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NOTE

AUTHOR	Note number	20 / 17 May 2023
	Functional entity	Controlling Division – Ganna Lishchenko
	Confidentiality level	Confidential
	Name, first name	Ganna Lishchenko

1. Referring to	Distribution of ordinary dividends from retained earnings			
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		
		N/A		

3. Call notice chapter	Topics for approval
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4. Proposed Decision¹:	We submit for Management Board and Supervisory Board pre-approval, and the General Meeting of Shareholders approval the decision to distribute ordinary dividends from retained earnings in total amount of RON 1,145,561,239, dividends to be paid by the end of 2023.
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5. Content: **Payment of dividends**

Considering the recent recommendation of the regulator as per the NBR letter no VI/2/5868/13.04.2023 by which is requested a prudential approach regarding the distribution of dividends from the profit of 2022 in the context of the obligation to comply with the MREL requirement on the backdrop of the limited capacity of the capital markets, we inform you that on 11.05.2023, BCR successfully issued Senior Non-Preferred green bonds on the eurobond market in the amount of EUR 700 million, 4NC3, yield 7.625 %.

With this issuance BCR covers in advance a significant part of the total target of MREL eligible instruments planned for 2023 in a difficult global market environment. In fact, BCR covered the entire plan for 2023 as regards Senior notes. The issue represents a first for Romania and, at the same time, the largest Senior issue ever made by a financial sector or corporate issuer in our country.

BCR plans and executes a prudent approach at all times as regards continuously consolidating the strength of its balance sheet, the size and structure of its capital. It is our primary preoccupation to be able to withstand and manage our growth plans irrespective of the market cross currents. This enables us to deliver our strategy to the benefit of all our stakeholders (shareholders, clients, employees, communities, regulators) having at all times in mind our purpose to contribute to the prosperity of Romania.

As a result, BCR consistently generates value also to our shareholders in an efficient and sustainable manner, insuring at all times the strength of our enterprise, enabling it to increase constantly its resilience.

Moreover, Erste Group prudent guiding principles and responsible behavior as shareholder and stakeholder for the prosperity of our country is proven beyond undisputable since it acquired BCR, as reputation, financial strength and expertise remain the fundament of the long-term strategy to support Romania and all the other CEE countries in which it operates.

Taking into consideration all the above, we propose the following:

2. For Management Board and Supervisory Board pre-approval and the General Meeting of Shareholders approval to distribute ordinary dividends from retained earnings in total amount of RON 1,145,561,239 to be paid by the end of 2023, representing 65% dividend payout ratio.

The decision to distribute dividends in 2023 takes into account the Capital Strategy of the BCR Group according to which both the capital ratios and the MREL target will be comfortably met. As mentioned this takes into consideration in a prudent manner our significantly planned organic growth for the year 2023, as depicted in our 2023 plans.

Any withholding tax applied to dividend income will be deducted from gross value in accordance with the provisions of the Fiscal Code. Tax treatment of dividend income will be determined for each category of beneficiary under the tax provisions.

Executiv Director :	Signature:
Ganna Lishchenko	<i>/ Ramona Stefan</i>
Present :	Ganna Lishchenko

SIGNATURE OF THE MEMBERS OF THE MANAGEMENT BOARD:

Member	Signature:
SERGIU CRISTIAN MANEA Executive President CEO	
ELKE MEIER Executive Vice President CFO	
THOMAS KOLARIK Executive Vice President Operations & IT COO	
DANA LUCIANA DEMETRIAN Executive Vice President Retail & Private Banking	
ILINKA KAJGANA Executive Vice President Risk CRO	

