



Banca Comercială Română S. A.
No. CEO Office: 188/28.08.2020
Supervisory Board

Semi-Annual Administrators' Report

as at 30 June 2020

This report is prepared in accordance with requirements of ASF Regulation 5/2018.

Report issued: 07 August 2020

Name of legal entity:	Banca Comercială Română S.A.
Headquarters:	159 Calea Plevnei street, Sector 6, Bucharest, postal code 060013
Contact:	
	Tel No. InfoBCR: 0800.801.227 +4021.407.42.00
	Website www.bcr.ro
	Email: contact.center@bcr.ro
Registration Number in the Trade Register:	J40/90/1991
Banking Register Number:	RB-PJR-40-008/18.02.1999
Notification registered as Personal Data Operator at ANSPDCP under No:	3776 and 3772
Subscribed and paid-up capital:	1,625,341,625.40 lei
The regulated market on which the bonds are issued:	Luxemburg Stock Exchange (www.bourse.lu) Bucharest Stock Exchange (www.bvb.ro)
The main characteristics of the bonds issued by BCR S.A.	Issuance in amount of EUR 4,158,000, ISIN XS0550567142 Issuance in amount of EUR 2,000,000, ISIN XS0675038649 Issuance in amount of RON 600,000,000, ISIN ROEAZVK5DFP8



1. Economic and financial statements

1.1 Company presentation

Banca Comerciala Romana (BCR) was established in 1990, when it took over the commercial operations of the National Bank of Romania. Today, BCR Group (member of Erste Group) is one of the most important financial group in Romania, including universal banking operations (retail, corporate & investment banking, treasury and capital markets) as well as leasing companies, private pension and housing banks.

The Bank offers a complete range of financial services and financial solutions dedicated to each stage of the financial cycle in a lifetime, as a "one-stop shop": savings, investment, lending, consulting and advisory, leasing. BCR encourages long-term relationships with its clients belonging to all segments, offers affordable and transparent products, but also personalized consulting services.

Network

BCR offers a full range of financial products and services through a network of 19 commercial centres and area centres and 16 mobile offices dedicated to companies and 429 retail units located in the majority cities with a population of over 10,000 inhabitants from all across the country.

Bank and subsidiaries

During 2020, Banca Comerciala Romana Group ("BCR Group" or "the Group") comprised the parent bank, Banca Comerciala Romana S.A. and its subsidiaries, presented in the following table:

Company's Name	Country of incorporation	Nature of the business	Shareholding	
			30 June 2020	31 December 2019
BCR Chisinau SA	Moldova	Banking	100.00%	100.00%
BCR Leasing IFN SA	Romania	Financial leasing	99.97%	99.97%
BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private SA	Romania	Pension Fund Management	99.99%	99.99%
BCR Banca pentru Locuinte SA	Romania	Housing loans	99.99%	99.99%
Suport Colect SRL	Romania	Workout	99.99%	99.99%
CIT One SRL	Romania	Security activities and guard /Cash processing and storing	100.00%	100.00%
BCR Payments Services SRL	Romania	Payments transactions	99.99%	99.99%
BCR Fleet Management SRL*	Romania	Operational leasing	99.97%	99.97%

* Company held indirectly by BCR through BCR Leasing SA

The participation held in CIT One was maintained as asset held for sale. Currently, the completion of the selling transaction depends on the Romanian Competition Council confirmation.

The participation in BCR Fleet Management SRL was reclassified as asset held for sale at 31st Of March, 2019. Currently, the procedure for obtaining offers for investor selection is in progress.

Group structure has not changed since 31 December 2019.



1.2 Financial accounting statements

in RON thousands	Group			Bank		
	30.06.2020	31.12.2019	H1 2020/ 2019 %	30.06.2020	31.12.2019	H1 2020/ 2019 %
Assets						
Cash and cash balances	10,572,625	9,006,518	17.4%	10,087,198	8,724,971	15.6%
Financial assets held for trading	567,507	429,356	32.2%	567,507	429,356	32.2%
Derivatives	63,619	40,100	58.7%	63,619	40,100	58.7%
Other financial assets held for trading	503,888	389,256	29.4%	503,888	389,256	29.4%
Non-trading financial assets at fair value through profit or loss	90,319	93,872	-3.8%	90,066	93,620	-3.8%
Equity instruments	36,794	40,388	-8.9%	36,541	40,136	-9.0%
Debt securities	51,745	49,922	3.7%	51,745	49,922	3.7%
Loans and advances to customers	1,780	3,562	-50.0%	1,780	3,562	-50.0%
Financial assets at fair value through other comprehensive income	6,155,400	6,117,844	0.6%	6,110,438	6,115,902	-0.1%
Debt securities	6,155,400	6,117,844	0.6%	6,110,438	6,115,902	-0.1%
<i>thereof pledged as collateral</i>	-	56,341	-100.0%	-	56,341	-100.0%
Financial assets at amortised cost	54,217,407	54,899,081	-12.2%	53,129,957	53,019,313	0.2%
Debt securities	14,920,580	15,735,188	-5.2%	14,087,718	14,422,788	-2.3%
<i>thereof pledged as collateral</i>	5,125,553	739,503	-30.7%	1,859,251	2,087,276	-10.9%
Loans and advances to banks	438,730	661,437	-33.7%	434,212	661,086	-34.3%
Loans and advances to customers	38,858,097	38,502,456	0.9%	38,608,027	37,935,439	1.8%
Finance lease receivables	1,197,003	1,117,933	7.1%	9,815	3,399	188.8%
Property and equipment	987,193	937,267	5.3%	885,918	837,505	5.8%
Investment property	145,564	161,181	-9.7%	145,564	161,181	-9.7%
Intangible assets	347,742	359,085	-3.2%	338,833	348,582	-2.8%
Investments in joint ventures and associates	28,646	24,553	16.7%	2,1570	17,035	26.6%
Current tax assets	206,831	238,752	-13.4%	204,436	235,928	-13.3%
Deferred tax assets	163,258	183,857	-11.2%	154,800	172,780	-10.4%
Assets held for sale	668,794	646,396	3.5%	204,134	210,704	-3.1%
Trade and other receivables	475,242	425,060	11.8%	461,108	408,778	12.8%
Investments in subsidiaries	-	-	x	488,077	488,077	0.0%
Other assets	385,231	297,604	29.4%	246,677	173,821	41.9%
Total assets	76,208,762	74,938,359	1.7%	73,146,098	71,440,952	2.4%

in RON thousands	Group			Bank		
	30.06.2020	31.12.2019	H1 2020/ 2019 %	30.06.2020	31.12.2019	H1 2020/ 2019 %
Liabilities and Equity						
Financial liabilities held for trading	51002	73,498	-30.6%	51002	73,498	-30.6%
Derivatives	51002	73,498	-30.6%	51002	73,498	-30.6%
Financial liabilities measured at amortised cost	64,418,315	63,678,655	12%	62,566,432	61,395,958	19%
Deposits from banks	3,364,857	4,439,160	-24.2%	3,400,778	4,174,183	-18.5%
Deposits from customers	59,555,854	57,791,780	3.1%	57,681,269	55,775,424	3.4%
Debt securities in issue	660,411	784,402	-15.8%	660,411	784,402	-15.8%
Other financial liabilities	837,193	663,313	26.2%	823,974	661,949	24.5%
Finance lease liabilities	398,154	327,050	21.7%	395,000	323,721	22.0%
Provisions	1,752,014	1,779,611	-1.6%	1,017,461	1,049,481	-3.1%
Current tax liabilities	1,157	2,882	-59.9%	-	-	x
Deferred tax liabilities	9,625	8,303	15.9%	-	-	x
Liabilities associated with assets held for sale	218,185	244,193	-10.7%	-	-	x
Other liabilities	388,732	352,457	10.3%	333,938	293,240	13.9%
Total equity	8,971,578	8,471,710	5.9%	8,782,265	8,305,054	5.7%
Share capital	2,952,565	2,952,565	0.0%	2,952,565	2,952,565	0.0%
Retained earnings	4,314,623	3,882,594	11.1%	4,118,098	3,706,526	11.1%
Other reserves	1,704,390	1,636,551	4.1%	1,711,602	1,645,963	4.0%
attributable to non-controlling interest	54	52	3.8%	-	-	x
attributable to owners of the parent	8,971,524	8,471,658	5.9%	-	-	x
Total liabilities and equity	76,208,762	74,938,359	1.7%	73,146,098	71,440,952	2.4%



1.2 Financial accounting statements (*continued*)

As at 30 June 2020, total assets of the Group increased to RON 76,208,762 thousands versus RON 74,938,359 thousands as at 31st of December 2019.

The significant variations are described below:

- Cash and cash balances increased by 17.4% from RON 9,006,518 thousands as at 31st December 2019 to RON 10,572,625 thousands as at 30 June 2020
- Total loans and advances to customers increased by 1.2% to RON 40,532,121 thousands as of 30 June 2020 from 40,049,010 thousands as of 31 December 2019, supported by the increase in retail segment (+2.7% ytd).
- Deposits from customers increased by 3.1% yoy in H1 2020 driven by the increase in retail deposits.



1.2 Financial accounting statements (continued)

Statement of income

in RON thousands	Group			Bank		
	30.06.2020	30.06.2019	H 1 2020/ H 1 2019 %	30.06.2020	30.06.2019	H 1 2020/ H 1 2019 %
Net interest income	1,187,833	1,110,156	7.0%	1,125,579	1,058,954	6.3%
Interest income	1,413,483	1,363,646	3.7%	1,339,890	1,289,124	3.9%
Interest expense	(225,650)	(253,490)	-11.0%	(214,311)	(230,170)	-6.9%
Net fee and commission income	316,235	368,873	-14.3%	296,557	354,128	-16.3%
Fee and commission income	417,111	453,786	-8.1%	391,162	433,116	-9.7%
Fee and commission expense	(100,876)	(84,913)	18.8%	(94,605)	(78,988)	19.8%
Dividend income	3,312	2,359	40.4%	3,274	15,784	-79.3%
Net trading result	142,922	165,213	-13.5%	141,841	163,785	-13.4%
Gain/(losses) from financial instruments measured at fair value through profit or loss	(25)	(2,285)	-98.9%	(25)	(2,285)	-98.9%
Net result from equity method investments	(442)	(1,555)	-7.16%	0	-	x
Rental income from investment properties & other operating leases	53,702	47,484	13.1%	4,870	5,588	-12.8%
Personnel expenses	(411,059)	(395,724)	3.9%	(348,958)	(344,850)	12%
Other administrative expenses	(288,177)	(347,046)	-17.0%	(298,462)	(358,518)	-16.8%
Depreciation and amortisation	(106,058)	(125,444)	-15.5%	(100,085)	(100,637)	-0.5%
Gain/(losses) from derecognition of financial assets measured at amortised cost	-	(505)	-100.0%	-	(505)	-100.0%
Other Gain/(losses) from derecognition of financial instruments not measured at fair value through profit or loss	-	(29,436)	-100.0%	-	(29,436)	-100.0%
Net impairment loss on financial instruments	(169,935)	88,774	-291.4%	(157,077)	(189,906)	-17.3%
Other operating result	(56,559)	(769,520)	-92.7%	(22,903)	(436,981)	-94.8%
Pre-tax result from continuing operations	671,749	111,344	503.3%	644,611	135,121	377.1%
Taxes on income	(172,870)	(132,187)	30.8%	(166,243)	(123,771)	34.3%
Net result for the period	498,879	(20,843)	-2493.5%	478,368	11,350	4114.7%
Net result attributable to non-controlling interests	2	6	-66.7%	0	-	x
Net result attributable to owners of the parent	498,877	(20,849)	-2492.8%	478,368	11,350	4114.7%

1.2 Financial accounting statements (continued)

Statement of cash flows

in RON thousands	Group			Bank		
	30.06.2020	30.06.2019	H1 2020/ H1 2019 %	30.06.2020	30.06.2019	H1 2020/ H1 2019 %
Net result for the period	498,879	(20,843)	-2494%	478,368	11,350	4115%
Non-cash adjustments for items in net profit/(loss) for the year						
Depreciation, amortisation of assets	106,058	125,444	-15%	100,085	100,637	-1%
Allocation to and release of impairment of loans	371,009	38,758	857%	353,660	304,938	16%
Gains/(losses) from the sale of tangible and intangible assets	5,378	20,602	-74%	2,888	18,105	-84%
Other provisions	-	60,135	-100%	-	280,071	-100%
Impairment tangible and intangible assets	-	13,220	-100%	-	-	x
Interest income received from investing activities	(339,919)	(332,240)	2%	(324,081)	(309,479)	5%
Interest expense paid for financing activities	56,203	(29,682)	-289%	61,546	(29,682)	-307%
Dividend income from investing activities	-	-	x	-	(13,464)	-100%
Other adjustments	(47,754)	(63,501)	-25%	(33,305)	(68,869)	-52%
Changes in assets and liabilities from operating activities after adjustment for non-cash components						
Financial assets - held for trading	(114,632)	81,743	-240%	(114,632)	81,743	-240%
Financial assets at fair value through other comprehensive income	(37,067)	(205,466)	-82%	925	(195,037)	-100%
Financial assets at amortised cost						
Loans and advances to banks	222,707	(145,268)	-253%	226,874	(169,470)	-234%
Loans and advances to customers	(855,902)	(1430,879)	-40%	(1,084,996)	(1,310,610)	-17%
Other assets from operating activities	(60,807)	(68,855)	-12%	(72,853)	(36,947)	97%
Deposits from banks	(713,920)	(264,192)	170%	(669,428)	(93,586)	615%
Deposits from customers	1,764,075	328,385	437%	1,905,845	557,181	242%
Other financial liabilities	244,984	260,076	-6%	233,304	275,382	-15%
Other liabilities from operating activities	(20,517)	72,531	-128%	8,681	55,060	-84%
Cash flow from operating activities	1,078,774	(1,018,819)	-206%	1,072,880	(542,678)	-298%
Proceeds of disposal						
Financial assets at fair value through other comprehensive income	-	(727)	-100%	-	(727)	-100%
Property and equipment, intangible assets and investment properties	39,016	49,758	-22%	31,902	49,757	-36%
Acquisition of						
Debt securities at amortised cost	817,538	582,939	40%	320,901	223,629	43%
Property and equipment, intangible assets and investment properties	(195,816)	(177,990)	10%	(155,034)	(66,538)	133%
Contribution to increase in share capital of subsidiaries	(4,535)	-	x	(4,535)	-	x
Interest received from investing activities	339,897	332,223	2%	324,081	309,479	5%
Dividends received from investing activities	-	-	x	-	13,464	-100%
Cash flow from investing activities	996,100	786,203	27%	517,315	529,065	-2%
Dividends paid to equity holders of the parent	-	(484,630)	-100%	-	(484,630)	-100%
Dividends paid to non-controlling interests	-	(466)	-100%	-	(466)	-100%
Debt securities issued	(141,488)	(91,061)	55%	(141,488)	(91,061)	55%
Inflows from other financing activities	-	364,106	-100%	-	-	x
Outflows from other financing activities	(329,685)	(285,525)	15%	(57,635)	(56,917)	1%
Interest expense paid for financing activities	(37,594)	(46,647)	-19%	(28,845)	(37,140)	-22%
Other financing activities	(13,413)	(23,033)	-42%	(4,664)	(13,526)	-66%
Subordinated loans	(24,181)	(23,614)	2%	(24,181)	(23,614)	2%
Cash flow from financing activities	(508,767)	(544,223)	-7%	(227,968)	(670,214)	-66%
Cash and cash equivalents at beginning of period	9,006,518	11,123,191	-19%	8,724,971	10,862,852	-20%
Cash flow from operating activities	1,078,774	(1,018,819)	-206%	1,072,880	(542,678)	-298%
Cash flow from investing activities	996,100	786,203	27%	517,315	529,065	-2%
Cash flow from financing activities	(508,767)	(544,223)	-7%	(227,968)	(670,214)	-66%
Cash and cash equivalents at end of period	10,572,625	10,346,352	2%	10,087,198	10,179,024	-1%

As at 30 June 2020, liquidity indicator calculated in accordance with NBR Regulation 2/2018 was between 1.59 and 17.55 (considering the remaining maturity of assets and liabilities), while as at 31st of December 2019 was between 1.68 and 17.07.

2. Analysis of the issuer's activity

2.1. Outlook on issuer's activity

2020 – 2021 expected macroeconomic development

We foresee an economic contraction of -4.7% in 2020 due to the COVID-19 crisis. Twin deficit weakness exposes Romania to a larger extent to the supply-demand shock. The new public pension law, with very generous increase in public pensions (+40% in September 2020) is a key risk for public finances. The government still has to decide whether to fully implement the pension law or to water it down. In 2021, risks to our baseline economic growth forecast of +3.9% are related to fiscal adjustment measures to avoid a major fiscal slippage, although favourable statistical base effects and higher inflows of EU structural and cohesion funds could mitigate these risks.

Balance Sheet developments

Loan production will continue to be the main balance sheet growth driver, BCR Group expecting in 2020 a mid-single digit growth, supported both by Retail and Corporate segments.

On the liabilities side, both Retail and Corporate deposits will continue their strong growth in line with BCR strategy to capitalize on its customer deposit base and with focus on digitalization.

Income Statements developments

Net interest income will increase in 2020 driven by loan growth, while preserving net interest margin level.

Net fee and commission income the second key income component, is expected to decrease in 2020 in both Retail and Corporate affected by SEPA implementation and cash related fees reduction following transaction shift from branch to digital & equipment.

All in all, the **operating income** should grow by low single digit growth in 2020, with net interest income remaining the biggest contributor.

Operating expenses in 2020 are in line with our ambition to keep local costs flat except deposit insurance as a consequence of efficiency initiatives implemented during last two years allowing further investments in order to deliver our Strategy.

Risk cost development for 2020 driven by allocations of provisions for new defaults given the slowdown in the economic growth and methodological changes in the default recognition.

Despite the fact that COVID-19 has placed unprecedented challenges on banking system, BCR Group aims to deliver a mid-single digit return on equity (ROE) by end 2020.



2. Analysis of the issuer's activity (continued)

2.2. Issuer's tangible and intangible assets

Currently, BCR S.A. has a portfolio of 149 properties, located in 39 counties and in Bucharest, of which the largest number of buildings are located in Bucharest - 20 units. In each of Alba, Bacau, Brasov and Prahova counties there are 6 units and the remaining properties are located in other counties in Romania.

Currently, BCR S.A. follows the strategy of optimizing the network of units, a strategy started in 2018, whose purpose was the selling certain properties. The real estate elements included in the sale plan could be sold in the current real estate market without requiring any change for the purpose of the sale.

The business plan within the current strategy presented the Bank's intention to recover the book value of the buildings included in the sale-optimization strategy rather than through their use.

As of 30.06.2020 net tangible assets amounted to RON 1,031,482 thousands. In total net tangible assets, land and buildings represent 44%.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated.

The estimated useful lives are as follows:

- Buildings 30 to 50 years (mainly 50 years)
- Office equipment 3 to 10 years
- Other furniture and equipment 3 to 10 years

2.3. Issuer's performance¹

BCR achieved a **net profit of RON 498.9 million (EUR 103.6 million) in H1 2020**, against a net loss of RON 20.8 million (EUR 4.4 million) in S1 2019, mainly due to significant one-off provision allocation related to the activity of BCR Banca pentru Locuinte booked in Q2 2019.

Operating result improved by 9.3% to **RON 898.2 million (EUR 186.5 million)** in H1 2020 from to RON 822.0 million (EUR 173.3 million) in H1 2019, on the back of higher operating income along with lower operating expenses.

Net interest income increased by 7.0%, to **RON 1,187.8 million (EUR 246.6 million)** in H1 2020, from RON 1,110.2 million (EUR 234.1 million) in H1 2019, favoured by higher loan volumes in both retail and corporate.

¹ Below stated financial data are un-audited, consolidated business results of Banca Comerciala Romana Group for H1 2020, according to IFRS. Unless otherwise stated, financial results for H1 2020 are compared to financial results for H1 2019. Also, if not stated otherwise, foreign exchange rates used for conversion of figures into EURO are the ones provided by the European Central Bank. The income statement is converted using the average exchange rate for H1 2020 of 4.8173 RON/EUR and using the average exchange rate for H1 2019 of 4.7422 RON/EUR. The balance sheets at 30 June 2020 and at 31 December 2019 are converted using the closing exchange rates at the respective dates (4.8397 RON/EUR at 30 June 2020 and 4.7830 RON/EUR at 31 December 2019, respectively). All the percentage changes refer to RON figures.

2. Analysis of the issuer's activity *(continued)*

2.3. Issuer's performance *(continued)*

Net fee and commission income decreased by 14.3%, to **RON 316.2 million (EUR 65.6 million)** in H1 2020, from RON 368.9 million (EUR 77.8 million) in H1 2019, driven by lower cash withdrawal and waved withdrawal fee at non-BCR ATMs in Apr and May as support measure during the state of emergency.

Net trading result (including gains and losses from financial instruments measured at fair value through profit or loss) decreased by 12.3%, to **RON 142.9 million (EUR 29.7 million)** in H1 2020, from RON 162.9 million (EUR 34.4 million) in H1 2019, mainly driven by lower trading activity.

Operating income slightly increased by 0.8%, to **RON 1,703.5 million (EUR 353.6 million)** in H1 2020, from RON 1,690.2 million (EUR 356.4 million) in H1 2019, driven by higher net interest income, partly offset by lower fee income and net trading result.

General administrative expenses in H1 2020 reached **RON 805.3 million (EUR 167.2 million)**, down by 7.2% in comparison to RON 868.2 million (EUR 183.1 million) in H1 2019, mainly due to lower contribution to deposit insurance fund in 2020 versus 2019 and lower depreciation, partly offset by one-off pandemic related personnel expenses in Q2 2020. As such, **cost-income ratio** improved to 47.3% in H1 2020, versus 51.4% in H1 2019.

Risk costs and Asset Quality

Impairment result from financial instruments recorded an allocation of **RON 169.9 million (EUR 35.3 million)** in H1 2020, as compared to a release of RON 88.8 million (EUR 18.7 million) in H1 2019. This result has been mainly influenced by updated risk parameters to reflect the economic downturn coupled with the implementation of stricter rules for credit risk classification under IFRS 9 applied to client exposures affected by the current situation.

NPL ratio reached **4.5% as of June 2020**, slightly higher than 4.1% recorded at December 2019. This evolution is reflecting the effect of a one-off large new default registered in Corporate segment, after a long period of almost no new NPL formation, coupled with continuous trend of recoveries. At the same time, the NPL provisioning coverage remained relatively stable at 117.4% as of June 2020.

Capital position and funding

Solvency ratio for BCR Bank standalone, according to the capital requirements regulations (CRR) stood at 19.6% as of May 2020, well above the regulatory requirements of the National Bank of Romania. Furthermore, the Tier 1+2 capital ratio of 17.9% (BCR Group, before 2019 profit capitalization) as of March 2020 is clearly showing BCR's strong capital adequacy and continuing support of Erste Group. In this respect, BCR enjoys one of the strongest capital and funding positions amongst the Romanian banks.

Loans and advances to customers increased by 1.2% to **RON 40,532.1 million (EUR 8,374.9 million)** as of 30 June 2020 from 40,049.0 million (EUR 8,373.2 million) as of 31 December 2019, supported by the increase in retail segment (+2.7% ytd).

Deposits from customers increased by 3.1% to **RON 59,555.9 million (EUR 12,305.7 million)** as of 30 June 2020 versus 57,791.8 million (EUR 12,082.8 million) as of 31 December 2019, supported by the increase in retail deposits (+5.1% ytd).



2. Analysis of the issuer's activity (continued)

2.3. Issuer's performance (continued)

BCR impact in the economy

In **retail banking business**, BCR generated total new loans in local currency to individuals and micro businesses of RON 3.7 billion in H1 2020 mainly driven by mortgage loans. Cash loan sales decreased by 9.3% yoy, impacted in Q2 2020 by lower consumption and higher uncertainties generated by the pandemic context. Mortgage new sales grew by 25% yoy in H1 2020 mainly driven by standard product. New loans to micros went up by 24.0% yoy in H1 2020.

In **corporate banking business**, BCR (bank standalone) approved new corporate loans of RON 3.2 billion in H1 2020. The stock of financing for SME segment (including BCR Leasing subsidiary) increased by 9% yoy to RON 6.3 billion (EUR 1.3 billion) as of 30 June 2020, as a result of a high focus on new business and advance in leasing. Public Sector financing increased by 16.1% yoy. Real Estate segment strongly increased by 20.9% year-on-year on drawdowns within the office and commercial projects financed over the last year.

The **intelligent banking platform George** reached 900,000 users, up by 70% as compared to H1 2019. The number of transactions through George increased by 130% in H1 2020 as compared to the same period in 2019. In addition, there was an increase of over 150% in accessing banking products in the digital platform, the biggest appetite being for the 100% online George account, which reached a share of 52% of the total current accounts opened in 2020.

The shared online **platform Casa Mea** App, that runs document workflow for proprietary mortgage, has been already used for 44% of disbursed loans.

The Money School programme reached 13,000 adults and children in H1 2020, having organized financial education online sessions for adults and dedicated workshops for children.

The entrepreneurial education platform **The Business School** (www.bcrscoaladebusiness.ro) reached over 7,500 users and launched a new module with useful advices for financing, which includes information on how SMEs and micro-enterprises can optimize their working capital and identify investment opportunities.

BCR-INNOVX Accelerator has selected 44 technology start-ups from Iași, Cluj and Bucharest to participate in the incubation programmes dedicated to the Start-ups group, with a turnover between EUR 100,000 and EUR 1 million, and Grinders group, with a turnover up to EUR 100,000. Out of these, 30 start-ups entered the six-week acceleration bootcamps.

3. Changes affecting the issuers' capital

3.1 Description of the cases when the issuer was unable to meet its financial obligations during the reporting period

N/A

3.2 Description of any changes in the rights of the holders of debt securities issued

N/A

4. Significant transactions

N/A

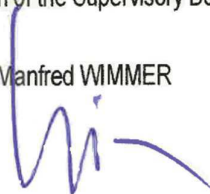
5. Annexes

The following documents are annexed to this report:

1. Issuers' Management
2. Statement of Compliance of the members of the Executive Committee who assume responsibility for the preparation of the Financial Statements
3. Interim Condensed Financial Statements prepared in accordance with IAS 34 and unaudited as at 30 June 2020

Chairman of the Supervisory Board,

Manfred WIMMER

A handwritten signature in blue ink, appearing to read 'Wimmer', is written over the printed name 'Manfred WIMMER'.

Annex 1 - Issuer's Management

BCR's Supervisory Board and Management Board structure during 01.01 - 30.06.2020

Supervisory Board

- Manfred Wimmer – Chairman;
- Alexandra Habeler – Drabek - Deputy Chairman;
- Bernhard Spalt - Member;
- Hildegard Gacek – Member;
- Elisabeth Krainer Senger – Weiss - Member;
- Daniela Nemoianu – Member;
- Birte Quitt – Member (appointed by GSM on 26.06.2020, currently under the NBR authorization process).

Management Board

1. Sergiu Cristian Manea - Executive President;
2. Elke Meier - Executive Vice-president;
3. Dana Luciana Dima - Executive Vice-president;
4. Ilinka Kajgana - Executive Vice-president;
5. Ryszard Ferdynand Druzynski - Executive Vice-president.