



RAIFFEISEN BANK S.A.

(a joint-stock company organized and functioning in accordance with the laws of Romania, administrated in dualist system, with its registered office at 246C Calea Floreasca, Sky Tower Building, floors 2nd – 7th, 10th and 15th, Bucharest 1st District, Romania, registered with the Trade Registry under no. J40/44/1991 EUID ROONRC J40/44/1991, sole registration code 361820, registered with the Credit Institutions Registry held by National Bank of Romania under number RB-PJR-40-009 as of 18 February 1999, subscribed and paid-in share capital of RON 1,200,000,000)

relating to the

€2,500,000,000 EURO MEDIUM TERM NOTE PROGRAMME

FOR THE ISSUE OF NOTES

This supplement (the "**Supplement**") constitutes a prospectus supplement pursuant to Article 23 (1) of Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017, as amended (the "**Prospectus Regulation**") and is supplemental to, and should be read in conjunction with, the base prospectus dated 3 May 2023 (the "**Prospectus**") relating to a €2,500,000,000 Euro Medium Term Note Programme (the "**Programme**") of Raiffeisen Bank S.A. (the "**Issuer**" or "**Raiffeisen Bank**").

The Prospectus was approved on 3 May 2023 by the Commission de Surveillance du Secteur Financier ("**CSSF**") and published on 3 May 2023 by making it available in electronic form on the website of the Luxembourg Stock Exchange (www.luxse.com) and on the website of Raiffeisen Bank (www.raiffeisen.ro).

This Supplement has been filed for approval with the CSSF in its capacity as competent authority in Luxembourg for approving this Supplement and to provide the competent authorities in Romania with a certificate of approval attesting that this Supplement has been drawn up in accordance with the Prospectus Regulation. This Supplement has been filed with and approved by the CSSF on the date first above written and has been published on or about such date by making it available in electronic form on the website of the Luxembourg Stock Exchange (www.luxse.com) and on the website of Raiffeisen Bank (www.raiffeisen.ro).

The CSSF only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is subject of this Supplement.

Terms defined in the Prospectus shall have the same meaning when used in this Supplement.

This Supplement does not constitute an offer of, or an invitation by or on behalf of any of the Issuer, the Dealers or the Arranger to subscribe for, or purchase, any Notes.

To the extent that there is any inconsistency between a) any statement in this Supplement and b) any other statement in or incorporated by reference in the Prospectus, the statements in a) above will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or material inaccuracy relating to information in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

The Issuer accepts responsibility for the information contained in this Supplement. Having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of the knowledge of the Issuer, in accordance with the facts and contains no omission likely to affect its import.

*No person has been authorised to give any information or to make any representation other than those contained in this Supplement in connection with the issue or sale of any Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, Raiffeisen Bank International AG in its capacity as arranger (the "**Arranger**") or any of Raiffeisen Bank International AG and Raiffeisen Bank S.A. in their capacity as dealers (the "**Dealers**"). Neither the delivery of this Supplement nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the RBI Group since the date hereof or that there has been no adverse change in the financial position of the Issuer or the RBI Group since the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

The distribution of this Supplement and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Supplement comes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and may include Notes in bearer form that are subject to US tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to US persons. For a description of certain restrictions on offers and sales of Notes and on the distribution of this Supplement, see "Subscription and Sale" of the Prospectus.

The Arranger and the Dealers have not separately verified the information contained in this Supplement. None of the Arranger and the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Supplement. Neither this Supplement nor any financial statements supplied in connection with the Programme or any Notes are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger, and the Dealers that any recipient of this Supplement or any financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Supplement or any financial statements and its purchase of Notes should be based upon any such investigation as it deems necessary. None of the Arranger and the Dealers undertakes to review the financial condition or affairs of the Issuer or the RBI Group during the life of the arrangements contemplated by this Supplement or to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arranger and the Dealers.

The following significant new factors (Article 23 of the Prospectus Regulation) relating to the information included in the Prospectus which is capable of affecting the assessment of the Notes, have arisen:

- I. In May 2023, the Issuer has received new MREL requirements from the NBR in its role as Romanian Resolution Authority.

Consequently, the following change to the Prospectus shall be made:

1. On page 23 of the Prospectus, after the fifth paragraph of the Risk Factor "*The Issuer is subject to substantial regulation and supervision. Any new governmental or regulatory requirement and/or any change in perceived levels of adequate capitalisation and leverage could subject the Issuer to increased capital and MREL requirements and require the Issuer to obtain additional capital or liquidity in the future.*" the sixth and the seventh paragraphs shall be replaced in their entirety by the following:

"In May 2023, the NBR, in its role as Romanian Resolution Authority, has communicated to the Issuer the new MREL targets in accordance with BRRD 2 provisions, set in a joint decision with the Single Resolution Board in its capacity of Resolution Authority of the RBI Group.

Based on the joint decision, it was determined that, starting with 1 January 2024, the Issuer shall comply on a consolidated basis at the level of the resolution group with an MREL target of 27.98% in terms of Total Risk Exposure Amount ("**TREA**") and 5.91% in terms of Leverage Ratio Exposure Measure ("**LRE**"). At the same time, the subordinated requirements are set at the levels of 24.48% in terms of TREA and 5.91% of LRE, effective from 1 January 2024. The intermediate binding MREL levels shall remain unchanged and shall be equal to 21.10% of TREA and 5.90% of LRE. The minimum interim subordination requirement shall remain unchanged as well at 19.88% of TREA and 5.90% of LRE."

- II. Furthermore, there have recently been certain developments relating to legal, governmental or arbitration proceedings before various courts and governmental agencies.

Consequently, the following changes to the Prospectus shall be made:

1. On page 14 of the Prospectus, the first paragraph of the Risk Factor "*The Issuer may be subject to onerous tax liabilities.*" shall be replaced in its entirety to read as follows:

"In its business activities, the Issuer is required to pay various taxes and contributions, such as profit tax, value added tax, various social contributions and others. While the Issuer believes it has paid its taxes when due, interpretation of applicable rules by tax authorities may differ. In practice, tax inspections typically result in tax authorities requiring payment of additional amounts as well as interest and/or penalties. Recently, both, the Romanian Government and institutions of the EU, have applied significant pressure in relation to taxes paid or payable by banks. Whether as a result of such pressure from the fiscal authorities or in the ordinary course of business, it is likely that the Issuer will be subject to one or more tax inspections from time to time. In the period December 2017 – May 2019, the Issuer was subject to a fiscal audit from the Romanian Tax Authority ("**ANAF**"). The object of the audit was income tax (period 2011-2016) and withholding tax (period 2013-2016). The fiscal audit report indicated total additional charges of RON 262.4 million which includes income tax, withholding tax and related penalties. The Issuer has paid all the charges resulting from the fiscal inspection. In response, the Issuer submitted an administrative appeal against the inspection report, requesting its cancellation. During 2020, the Issuer received the answer to the appeal according to which the Issuer is entitled to receive back 10% of all charges included in the tax report. The Issuer continued legal procedures for the recovery of the remaining amounts and initiated a litigation in this respect. Based on the facts and documents presented to the tax authority concerning certain operations that were the object of the control performed by the tax authority, considering the reclassification/qualifications made by the tax authority, and considering the opinions issued by the tax advisers and by the law firm that represents the Issuer in the litigation against the tax authority, the Issuer increased the provision for the tax audit as of 31 December 2021. The Issuer recognised as of 31 December 2021 as expense an amount of RON 75 million, in addition to the amount of RON 35.3 million reflected in 2020. The amounts of receivables from the tax audit, are booked under two balance sheet positions: "Other assets" (the part representing withholding taxes and related penalties) and "Income tax receivable" (the part representing income tax and related penalties). As of 31 December 2022, the total value of receivables from the fiscal authority booked was in amount of RON 215.5 million, while the provision estimated based on probable loss scenario was in amount of RON 110.3 million. As of 30 June 2023, the total value of receivables from the fiscal authority booked was in amount of RON

236.8 million, while the provision estimated based on probable loss scenario was in amount of RON 131.6 million."

2. On page 65 of the Prospectus, paragraphs (b) and (c) in subchapter "**7. LEGAL AND ARBITRATION PROCEEDINGS**" in the chapter "**DESCRIPTION OF THE ISSUER**" shall be replaced in their entirety to read as follows:

"(b) Order no. 837 dated 20 October 2017 received from the ANPC.

In October 2017, the Issuer received an order from ANPC which requires the Issuer to stop its alleged practice of not informing its customers about future changes in the interest rate charged to the customers ("**Order no. 837**"). The Issuer has disputed the order but lost the trial. The Issuer has started repaying all the relevant amounts to its clients and to close this case. The provision booked as of 31 December 2022 (amounting to RON 61.6 million) was gradually reduced to RON 16.7 million, as of 30 June 2023, due to payments made towards the clients, and represents the amount that will be paid out to the impacted clients in 2023.

- (c) In the period from December 2017 to May 2019, the Issuer had been subject to a fiscal audit from ANAF. The object of the audit was income tax (for the period 2011 to 2016) and withholding tax (for the period 2013 to 2016). The Issuer has paid the additional tax liabilities resulted from the fiscal audit, however, it has assessed that the amounts in respect of tax liabilities are recoverable and continued the legal procedures for the recovery of the remaining amounts. As of 31 December 2022, the total value of receivables from the fiscal authority booked was in amount of RON 215.5 million, while the provision estimated based on probable loss scenario was in amount of RON 110.3 million. As of 30 June 2023, the total value of receivables from the fiscal authority booked was in amount of RON 236.8 million, while the provision estimated based on probable loss scenario was in amount of RON 131.6 million."

- III. On 15 September 2023, the Issuer published its Unaudited Interim Condensed Consolidated and Separate Financial Statements Prepared in Accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed by the European Union for the six months period ended 30 June 2023.

Consequently, the following changes to the Prospectus shall be made:

1. On pages 54-55 of the Prospectus, the section "**2.10 Capital Requirements**" of subchapter "**2. BUSINESS OVERVIEW**" in the chapter "**DESCRIPTION OF THE ISSUER**" shall be replaced in its entirety to read as follows:

"Implementation of the risk profile at the Issuer's level is realised by establishing a strategy for each significant risk and implementation of corresponding policies. The Issuer adopted policies for managing significant risks, ensuring the implementation of the adequate risk profile.

The main objective of the risk management activity in the Issuer is to maintain an adequate level of internal capital in relation to the risks taken, both from a regulatory (sustainability perspective) and economic (target rating perspective) point of view.

It is considered that the Issuer has an adequate level of capital for covering risks when economic capital is less than or equal to the risk capital, for all risks.

As at 30 June 2023, the internal capital of the Group (risk capacity) amounted to RON 6,847 million, resulting in an amount of risk tolerance of RON 6,162 million, calculated as 90% from internal capital.

As the risk tolerance of RON 6,162 million is higher than the economic capital in total amount of RON 4,243 million, on 30 June 2023 the Group had an adequate level of internal capital for covering risks.

Capital ratios are at a comfortable level, above the minimum requirements. Figures for both 2021 and 2022 do not include the profit incorporation, approved in the general meeting of the shareholders dated 21 April 2022 and 28 April 2023.

Capital structure for the Group (sub-consolidated level):

Capital structure (% RWA*)	Regulatory requirements 2021	Actual 2021	Regulatory requirements 2022	Actual 2022	Regulatory requirements June 2023	Actual June 2023
Supervisory Review and Evaluation Process ("SREP") (Pillar 1 + Pillar 2 capital):						
CET 1	6.50%		7.25%		7.11%	
Tier 1	8.68%		9.66%		9.52%	
CAR, out of which:	11.57%		12.88%		12.69%	
<i>SREP</i>	3.57%		4.88%		4.69%	
Capital buffers						
Total capital buffers, out of which:	4.50%		4.0%		4.00%	
Conservation	2.50%		2.50%		2.50%	
Countercyclical	0.00%		0.50%		0.50%	
O-SII	2.00%		1.00%		1.00%	
Systemic Risk	0.00%		0.00%		0.00%	
Total capital (SREP + Capital buffers):						
CET 1	11.00%	16.89%	11.25%	16.19%	11.11%	15.63%
Tier 1	13.18%	17.75%	13.66%	18.16%	13.52%	17.41%
Total CAR**	16.07%	20.90%	16.88%	20.94%	16.69%	19.96%

Note: Own funds elements from the table above (Pillar 1, Pillar 2, CET1, T1 and capital buffers) are defined in Regulation EU No. 575/2013 on prudential requirements for credit institutions and investment firms ("**CRR**") and NBR regulation no 5/2013 regarding the prudential requirements for credit institutions, as amended from time to time.

*RWA – Risk weighted assets; **CAR – Capital adequacy ratio.

Source: The Issuer, Annual Consolidated Financial Statements and Interim Condensed Consolidated Financial Statements

2. On page 58 of the Prospectus, section "**4.2. Significant change in the financial performance of the Issuer since the end of the last financial period for which financial information has been published**" of subchapter "**4. TREND INFORMATION**" in the chapter "**DESCRIPTION OF THE ISSUER**" shall be replaced in its entirety to read as follows:

"4.2. Significant change in the financial performance of the Issuer since the end of the last financial period for which financial information has been published

Since 30 June 2023, there have been no significant changes in the financial performance of the Issuer to the date of this Supplement."

3. On page 66 of the Prospectus, the subchapter "**8. SIGNIFICANT CHANGE IN THE FINANCIAL POSITION OF THE GROUP**" in the chapter "**DESCRIPTION OF THE ISSUER**" shall be replaced in its entirety to read as follows:

"8. SIGNIFICANT CHANGE IN THE FINANCIAL POSITION OF THE GROUP

Since 30 June 2023, there have been no significant changes in the financial position of the Group to the date of this Supplement."

4. On page 67 of the Prospectus, the chapter "**FINANCIAL INFORMATION**", shall be replaced in its entirety to read as follows:

"Selected financial information

The selected financial information is extracted from the consolidated financial statements as of 31 December 2022 and the interim condensed consolidated financial statements as of 30 June 2023 and of 30 June 2022 and is to be read in conjunction with these financial statements. The Annual Consolidated Financial Statements have been prepared in accordance with Order no. 27/2010 of the NBR and subsequent amendments, which require that these consolidated financial statements are prepared in accordance with IFRS. The Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34. The Annual Consolidated Financial Statements have been audited by the independent Auditor.

The Group's accounting policies applied in preparing the Annual Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements are described in Note 3 to the Annual Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statement respectively.

Where:

"**Annual Consolidated Financial Statements**" means the Group's audited consolidated financial statements for the year ended 31 December 2022 that include the comparative figures for the year ended 31 December 2021, prepared in accordance with IFRS.

"**IAS 34**" means International Accounting Standard IAS 34 – Interim Financial Reporting.

"**Interim Condensed Consolidated and Separate Financial Statements**" means the Group's unaudited interim condensed consolidated financial statements for the six months period ended 30 June 2023 prepared in accordance with IAS 34, that include the comparative figures for the six months period ended 30 June 2022, prepared in accordance with IAS 34.

Selected historical key financial information as at and for the six months period ended 30 June 2023 and 30 June 2022 and the year ended 31 December 2022:

	The Group		The Issuer	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
in RON thousands				
Total liabilities and equity	66,781,482	62,589,756	66,173,711	62,012,749
Total equity	7,370,984	6,453,972	7,176,349	6,275,977

	The Group		The Issuer	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
in RON thousands				
Net interest income	1,379,949	1,072,590	1,358,275	1,051,518

Net result for the period	889,863	596,352	873,533	602,162
Net result attributable to non-controlling interests	1	1	0	0
Net result attributable to owners of the parent	889,862	596,351	873,533	602,162

Source: Annual Consolidated Financial Statements and Interim Condensed Consolidated Financial Statements."

5. On page 190 of the Prospectus, in the chapter "**DOCUMENTS INCORPORATED BY REFERENCE**", the existing table shall be replaced in its entirety to read as follows:

Document/Heading	Page reference in the relevant document
<p>English language translation of the Raiffeisen Bank S.A.'s Consolidated and Separate Financial Statements Prepared in Accordance with International Financial Reporting Standards as endorsed by the European Union (the "Audited IFRS-EU Financial Statements 2021") and the audit report for the Financial Statements 2021.</p> <p>Source: the Consolidated and Separate Financial Statements Prepared in Accordance with International Financial Reporting Standards as endorsed by the European Union 2021 of the Issuer (containing the audited Consolidated Financial Statements for the fiscal year 2021), as made available on the Issuer's website (https://www.raiffeisen.ro/doc/Raiffeisen-Bank-Financial-Statements-2021.pdf).</p>	
<p>Independent Auditor's Report</p> <p>Consolidated and Separate Statement of Comprehensive Income – only information related to the column entitled "Group"</p> <p>Consolidated and Separate Statement of Financial Position – only information related to the column entitled "Group"</p> <p>Consolidated and Separate Statement of Changes in Equity – only information related to the table entitled "Group"</p> <p>Consolidated and Separate Statement of Cash Flows – only information related to the column entitled "Group"</p> <p>Notes to the Financial Consolidated and Separate Statements for fiscal year ended at 31 December 2021 – only information related to the Group and to the columns "Group"</p>	<p>4-10*</p> <p>11*</p> <p>12*</p> <p>13*</p> <p>14-17*</p> <p>18-189*</p>
<p>English language translation of the Raiffeisen Bank S.A.'s Consolidated and Separate Financial Statements Prepared in Accordance with International Financial Reporting Standards as endorsed by the European Union (the "Audited IFRS-EU Financial Statements 2022") and the audit report for the Financial Statements 2022.</p> <p>Source: the Consolidated and Separate Financial Statements Prepared in Accordance with International Financial Reporting Standards as</p>	

<p>endorsed by the European Union 2022 of the Issuer (containing the audited Consolidated Financial Statements for the fiscal year 2022), as made available on the Issuer's website (https://www.raiffeisen.ro/doc/Raiffeisen-Bank-Financial-Statements-2022.pdf).</p>	
<p>Independent Auditor's Report</p> <p>Consolidated and Separate Statement of Comprehensive Income – only information related to the column entitled "Group"</p> <p>Consolidated and Separate Statement of Financial Position – only information related to the column entitled "Group"</p> <p>Consolidated and Separate Statement of Changes in Equity – only information related to the table entitled "Group"</p> <p>Consolidated and Separate Statement of Cash Flows – only information related to the column entitled "Group"</p> <p>Notes to the Financial Consolidated and Separate Statements for fiscal year ended at 31 December 2022 – only information related to the Group and to the columns "Group"</p>	<p>4-9*</p> <p>10*</p> <p>11*</p> <p>12*</p> <p>13-16*</p> <p>17-199*</p>
<p>English language translation of the Raiffeisen Bank S.A.'s Unaudited Interim Condensed Consolidated and Separate Financial Statements Prepared in Accordance with International Financial Reporting Standards as endorsed by the European Union for the six months period ended 30 June 2023 (the "Unaudited Interim Condensed IAS 34-EU Financial Statements 30 June 2023")</p> <p>Source: the Unaudited Interim Condensed Consolidated and Separate Financial Statements Prepared in Accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed by the European Union for the six months period ended 30 June 2023 of the Issuer, (containing the unaudited Interim Condensed Consolidated Financial Statements for the six months period ended 30 June 2023), as made available on the Issuer's website (https://www.raiffeisen.ro/doc/Half-Year-Financial-Statements-as-of-June-30th-2023.pdf).</p>	
<p>Interim Condensed Consolidated and Separate Statement of Comprehensive Income – only information related to the column entitled "Group"</p> <p>Interim Condensed Consolidated and Separate Statement of Financial Position – only information related to the column entitled "Group"</p> <p>Interim Condensed Consolidated and Separate Statement of Changes in Equity – only information related to the table entitled "Group"</p> <p>Interim Condensed Consolidated and Separate Statement of Cash Flows – only information related to the column entitled "Group"</p> <p>Notes to the Interim Condensed Consolidated and Separate Financial Statements for the six months period ended 30 June 2023 – only information related to the Group and to the columns "Group"</p>	<p>1-2*</p> <p>3*</p> <p>4-5*</p> <p>6-7*</p> <p>8-124*</p>

* Page references refer to the pagination of the PDF document.

6. On page 191 of the Prospectus, the second paragraph after the table in the chapter "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced in its entirety to read as follows:

"For the avoidance of doubt, such parts of the Audited IFRS-EU Financial Statements 2021, the Audited IFRS-EU Financial Statements 2022 and the Unaudited Interim Condensed IAS 34-EU Financial Statements 30 June 2023 (as defined above) respectively, which are not explicitly listed in the tables above, are not incorporated by reference into this Prospectus as these parts are either not relevant for the investor or covered elsewhere in this Prospectus."

7. On page 191 of the Prospectus, the third paragraph of the subchapter "*Availability of documents incorporated by reference*" in the chapter "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced in its entirety to read as follows:

"Electronic versions of the documents incorporated by reference are also available on the website of the Issuer and can be accessed by using the following hyperlinks:

1. The "**Audited IFRS-EU Financial Statements 2021**" and the audit report for the Financial Statements 2021

URL: <https://www.raiffeisen.ro/doc/Raiffeisen-Bank-Financial-Statements-2021.pdf>

2. The "**Audited IFRS-EU Financial Statements 2022**" and the audit report for the Financial Statements 2022

URL: <https://www.raiffeisen.ro/doc/Raiffeisen-Bank-Financial-Statements-2022.pdf>

3. The "**Unaudited Interim Condensed IAS 34-EU Financial Statements 30 June 2023**"

URL: <https://www.raiffeisen.ro/doc/Half-Year-Financial-Statements-as-of-June-30th-2023.pdf>

- IV. Moreover, the following changes in regard to the Issuer's market position and on account of certain macroeconomic developments shall be made:

1. On page 18 of the Prospectus, the Risk Factor "Concerns related to the sustainability of the public finances could increase if large public budget deficits persist, keeping the public debt on an upward trajectory. Increase in borrowing costs of the Romanian government could have a negative impact on the Issuer's profitability." shall be replaced in its entirety to read as follows:

"Concerns related to the sustainability of the public finances could increase if large public budget deficits persist, keeping the public debt on an upward trajectory. Increase in borrowing costs of the Romanian government could have a negative impact on the Issuer's profitability."

During 2020-2022, the Romanian government had to provide financial support to individuals and to companies to help them cope with the adverse effects stemming from the COVID-19 pandemic and from the rapid increase in prices. Therefore, public budget deficit was elevated during this period (9.2% of GDP in 2020, 7.1% of GDP in 2021, and 6.2% of GDP in 2022 according to the European System of National and Regional Accounts (ESA) 2010 standards). As part of the excessive deficit procedure initiated by the EU, Romania plans to reduce the public budget deficit to 4.4% of GDP in 2023 and to 2.9% of GDP in 2024. A substantial deviation from the existing fiscal consolidation plan could trigger an increase in risk aversion of investors for Romania. In this case, covering the public funding needs (the public budget deficit and the rollover of the maturing debt) could become more difficult to achieve, while borrowing cost of the Romanian Government could increase. A sharp increase in yields of Romanian government bonds would result in losses for the Issuer given its holdings of such financial instruments. Borrowing cost in the economy will increase as well in this case, limiting economic growth and making it difficult for individuals and companies to take new loans or to service their debt, which would have a negative impact on the profitability of the Issuer.

However, the real convergence process in the Romanian economy was strong in the last two decades. In 2022, Romania's GDP per capita in Purchasing Power Standards ("**PPS**") amounted to 77% of the EU's average. Furthermore, Romania's economy has outperformed its regional peers with regard to GDP since mid-2022, real GDP being on a sustained upward trend in Romania (up until Q2 2023). According to the European Commission's forecasts, Romania's real GDP might increase by 3.2% in 2023 and 3.5% in

2024. According to these forecasts, Romania's GDP growth during 2023-2024 might be the fastest one among the Central, Eastern and South-eastern Europe countries. In July 2023 Romania's unemployment rate stood at 5.5%, while Romania's annual inflation rate peaked at 16.8% in November 2022 and entered on a downward trend subsequently, reaching 9.4% in August 2023.

Over the following years, Romania is eligible to receive funds (transfers and loans) from the European Commission as part of the EU budgets for the periods 2014-2020 and 2021-2027, and as part of the Next Generation EU package. Such foreign capital inflows should foster economic potential and economic growth and ensure funding for the public investments and for the public deficit. A failure to increase the absorption of EU funds would make the fiscal consolidation process more difficult and would result in higher borrowing cost in the economy and lower profitability of companies and of the Issuer.

Indirect taxes (VAT and excises) and direct taxes could be hiked and/or new taxes (including, without limitation to, a windfall tax applicable to credit institutions such as the Issuer) could be enacted if the fiscal consolidation process fails and the Romanian Government faces difficulty to cover public funding needs. This would have a negative impact on the disposable income and the financial position of individuals and companies, lowering their capacity to borrow new money or to repay existing debt. Therefore, revenues of the Issuer could be negatively impacted by an increase in taxation aiming to reduce the public deficit.

The failure of the fiscal consolidation process could trigger a downgrade of Romania's sovereign rating to non-investment category, making external funding of Romania more difficult and more expensive. This would have a negative impact on the economic growth, lowering demand for loans and capacity of debtors to repay their debt. Revenues of the Issuer would be negatively impacted by a downgrade of sovereign rating to non-investment category and/or the introduction of new taxes applicable to the Issuer. However, all three major rating agencies rate Romania's sovereign debt at the lowest level of the investment grade scale (Moody's: Baa3/Stable; S&P: BBB-/Stable; Fitch: BBB-/Stable)."

2. On page 54 of the Prospectus, the section "**2.8 Market Position**" of subchapter "**2. BUSINESS OVERVIEW**" in the chapter "**DESCRIPTION OF THE ISSUER**" shall be replaced in its entirety to read as follows:

"Market positioning in Romania by reference to total assets and gross loans as of December 2022:

Rank	Bank	Total assets (RON billion)	Market share	Gross loans (RON billion)	Market share
1	Banca Transilvania S.A.	134.0	19.1%	67.5	17.9%
2	Banca Comerciala Romana S.A. (Consolidated)	97.8	13.9%	56.7	15.0%
3	BRD Groupe Societe Generale S.A.	71.5	10.2%	37.4	9.9%
4	ING Bank N.V. (Romanian Branch)	63.1	9.0%	37.4	9.9%
5	The Issuer	62.0	8.8%	40.8	10.6%

Source: Internal data of the Issuer as of December 2022 and public data for market competitors.

Total assets and gross loans rankings as of December 2022 based on publicly available data. Figures presented in the table reflect the standalone total net assets and gross loans for each of the Romanian credit institutions mentioned therein and are compared with the total net assets figure published by the NBR for December 2022 (www.bnro.ro).

Considering the data available at the date of this Supplement, the Issuer holds the fifth position in the market share by total assets. Total net assets level in the Romanian banking system used in this market share calculation was around RON 701 billion. It is worth noting that the first two Romanian banks in the system have secured their top positions with some margin and cumulate almost a third of the assets in the

Romanian banking system. The Issuer's market share is approximately 8.8%, with total assets of RON 62 billion.

Regarding gross loans, the Issuer holds the third position in the banking system with a market share of 10.6% corresponding to RON 40.8 billion. Total gross loans level in the Romanian banking system used in this market share calculation was around RON 378 billion."

3. On page 58 of the Prospectus, the last bullet point in section "**4.3. Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year**" of subchapter "**4. TREND INFORMATION**" in the chapter "**DESCRIPTION OF THE ISSUER**" shall be replaced in its entirety to read as follows:

- "• General trends regarding the financial services industry and the financial services industry in Romania in particular.

The uncertainties affecting the financial services sector, in addition to the afore-mentioned effects of the military conflict in Ukraine and the COVID-19 pandemic, continue to include the macroeconomic environment development. The financial services sector as a whole, including the Issuer, is affected by the related instability of and volatility on the financial markets, including a potential general economic downturn. Thus, the Issuer may not be able to escape the effects of corporate insolvencies, deteriorations in the creditworthiness of borrowers and valuation uncertainties. The recent upward trend in interest rates creates a positive backdrop for the net interest income of the banking sector, as assets are generally repricing faster than liabilities. However, this effect might be more than offset by lower amounts of customer borrowings, higher risk costs, as well as negative mark-to-market of securities held at fair value through profit or loss or through other comprehensive income. The balance sheet of the Romanian banking sector is structurally healthy with its loans-to-deposits ratios remaining low in total, both for the RON segment and the Foreign Currency ("FCY") segment. Furthermore, the profitability of the Romanian banking sector was elevated in recent years, and the Romanian banking sector is well capitalized at present. The Non-Performing Loans ("NPL") ratio in the Romanian banking sector was on a decreasing trend in 2022 and roughly flat in 2023 so far (amounting to 2.68% in July 2023). Further, NPL coverage by provisions is very high (amounting to 64.1% in June 2023). The Romanian banking sector has capital and liquidity resources to support lending expansion, but also to cope with potential adverse financial and economic conditions. A reversal of the recent upward trend and return to low interest rate environment could affect the behaviour of investors and customers alike, which may lead to weaker fee income for the Issuer and/or pressure on the interest rate spread."