



BANCA TRANSILVANIA

The Extraordinary General Meeting of Shareholders

October 2022



Explanatory notes on the items on the agenda of the EGMS

- **Minimum requirements of own funds and eligible liabilities (MREL)**
- Law No. 320 of 29 December 2021 was issued for the completion of Law No. 312/2015 on the recovery and resolution of credit institutions in accordance with the provisions of the European Framework in this field (the Recovery and the Banking Resolution Directive), and the National Bank of Romania, as the resolution authority for Banca Transilvania established - in accordance with the power of attorney provided in the legislative framework - that the preferred resolution tool for this is internal recapitalization (bail-in), an instrument applicable in all EU countries and which is the main element of the reform of the banking crisis management system at European level. In this context, the bank must permanently meet a minimum requirement of own funds and eligible liabilities (MREL), to be used with the application of the bail-in tool, where the resolution authority exercises the powers to reduce the value and/or convert certain liabilities of the credit institution under resolution into equity.
- The MREL is therefore part of the European authority's plan to ensure that credit institutions have enough liabilities to prevent taxpayers from bearing the burdens of any eventual bank bailouts. Every bank will be required to meet the regulatory requirement established by the National Bank of Romania for each credit institution, depending on the size, economic model, financing model and risk profile of each. In order to avoid any doubt, the Issuer will not issue convertible bonds as part of this issuance program.
- The appointment of BT CAPITAL PARTNERS as OFFER'S INTERMEDIARY is justified by the companies vast expertise in similar procedures in Romania as well as its performance in the financial sector.

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