

NOTE

AUTHOR	Note number	- 360 / 24/09/2021		
	Functional entity	Directia Contabilitate		
	Confidentiality level	Confidential		
	Name, first name	Ramona Florentina Calota		
1. Referring to		Payment of dividends		
2. For		Information	Pre-approval	Approval
	DE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	VPC	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	ALCO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	MB	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Risk Committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	SB	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	GMS	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Other level	<input type="checkbox"/>	N/A	<input type="checkbox"/>
		N/A		
3. Call notice chapter		Topics for approval		
4. Proposed resolution draft ²		The pre-approval by the Management Board and Supervisory Board and approval by the General Shareholders' Meeting of the payment of dividends in amount of RON 800,146,928.		
5. Content:				
<u>5.1. Legal requirements</u>				
<p>Through the Address no. FG/788 dated on 31.01.2020, the National Bank of Romania recommended to not distribute dividends until 30.09.2021, without its prior consultation. Subsequently, NBR reiterated through the address FG /245 dated on 20.04.2021 the request that credit institutions should avoid the distribution of dividends or grant an irrevocable commitment to distribute dividends at least until 30.09.2021, without initiating bilateral discussions with the NBR.</p> <p>Following the acceptance of NBR recomandation/limitations and GSM approval no. 2/23.04.2021, BCR has distributed only a fraction of the potential dividends planned, namely dividends in total amount of RON 71,778,664, representing the maximum level allowed by NBR regulations in force at that date .</p> <p>The rest of total potential dividend planned according to capital strategy in amount of RON 800,146,928 was maintained in retained earnings until the annulment of restrictions.</p> <p>In view of the recent analysis carried out on the economic climate at the level of the European Union, the European Central Bank (ECB) issued on 23.07.2021 the Recommendation ECB/2021/31, which eliminates the restrictions on the distribution of dividends previously imposed by Recommendation ECB/2020/62.</p> <p>Please see below extract of the latest recommendation:</p> <p><i>„...the latest macroeconomic projections indicate the start of the economic recovery and a further reduction in the level of economic uncertainty. Accordingly, the ECB considers that the reasons underpinning Recommendation ECB/2020/62 are no longer present. The reduced economic uncertainty allows the thorough supervisory assessment of the prudence of banks' plans to distribute dividends and conduct share buybacks on an individual basis with a careful forward-looking assessment of capital plans in the context of the normal</i></p>				

² To be filled in case of documents submitted for pre-approval/ approval to several committees

supervisory cycle”.

5.2. Proposal for dividend distribution and payment

The details underpinning our proposal below are as follows:

BCR Bank	RON
Cumulative Net Profit	1,431,867,864
of which 2019	651,909,666
of which 2020	779,958,198
Total dividends	
871,925,572	
2019 (payout ratio 50%)	
325,954,833	
2020 (payout ratio 70%)	
545,970,739	
Dividends distributed in June 2021	71,778,644
Dividend proposal	800,146,928

In accordance with the above information, we are submitting for the pre-approval of the Management Board and Supervisory Board and for the approval of General Shareholders' Meeting, the following proposal:

- **payment of dividends in amount of RON 800,146,928 until 31.12.2021, at the latest.**

NBR has been informed through the letter no. 191 dated on 20.09.2021 upon the intention to distribute dividends in 4Q 21, as indicated above.

Any withholding tax applied to the dividend income, established by each category of beneficiary in accordance with the provisions of the Fiscal Code, will be deducted from the gross value.