

Banca Comercială Română (BCR) – successfully debuts on the international capital market with a EUR 700 million 4NC3 senior non-preferred green Eurobond issuance

This transaction marks several firsts on the Romanian market:

- It is the first green Eurobond bank transaction
- Final orderbook at re-offer of EUR 1.75 billion is the largest senior issue in the history for any financial or corporate issuer in Romania
- The spread tightening of 50 percentage points from the initial pricing thoughts (IPTs) of 8.00%-8.25% to the final level of 7.625% is the highest value ever recorded for a transaction by a CEE financial institution
- With more than 155 different accounts, this transaction can be considered one of the most diversified in terms of investor distribution, in the universe of European financial institution issuers
- Erste Group Bank AG, BNP Paribas, Citigroup Global Markets Europe AG, ING Bank N.V., J.P. Morgan SE acted as Joint Bookrunners, and BCR was Co-Lead Manager

BCR's new bond issue marks the bank's debut on the international capital markets and consists of 4NC3 senior non-preferred Eurobonds with a maturity of 4 years, with the possibility of early redemption after 3 years. The issue is to be listed on the Vienna and Bucharest Stock Exchanges, being also the first international green Eurobond issued by a Romanian bank. In addition, this issuance is part of BCR's journey in the direction of the ESG (Environmental, Social and Governance) criteria, with the aim to build a sustainable economic development by encouraging environmentally responsible behavior, through better governance and increased social involvement. Before the Eurobond, BCR has printed in the three past years an amount of RON 4.1 billion in bond issuances, being one of the most active issuers on the Bucharest Stock Exchange. This issue is expected to receive a Baa2 rating from Moody's (in line with the rating given to the Multi Issuer Bond Programme for this issues) and BBB+ from Fitch.

The book building process has shown strong investor interest, hence in the first hours after opening the orderbook reached over EUR 1 billion, rising to over EUR 1.9 billion at the close of the orderbook, in just few hours, allowing a coupon of 7.625%, significantly reduced from IPTs of 8.00%-8.25%.

The distribution was diversified, with over 155 investors and benefited from both foreign and local investors. Over 60% of the issue was allocated to institutional investors interested in green assets, with notable participation from the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD). In addition, proceeds from the Eurobond issue will be directed towards renewable energy projects, green mortgages, and green buildings.

"BCR is the first bank in Romania to print a green Eurobond issue, and the trading process has marked some firsts in the European banking industry. These milestones confirm the recognition and

trust BCR enjoys among investors, whether corporate or institutional, international, or local. In fact, this trust mandate is addressed to the entire BCR community, employees, and clients alike, being anchored by the professionalism of the team coordinating the issuance. We have learned a great deal in the process, and we are honored to note the confidence of a significant number of investors in our responsible, forward-looking approach, but also in the determination with which we engage in projects aimed at sustainable economic development. We are glad that together with our partners, through the capital market, we can strengthen Romania's major growth opportunities and processes.", said **Sergiu Manea, CEO of Banca Comercială Română**.

BCR's new bond issue is a first on the Romanian financial-banking market, being the largest corporate bond issuance in Romania. It is also BCR's eighth bond issuance and supports the bank's efforts in developing the Romanian capital market, as well as the professionalism of the team that coordinated and planned this launch.

The bond issue proved successful from the outset, as the order book registered a significant volume of EUR 1.9 billion, well above the minimum issue size of EUR 500 million. This increased the issued amount to EUR 700 million. The final volume reflects our commitment to the market in terms of future issuance plans and our firm intention of building a relationship of trust with our investors.

With this issuance, BCR took another step forward towards the compliance with the EU regulations on the minimum capacity that banks must have in order to absorb the losses, the Minimum Requirements of own funds and Eligible Liabilities (MREL) and MREL guidelines in line with targeted resolution strategy.

BCR offers a full range of financial products and services through a network of 20 business centres and 16 mobile offices dedicated to companies and 320 retail units located in most of the country's cities with more than 10,000 inhabitants, where 40% of units are cashless. BCR is Romania's No.1 bank in the transaction banking market, with BCR customers having the largest national network of ATMs and multifunctional machines - almost 2000 machines, and full banking services through Internet banking, Mobile banking, Phone-banking and E-commerce.

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For more information on BCR products and services, you can contact us:



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*2227, normal tariff from fixed and mobile