in securities involves a degree of risk. See the "Risk Factors" section of the Prospectus for the presentation of some issues that investors should consider before making an investment in the Bonds.

This English translation of the Prospectus Summary is provided for information purposes only. In case of discrepancies between this document and the Romanian version of the Prospectus, the Romanian version of the Prospectus shall prevail.

IMPORTANT INFORMATION ABOUT THIS DOCUMENT

The admission to trading procedure is managed by SSIF Tradeville S.A. ("**Intermediary**" or "**Tradeville**"). The Intermediary acts exclusively for the Issuer and, therefore, does not act for any other person in connection with the Admission to trading, and will not be held liable to any other person, legally or contractually, for any kind of damage generated from or in relation to Admission to trading. The information presented in this document is correct at the date of the Prospectus provided on the cover, except in the cases where other date is expressly mentioned.

The Issuer and the Intermediary have no responsibility for updating or completing the information in this document.

The information that can be found on the website of the Issuer, on any internet page referred to in the Prospectus or in this document, or on any Internet page to which direct or indirect reference is made from the website of the Issuer are not incorporated by reference in this Document, except for the situations explicitly mentioned in this document.

The information in the Prospectus was prepared by the Issuer or derived from other sources which are indicated in the content of the Prospectus. The estimates and plans of the Issuer presented in the Prospectus are provided in good faith and cannot be considered as commitments from the part of the Issuer.

No other natural or legal person, other than the Issuer, has been authorized to provide information or documents regarding the Bonds described in the Prospectus, and no other natural or legal person has been authorized to provide information, statements, assessments or documents relating the Bonds or to Admission to trading, other than those included in the Prospectus and in the information incorporated by reference in the Prospectus. Any information or documents provided outside this Document and the Prospectus shall not be considered as authorized by the Issuer or the Intermediary, who assumes no liability in this regard.

The content of this Document is for information only and it is not, it will not be interpreted and it will not be considered as a legal, financial or fiscal opinion. Nothing contained in this Document shall be construed as a recommendation to invest or an opinion of the Intermediary on the Issuer's situation or as a legal, fiscal, financial or professional business consultancy.

Neither the Issuer nor the Intermediary makes any statement to any holder or investor in the Bonds regarding the legality of an investment in the Bonds made by the respective holder or subscriber, based on the relevant legislation governing the investments or similar legislation. This Document does not constitute and cannot be used in connection with an offer to sell, an invitation to purchase Bonds or request an offer to buy the Bonds from any person. Unless otherwise specified or in case that the context requires something else, references to "Romania" are references to the Republic of Romania, references to a "Member State" are references to a Member State of the European Economic Area, references to "EUR" are references to the currency introduced at the beginning of the third stages of the European Economic and Monetary Union according to the Treaty establishing the European Community, as subsequently amended, and according to those defined in Article 2 of Council Regulation (EC) no. 974/98 of 3.05.1998 regarding the introduction of EUR, with the subsequent modifications, and the references to "RON" or "lei" are references to the current national currency of Romania. References to "billions" are references to thousands of millions.

Certain values included in this Document have been subjected to rounding. Therefore, the values indicated for the same category of information presented in different tables may differ slightly and the values indicated as total in certain tables may not be an arithmetic sum of the values preceding them.

The Issuer declares that, based on the knowledge it holds, the information contained in this Document is in accordance with the reality and the Document does not contain omissions which may alter its content.

This Document may not be reproduced, transmitted or distributed (in whole or in part) by any person other than the Issuer and the Intermediary, to any other person. Use of this Document for any purpose other than the admission to trading of the Bonds is not authorized and it is prohibited.

The intermediary assumes no responsibility for the contents of this Document or for the statements made by it in relation to the Issuer, the Bonds or the Offer. The intermediary, appropriately, to the extent permitted by applicable law, assumes no liability whatsoever for this Document or such statement.

FORWARD LOOKING STATEMENTS

This Document contains various forward-looking statements which relate to, among others, events and trends which are subject to risks and uncertainties and which could cause the Issuer's current business activities, operating results and financial position to differ materially from the information included in this Document. When used in this Document, the words "estimate", "plan", "intend", "anticipate", "believe", "expect", "should" and similar expressions, referring to the issuer and its management, are intended to identify such forward looking statements.

The issuer undertakes no obligation to publicly communicate the outcome of any revisions to these forward-looking statements in order to reflect events or circumstances subsequent to the date of the Prospectus or the occurrence of events that were not anticipated.

In addition, the forward-looking statements should be analysed in the context of the political, economic, social and legal framework in which the Bank operates, and in the context of the Bank's capital and solvency position. The Issuer makes no statement and gives no guarantee that the factors anticipated by such forward-looking statements will occur. All forward-looking statements represent, in each situation, only certain of the multiple possible scenarios and should not be considered as the scenario with the highest chances of accomplishment or the standard scenario.

PROSPECTUS SUMMARY

Section A – Warnings

Securities Type and International Securities Identification Number (ISIN) - Bonds, ISIN ROZNPQQARR5

Identity and contact details of the issuer, including the legal entity identifier (LEI) - Patria Bank S.A., registered office in Soseaua Pipera no. 42, Globalworth Plaza Building, 7, 8 and 10 Floors, Sector 2, Bucharest, Romania, tel. 0372 538 725, fax 0372 148 273, e-mail info@patriabank.ro, LEI code 54930034L83M3E7JWI25

Identity and contact details of the person requesting admission to trading on a regulated market - Patria Bank S.A., registered office in Soseaua Pipera no. 42, Globalworth Plaza Building, 7, 8 and 10 Floors, Sector 2, Bucharest, Romania, tel. 0372 538 725, fax 0372 148 273, e-mail info@patriabank.ro, LEI code 54930034L83M3E7JWI25

Identity and contact details of the competent authority approving the prospectus - Financial Supervision Authority, registered office in Splaiul Independentei no. 15, Sector 5, postal code 050092, Bucharest, fax 021.659.60.51, tel. 021-65.96.271, e-mail office@asfronomia.ro.

Prospectus approval date – 13.11.2019

This summary should be read as an introduction to the Prospectus. Any decision to invest in Bonds should be based on an examination of the entire Prospectus by investors. In some cases, the investor may lose all or part of the invested capital by investing in Bonds. If an action is brought before a court regarding the information contained in the Prospectus, the applicant investor may, in accordance with national law, have to bear the costs of translating the Prospectus before the judicial procedure begins. The civil liability lies only with the persons who submitted the summary, including any translation thereof, but only when it is misleading, inaccurate or contradictory in relation to the other parts of the Prospectus, or when it does not provide, in relation to the other parts of the Prospectus, essential information to help investors decide whether to invest in Bonds.

Section B – Essential information regarding the issuer

Who is the issuer of the securities?

Name of the company: Patria Bank S.A.

Registered office: Soseaua Pipera no. 42, Globalworth Plaza Building, 7, 8 and 10 Floors, Sector 2, Bucharest, Romania. **Legal status:** joint stock company. **LEI code:** 54930034L83M3E7JWI25. **The legislation under which it operates:** The bank was established and operates based on the normative acts in force in Romania regarding the companies, regarding the credit institutions, regarding the issuers of financial instruments and the market operations, as well as on the Constitutive Act.

The country in which the Issuer was established: Romania

Main activities: The Bank's Offer includes the following main categories of products and services: credit products, savings products, complete transaction services (receipts, all types of payments, foreign exchange, etc.), cards, remote banking (internet banking), alternative channels distribution. The main types of lending products for legal persons: working capital loans, mixed loans for microfinance activities, investment loans, credit lines, loans for EU funds projects financing, loans within special financing programs. The main types of credit products for individuals: consumer loans, credit cards, loans for real estate investments. The main types of savings products for individuals: term deposits (with different maturities), savings accounts, investment funds managed by SAI Patria Asset Management. Products for transactional purposes: current account - multiple accounts in the same currency, special purpose accounts (for subventions and grants), good performance deposit accounts, escrow accounts, collateral deposit accounts

Majority shareholder: At the date of the Prospectus, EEAF Financial Services B.V. is the only shareholder with a holding of over 10% in the capital of Patria Bank; it owns 83.2214% of the Issuer's share capital, thus having control over the Issuer.

Directors: The Bank is managed in a unitary system by the Board of Directors ("BoD") consisting of five members: Horia Dragos Manda, Chairman (non-executive) of the Board of Directors, Daniela Elena Iliescu, member (executive) of the Board of Directors, Nicolae Surdu, member (non-executive and independent) of the Board of Directors, Bogdan Merfea, member (non-executive) of the Board of Directors, Vasile Iuga, member (non-executive and independent) of the Board of Directors.

Statutory auditor: The Issuer's external financial auditor for the financial years ended December 31, 2017 and December 31, 2018 was Pricewaterhouse Coopers Audit S.R.L., with its registered office in Bucharest, str. Barbu Vacarescu no. 301-311, LakeView Building, Et. 6/1, Sector 2, registration number at the Trade Register J40 /17223/1993, Fiscal Registration Code RO4282940, phone 021 225 3000, until 2019 member of the Chamber of Financial Auditors in Romania according to authorization no. 6 from 25/06/2001 and starting with the year 2019 registered in the Electronic Public Register of Financial Auditors with the number FA6. The Issuer's Ordinary General Meeting of Shareholders from August 13, 2019, appointed as external financial auditor for the financial years 2019 - 2021 KPMG Audit

SRL, company headquartered in Soseaua Bucuresti - Ploiesti Boulevard no. 69-71, ground floor, room 02, Sector 1, Bucharest, registration number at the Trade Register J40 / 4429/2000, Unique Registration Code 12997279, phone 0372 377 800, member of the Chamber of Financial Auditors in Romania according to the authorization no. 9 of the year 2001, registered in the Electronic Public Register of Financial Auditors with the number FA9.

Which is the essential financial information about the Issuer?

Profit and Loss account for credit institutions

Indicator (thousand RON)	31.12.2018	31.12.2017	30.06.2019	30.06.2018
Net interest income	102,274	104,502	57,141	46,062
Net income from commissions and fees	23,628	22,787	13,373	11,120
Net loss from impairment of financial assets	1,490	(19,819)	(3,024)	(13,611)
Net income from trading	9,152	10,545	4,485	3,782
Operating result	(3,886)	(23,090)	9,041	(7,693)
Net result of the financial year	(266)	(42,544)	2,794	(23,299)

The values included in the above table are extracted from the Issuer's audited individual financial statements, in Romanian language, for the financial years ended on 31.12.2018, and 31.12.2017 respectively, and from the non-audited individual interim financial reports of the Issuer at 30.06.2019, and at 30.06.2018 respectively.

The Balance Sheet for credit institutions

Indicator (thousand RON)	31.12.2018	31.12.2017	30.06.2019
Total assets	3,453,468	3,645,393	3,095,435
Total liabilities less subordinated debt	3,112,221	3,384,252	2,742,442
Subordinated debt	23,373	29,589	23,730
Customer deposits	3,064,601	3,256,296	2,666,905
Total equity	317,874	231,551	329,263
Common Equity Tier 1 ratio – individual level	14.59%	9.64%	14.71%
Total Capital ratio – individual level	15.78%	10.61%	15.91%

The values included in the first six rows of the above table are extracted from the Issuer's audited individual financial statements, in Romanian language, for the financial years ended 31.12.2018, and 31.12.2017 respectively, and from the non-audited individual interim financial reports of the Issuer on 30.06.2019.

Proforma financial information: not applicable

The audit report related to the results of the financial year ended 31.12.2017 includes the following paragraph:

“Material uncertainty related to going concern

We draw attention to Note 2 d) to these financial statements, which indicates that the Group incurred a net loss of RON 43,600 thousand and the Bank incurred a net loss of RON 42,544 thousand during the year ended 31 December 2017 and, that as of that date, the Bank's capital ratio of 10.6% was below the overall capital requirement ("OCR") of 11.8% required by NBR. Note 2 d) further refers to Management's planned actions to restore the Bank's capital position so as to be in full compliance with NBR's requirements. As these actions will only be completed in the future, these matters described in Note 2 d), indicate that, until such time as the recapitalisation process is completed, a material uncertainty exists which may cast significant doubt about the ability of the Bank to continue as a going concern. Our opinion is not modified in respect of this matter".

The audit report related to the results of the financial year ended 31.12.2018 includes the following paragraph:

"Material uncertainty related to going concern

We draw attention to Note 2 d) "Basis of preparation – Going concern" ("Note 2 d)") to the financial statements, which indicates that the Group incurred a net loss of RON 3,978 thousand and the Bank incurred a net loss of RON 266 thousand during the year ended 31 December 2018 and, that as of that date, there were certain requirements addressed by the National Bank of Romania ("NBR") to the Bank described in the aforementioned Note to the financial statements. Note 2 d) further refers to Management's planned actions to comply with NBR's requirements. As these actions will only be completed in the future, these matters described in Note 2 d), indicate that, until such time as the NBR measures are fully met, a material uncertainty exists which may cast significant doubt about the ability of the Bank to continue as a going concern. Our opinion is not modified in respect of this matter."

Which are the specific risks of the Issuer's activity?

There are a variety of factors that, individually or together, can affect the Issuer's activity, financial situation or outlook. From the analysis performed by the Issuer, among the most significant risks to which the entity is exposed, without this listing being limiting, include the following:

Risk factors specific to the market on which the Issuer is active

- **The Patria Bank Group is exposed to the risks associated with the functioning of the local financial market, as well as those associated with the global and local economic conditions in general.** The Romanian economy has shown itself to be vulnerable to the decline of the financial and capital markets as well as to the slowing growth of the global economy. The impact of global economic developments is often felt more strongly in emerging economies, such as Romania, compared to how it is felt in more developed markets. In particular, during times of economic uncertainty, consumers reduce their expenses and the level of bank debt. Under the conditions in which the Patria Bank Group carries out all its activity in Romania, its performance is influenced by the level and cyclicity of the economic activity in Romania, which in turn is affected by local and international economic and political events.
- **Market fluctuations, liquidity and volatility can negatively impact the value of the Bank's assets, affect the financial results and make it difficult to evaluate the fair value of certain assets.** Financial markets have undergone significant stress conditions in recent years and despite a return of economic and financial conditions on the market in the last 3 years in Romania, the value of financial assets may continue to fluctuate significantly or have a significant impact on of the Bank's total capital and revenues, if the market value of the financial assets will decrease. The volatility and lack of liquidity of the market may make it difficult to reassess certain exposures, and the value effectively realized by the Bank may be significantly different from the current or estimated fair value. Any of these factors could cause the Bank to recognize losses from future revaluation and to set up provisions for impairment, any of which could significantly affect the Bank's activity, financial situation, operating results, liquidity or outlook.
- **The Bank carries out its activity within a regulated environment and any new regulatory changes or any changes in the current regulations could subject the Bank to certain higher capital and liquidity requirements or standards that could result in significant costs for compliance.** The Bank has to comply with a wide range of regulations issued by the legislative and regulatory authorities in Romania and the European Union in the field of bank financing and its activity is overseen by the NBR and other regulatory authorities. Compliance with the regulations involves substantial expenses and could limit potential operations. The bank has to comply also with the European Union regulations with direct application in Romania and the European directives that are transposed into national law. Subsequent to the 2008 financial system crisis, this broad regulatory framework has been subject to an ongoing process of change, by imposing complex operational, governance and reporting requirements that necessitate the allocation of significant resources by the financing institutions in order to comply.

- **The investment in developing markets, including Romania, involves certain risks, which may be higher than the inherent risks in more developed markets.** An investment in a developing market, including Romania, is subject to greater risks than an investment in a country with a more developed economy and political and legal systems. Although progress has been made in reforming the Romanian economy and political and legal systems, the development of the legal infrastructure and regulatory framework is still in progress. In general, investments in developing countries, such as Romania, are only suitable for sophisticated investors who can fully appreciate the risks involved. There is no certainty that circumstances triggered by any crisis similar to the global economic and financial crisis that began in 2008 will not affect the economic performance of developing markets, including Romania, or investors in these markets. The occurrence of these circumstances could have a significant negative effect on the activity, operational results and financial position of the Bank.

Risk factors specific to the Issuer

- **The Bank's activity is adversely affected by the frequent and unpredictable interventions of the Government on the legislative system.** The Romanian Government adopted at the end of 2018, without having previously consulted with the business community and the affected industries, the Emergency Ordinance no. 114/2018 which brings significant changes to the financial and banking sector by imposing on the banking institutions the obligation to pay a tax on net assets ("**Tax on assets**"). Following the concerns expressed in the market over the form of this Ordinance, it was modified by Ordinance 19/2019 which brought changes in the way of calculating the tax on assets. The tax on assets imposed on credit institutions, as established by the Emergency Ordinance no. 114/2018, represents a high risk to financial stability by affecting the monetary policy mechanism and has a significant negative impact on the Issuer's activity, operating results and financial situation.
- **Changing interest rates outside the trading portfolio could adversely affect the Bank's activity.** The interest rate risk is the current or future risk of adversely affecting the Bank's results and capital as a result of adverse changes in the interest rates. The elements subject to the interest rate risk are predominantly outside the trading portfolio, but the effect of persistent interest rate increases on banks' financial results is relevant in terms of their stability.
- **The bank depends on the conditions of access to financing and other sources of liquidity that can be restricted for reasons independent of its control.** The liquidity risk is the current or future risk of a negative impact on the results and the capital, determined by the inability of the credit institution to fulfill its obligations on maturity. The main factors that directly affect the liquidity risk are: instability / internal political conflicts, repeated changes in the legislative framework, lack of liquidity sources in the market, as well as budgetary policy, which can lead to a negative perception / distrust on the part of local and foreign investors and which may cause liquidity withdrawals from the Romanian banking system and implicitly may affect the liquidity of Patria Bank.
- **The bank is exposed to risks related to choosing a certain business strategy or risks resulting from its inability to implement a certain strategy.** The strategic risk represents the current or future risk of negative impact on the results and the capital caused by changes in the business environment or by wrong business decisions, by the inadequate implementation of the decisions or by the lack of reaction to the changes in the business environment. In addition, the introduction of new products and services by the Bank or the Group and / or the beginning or continuation of activities in new markets may lead to additional risks that may adversely affect the activity, business plan and results of the Bank.
- **Risk generated by non-payment of debts to minority shareholders, which could have a significant negative impact on the Issuer's ability to continue its activity. These debts have a maximum value of RON 37,239,190.58, their assessment being made on the basis of the Bank's financial situation, and their payment subject to the prior approval of the NBR.** In order to fulfill the obligation to redeem the shares for which the right of withdrawal was exercised, the Bank has the obligation to comply with the requirements of art. 77 and 78 of CRR. This implies taking some steps aimed at the prior approval of the NBR and presenting evidence that the Bank's own funds, after carrying out the redemption operation, will be at a level that is prudently acceptable. Considering that up to the date of the Prospectus, the Bank has not announced the redemption operation of its own shares from the shareholders who have exercised their right of withdrawal, the Bank may be exposed to the risk generated by not honoring the debts to the minority shareholders which can be amplified by ordering the Bank to pay additional damages.
- **The risk of the Bank being involved in significant litigation.** Although the Bank pays special attention to compliance with all legal provisions, by the nature of its activity, it is exposed to litigation and other judicial procedures. The emergence in the future of any new litigations of significant size, may affect the activity, the financial situation and / or the outlook of the Bank.
- **The credit risk.** Although the Bank periodically monitors the evolution of financed clients and of the financing portfolios, the future negative evolutions of the financing portfolios granted by the Bank, both individually – as individual funding, as well as globally, can lead to the increase of non-performing exposures in the Bank's portfolio above the current registered level, which can be caused both by the client's own factors, as well as by the unfavorable macroeconomic evolutions and by the evolution of the legislative framework, there is the potential risk of supplementing the volume

of the adjustments for depreciation, which implicitly can adversely affect the values of the prudential indicators calculated and reported by Patria Bank.

Section C – Essential information about Bonds

Which are the main characteristics of the Bonds?

Type and class of the Bonds: Issuer's unsecured, non-convertible and subordinated Bonds. **ISIN code of the Bonds:** ROZNPQQARR5. **Currency of the Bonds:** Euro (EUR). **Unit nominal value:** EUR 500/bond. **Number of issued Bonds:** 10,000 bonds. **Maturity of the Bonds:** September 20, 2027

Rights related to the Bonds. The payment of the principal for the Bonds will be made by the Issuer at the Maturity Date or at another date set as the Advance Redemption Date, and the coupon (interest) in value of 6.5% per year will be paid biannually. As long as the Bonds are in circulation, the Issuer will be subject to continuous obligations of transparency and disclosure, as provided for in Directive 2004/109 /EC (also known as the Transparency Directive, as amended by Directive 2010 / 73 / EU), as transposed in the Romanian legislation by Law 24/2017 and by Regulation 5/2018.

All payments related to the principal and the coupon (interest) made by or on behalf of the Issuer in connection with the Bonds shall be made in compliance with the provisions of the Fiscal Code in force at the time of these payments. To the extent that, according to the provisions of the tax legislation applicable at the time of payment of the principal or coupon, the Issuer is required to withhold or deduct any taxes or fees in connection with these payments, the Issuer will make these withheld amounts or deductions. The issuer will not be obliged to pay from its own funds those additional amounts that would result in the Bondholders receiving such amounts that they would have received under the conditions in which no withholding or deduction would have been imposed. The amount withheld will be determined on the basis of the Romanian tax legislation or, as the case may be, it might be reduced on the basis of an agreement to avoid double taxation, as detailed in the section "Tax aspects".

Bondholders may set up general meetings in order to take decisions about their interests (each such meeting is called the "Bondholders Meeting"). The Bondholders Meeting is authorized, among other things, to designate a representative of the bondholders and one or more substitutes, who will have the right to represent them before the Issuer and the courts and can participate in the Issuer's general meeting of shareholders.

The relative Tier of the Bonds in the Bank's capital structure in case of insolvency and information regarding the level of subordination of the Bonds and the potential impact on investments in the case of a resolution in accordance with Directive 2014/59 / EU. The bonds represent direct, unconditional and unsecured Tier 2 capital of the Issuer.

Subject to the mandatory exceptions at a given date under the Romanian legislation, the Bonds are of the same tier (*pari passu*) and are without a right of preference between them or with respect to any other elements that constitute the Issuer's Tier 2 capital, they are subordinated, in case of the insolvency or liquidation of the Issuer, to all receivables of the creditors (i) who have the capacity of depositors and / or other unsubordinated creditors of the Issuer; and (ii) who are subordinated creditors of the Issuer (no matter if the subordination exists in case of insolvency or liquidation of the Issuer or in other circumstances), other than those whose claims represent, by law, or which, by their conditions, are expressed as being of the same Tier, *pari passu*, with the receivables of the holders of the instruments of Tier 2 capital, such as the Bondholders or lower ones (i.e. the Bonds will be preferred in front of the elements that constitute Common Equity Tier 1 capital and Additional Tier 1 capital of the Issuer (as these terms are stipulated in the NBR Regulation no. 5/2013 regarding prudential requirements for credit institutions and in EU Regulation no. 575/2013 regarding prudential requirements for credit institutions and investment companies and amending the Regulation (EU) no 648/2012 ("CRR") (together with "Regulations on Capital"), including ordinary shares of the Issuer, preferential shares and to any subordinated securities of a lower Tier or to any other securities of the Issuer which, by law, or by their terms, are expressed as being subordinated to the Issuer's Tier 2 capital, as are the Bonds)

Any restrictions imposed on the free transferability of the Bonds. The Bonds will be redeemed on the maturity date or on the Anticipated Redemption Date. Bondholders do not have the right to accelerate the future scheduled payment of the principal of the Bonds or the Coupons (Interest), except in the case of the Issuer's insolvency or liquidation. There are no restrictions on the free transferability of the Bonds.

Dividend policy: Not applicable.

Where will the Bonds be traded?

The Bonds are the subject of an application for admission to trading on the regulated market managed by the Bucharest Stock Exchange.

Is there any guarantee related to the Bonds? Not applicable

Which are the main risks associated to the Bonds?

- **The Bonds represent Tier 2 capital and are therefore entirely subordinated to the receivables of all unsubordinated creditors.** The Bonds are entirely subordinated to the receivables of all unsubordinated creditors. Thus, any receivable of an unsubordinated creditor will have priority over the payment of the Bondholders. In case of liquidation or bankruptcy of the Bank, the Bonds will be paid only after the payment of all unsubordinated unsecured creditors.
- **Bonds may not be actively traded.** Following the admission to trading on the regulated market managed by the Bucharest Stock Exchange, it is possible that the Bond trading market will not be very liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a return comparable to that obtained in case of similar investments that have developed a secondary market.
- **Credit risk.** In the event of an unfavorable situation, the Issuer may become unable to make the payments in the form of coupons and / or principal and, thus, the Issuer may become unable to repay the amounts related to the issue of present bonds or a future issue.
- **Interest rate risk.** Having in view that the Bonds will benefit from a fixed interest for the entire period of the bond loan, the interest rate (coupon rate) not being subject to the update on the reference indexes, the buyers may be exposed to the risk of fluctuation (negative evolution) of the interest rate as a result of the evolution of the Euribor benchmarks, throughout the period from the date of the purchase of the Bonds and up to the date of its disposition.

Section D – Bonds issue

What are the conditions and the timeframe for investing in Bonds?

Investors may invest in Bonds on the secondary market after the completion of the procedure for admission to trading on the regulated market of the Bucharest Stock Exchange.

The issue and admission of bonds on the Bucharest Stock Exchange was approved by the Decision of the Issuer's Extraordinary General Meeting of Shareholders on 13.08.2019. The admission of the Bonds on the regulated market managed by the Bucharest Stock Exchange was approved by the decision of the Board of Directors of the Issuer no. 389 dated 24.10.2019.

Distribution plan: Not applicable

The amount and percentage of the immediate dilution resulting from the Offer and an estimate of the total cost of the issue and / or the Offer, including the estimated costs charged to the investor by the Issuer or bidder: Not applicable

Who is the person applying for admission to trading?

The person applying for admission to trading is the Issuer of the Bonds.

Why was the prospectus drafted?

Reasons for admission to trading: The admission to trading on the regulated market managed by the Bucharest Stock Exchange was requested to provide a secondary trading market for bondholders.

Use and estimated net quantum of the amounts resulting from the admission to trading: The Issuer will not obtain any financial income as a result of the admission to trading of the Bonds.

Indication if the offer is subject to an agreement regarding a firm subscription commitment: Not applicable.

An indication of the most important conflicts of interest regarding the admission to trading: Not applicable.

The intermediary has no interest and no conflict of interest that could significantly influence the Admission to trading, except the fulfilment of the contract signed with the Issuer for the admission to trading of the Bonds.