

ANNUAL REPORT

for the financial year 2023

**In compliance with the Financial Supervision
Authority's Regulation no. 5/2018**

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Issuer Identification Data

Report date: 22.03.2024

Name of the company: BANCA TRANSILVANIA S.A.

Registered office: 30-36 Calea Dorobanților street, Cluj-Napoca, Cluj county, code 400117

Phone/fax: 0264.407.150; 0264.301.128

Tax identification no.: RO5022670

Trade Register no. : J12/4155/1993

Registered capital, subscribed and paid: RON 7,986,582,330

The regulated market where the issued securities are traded: Bucharest Stock Exchange

Main features of the securities issued by the company:

798,658,233 NOMINAL SHARES, at the value of RON 10/share.

1. Analysis of the Bank's Activity

a) Description of the Bank's main activity

Banca Transilvania S.A. („the Bank” or „BT”) is a joint-stock company headquartered in Cluj-Napoca, 30-36 Calea Dorobanților, Cluj county, Romania.

The Bank operates pursuant to Company Law no. 31/1990 and Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy (as subsequently amended). According to Article 6 in the Bank's Articles of Association, its main field of activity is represented by “other monetary intermediation activities”.

b) The Bank's establishment date

Banca Transilvania S.A. was incorporated in December 1993 and became effectively operational on February 16, 1994. The Bank was recorded with the Trade Register under no. J12/4155/1993 on 16.12.1993; the Bank's tax identification number is RO5022670. The Bank was recorded with the Bank Register under no. RB-PJR-12-019 on 18.02.1999.

c) Significant mergers and reorganizations of the Bank, its subsidiaries or controlled companies during the financial year

BANCA TANSILVANIA S.A.

BT is a joint-stock banking institution (with foreign and domestic shareholders).

Banca Transilvania Financial Group (“the Group” or “BT Group”) was established in 2003, Banca Transilvania being the main entity and parent company. The Group subsidiaries where BT has direct and indirect shareholding at the 31st of December 2023 are: Victoriabank S.A., Salt (Idea) Bank S.A., BT Capital Partners S.A., BT Leasing Transilvania IFN S.A., Idea Leasing IFN S.A., BT Investments S.R.L., Idea Broker de Asigurare S.R.L., BT Direct IFN S.A., BT Building S.R.L., BT Asset Management SAI S.A., BT Solution Asistent de Brokeraj S.R.L., BT Asiom Agent de Asigurare S.R.L., BT Safe Agent de Asigurare S.R.L., BT Intermedieri Agent de Asigurare S.R.L., BT Leasing Moldova(MD) S.R.L., BT Microfinanțare IFN S.A., VB Investment Holding B.V., Improvement Credit Collection S.R.L., BT Pensii S.A. and Code Crafters by BT S.R.L.

The Group's main fields of activity are: banking through Banca Transilvania S.A., Victoriabank S.A. and Salt (Idea) Bank S.A., leasing and consumer finance mainly through BT Leasing Transilvania IFN S.A., Idea Leasing IFN, BT Direct IFN S.A., BT Microfinanțare IFN S.A. and BT Leasing MD S.R.L., asset management through BT Asset Management S.A.I S.A., investment and brokerage through BT Capital Partners S.A. and administration of pension funds (except for those in the public system) through BT Pensii S.A.. Moreover, the Bank controls two investment funds that are also included in the consolidation and holds 31.09% shares in Sinteza S.A.

At the subsidiaries level the following significant changes took place:

BT ASSET MANAGEMENT SAI S.A.

- On 31.03.2023, the Financial Supervisory Authority ("ASF") issued the decision authorizing Mr. Dascăl Sergiu Dan as Director of the company for a new mandate (01.06.2023-31.05.2027);
- On 26.04.2023, Ms. Ilaș Ioana-Mihaela was appointed as a member of the Board of Directors in place of Ms. Nistor Gabriela Cristina, for a term of 4 (four) years starting from the date of the approval decision issued by ASF, respectively date of 25.09.2023;
- Following the appointment of Mr. Bernat Aurel of the position of Executive Director of Financial Institutions and Investor Relations within Banca Transilvania, the Board of Directors approved on 19.07.2023:
 - the termination of the mandate of Mr. Bernat Aurel as General Director by agreement parties, starting from 01.08.2023;
 - the appointment of Mr. Dascăl Sergiu-Dan as General Manager, starting on 01.08.2023 and ending on 31.05.2027;
 - the appointment of Mr. Irimiea Victor Tudor as Deputy General Director, for a term of 4 (four) years starting from the date of the approval decision issued by ASF;
- Considering the appointment of Deloitte Audit S.R.L. as auditor of the parent company Banca Transilvania, the Ordinary General Meeting of Shareholders decided on 18.09.2023 to revoke the financial auditor of the company, KPMG Audit S.R.L., and appoint Deloitte Audit S.R.L. as financial auditor of the company and of the administered funds for auditing the financial statements related to the 2023-2026 financial years.

BT BUILDING S.R.L.

- On 31.03.2023, Mr. Levon Khanikyan was appointed as the administrator of the company.

BT CAPITAL PARTNERS S.A.

- On 18.05.2023, ASF issued the authorizations by which Mrs. Daniela Secară and Mr. Vasile Mihai Milchiș were authorized as Directors of the company for a new 4-year term, starting on 28.06.2023;
- Considering the appointment of Deloitte Audit S.R.L. as auditor of the parent company Banca Transilvania, the Ordinary General Shareholders Meeting decided on 08.09.2023 to revoke the financial auditor of the company, KPMG Audit S.R.L., and appoint Deloitte Audit S.R.L. as the financial auditor of the company for auditing the financial statements related to the financial years 2023-2026.

BT DIRECT IFN S.A.

- On 31.01.2023, the mandate of the company's managers was extended, as follows:
 - Nicoleta Bott, having the position of Deputy General Director - extension of the mandate by 4 years, until 20.02.2027;

- Gabriel Gogu, having the position of Deputy General Director - extension of the mandate by 3 years, until 20.02.2026;
- On 22.06.2023, taking note of the termination of the mandate of the financial auditor KPMG Audit SRL, the company's shareholders decided to appoint Deloitte Audit SRL as the company's financial auditor with a mandate from 01.01.2023 to 31.12.2026, to audit the related financial statements financial years 2023-2026;
- On 09.08.2023, the appointment of Ms. Puhalschi Iuliana as Manager and Deputy General Director was approved for a mandate that will take effect from the date of approval by the National Bank of Romania until 01.08.2027;
- On 12.12.2023 it was approved the removal from the description of the object of activity of CAEN code 6499 - factoring operations as well as the issuance of guarantees and the assumption of commitments.

BT LEASING MD S.R.L.

- On 28.02.2023:
 - Mr. Șerban Liviu Onut was appointed as a member of the Company Council;
 - Mr. Bogdan Plesuvescu was appointed President of the Society's Council.

BT LEASING TRANSILVANIA IFN S.A.

- Starting from 01.01.2023, Mr. Mihai Nicolescu was appointed as Leader and Deputy General Director, for a mandate valid until 06.03.2026;
- Starting from 01.01.2023, Mr. Mihai Moraru resigned from the position of Leader and Deputy General Director;
- On 01.02.2023 the merger of BT Leasing Transilvania IFN with Tiriac Leasing IFN took place, a merger approved by Extraordinary General Meeting of Shareholders("EGM") on 23.01.2023 and registered with the Trade Register Office ("ORC") on 26.01.2023;
- On 03.02.2023, the company's Articles of Association were updated in accordance with the amendments made to Law no. 31/1990 by Law no. 265/2022;
- On 06.02.2023, the mandate of General Director Ionuț Morar was extended for another 4 years, until 06.03.2027;
- On 20.03.2023, the mandate of all members of the Board of Administration was extended until 08.04.2027;
- On 15.05.2023, the Board of Directors decided:
 - the appointment of Ms. Portase Corina as Leader and Deputy General Director, starting on 01.07.2023, for a mandate valid until 01.07.2027;
 - the appointment of Mr. Serban Liviu Onut as Leader and Deputy General Director, starting on 01.07.2023, for a mandate valid until 01.07.2027;
- On 20.06.2023, taking note of the termination of the mandate of the financial auditor KPMG Audit SRL, the shareholders decided to appoint Deloitte Audit SRL as the financial auditor of the company with a mandate from 01.01.2023 to 31.12.2026, for auditing the financial statements related to the financial years financial 2023-2026;
- On 20.06.2023, the shareholders decided to remove from the secondary activity object the activity "issuance of guarantees and the assumption of commitments, including credit guarantee" mentioned in the detailing of the activity with CAEN code 6499 - Other financial intermediation n.c.a. ("not elsewhere classified");
- On 03.08.2023, the mandate of Mrs. Simona Sopon as Leader and Deputy General Manager ended, her duties being taken over by Mr. Ionuț Morar - General Manager on an interim basis.

BT MICROFINANTARE IFN S.A.

- On 17.01.2023, the mandate was extended for the following managers of the company:
 - Șindile Cristina Dalia, having the position of General Director - extension of the mandate by 4 years, until 09.03.2027;
 - Cojocaru Dan Ioan, having the position of Deputy General Director - extension of the mandate by 4 years, until 09.03.2027;
- On 21.06.2023, taking note of the termination of the mandate of the financial auditor KPMG Audit SRL, the company's shareholders decided to appoint Deloitte Audit SRL as the company's financial auditor with a mandate from 01.01.2023 to 31.12.2026, for auditing the financial statements related to the financial years 2023-2026.

BT PENSII S.A.F.P.F. S.A.

- On 02.05.2023, ASF issued the decision authorizing the amendment of the Constitutive Act, according to EGM Decisions 5/09.06.2022 and 1/24.03.2023;
- On 07.09.2023, the Ordinary General Shareholders Meeting approved the increase of the company's capital through a cash contribution of RON 5,000,000 through the issuance of 5,000,000 new shares with a nominal value of RON 1 /share from the existing shareholders, proportional to the number of shares he owns. ASF issued on 22.11.2023 the decision approving the increase of the company's capital, from the value of RON 8,730,766 to the value of RON 13,730,766;
- Considering the appointment of Deloitte Audit S.R.L. as auditor of the parent company Banca Transilvania, the Ordinary General Meeting of Shareholders decided on 27.09.2023 to revoke the financial auditor of the company, KPMG Audit S.R.L. and the appointment of Deloitte Audit S.R.L. as financial auditor of the company and of the managed fund for auditing the financial statements related to the financial years 2023-2026.

BTP ONE S.R.L.

- On 06.04.2023, the documents related to the establishment of the company BTP One S.R.L. were issued by the ONRC Cluj, having as its sole associate the BT Property Real Estate Fund for Alternative Investments managed by BT Asset Management SAI S.A. and main activity object "Renting and subletting of own or leased real estate".

CODE CRAFTERS BY BT S.R.L.

- On 09.02.2023, Mr. Teodor Torgie was appointed as a member of the Board of Directors of the company, following the revocation of the mandate of Mrs. Gabriela-Cristina Nistor.

IDEA BROKER DE ASIGURARE S.R.L.

- Sole associate Idea Leasing IFN S.A. approved on 08.06.2023 the transfer of all 600 shares, representing 100% of the share capital of Idea Broker de Asigurare S.R.L., with a nominal value of RON 250/share, to BT Leasing Transilvania IFN S.A., transfer registered at ORC on 16.11.2023, after its approval by the ASF;
- On 23.11.2023, the sole associate BT Leasing Transilvania IFN S.A. decided to change the name of the company to BT Broker de Asigurare SRL. The decision will be registered at the ORC after obtaining the opinion from the ASF.

IDEA LEASING IFN S.A.

- On 25.07.2023, the company's shareholders decided to appoint Deloitte Audit SRL as the company's financial auditor with a mandate from 01.01.2023 to 31.12.2026, for the audit

of the financial statements related to the financial years 2023-2026, as well as the termination of the auditor's mandate existing.

IMPROVEMENT CREDIT COLLECTION S.R.L.

- On 21.11.2023, the General Meeting of Associates decided to revoke the financial auditor of the company, KPMG Audit SRL and appoint Deloitte Audit SRL as financial auditor, the term of office being 01.01.2023 - 31.12.2026;
- On 21.11.2023, the General Meeting of Associates decided to change the registered office of the company in the municipality of Cluj-Napoca, Constantin Brâncuși street numbers 74-76, 2nd floor, Cluj county.

SALT BANK S.A. (former IDEA BANK S.A.)

- In November 2023, the name of the Bank was changed to Salt Bank SA, according to the General Meeting of ("GMS") decision no. 6/10/11/2023;
- From November 2023, the subsidiary Idea Broker de Asigurare SRL left the consolidation perimeter of Salt Bank, as a result of obtaining the approval of the Financial Supervision Authority for the transfer of the shares to BT Leasing Transilvania SA;
- On December 7, 2023, the bank's share capital was increased to RON 416,976,000, through the contribution of both shareholders, as follows:
 - BT Investments SRL shareholder: RON 2,084,879.9
 - Banca Transilvania shareholder: RON 162,915,510.2.

The activity of the subsidiaries and the Bank's shareholding in the subsidiaries are presented in ANNEX 1 of the present report.

d) Description of the acquisitions and/or sales of assets

The gross value of Banca Transilvania's investments in the Group, in accordance with the International Financial Reporting Standards endorsed by the European Union, is RON 873.3 million at the end of 2023, increasing by 23% versus 2022.

Banca Transilvania is engaged in ensuring that its subsidiaries have an adequate CAR (Capital Adequacy Ratio) level, contributing to the improvement of risk management, by involving the audit and compliance functions from within the Bank.

e) The main results of the assessment of the Bank's activity

External Audit

As a result of the Decisions of the Ordinary General Meeting of Transilvania Bank Shareholders of April 26, 2023, it was decided to appoint Deloitte Audit SRL as the bank's financial auditor for the audit of the bank's financial statements for the financial years 2023-2027, drawn up in accordance with the International Standards of Financial Reporting, according to the Order of the National Bank of Romania ("NBR") no. 27/2010 with subsequent amendments, as well as the termination of the mandate of the existing auditor. The completion of the process of approval and registration before the competent authorities of the financial auditor was completed at the beginning of August 2023.

The external auditor of the Bank – Deloitte Audit S.R.L. - has audited the separate and consolidated financial statements as at December 31, 2023.

According to the audit opinion, the separate and consolidated financial statements reflect in all significant aspects the Bank's separate financial position, the separate results and cash flows according to the International Financial Reporting Standards, endorsed by the European Union.

Internal Audit

The Audit Committee carries out its activity according to the applicable legal framework, notably: the Company law - Law 31/1990 and Banca Transilvania's Rules of organization and administration. The number of committee members and their competence are approved by the Board of Directors.

The Audit Committee supervises the performance of the external auditors, makes recommendations on their appointment and remuneration, and reviews the internal audit system developed by the Head of the Internal Audit Department, who reports to the Board of Directors for this system. The Committee has the right to make recommendations to the Board of Directors on the effectiveness of the Internal Audit Department's performance and on the remuneration of the head and staff of that department.

The members of the Audit Committee meet regularly with the external auditor of the Bank to discuss any issues related to the auditing activities, as well as the Bank's executive management answers, on these meetings being also assessed the degree of objectivity and independence of the opinions expressed by the external auditors. The Committee monitors the compliance with the legal provisions in Romania regarding the financial statements and accounting principles, compliance with the provisions of the National Bank of Romania, assesses the external auditor's report on the financial consolidate statements (IFRS), reviews and pre-approves the financial consolidated statements (IFRS) of the Bank. The full list of responsibilities delegated to the Audit Committee is mentioned in the Regulation of the Audit Committee, a regulation published on the Bank's website.

Audit Committee's Report for 2023

Audit Committee, consisting of 3 non-executive independent members, held 11 physical meetings during 2023, as well as several conference calls and meetings in absentia, in order to review, discuss and approve a number of topics ad-hoc. The degree of presence in the meetings, mentioned bellow, has been determined taking into consideration the physical presence but also the justified absences according to the Bank's policy.

The members of the Audit Committee in 2023 were the following:

- Ivo Gueorguiev – Audit Committee chairman; independent non-executive director with audit experience, attending 11 out of 11 meetings;
- Thomas Grasse – Audit Committee member; independent non-executive director with audit experience, attending 11 out of 11 meetings;
- Mirela Bordea – Audit Committee member; independent non-executive director with audit experience, attending 10 out of 11 meetings.

During the meetings held in 2023, the Audit Committee carried out the following actions:

- Analysis of the financial statements and audit report prepared by the external auditor for the year 2022, analyzing the significant accounting and reporting aspects and their impact on the financial statements;
- Monitoring of the internal control efficiency, internal audit and risk management by analyzing the specific reports provided by the Bank's control functions and other relevant reports;
- Analyzing the NBR reports and implementing the communicated recommendations;
- Implementing the recommendations of the external auditor's letter addressed to management.

The Audit Committee met the Bank's external auditor, and worked, together with the Deputy Chief Executive Officer-CFO on the Bank's financial results, audited and reviewed by the external financial auditor, making recommendations to the Board of Directors regarding their approval.

Audit planning and reporting meetings were held with the external auditor including sessions without management presence. The Committee also discussed the updated information received from the external auditor and Bank's Management on the changes to the Romanian law with impact on banks, in particular the current and forthcoming amendments to the IFRS accounting standards.

The Audit Committee also examined the robustness of the Bank's internal controls, working both with the external auditor and with the internal auditor to closely monitor any deficiencies identified in the internal control and to observe the follow-up of such deficiencies by careful analysing their remediation. Moreover, the Audit Committee has obtained information regarding the external regulatory controls (of the authorized institutions).

The Audit Committee is responsible for assessing the performance, objectivity and independence of the external auditor and for the delivery of quality audit reports.

In 2023, the Audit Committee finalized the selection procedure for the new external auditor for Banca Transilvania, being chosen Deloitte Audit SRL to audit the bank's financial statements for the financial years 2023-2027, prepared in accordance with International Financial Reporting Standards, according to NBR Order no. 27/2010, by means of the decision of the General Meeting of Shareholders dated 26.04.2023.

Based on the auditor's declaration of independence obtained by the Audit Committee and its own assessment the Committee remains satisfied that the Bank's external auditor is independent in providing their audit services to Banca Transilvania and will continue to deal with requests for the auditors to perform non-audit services, in the limits imposed by regulation.

1.1. General items of the assessment for the financial year ended December 31, 2023

The economic environment has been volatile and uncertain both in international markets and domestically. The Romanian economy, although it grew last year by about 2%, represents only half compared to 2022 and below the forecasts of the beginning of the year. However, it also marked performances: inflation decreased to 6.7%, compared to 16% (2022), interest rates in lei and the exchange rate stabilized.

The year 2023 was a good year for Banca Transilvania Group. It grew faster than the market, continued to contribute to increasing financial inclusion, digitalization of Romanians and job creation.

The separate and consolidated financial statements prepared in accordance with the International Financial Reporting Standards adopted by the European Union (NBR Order no. 27/2010, as subsequently amended and supplemented) are presented below:

▪ Gross profit	RON 3,128.5 million
▪ Net profit	RON 2,490.6 million
▪ Total assets	RON 161,785 million
▪ Capital adequacy ration (CAR) (without the profit of the second half of the year 2023 included)	21.61%
▪ Return on equity (ROE)	24.41%
▪ Market share in terms of assets	20.14%
▪ Liquidity Coverage Ratio	767.3%

Banca Transilvania is now rated by two international rating agencies: Fitch and Moody's. BT at it's first assessment from the international rating agency Moody's, which confirms BT's solid position.

Moody's ratings for BT, on November 2023:

- Baa2/P-2 for long-term and short-term deposits;
- Baa3/P-3 for long-term and short-term issuers;
- Stable outlook on long-term ratings;
- Long and short-term counterparty risk ratings (CRR) Baa1/P-2;
- Basic Credit Assessment (BCA) ba1 and an adjusted BCA;
- Counterparty risk (CR) assessments Baa2(cr)/P-2(cr).

1.2. Assessment of the Bank's operational level

The unit network of Banca Transilvania as at 31 December 2023: 511 functional units (excluding the Headquarters and the Regional Office in Bucharest), compared to 513 functional units at 31 December 2022. Currently, the Bank has also one branch in Italy.

In 2023, Banca Transilvania continued to expand its ATM network, reaching 1,865 ATM terminals, out of which 616 are multifunctional ATMs. Also, the Bank owns 494 BT Express terminals used for various operations other than cash withdrawals, has over 120,000 POSs installed and collaborates with almost 6,000 e-commerce merchants.

Banca Transilvania is the leader in the card market, having 6 million cards in its portfolio, of which over 640,000 are credit cards. The transactions made with the 6 million cards increased by 22% in 2023 compared to 2022.

Description of the main products supplied and/or services rendered:

The offer of Banca Transilvania has expanded during 2023 with products, services and campaigns aimed at individuals and companies, to support its client's activities effectively and continuously.

RON operations

- cash operations;
- settlement operations;
- current accounts;

- deposits;
- loans to companies and individuals;
- online credit for individuals;
- letters of guarantee;
- payments through the Direct Debit and Standing Order systems;
- the BT Ultra-Multicash electronic service;
- Internet Banking and Mobile Banking BT 24;
- the electronic confirmation service for customs payments (Vama On-Line);
- the Trezo Direct service;
- depositing and keeping in the vault of items and other valuables that require vault storage;
- economic and financial consultancy, technical support, services at the Payment Incidents Register;
- services at the Central Credit Register;
- information on exchange rates applied for the previous period;
- operations with government securities;
- card operations in RON;
- factoring;
- project co-financing with EU Funds;
- BT Pay-wallet;

FCY operations

- operations on foreign exchange markets;
- deposits;
- loans to companies and individuals;
- cheque operations;
- payment order operations;
- operations with documentary letters of credit (export and import);
- incasso operations;
- guarantee based operations;
- transmission of letters of credit, letters of guarantee, amendments, investigations (SWIFT fees);
- transfer of FCY amounts (Western Union);
- travel visa fee payment;
- FCY card operations, etc.

New products launched in 2023:

- the launch of the BT Go application dedicated to clients of legal entities;
- deploy BT Pos App;
- adding new features in BT Pay (virtual card issuance; RCA insurance; travel insurance; BT pay Kiddo; currency exchange; setting up deposits).

In addition to the above data related to the description of the products, to the following should be point out:

- a) the main markets for each product and service, as well as the methods of distribution are the domestic and international banking markets; the entire range of financial products, provided by BT and the Group's subsidiaries, are offered to customers through a unique distribution network embedded under the recognized logo of BT;

- b) the weight of each product or service type in the Bank's revenues and total turnover are presented in the Consolidated and Separate Financial Statements prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, for the financial exercise closed on the 31st of December 2023;
- c) the new products and services considered, for which a substantial volume of assets will be allocated in the next financial year, are those related to new features in the BT pay and BT Go application.

1.3. Assessment of the technical and material supply activities (domestic and foreign sources)

This item is not significant for the Bank.

1.4. Assessment of the operational activity

In the context of continuing the post-pandemic economic recovery that continued in 2023, Banca Transilvania assumed the role of the largest financier in Romania and the largest financial institution in terms of assets in Romania in 2023. The bank also continued to be a partner in government investment financing programs, to develop new solutions for technological development, digitization and infrastructure development. The financial results for 2023 confirm the expectations of the bank's management and show the strengthening of the bank's and BT Group's position on the local market.

The number of active clients increased by 8% in 2023, as compared to 2022, from 3.93 million to 4.24 million.

The number of active clients structured per business lines is the following:

Active BT clients*	12/31/2023	12/31/2022	2023/2022
Large Corporate clients	1,517	1,419	6.91%
Mid Corporate clients	11,197	10,548	6.15%
SME clients	25,358	22,438	13.01%
Micro Business clients	415,679	387,727	7.21%
Retail	3,785,742	3,509,320	7.88%
TOTAL	4,239,493	3,931,452	7.84%

* The classification of legal persons within the segments is regulated by internal rules which set the conditions for the classification of clients per business segments.

Banca Transilvania Financial Group Business Lines Performance

Large Corporate Customers

Within this structure, over 1,500 customers with large and sophisticated businesses are assisted by a centralized team of relationship managers and experts for structured financing. This type of setup ensures both a dedicated and careful approach to the strategic sectors and a professional individual approach.

At the Bank's level, new loans for large corporate clients were in amount of RON 10.2 billion, 23.5% more loans being granted in 2023 compared to 2022; the balance of the gross loans reached RON 24.5 billion at the end of 2023.

The bank is an important partner for the local corporate sector, offering financing solutions both for investment projects and for banking solutions as efficient and integrative as possible.

The strategic approach focused on sectors agreed under the sustainable finance framework approved in October 2023: such as health, agribusiness, utilities and FMCG.

Mid Corporate Clients

Over 11,000 Mid Corporate companies are serviced in the Bank's network of branches. Each customer benefits from the support of a dedicated relationship manager, who offers personalized services to the clients' needs. The loans balance increased at a consolidated level by 15.8% reaching RON 11.5 billion, while the customer deposits increased by 33.9%, reaching at the end of the year the value of RON 13.4 billion.

Small and Medium Enterprises (SMEs)

This business segment has a base of over 25,000 active customers. The focus of the business line has materialized in granting approximately RON 2.9 billion new loans. Total loans balance at a Group level exceeded RON 5.4 billion, representing an increase of 17.4% as compared to the previous year.

During 2023, more than 9,100 loans were granted under government programs for SMEs: IMM invest Plus, Agro-IMM invest; Garant Construct; Innovation; Imm invest Prod; Rural Invest; Woman Entrepreneur, Start-up nation with a total funded value of over RON 3.35 billion.

In order to facilitate active involvement in SME development, BT has gradually developed an all-in-one banking platform for entrepreneurs, BT Go, which not only offers banking services for entrepreneurs, but represents an adaptable business ecosystem regardless of the business profile. BT GO reached 50,000 enrolled customers and over 5,000 customers who accessed billing options.

Micro Business Clients

Micro Business line has exceeded the benchmark of 415,000 active customers, being 7.2% higher than last year. The volume of new loans granted in 2023 was RON 2.7 billion. At the consolidated level, the balance of gross loans increased by 3.5%, reaching RON 4.8 billion.

In order to support access to finance, an important role was also played by the microfinance subsidiary, BT Mic. Micro business clients have benefited from government programs to support Romanian entrepreneurship.

Banca Transilvania continued its activity through the Stup concept to facilitate entrepreneurs' connections with service providers and products for setting up, managing, managing a business.

Retail Customers

BT has over 3.7 million digitized customers, representing 89% of the active clients. This is one of the indicators closely monitored reflecting the Bank's level of digital progress. These clients – individuals and companies use at least one of the Bank's digital solutions – BT Pay, Internet Banking or Mobile Banking.

Banca Transilvania is the market leader in the field of cards, having 6 million cards in its portfolio, of which over 640,000 are credit cards. The transactions made with the 6 million cards increased by 22% in 2023 compared to 2022.

The Bank reached over 3.5 million unique cards in the BT Pay, Apple Pay and Garmin Pay wallets. The number of phone payments increased by 48% in 2023 compared to 2022. At the same time, BT Pay money transfers are increasingly appreciated, their volume increased by 75% compared to those made in 2022.

During 2023, over 530,000 individuals chose to become BT customers. At the end of 2023, over 1.7 million customers had one of the current account subscriptions.

Compared to the previous year, in 2023 there were 63% more interactions in the BT Visual Help application, the digital platform through which customers calling the Call Center team are guided to the digital self-service area, where they have access to account information, cards and transactions and can perform some card specific actions using the phone. The month-over-month increase was steady, reaching 3.5 million in 2023.

Over 110,000 consumer loans, worth approximately RON 4.4 billion, were granted during 2023.

More than 16,000 mortgage loans were granted with BT's help, the amount granted being over RON 3.6 billion. The balance of mortgage/real estate loans is RON 18.7 billion.

Treasury

The Treasury activities in Banca Transilvania are complementary to other products and services offered to the customers of the Bank's five business lines.

The principles and the strategic objectives linked to the treasury activities are:

- The principle of precaution - with respect to the management of the Bank's liquidity surplus, the maturity date of assets and debts, the interest rate structure and the market risks to which the Bank is exposed, in accordance with the risk limits established in the Bank's Risk Strategy and/or the regulations governing the Romanian banking sector;
- The principle of dispersion - concerning the counterparty exposures resulting from all specific treasury operations;
- Income maximization - under prudent conditions and considering the estimated multiannual evolution of the cyclical macroeconomic indicators.

Following the general trend of the increasing number of operations at the entire Bank's level, the foreign currency exchange was also stimulated, showing an increase of the net income, which grew with approximately 20% on a consolidated level compared to the previous year, reaching a level of RON 685 million in 2023.

2023 Statement of Financial Position

The situation of the financial position in 2023 in accordance with the International Financial Reporting Standards adopted by the European Union (NBR's Order No. 27/2010 as subsequently amended and supplemented) is presented below:

BT ended the year 2023 with total assets amounting to RON 161,785 million, 20.8% higher compared to the end of 2022. At consolidated level, total assets amounted to RON 169,169 million.

Loans portfolio: At the end of 2023, Banca Transilvania's gross loan portfolio balance was 12.5% higher than at the end of 2022, even though in 2023 write-offs in amount of RON 103.8 million were performed.

Non-performing loans overdue for more than 90 days represented 1.62% of Banca Transilvania's total loan portfolio; non-performing loans according to EBA requirements was 1.98% as at 31st December 2023.

Provision balance: In 2023, Banca Transilvania recorded a net impairment allowance on financial assets on other risks and loan commitments in amount of RON 373 million (including recoveries from previously written-off loans).

The high level of provisioning reflects the Bank's prudent and preventive approach as well as the recommendations of the NBR and EBA.

The coverage of non-performing loans with mortgage collateral and specific provisions remained at a comfortable level of 120%, in accordance with the Bank's risk appetite. The total balance of adjustments (impairment allowances) was RON 4,371 million as at December 31, 2023, increasing by 8.6% versus the previous year. The category Provisions for other risks and loan commitments increased by 28% year-on-year, the largest increase being represented by provisions set up for risks and expenses (mainly related to litigation), while the provisions for lending commitments, financial guarantees and other given commitments, decreasing during the year at the bank level.

Cash and current accounts with Central Bank: Cash and current accounts with Central Bank amounted to RON 22,286 million, being approximatively 76.2% higher compared to the previous year, but above the minimum acceptable level required by the Bank to cover liquidity risk. Cash and current accounts with Central Bank consist mainly of cash on hand and placements with central banks, 82% of the total balance being represented by the minimum required reserve held with the NBR.

Placements to banks and public institutions: At December, 31 2023, placements to banks include rever-repo bills, term deposits, loans and advances to credit institutions with maturity lower than three months which all are included in the individual and consolidated cash flows and represent RON 12,619 million, above the value at the end of 2022, the increase being due to the position Sight, collateral and term deposits with other banks and public institutions.

Securities: Securities and derivative financial instruments increased by 9% versus last year, reaching RON 50,076 million, at the Bank's level, growth driven by the debt instruments category. The securities issued by the Central Administrations have the largest weight in this category, amounting to RON 37,745 million.

Fixed assets increased by 13% versus 2022, to RON 2,889 million. The largest increase compared to last year is represented by intangible assets (+31% at Bank level, respectively +37% at Group level). Financial assets represent RON 873 million, tangible assets RON 755 million, and assets related to the right of use, RON 698 million.

Customer deposits: Deposits increased further by 15% versus the previous year. As at December 31, 2023, 64% of customer deposits are retail deposits, while 36% represent company deposits.

Loan/deposit ratio for the Bank was 56.5% at the end of 2023.

The capital adequacy ratio with the annual profit included continues to be at a comfortable level of 23.58%. The Bank preserved an adequate level of capital and of general financial ratios, in accordance with the prudent banking practices.

The equity of Banca Transilvania as of 31.12.2023 amounted to RON 11,829,366,611, of which:

- The share capital registered with the Trade Register at December 31, 2023 is represented by 798,658,233 shares with a par value of 10 RON/share, plus RON 86,501,040 as capital adjustment to inflation and surplus from the revaluation of fixed assets, used for the share capital increase but not realized until the date of the transition to the International Financial Reporting Standards adopted by the European Union;
- Premiums for conversion of bonds into shares: RON 28,613,972;
- Statutory reserves: RON 1,037,130.226;
- Banking risks reserves: RON 77,892,714;
- Reserves from change in fair value of financial assets measured at fair value through other comprehensive income, net of tax: RON -1,498,237,389;
- Reserves from the revaluation of tangible and intangible assets, net of tax: RON 28,738,049;
- Retained earnings (excluding the profit for the year and profit distribution): RON 1,912,911,684;
- Own shares: RON -12,982,146;
- Profit for year: RON 2,490,571,678;
- Profit distribution: RON -308.355.548.

Cost/Income ratio recorded a comfortable level of 45.6% in 2023, decreasing from 49.7% at the end of the previous year. This ratio is under strict supervision, operating efficiency continuing to be one of the Bank's objective for 2023.

Operating income increased significantly during 2023, reaching RON 6,437 million, higher by 20.1% than the previous year.

The most important income categories are the following:

- Net interest income: RON 4,319 million in 2023, at the Bank level, respectively RON 5,257 million at Group level, thus registering increases of 18%, respectively 19% compared to the previous year. The increase in net interest income was impacted by a higher number of loans granted and by the general increase in interest rates.

- Net commission income: Net commission income increased by 11%, reaching RON 1,106 million. Both influenced by the restrictions imposed during the pandemic and thanks to new digital solutions, card transactions increased by 22%, compared to the previous year, in a context in which the bank offered more solutions for transparency and open banking, speed and reactivity in work systems and customer service and support.
- Net trading income: This income category decreased by 10% at the Bank level and by 4% at the Group level. The decrease is due to net derivative expenses, partially offset by higher net foreign exchange income, net revaluation income on foreign currency assets and liabilities, and net income on financial assets held for trading.
- Net gains/(losses) on financial assets measured at fair value through other comprehensive income registered a positive value of RON 166 million at the Bank level.
- Net gains/(losses) on financial assets designated mandatorily at fair value through profit or loss registered a positive value of RON 178 million at the Bank level.

Operating expenses before the net impairment allowance and provisions for other risks and charges and loan commitments amounted to RON 2,935 million as at the end of the year at the Bank level, versus RON 2,661 million as at the end of 2022. The increase in operating expenses was mainly generated by the intensification of inflationary pressures due to the increase in the number of employees, maintenance expenses due to the process of automation and digitization of operational products and processes, and then inflationary pressures.

Personnel expenses: At the Bank level, this category of expenses increased by 17% compared to the previous year, as a result of the expansion of the employee base and the increase in benefits for them, while at the Group level, these grew by 19%.

The Bank also continued the program for performance rewarding, the Stock Options Plan, based on which the employees with good performances may exercise their right to purchase at a preferential price or to receive free of charge a certain number of shares issued by the Bank. The program generated for the Bank expenses worth of RON 64.6 million, down 30% compared to 2022.

Operational result at the level of the Bank is 30% higher than that of the previous year, reaching RON 3,502 million, while at the Group level, it reached RON 4,219 million lei, 28% above the one achieved in 2022.

Net provision expenses: amounted to RON 373 million, +34% compared to last year's level, as a result of the increase in the loan portfolio and in line with the prudent and preventive approach of the Bank's risk policy, in a macroeconomic context with moderating tendencies of inflationary pressures and decelerations in the economic growth rate.

Gross profit achieved by the Bank in 2023 was of RON 3,128 million versus RON 2,421 million in the previous year, increasing by 29%. At Group level, the gross profit was RON 3,706 million, as compared to RON 2,801 million in the previous year.

The net profit achieved in 2023 by Banca Transilvania S.A. is RON 2,491 million, up by 14% compared to the level of RON 2,178 million in 2022. At the level of the Banca Transilvania Financial Group, the net profit is RON 2,984 million compared to RON 2,488 million recorded in the previous year.

1.5. Assessment of the aspects related to the Bank's and the Group's employees/staff

The Bank's number of active employees as at December 31, 2023 was 9,547 (2022: 9,109 employees). The values include the number of employees of BT Italy.

The Group's number of active employees as at December 31, 2023 was 11,841 (2022: 11,256 employees).

The average age of employees in 2023 was 38 years (2022- 38 years). Breakdown per genders 2023: 73% women and 27% men (2022- 74% women and 26% men).

Within Banca Transilvania S.A., the employment relations in 2023 were regulated by the Collective Labor Agreement no. 319/09.12.2019, starting with August 2023 by the Collective Labor Agreement no. 237/17.08.2023 and the Internal Regulations (R.15.9.13). The relationships between the manager and the employees and any conflicting elements that have arisen, have been investigated and resolved based on these regulations.

The priorities of the human resources department continued to be in 2023: ensuring a constructive working climate, health, protection and safety of employees and their families, quality selection and recruitment, continuous professional and personal development of all colleagues, career plan for the network and some departments from the Headquarter, the development of management and leadership skills for all levels of coordination and management with the objective of supporting and sustaining the work of subordinate colleagues. All of this had a decisive impact on the bank's performance, increasing employee retention and commitment to the bank.

1.6. Assessment of the aspects related to the environmental impact of the issuer's main activity

Although at the level of the banking system the environmental impact is largely indirect, generated by the projects that the Bank chooses to finance, and by some of the daily administrative activity.

BT received EUR 100 million from International Finance Corporation ("IFC") and EUR 100 million from Asian Infrastructure Investment Bank ("AIIB"), as part of a EUR 200 million subordinated bond issue. BT committed to invest these funds in green mortgages (EPC level A).

RON 827 million of green mortgages were granted in 2023. 15% of mortgages granted in 2023 qualify as green (EPC grade A).

Over 7.5% of the total retail loan portfolio is represented by green loans, amounting to RON 2.2 billion.

1 in 2 leasing financings granted by BT Leasing in 2023 were for hybrid and/or electric vehicles, amounting to RON 840 million. 30% of the total leasing portfolio is for the hybrid and electric vehicles.

Financing to renewable energy projects increased by 200%, while special climate projects, including water efficiency, increased almost 4 times.

BT published its first Sustainable Financing Framework, in November 2023, which is endorsed by a Second Party Opinion issued by Sustainalytics. The bank attracted EUR 500 million in its first sustainable bond issue. 57% of the issue was subscribed by investors with a dedicated ESG investing policy.

Banca Transilvania has committed to support Via Transilvanica through a strategic partnership, for at least three years, with Tășuleasa Social. BT contributes to this project financially, and through volunteering and promotion activities.

Via Transilvanica - The road that unites the country is addressed to people of all ages, who want to discover places, history, culture and communities as well as to do outdoor activities. The 1,400-kilometre-long route links the country diagonally from Putna to Drobeta Turnu-Severin, passing through 10 counties.

The collaboration between Banca Transilvania and the Tășuleasa Social Association has a ten-year history, through the volunteer afforestation programs, i.e. Transylvania Forest. Over the years, BT, Tășuleasa Social and more than 15,000 volunteers have afforested a total area of 75 hectares with 450,000 seedlings, in several counties of the country.

1.7. Assessment of the research and development activities

The research and development activity consists of investments in technology, digitization, innovation, and process improvement/simplification.

1.8. Assessment of the Bank's activity regarding risk management

The objective of Banca Transilvania Financial Group in terms of risk management is the integration of the assumed average-low risk appetite within the bank's decision making process, by promoting the adequate balance between the assumed risks, the available capital and the performance targets, considering at the same time the tolerance to financial and non-financial risks. In determining its appetite, capacity and risk tolerance, the BT Group shall take into account all material risks to which it is exposed taking into consideration the specificity of its business, business model, strategic and operational objectives, and applicable capital and liquidity requirements, its own risk management and control capacities, as well as the regulatory constraints, being mainly influenced by the credit risk.

The risk management framework within the BT Financial Group is based on the following principles that apply to all activities and risk types:

- the existence of a solid culture in terms of risk management, both at the level of the Group's structures and at the level of its business lines;
- protection of the financial stability: The Group controls the risk in order to limit the impact of potential adverse events on the capital and profitability;
- limiting excessive risk-taking; the Group's risk appetite and tolerance must be consistent with its financial resources;
- ensuring a sound and sustainable capital and funding base;

- independent perspective: the risk management function is structured so as to identify, assess, monitor and report risks; the risk management function, as well as the compliance and internal audit functions operate independently of the activity lines that they monitor and control, in order to ensure the integrity of the bank's control processes;
- portfolio diversity in order to prevent dangerous concentration risks;
- limiting concentrations and volatility of income sources;
- homogenous approach and global risk monitoring at Group level;
- compliance with the rules and regulations imposed by national and international authorities in the field;
- existence of certain operational continuity plans for the banking activities;
- issuance and periodic revision of the recovery plan at the level of the BT financial group;
- BT Financial Group does not carry out activities in jurisdictions that reduce transparency, such as off-shore jurisdictions, or via certain structures that decrease transparency.

Risk management is part of all decisional and business processes that take place in the Banca Transilvania Financial Group and in this regard, the management team:

- Continuously assesses the risks likely to affect the bank's business and goals and takes actions whenever any changes appear in its business conditions.
- Ensures the existence of an adequate activity management framework within the Group, considering both internal factors (the complexity of the organizational structure, the nature of the activity, staff quality and fluctuation) and external factors (macroeconomic factors, legislation changes, competition changes in the banking sector, technological progress),
- Identified the risks: The Bank's exposure to inherent risks through day-to-day operations and transactions (including lending, dealing, capital market activity, asset management and other specific activities) is identified and aggregated through the risk management infrastructure implemented at the Group Level;
- Assesses/measures risks: An evaluation of the identified risks is carried out through specific models and calculation methods: a system of ratios with related limits, a methodology for assessing the risk events likely to generate losses, calculation methodology for specific credit risk provisions, assumptions regarding the future evolution of assets' value, etc.
- Monitors and controls risks: The policy and the procedures implemented for an effective risk management are meant to mitigate risks inherent to the bank's business. The bank implemented procedures for the supervision and approval of decision and trading limits per person/unit/product etc. Such limits are monitored daily/weekly/monthly depending on operations.
- Reports the risks: Periodic and transparent reporting mechanisms have been established for specific risk categories so that the management body and all relevant structures benefit in a timely manner from accurate, concise, intelligible and meaningful reporting, but can also exchange relevant information on the identification, measurement or assessment and monitoring of risks;
- Calculates and evaluates internal capital and internal capital requirements: In order to assess the adequacy of the internal capital to risks at Group level, all the significant risks to which the Group is or may be exposed are identified and assessed, by a continuously

evaluation of the internal capital and internal capital requirements, to cover the bank's business needs and of the related risks, including through stress tests.

The risk management framework includes internal regulations, risk limits and risk control mechanisms, adapted to the proper functioning, financial soundness, capital base and strategic objectives of the credit institution, which ensure proper, timely and continuous identification, assessment, monitoring, mitigation and reporting of the risks related to the bank's activities, as a whole, as well as at the business lines' level (Large Corporate, Mid-Corporate, SME, micro and retail).

The main risk categories to which the BT Group is exposed to, are:

- Credit Risk;
- Liquidity and credit risk;
- Operational risk;
- Market Risk;
- Interest rate risk from activities outside the trading book;
- Reputation risk;
- The risk associated with excessive usage of leverage;
- Strategic risk;
- System risk;
- Compliance risk.

Credit Risk

The credit risk management framework is regularly updated and improved, being designed to cover all credit exposures in the banking activity and includes, among others, the following basic components:

- A risk assessment system for new credit products / significant changes in the existing products;
- Lending methodology to ensure a healthy loan book, respectively lending standards and lending terms;
- Integrated IT systems for the client relationships and loan origination management, both for companies and individuals.
- An efficient credit risk rating process capable of rendering the variable level, nature and determining factors related to credit risk, which could occur in time, so as to ensure in a reasonable manner that all the credit exposures are properly monitored and the ECL-related allowances are properly measured;
- A model validation process, the related framework defining: the structure of the model validation process in terms of responsibility and reporting, internal regulations on the evaluation and approval of the changes brought to the models, and reporting the results of the model validation;
- A system for assessing the risk exposure through transactions;
- Pricing methodology based on risks;
- An efficient process of Active management of the loan portfolio, that includes an adequate reporting system;
- Concentration limits per client /group of clients/products/regions/sectors/guarantee suppliers/guarantee types;

- Proactive management of fraud risk mechanism;
- Elaborating the methodology for the early identification of higher real or potential credit risks;
- Methodology for loan monitoring/review after granting;
- Processes systematically and consistently applied in order to establish proper allowances for the loss in accordance with the applicable accounting regulations in the field of credit risk;
- Continuous improvement of the overdue credit collection process;
- *Back-testing* methodology regarding the adequacy of the default probability parameter, the non-repayment status and the provision level related to the Bank's loan portfolio;

The methodologies used to assess credit risk and to determine the level of loss adjustments according to the type of exposure particularly seek to:

- include a robust process designed to increase the BT's ability to identify the level, nature and factors of the credit risk at the time of the credit exposure initial recognition, but also to ensure that the subsequent changes in the credit risk can be identified and quantified ;
- include criteria that take into account the impact of forward-looking information, including macroeconomic factors;
- include a process for assessing the adequacy of the significant inputs and assumptions related to the chosen method of establishing the ECL level, including an effective model validation process that ensures that credit risk assessment and measurement models are capable of generating accurate, consistent and unbiased predictive estimates at all times;
- take into account relevant internal and external factors that may affect the ECL estimates;
- ensure that the ECL estimates incorporate forward-looking information, including macroeconomic factors, that have not already been taken into account in the calculation of adjustments for individual exposure-measured losses;
- involve a process for assessing the overall adequacy of loss adjustments in accordance with the relevant accounting regulations, including a regular review of the ECL models.

With a view to responsible lending, in the financing process within Banca Transilvania, the following will be taken into account:

- strict funding of those activities that comply with applicable national environmental, health and safety laws and regulations;
- financing only those activities that do not appear in the Bank's Exclusion List;
- appropriate documentation and appropriate assessment of ESG risks related to each activity/financed project;
- the ESG risks associated with the financed activities are constantly monitored

The credit risk management at the level of the BT Group is realized by:

- The organization of an internal system of norms and procedures in this field, establishing the regulatory framework for the lending process in order to avoid or to mitigate the risks occurrence; development/improvement of the credit risk management procedures (strategy, policies, norms related to credit risk management); ongoing improvement of the credit approval/loans granting process;
- Maintaining an adequate process for credit management, control and monitoring;
- Organizational structure of the bank – there are departments and committees with responsibilities in the credit risk supervision and management.

The credit risk appetite determined *a priori* for 2023 was *medium-low*.

Liquidity and credit risk

The liquidity risk appetite for 2023 was set as *low*, taking into account the structural correlation of the bank's assets and liabilities. The purpose of liquidity risk management is to obtain the expected returns on assets by taking advantage of temporary excess liquidity and through an efficient allocation of the resources attracted from customers, in the context of a proper management, consciously assumed and adapted to the market conditions, the current legal framework and the development targets of the BT Financial Group. Liquidity management is realized centrally and aims to combine prudential requirements with profitability requirements.

In liquidity management, Banca Transilvania applies a series of principles regarding the quality, maturity, diversity and degree of the assets risks, while establishing carefully monitored sets of limits to ensure the compliance with the principles and also with the set returns (concentration, liquid, eligible assets etc).

For a sound liquidity risk management, BT is constantly focused on obtaining liquidities via treasury operations, external financing, capital markets, etc., by taking into account various factors such as the issuer's rating, the issuance maturity and volume of the exposures and the analysis of the markets on which it trades.

The operative (*intraday*) liquidity management is realized through all the operations carried out by the bank's departments, so as to ensure the performance of all the settlements / payments of the bank carried out by the bank on its behalf or on behalf of its customers, in RON or FCY, on the accounts or in cash, within the internal, legal and mandatory limits.

BT also takes into account a liquidity reserve, in order to cover the additional liquidity need that may arise over a short period of time, under stress conditions, periodically tested based on different crisis scenarios.

During 2023, the bank recorded very good levels of liquidity indicators thus demonstrating a solid position, registering a more than comfortable liquidity level in a fragile overall economic context.

As well, attention is given to:

- correlation of the growth rate of resources/loans;
- diversification of the range of instruments used and of the IT systems, correlated with the institution's risk appetite;
- Monitoring of liquidity coverage ratio (LCR - Liquidity Coverage Ratio)
- adequate capital allocation;

Operational Risk

Operational risk is the risk that considers those inadequate practices, policies and systems unable to prevent a loss due to market conditions or operational difficulties.

The objective of the operational risk management is to ensure the general framework and action directions for establishing a complete risk management in Banca Transilvania Financial Group, by

integrating a specific management system in the current risk management processes. BT aims to continuously improve the risk management processes by working towards an integrated risk management system to support the decision-making process.

The operational risk management framework implemented at the level of the entire group is in accordance with the established business objectives and the assumed risk appetite, as well as with the observance with the provisions of the legislation in the field and of the internal regulations in force.

In order to identify, evaluate, monitor and reduce the banking operational risk, Banca Transilvania:

- continuously assesses exposures to operational risk, based on historical data, monitoring and managing the conduct risk, as a subcategory of the operational risk, as well as the risk determinants associated with this category, paying particular attention to its scope, relevance and the possible prudential impact;
- evaluates and monitors products, processes and systems aimed for developing new markets, products and services, as well as significant changes to existing ones and the conduct of exceptional transactions, from the perspective of product consistency and changes in line with the risk strategy;
- identifies, assesses, monitors and manages the risks associated with information technology (ICT), the bank has appropriate processes and controls in place to ensure that all risks are identified, analyzed, measured, monitored, managed, reported and maintained within the risk appetite and that the projects and systems they deliver and the activities they perform are in line with the external and internal requirements; The Bank also defines and assigns relevant roles, key responsibilities and reporting lines to ensure the effectiveness of the ICT and Security Risk Management Framework, which is integrated into its own regulatory framework, operational framework for ICT security and into the risk management framework.

In order to reduce the risks inherent in the bank's operational activity, it is necessary to constantly monitor the controls implemented at different levels, to evaluate their efficiency, as well as to introduce methods to reduce the effects of the operational risk events.

The strategy of Banca Transilvania to diminish the exposure to operational risks is mainly based on:

- constant compliance of the normative documents with the legal applicable legal provisions and adaptation to the market conditions;
- personnel training;
- efficiency of the internal control systems (organization and implementation);
- continuous improvement of the IT solutions and strengthening of BT information security systems;
- using complementary means to reduce risks: concluding specific insurance policies against risks, outsourcing activities;
- the implementation of the measures for the limitation and reduction of the effects of the identified operational risk incidents, such as: standardization of the current activity, automation of most processes with permanently monitored control points; reduction of redundant data volumes collected at the level of different entities of the bank;

- assessment of the products, processes and systems in order to determine the associated risks and measures to eliminate/mitigate them;
- the application of the recommendations and the conclusions resulting from on-going supervision;
- the update, evaluation and testing of business continuity plans on a regular basis, in particular of those systems that support the critical operational processes of the bank.

The operational risk assessment process is closely correlated with the overall risk management process. Its outcome is part of the operational risk monitoring and control processes and is constantly compared to the risk appetite established by the risk management strategy.

The operational risk appetite of Banca Transilvania, set *a priori* for 2023, was *medium-low*.

Market Risk

In 2023, Banca Transilvania's market risk appetite was set as *medium-low* due to the structure and the size of the portfolio of financial instruments, the prudential approach of all operations subject to such a risk and the numerous limits implemented and daily monitored within the bank's current business activity. In order to reduce the market risk, the bank adopted a prudential approach to protect its profits from fluctuations in prices, interest rates and exchange rates on the market, which all represent exogenous, external, independent factors. The Bank implements a series of principles in terms of quality, maturity, diversity and risk degree of the components of the portfolio of financial instruments (primary instruments, derivative instruments).

Banca Transilvania performs a daily evaluation of all banking positions, marking to market its portfolio of financial instruments, of the positions at the directly available closing prices, coming from independent sources, such as: prices on the stock exchange, electronic quotations, quotations from several independent, well-known brokers, in accordance with the applicable internal regulations and monitors the "warning" or "alert" levels, using backup plans, immediately applicable, in case of unstable market conditions.

The market risk analysis is based on the three main risk sub-categories listed below, with the purpose of combining the prudential and profitability requirements:

Interest rate and pricing risk: The management of this type of risk is adapted and permanently adjusted to the Romanian and international financial-banking market conditions and the general economic background. The interest rate risk is monitored daily and tested in crisis simulations performed for the bank's securities portfolio, and the price risk is also monitored daily and tested in crisis simulations related to the portfolios of shares and funds units held by the bank.

FX Risk: It represents the risk of recording losses related to the on-balance sheet and off-balance sheet positions due to unfavorable market fluctuations in the exchange rates. The Bank applies a series of rules with regard to operations/positions sensitive to exchange rate fluctuations, the realization, registration and mark-to-market thereof, as well as the impact of exchange rates on the bank's assets and liabilities.

Counterparty credit risk and settlement risk from exposures resulting from derivative financial instruments and from transactions with financial instruments:

Represents a possible loss that may occur due to improper settlement of the treasury operations, the objective of Banca Transilvania regarding the management of the counterparty credit risk and

the settlement risk being the adoption of a prudent policy regarding the selection of counterparties, custodians, management of the counterparty operations and of the maturities of the related operations.

Interest rate risk from activities outside the trading book;

The appetite for the interest rate risk from activities outside the trading book in Banca Transilvania was set in 2023 as low. The Bank has established a set of strict principles for managing and monitoring this type of risk, based on a risk management process that keeps interest rates within the prudential limits. The interest rate risk management is to minimize the possible negative impact on the net income, as well as to preserve the economic value of the equity under the conditions of adverse fluctuations of the interest rates.

The bank uses management tools such as GAP static analysis as well as the economic value of the assets, forecasts regarding the interest rate trends, the interest types and levels of the bank's products, depending on currency and maturity, the volumes of different balance-sheet items sensitive to interest rates, fees and commissions, directly or indirectly influenced by interest rate changes, limits recommended and periodically updated in the interest rate management.

A detailed analysis of the credit, liquidity, market and interest rate risks is available in the consolidated financial statements of the BT Group. These were within the risk limits assumed in the bank's decision-making process, promoting an adequate alignment of the assumed risks, available capital and performance targets and at the same time taking into account the tolerance to both financial and non-financial risks.

Reputational Risk

The reputation risk represents the current or future risk that the profit and capital may be negatively affected by the clients'/counterparties'/ shareholders'/investors'/supervisory authorities' unfavorable perception of the BT Financial Group's image. The appetite for the reputation risk in Banca Transilvania Financial Group was set in 2023 as low. Reputational risk management is performed through the ongoing monitoring of internal and external threats in terms of reputation, through efforts to attract the best partners, both in terms of customers and suppliers, recruiting and retaining the best employees, minimizing disputes, rigorous regulation of the activity, prevention of crisis situations, respectively permanent consolidation of the credibility of BT Financial Group and the trust of the shareholders, the permanent improvement of the relations with the shareholders, the creation of a favorable environment for investments and access to capital, continuous and open communication with shareholders (shareholders, media, clients, partners, employees, authorities, etc.).

Risk of Excessive Leverage

The leverage concept represents the relative dimension of assets, off balance-sheet commitments and contingent obligations to pay, to render a service or to grant real guarantees, including the obligation resulting from the financing received, assumed commitments, derivative instruments or repo transactions, excluding the obligations that can only be performed during the liquidation of an institution, in relation to the institution's own funds.

Banca Transilvania treats cautiously the issue of leverage related risk, taking into consideration the potential increases of this risk as a result of own funds deterioration due to expected or incurred

losses in accordance with applicable accounting regulations. The risk appetite associated with the risk associated with the excessive use of leverage in BT, established a priori, was set as low in 2023, by using quantitative methods of assessment and mitigation. Banca Transilvania has implemented a risk management framework associated with the excessive use of leverage, the main objectives of which are to protect the financial stability of the bank, limit excessive risk-taking, limit concentrations and diversify the portfolio, as well as ensuring a solid and sustainable capital and financing base.

Strategic risk

The Strategic risk is the current or future risk for profits and capital to be negatively affected by changes in the business environment, by unfavorable business decisions, improper implementation of decisions or the low adaptability to changes in the business environment. During 2023 the strategic risk appetite has been established as *low* based on the following aspects: risk management practices are part of the Group's strategic planning, the exposure to strategic risk reflects strategic goals that are not excessively "aggressive" and are compatible with the developed business strategies, the business initiatives are well designed and supported by communication channels, operating systems and adequate delivery networks.

In order to ensure sound strategic risk management, the BT Group conducts regular reassessments of its business strategy, draws up plans for the introduction of new business lines, products and services, for the expansion of existing services and for the infrastructure consolidation. The Group also performs analyzes of the environment in which it operates in order to highlight the strategic risk factors to which it is exposed.

Systemic Risk

The system risk is the risk of disrupting the financial system, which can have very serious negative consequences for the financial system and the real economy.

Banca Transilvania's objective is to ensure the general framework for establishing an adequate management of the systemic risk, in the sense of preventing and protecting the bank both against possible negative effects that the system may have on the institution, and vice versa. In this respect, BT has comprehensive regulations on risk management, which include, in addition to the general risk management policy and strategy, financing plans in crisis and recovery conditions, which aim to control risks, and in case of special situations can stabilize the institution and restore its financial position as soon as possible, without adversely affecting the market.

At the same time, in order to protect itself from the system risk generated by the other market participants, the bank has established exposure limits towards its counterparties and constantly monitors the exposure towards them.

Compliance Risk

Banca Transilvania objective regarding the compliance risk management is to avoid the current or future risk of affecting profits and capital, which may lead to fines, damages and/or termination of contracts or which may damage the bank's reputation as a result of violations or non-compliance with the legal and regulatory framework, agreements, best practices or ethical standards.

Continuous monitoring and adherence to the following principles ensure the prerequisites for the correct compliance risk management:

- development and application of the compliance risk assessment methodologies through the use of risk indicators;
- monitoring the compliance and communicating results according to the BT reporting lines;
- analysis of those situations with potential conflict of interest at the bank and subsidiaries level;
- periodic review of the indicators' limit, motivated by the occurrence of new risk events that were not taken into account in the initial assessment;
- formulating proposals of measures leading to the mitigation/elimination of risk events that generated the increase of the indicators level.

The appetite for compliance risk in Banca Transilvania was set in 2023 as *low*.

Capital Adequacy

Capital adequacy means the process of identifying, measuring, managing and monitoring the internal capital, so as to ensure the permanent maintenance of an appropriate level of capital to cover all the risks to which the Group is or may be exposed.

The objective of the internal process of evaluating the adequacy of capital to risks is to establish the directions of action for:

- ensuring the necessary capital for the good performance of the activity;
- ensuring the maintenance of a level of own funds that is permanently at least at the level of capital requirements (established by EU/national regulations in the field and internal provisions) to cover risks.

The internal assessment process of capital adequacy to risks is integrated in the administration and management process of Banca Transilvania and in its decision making culture, according to which the management body must ensure the proper identification, measurement, aggregation and monitoring of risks, the preservation of internal capital levels adjusted to the bank's risk profile, as well as the use and development of sound risk management systems.

Also, the internal process of evaluating the adequacy of capital to risks is integrated into the general risk management practices, by using it in:

- the strategic planning process at group level;
- ensuring the continuous effectiveness of the risk appetite framework;
- risk management process, capital management, including anticipatory financing strategies;
- monitoring of capital adequacy indicators in order to identify and assess potential threats in a timely manner;
- obtaining practical conclusions and undertaking preventive actions.

In order to determinate the minimum capital requirement, Banca Transilvania and Banca Transilvania Financial Group use the following approaches:

- Credit risk: risk-weighted assets are calculated based on the standard approach;
- Market risk: capital requirements with respect to the exchange risk and the trading portfolio are calculated based on the standard approach;
- Operational risk: the basic approach is used to calculate the capital requirement to cover the operational risk.

BT Financial Group dynamically manages its capital base by monitoring capital rates according to Regulation no. 575/2013, as well as the capital rates disposed following the monitoring and assessment process carried out by the supervisory authority, anticipating the appropriate changes necessary to achieve its objectives, as well as optimizing the structure of assets and equity.

Planning and monitoring take into consideration the total own funds (core tier 1, additional tier 1 and tier 2) on the one hand and risk-weighted assets (RWA) on the other hand.

Internal and external audit

The general objectives of the 2023 audit focused mainly on risk management, as well as on the assessment of the overall control system implemented on transactions and / or processes / flows, covering the entire range of risks. The control system assessment was carried out in line with the internal audit methodology, one of the main objectives being that of ensuring the reliability and integrity of financial and operational data, as a result of an independent and objective evaluation of the internal control system and of the risk management systems in connection with the financial reporting process.

The internal control framework of the BT Group is structured on three levels:

- functions that hold and manage risks (operational units);
- risk supervisory functions (risk management function and compliance function);
- the function that ensures an independent examination, namely the internal audit function.

Thus, the 1st control level is realized by the operational units, which are responsible for ensuring an appropriate risk control and prevention environment within each operational structure/activity, as part of their daily operations; the 2nd and 3rd control levels are associated with the three independent control functions, as follows:

- the risk management function ensures the management and control of identified risks by means of specific assessment processes;
- the compliance function ensures the management of compliance / operational / credit risks;
- the internal audit function ensures the objective examination of the BT's overall activities, for the purpose of an independent assessment of risk management, of the internal control system, of the management and execution processes, in order to support the achievement of the objectives; it also issues recommendations for the improvement of such activities.

The external auditor of the bank – Deloitte Audit SRL - has audited the individual and consolidated financial statements of the bank as at December 31, 2023.

1.9. Aspects related to the perspectives of the Bank's activity

During the Extraordinary General Meeting of Transilvania Bank, which took place on October 18, 2022, financing with bonds with a value of up to EUR 1 billion was approved, through separate issues, carried out over a maximum period of ten years. The bonds are intended for institutional investors - local and international, and the bond issues provided for in the framework plan will support the fulfillment of the MREL (Minimum Requirement for Own Funds and Eligible Liabilities) requirements and the financing of the economy and the population.

European standards require banks to permanently ensure an optimal level of MREL eligible funds. They cannot be made from deposits made by customers, guaranteed by the Bank Deposit Guarantee Fund. The instruments will not benefit from the guarantee and will not be convertible at the initiative of the investors.

Following the success of the bond issue approved in October 2022, at the Extraordinary General Meeting of Transilvania Bank, on September 29, 2023, a program of corporate bond issuances, denominated in EUR and/or RON and/or in another currency, as the case may be, under market conditions in terms of interest rate, with a maturity of maximum 10 years, was approved, with the annual or semi-annual coupon frequency, for an amount not exceeding EUR 1,500,000,000 or equivalent, based on a flexible structure, through several separate issues, running for a maximum period of 5 years.

The first tranche of the *EUR 1,500,000,000 Euro Medium Term Note Programme (EMTN 2023)* was issued on November 29, 2023. This bond issue is the first with an ESG label for Banca Transilvania, with a social component (minimum 50%) and a green one. The bonds are MREL type.

For the year 2024, the Bank proposes the following qualitative and quantitative objectives:

Qualitative objectives:

- Supporting lending and the development of the Romanian economy in the coming period, in the volatile and challenging context, including inflationary pressures, energy crisis, geopolitical tensions, crowded electoral calendar locally and globally. At the same time, BT will remain a reliable partner for national and European programmes aimed at supporting companies and the population, access to finance, implementation of projects at national level (infrastructure, administration reforms, digitalization and transition to a more sustainable economy);
- Strengthening our position as the largest lender in Romania through organic growth and maintaining our interest in acquisitions or mergers with entities that can bring added value for our clients;
- Consolidating the position of top player in all business segments: leasing, asset management, financial intermediation, etc. and increasing synergies between group companies;
- Implementing the 2024 milestone of our multi-year sustainable growth plan through the continued development of the BT Group team's ESG competencies, of sustainable finance products and programmes for our customers and the incorporation of sustainability principles into all our activities. A significant complementary role to the multi-annual plan will be played by the independent ESG assessment;
- Digital: a constant focus on automating operations and innovating interaction flows for the benefit of customers, through investments in technology, digitization initiatives and the related infrastructure;
- Building the first 100% digital bank in Romania: for the next period, one of BT's priorities is the operationalization of the first fully digital bank, which is able to offer the target segment of customers a complete offer of banking products and services, which can be accessed 100% securely online.
- Updating an organizational culture characterized by values of collaboration and functional interaction, diversification and continuous adaptation to changes in the business environment through continuous professional and personal development of employees.

Quantitative objectives:

- Total assets: +10.3% growth
- Total gross loans: +6.1% growth
- Total deposits from customers: +9.1% growth
- Cost/Income ratio: 49.7%
- Loans/deposits: 55.6%

The development plan for 2024 is presented in the table below:

Investment budget for 2024 (RON million):	
Buildings – agencies and branches	78.49
Investments IT and cards, of which:	439.12
Hardware IT	54.72
Software IT	236.80
Retail and cards, of which:	147.60
<i>Hardware, retail cards</i>	29.84
<i>Software, retail cards</i>	117.76
Security	8.77
Cash processing center	34.77
Digital initiatives	54.08
Other	27.82
Total Investments VAT included	643.05

In projecting indicators for 2024, it has been considered an average inflation rate of 4.8% and an average exchange rate of 5.04 RON\EUR.

The Bank estimates a growth rate of 10.3% for total assets as compared with previous period (up to RON 178,789 million). The structure of assets is projected to comprise a weight of 45.6% of gross loans, a weight of 22.5% of cash and cash equivalents and a weight of 30.7% of investments in treasury bills.

Regarding the structure of liabilities and equity forecasted for 2024, the Bank considered a growth rate of resources from non-banking clients of 9.1% as compared with 2023, meaning a weight in total liabilities of 89.0%.

The 2024 budgeted ratios subject to the GMS approval are determined so as to support the business objectives and are correlated with the specific prudential and supervisory standards.

2. The Bank's Tangible Assets

2.1. Location and properties of the main production capacities owned by the Bank

Until now, the Bank currently owns tangible assets in the form of buildings, which represent the offices of its subsidiaries/agencies located in: Bistrița, Brașov, Bucharest Obor, Cluj-Napoca, Bucharest Regional Office, Bucharest Cash Processing Center, Cluj-Napoca Cash Processing Center, Constanța, Dej, Deva, Drobeta Turnu-Severin, Miercurea-Ciuc, Râmnicu-Vâlcea, Turda,

Zălau, Suceava, Iași, as well as four buildings accommodating the Bank's Headquarters. The other locations where BT units are currently operating are rented offices.

2.2. Description and analysis of the degree of wear and tear of the Bank's properties

The net tangible assets as at 31 December 2023 amount to RON 755.41 million, of which 37% are buildings and land. The majority of real estate properties were recently built or refurbished.

A detailed analysis of the Bank's fixed assets is presented in the Notes to the Financial Statements.

Tangible assets do not include rights-of-use assets recorded in accordance with IFRS 16.

2.3. Notes on the potential issues related to the ownership of the Bank's tangible assets

Not applicable.

3. The stock exchange where the securities issued by the company are traded

3.1. Romanian and foreign markets where the securities issued by the Bank are traded

As of 15.10.1997 (the first trading day), Banca Transilvania became the first Romanian banking institution listed on the Bucharest Stock Exchange. The Bank's shares are indivisible common dematerialized nominal shares.

At the beginning of 2023, the share capital registered with the Trade Register was RON 7,076,582,330.

As a result of the Decisions of the Extraordinary General Meeting of Transilvania Bank Shareholders of April 26, 2023, it was decided to increase the share capital by the amount of RON 910,000,000 by issuing a number of 91,000,000 new shares, with a nominal value of 10 RON/share. The increase of the share capital was achieved by incorporating the reserves constituted from the net profit of the year 2022, in the amount of RON 910,000,000, by issuing a number of 91,000,000 shares with a nominal value of 10 RON/share, for the benefit of the shareholders registered in the Shareholders' Register held by the Central Depository. Therefore, the new share capital is RON 7,986,582,330, respectively 798,658,233 shares with a nominal value of RON 10/share.

The legal procedures for registering the capital increase at the National Trade Register Office, ASF and the Central Depository were finalized in the second part of 2023, and the capital increase became effective on 24th of July 2023.

The share capital structure as at 31.12.2023 and 31.12.2022 was as follows:

Shareholders	31-Dec-23	31-Dec-22
NN Group (*)	9.36%	10.11%
European Bank for Reconstruction and Development (EBRD)	6.87%	6.87%
Romanian individuals	22.37%	22.2%
Romanian companies	45.13%	43.11%
Foreign individuals	1.09%	1.05%
Foreign companies	15.18%	16.66%
Total	100%	100%

(*) NN Group N.V. and pension funds managed by NN Pensii SAFRAP S.A. and NN Life Insurance S.A.

The Bank's market cap as at 31 December 2023 was RON 19.4 billion, respectively EUR 3.9 billion (31 December 2022: RON 14.1 billion, respectively EUR 2.85 billion).

3.2. The Bank's policy regarding dividends

In 2023, the Bank distributed the profit of 2022 (RON 897,540,893) as well as part of the reserves of the previous years (RON 4,914,768.77 from the net profit reserves of the previous years) as cash dividends in a total amount of RON 902,455,661.77, the gross value of the dividend per share being RON 1.13.

In 2022, the Bank distributed cash dividends in amount of RON 800,000,000 from the profit of 2021, the gross value of the dividend per share being RON 0,1267533618.

In 2021, the Bank distributed the profit of 2020 (RON 425,754,277) as well as part of the reserves of the previous years (RON 74,245,723 from the net profit reserves of the previous years – 2019) as cash dividends in a total amount of RON 500,000,000, the gross value of the dividend per share being RON 0.0792210443.

In 2020, the Bank distributed cash dividends in amount of RON 600,000,000 from the profit of 2019, the gross value of the dividend per share being RON 0.1150286771.

In 2019, BT distributed cash dividends in amount of RON 818,565,850 from the profit of 2018, the gross value of the dividend per share being RON 0.17.

In 2018, BT distributed cash dividends in amount of RON 610,000,000 from the profit of 2017, the gross value of the dividend per share being RON 0.140506.

In 2017, BT distributed cash dividends in amount of RON 219,000,000 from the profit of 2016, the gross value of the dividend per share being RON 0.060065.

In 2016, BT distributed cash dividends in amount of RON 1,200 million from the profit of 2015, the gross value of the dividend per share being RON 0.396558.

BT also distributed cash dividends in amount of RON 50 million from the profit of 2008, when the gross value of the dividend per share was RON 0.047200.

In the other years, the policy of Banca Transilvania regarding profit distribution was focused on capitalization.

Proposals regarding the distribution of profit for the financial year 2023

Proposal for 2023 profit distribution	Amounts (RON)
Gross profit 2023	3,128,495,605
Current/deferred income tax	(637,923,927)
Net profit 2023	2,490,571,678
5% Legal reserve fund from gross profit	(156,424,780)
Reinvested profit reserve	(151,930,768)
Net profit to be distributed	2,182,216,130

The Board of Directors proposes for approval to increase the Bank's share capital from RON 7,986,582,330 to RON 9,168,798,460, with the amount of RON 1,182,216,130, representing reserves from the 2023 net profit. The increase in the share capital will be carried out by issuing a number of 118,221,613 shares, with a nominal value of RON 10/share in the benefit of the shareholders registered with the Shareholding Register held by the Central Depository at the registration date that will be established by the GSM, following that the price for the compensation of the fractions of shares resulting from the application of the algorithm and the rounding of the results, to be determined in accordance with the legal provisions in force. The Board of Directors proposes for approval the distribution of profits by granting dividends amounting to RON 1,000,000,000. The gross dividend per share amounts to 1.2521000331.

Proposal for 2023 profit distribution	Amounts (RON)
Total available reserves for distribution	2,182,216,130
Dividends	1,000,000,000
Capitalization of 2023 net profit reserves	1,182,216,130
Share capital at recording date*	7,986,582,330
Yield per share % capitalization	0.1480252856

*The share capital registered with the Trade Register amounts to 798,658,233 shares with a nominal value of 10 RON / share, to which is added RON 86,501,040 – adjustment according to the inflation of the share capital and surplus from the re-evaluation of fixed assets used to increase the share capital.

3.3. The Bank's share buyback activities

The share buyback from 2023 are part of the program approved by the Decisions of the Ordinary and Extraordinary General Meeting of Shareholders of Banca Transilvania dated 26.04.2023 when the Board of Directors of Banca Transilvania S.A. has approved the buyback by the Bank, in accordance with the applicable legal provisions, under the following terms and conditions: up to 5,000,000 shares (0.71% of the total shares included in the share capital) with a nominal value of RON 10/share at a minimum price equal to the market price on BSE at the moment of the buyback and a maximum price of RON 30 for a period of maximum 18 months as of the publishing date of the EGMS resolution in the Official Gazette of Romania, Part IV, part of a stock option plan with the purpose of implementing a remuneration program and a personnel incentive program for a

period of at least 3 years as well as the payment of fixed remuneration, and the granting of a mandate for the Board of Directors for the enforcement of this resolution.

3.4. The number and nominal value of the shares issued by the parent company and owned by the subsidiaries

As at 31.12.2023, BT Group has in balance the amount of RON 15.3 million own shares at acquisition value (~2.1 million shares), which are held by BT INVEST1, a Group subsidiary.

BT group subsidiary	Number of shares held	Nominal value at 31.12.2023	Percentage held of the Bank's share capital as at 31.12.2023
BT INVEST1	2,112,261	21,122,610	0.26%
Total BT Invest1 shares held	2,112,261	21,122,610	0.26%

3.5. Bonds issued by the Bank

In 2013 Banca Transilvania issued a number of 50,000,000 unsecured subordinated convertible bonds, due in 2020, each with a nominal value of EUR 0.60, and a total nominal value of EUR 30,000,000. These are nominal, dematerialized bonds.

As at 31 December 2013 the Bank had a balance of issued subordinated term bonds of EUR 30 million.

On 3.11.2014, BT converted 33,453,730 bonds with a nominal value of EUR 20,072,238 into 49,444,546 shares.

As at 31 December 2014, the Bank counted 16,546,270 outstanding subordinated bonds, amounting to EUR 9,927,762.

As at 31 December 2015, the Bank counted the same 16,546,270 outstanding subordinated bonds, amounting to EUR 9,927,762.

As at 31 December 2016, the Bank had a balance of 16,507,930 issued subordinated bonds, amounting to EUR 9,904,758.

In 2017, the Bank converted bonds in amount of EUR 2,122, equivalent to RON 9,683, amount that was used as follows: RON 3,483 for the increase of the share capital and RON 6,200 for the constitution of the capital premiums.

The value of convertible bonds as at 31.12.2017 was EUR 9,902,636, equivalent of RON 46,143,312 (31.12.2016: EUR 9,904,758, equivalent of RON 44,978,497).

As at 31 December 2017, the Bank had a balance of 16,504,393 issued subordinated bonds, amounting to EUR 9,902,635.8.

As at 31 December 2018, the Bank had a balance of 16,504,393 issued subordinated bonds, amounting to EUR 9,902,635.8, equivalent of RON 46,184,903, plus 2,850 bonds with a nominal value of EUR 100,000 (31.12.2017: EUR 9,902,636 equivalent of RON 44,978,497).

During 2018, Banca Transilvania S.A. issued 2,850 bonds, with a nominal value of one bond amounting to EUR 100,000. The bonds were made available for subscription through private

placements to a limited number of eligible investors. The private placement of Equity Tier 2 bonds, subordinated unsecured, denominated in EUR, with a interests equal to the EURIBOR6M + 3.75% per year, maturity in 2028, with a total face value of EUR 285,000,000 (being in equivalent of RON 1,410,009 thousand at December 31, 2022), was finalized on June 26, 2018, the settlement date being June 28, 2018, and the maturity date June 28, 2028. The bonds became tradable on the regulated spot market managed by the Bucharest Stock Exchange under the ISIN code ROTLVADBC023 and the TLV28E symbol starting with July 6, 2018.

As at 31 December 2018, in the balance there were subordinated bonds issued by the Bank amounting to EUR 294,902,635.80, equivalent of RON 1,375,396,403.11.

In 2019, the Bank converted a total of 8,920 bonds amounting EUR 2,122, equivalent of RON 9,829, amount that was used to increase the share capital.

As at 31 December 2019, in the balance there were subordinated bonds issued by the Bank amounting to EUR 294,897,283.8, equivalent of RON 1,409,402,588.5.

As at 31 December 2020, in the balance there were subordinated bonds issued by the Bank amounting to EUR 285,000,000, equivalent of RON 1,387,779,000.

In 2020, the Bank converted bonds amounting to EUR 83 thousand, equivalent to RON 391 thousand, an amount that was allocated as follows: RON 173 thousand to increase the share capital and RON 218 thousand to share premiums.

The balance of convertible bonds in amount of EUR 9,814 thousand, equivalent to RON 47,523 thousand, was repaid on May 22, 2020. At December 31, 2020 the balance of convertible bonds was RON 0 (zero).

During 2021, the Bank did not issue bonds.

During 2022, the Bank did not issue bonds.

In 2023, within the *EUR 1,000,000,000 Euro Medium Term Note Program*, Banca Transilvania issued bonds totaling EUR 790,000,000, with ISIN XS2616733981, annual interest rate 8.875% and maturity 27.04.2027.

The first tranche of the *EUR 1,500,000,000 Medium Term Note Programme (EMTN 2023)* was issued on 29 November 2023 for EUR 500,000,000 with ISIN XS2724401588, a rate of 7.25% per annum and maturity 07.12.2028. This bond issue is the first with an ESG label for Banca Transilvania, with a social component (minimum 50%) and a green one.

4. Bank Management

Corporate governance plays an essential role in increasing the performance of Banca Transilvania. Gives a strategic direction, helped to achieve the goals, to properly manage the risks and resources to be used responsibly. It is the fundamental of BT's business model: sustainable with positive impact.

Banca Transilvania uses the Code of Corporate Governance of the Bucharest Stock Exchange, considering the former's capacity as issuer on the capital market and applies the principles defined by the latter. The Code of Corporate Governance of BSE is available of the official website of BSE (www.bvb.ro). Currently, there are no provisions of the Code for which compliance is not ensured by Banca Transilvania.

The General Meeting of Shareholders (GMS)

The strategic management of the Bank is ensured by the General Meeting of Shareholders which is in charge of establishing strategic organizational objectives and of allocating the required resources for the achievement thereof.

The Board of Directors

Banca Transilvania's management structure includes the supervisory management body, i.e. the Board of Directors and the top management bodies, i.e. the Leaders/Leaders' Committee.

The Bank's top management is ensured by individuals, who are mandated with the current management activity of the credit institution and are responsible for the fulfilment of these responsibilities towards the management body, based on the management agreements, the relevant NBR regulations, the legal requirements of Law 31/1990 and the internal rules.

The management of Banca Transilvania is entrusted by the General Meeting of Shareholders to a Board of Directors, elected for a four-year term of office, consisting of 7 administrators elected by the shareholders at the GMS, either on the expiry of the mandate or specifically, in the event of one or more vacancies. The Board of Directors (BOD) is the body responsible with the guidance, coordination, supervision and control functions, as stipulated by the specific regulations issued by the NBR. In Banca Transilvania, the Board of Directors has the following structure:

- Chairman of the Board of Directors of BT;
- 6 administrators - members of the Bank's Board of Directors.

The eligibility criteria for joining the Board of Directors are those stipulated in the specific legislation (Law no.31/1990- company law, Gov. Ordinance no.99/2006 and the specific NBR regulations), as well as those stipulated in Banca Transilvania S.A.'s Articles of Association.

Subsequent to the shareholders approval within the GMS and before the beginning of the mandate, the newly appointed members must obtain the approval from the National Bank of Romania.

The Board of Directors' members are not involved in the fulfilment of operational tasks - this being a responsibility awarded to the top management.

Board of Directors' Attributions:

- Follows the completion of the strategy and the established objectives mentioned in the policy statement approved by Shareholders General Assembly and in the midterm Strategic Plan, approves and revises, at least once a year, the general strategies and the policies related to Bank's activity;
- Approves the Business Plan and of the income and expenditure budget, the Investment Program and the profit and loss account, prepares the Report regarding the Bank's activity, which is presented to approval to the General Meeting of Shareholders, prepares the proposals for net profit distribution, presented to approval of the General Meeting of Shareholders;
- Approves and follows the implementation of two-years strategic plan which should be revised annually;
- Approves Organization and Administration Regulations, the Code of Ethics and Conduct Code, the organizational structure, as well as the principles of staff remuneration and

loyalty programs, approves the individual exposures to a person in special relations with the Bank, within the limits established by the Board of Directors;

- Supervises compliance risk management;
- Creates the proper required conditions for an independent, efficient, permanent compliance function;
- Evaluates permanently the capital adequacy to risks, originating the capital distribution in an appropriate manner with the assumed risks both for the Bank and for its subsidiaries;
- Approves the accounting policies, the ones of the financial controlling as well as the ones for significant risks management;
- Approves other internal norms and policies in accordance with the Bank's Organization and Administration Regulations.

The Board of Directors usually meets once a quarter and whenever necessary, in the presence of at least half of its members, and may exercise its specific duties also through committees set up at the level of the Board of Directors and consisting of 2-3 members based on the mandate and in compliance with the legal requirements applicable to forum. The committees set up at the level of the Board of Directors are: the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management Committee. The Board of Directors and its committees are governed by the terms of reference on corporate governance published on the BT website.

4.1. List of Bank Directors

During the year 2023 there were no resignation among the members of the Board of Directors and the executive management.

The members of the Board of Directors (BoD) on 31.12.2023 are:

Name	Position	Percentage held of the share capital of the Bank as of 31.12.2023
Ciorcilă Horia	Chairman of the Board of Directors	4.629915% directly and together with shareholder BT Castorius Limited
Grasee Thomas Gunther	Vice-Chairman of the Board of Directors	0.000000%
Gueorguiev Ivo	Non-executive Member of the Board of Directors	0.075984%
Puşcaş Vasile	Non-executive Member of the Board of Directors	0.043830%
Bordea Mirela Ileana	Non-executive Member of the Board of Directors	0.012826%
Stanczak-Wuczynska Lucyna	Non-executive Member of the Board of Directors	0.000000%
Predescu Vasvari Florin	Non-executive Member of the Board of Directors	0.000000%

Note: direct holdings except where it is presented otherwise

The members of Banca Transilvania's Board of Directors and their professional training, on the 31st of December 2023, are as follows:

Ciorcilă Horia was born in 1963 in Cluj-Napoca and graduated from the Faculty of Automation and Computers, at the Polytechnic Institute of Cluj-Napoca, in 1989. He participated, as a founding member, to the establishment of Banca Transilvania S.A. and of several companies from Banca

Transilvania S.A. Group, operating in the finance sector (insurance, leasing, etc.) since 1993. He also contributed, as a founding member, to the establishment of companies such as the groups Astral TV, Maestro Industries and RomVioCons-Omniconstruct. He was also a Board member of BT Asigurari SA, BT Asset Management SAI and Chairman of the Board for BT Aegon. He is currently in the Boards of ACI SA and SIF MOLDOVA SA.

He has been a member of the Board of Directors of Banca Transilvania since its founding, and, starting with 2002, he has been the Chairman of the Bank's Board of Directors.

Grasee Thomas (born 1955, German nationality) gained broad experience in commercial and investment banking while working for HypoVereinsbank, Munich, (now UniCredit Bank) until 2009 in a number of senior executive managerial positions in Germany, Luxembourg and as CFO and COO of UniCredit Market & Investment Banking Poland based in Warsaw.

While at HypoVereinsbank he gained significant experience in Corporate Development and strategic M&A, both domestic and cross-border (growth and restructuring). He was responsible for numerous corporate transactions with focus on Financial Institutions in Germany, Austria, United Kingdom, Russia and CIS, as well as managing strategic partnerships and ownership in various strategic investments.

He has extensive Board Director experience in commercial banks in CIS and SEE region, Corporate Development, Mergers & Acquisitions, Finance, Risk Management, Corporate Governance including audit and regulatory compliance issues, Corporate restructuring, Business transformation, Joint ventures.

Since 2009 he served as Independent Director and Non-Executive Director on various Boards.

His past Board Director assignments include Non-Executive Director positions in Supervisory Boards where he was nominated by the European Bank for Reconstruction and Development: Banca Intesa Russia, member of Intesa SanPaolo Group, Milan and Credit Bank of Moscow. He served as Independent Director on the Board of Alliance Bank, Kazakhstan, International Moscow Bank, Russian Federation and HVB Bank Ukraine.

Currently Mr Grasse is Independent Director and Deputy Chairman Banca Transilvania S.A., listed on Bucharest Stock Exchange, and Deputy Chairman B.C. Victoriabank S.A., listed on Moldova Stock Exchange, Chisinau. He is Advisory Board member of privately owned Specta Group, a leading international Industrial Packaging company.

Since his appointment 2014 to the Board of Directors he chairs the Risk Committee of Banca Transilvania. Starting with his appointment in September 2018 Mr Grasse is Chairman Audit Committee and Chairman Risk Committee of the Board of Administration Victoriabank.

He is a incumbent member of the Audit Committee of Banca Transilvania He chaired for five years the Audit, Risk and Recovery Committee of JSC Alliance Bank, Almaty/Kazakhstan (today: Forte Bank). Thomas Grasse is member FEA, Financial Experts Association e.V., a leading association in Germany focussing on supporting independent professional Board Directors' in corporate governance, risk management, accounting, internal control and compliance. Since 2017 he is Managing Partner Romoto GmbH (Munich, Germany).

Education: Bankademie Frankfurt, Business School of Finance and Management; Apprenticeship HYPO-Bank AG, a predecessor institution of HypoVereinsbank AG, Munich.

He has been a member of the Board of Directors of Banca Transilvania since 29.04.2014. The NBR approval was granted on 30.12.2014.

Gueorguiev Ivo was born in 1964. He graduated from the University of National and World Economy of Sofia, Bulgaria, in 1990 and holds an MBA from Alberta University of Edmonton, Canada since 1993. He has held many other positions, such as: Management Consultant of Varsity Consulting Group Edmonton, Canada, Principal Banker of the EBRD for the Baltics/Belarus Group, Chairman of the Management Board of Hermis Finance - Lithuania, Deputy Chairman of the Management Board Hermis Bank – Lithuania, Senior Banker of the EBRD for the Financial Institutions Group, Managing Director and Chairman of the Management Board of TBIF Financial Services BV, Chairman of the Supervisory Board of TBI Bank.

He has been on several Boards of Directors: Chairman of Hermis Finance Lituania, Vice-Chairman of Hermis Bank Lithuania, Board member of the Baltics Small Equity Fund, Export & Credit Bank Macedonia, and of the Bulgarian Insurance and Pension Holding, Chairman of the Board for TBI Broker doo Serbia, Chairman of TBI Lizing doo Serbia, Board Chairman of TBI Bulgaria, CEO member of the Board of TBIF Bulgaria, Chairman of the Board - TBI Invest / Asset Management Bulgaria, Vice-chairman of the Board - TBI Credit SA Romania, Vice-chairman of the Board - TBI Credit SA Romania, Chairman of the Board - TBI Credit EAD Bulgaria, Chairman of the Board - TBI Leasing AD Bulgaria.

He has also been a member of numerous Supervisory Councils (SC), in the capacity of: Member of the SCs of Energo SA Poland, Pension Fund Doverie Bulgaria, Chairman of the SC for Sympatia Finance Slovakia, Member of the SCs of Sovcom Bank Russia, TBI Holding Company - Netherlands, and Arka Consumer Finance Russia, Vice-Chairman of the Supervisory Council of VABank Ukraine, and SC Chairman for TBI Bank Bulgaria.

At the present, he is a private investor and member of the Board of Directors of Credibul AD Sofia Bulgaria. He has been a member of the Board of Directors of Banca Transilvania since 29.04.2014; the NBR approval was obtained on 27.11.2014.

Puşcaş Vasile was born in 1952, in the town of Surduc, Salaj County. He graduated from the Faculty of History and Philosophy of Babeş-Bolyai University, Cluj-Napoca, holding a Bachelor Degree in History and Social Sciences. He obtained a PhD in History from Babeş-Bolyai University, Cluj-Napoca, and, since 1995, he is a Professor at the Faculty of History and Philosophy, the Department of Contemporary History and International Affairs, Babeş-Bolyai University. During the period December 2000 - December 2004, he served as Minister Delegate for the Nastase Government and as Chief Negotiator of Romania to the European Union. In December 2008, he was appointed State Secretary within the Department for European Affairs (DEA), and, at the beginning of 2009, his position was upgraded to Head of the DEA Department, with the rank of Minister. From 2009 to 2013, he acted as Main Advisor for the Department of European Affairs. Since 2012, he is also a Professor within the European Studies Department of the University. Starting from 1999 he has also been the Director of the Institute for International Studies within the Faculty of History and Philosophy, Babes-Bolyai University. From 2002, he has been a member of the National Commission for the Certification of Titles and Degrees (Ministry of Education and Research). Since 2011, he is an “Ad Personam Jean Monnet Chair” and coordinates the Negotiation and European Policy module within the Department of International Studies and Contemporary History of Babes-Bolyai University, Cluj-Napoca.

He has been a member of the Board of Directors of Banca Transilvania since November 2013.

Bordea Mirela Ileana graduated from the Bucharest Academy of Economic Studies - Faculty of Commerce - Foreign Trade specialization in 1978. She started her professional activity as an economist at SARO Targoviste. Between 1985-1991 she worked at the Ministry of Foreign Trade as a commercial representative with the Brussels economic agency. Between 1992-1993 she held the position of financial manager at SC Comex SRL. She joined the banking system in 1993 - starting with Banca de Credit Industrial și Comercial, Finansbank and Credit Europe Bank. Her banking career started with the credit activity and continued until 2002, when she took over the non-performing loan recovery department. In June 2003 she was appointed Vice-President of the bank and of the Board of Directors. In her position as Executive Vice-President, she coordinated the Risk Management and Control Division.

In 2014, she was elected as a Board member of the Romanian Association of Banks (ARB).

She was appointed as a member of the Board of Directors of Banca Transilvania on 26.04.2017, filling a vacant position.

Stanczak-Wuczynska Lucyna graduated from the Warsaw School of Economics in 1990 with a Master's degree in Economics, Finance and Statistics, Econometrics. She started her professional activity as a senior officer in Agricultural Credits, Corporate Finances. In the period 1998-2000 she held the position of vice president of ABN AMRO Bank. Between 2000 and 2014 she worked at the European Bank for Reconstruction and Development. From 2013 to 2014, she acted as a member of the Supervisory Board and as chairman and member of the Investment Committees of the Board of the Polish State Wealth Fund of Polskie Inwestycje Rozwojowe, now PFR. Since 2015, she holds the position of Member of the Supervisory Board of Erste Bank Hungary. In 2021, she was appointed chairman of the Supervisory Board and member of the Risk, Audit and Nomination/Remuneration committees of BNP Paribas Bank Polska.

She is elected a member of the Board of Directors of Banca Transilvania S.A. from 28.04.2022. NBR approval 31.10.2022.

Predescu Vasvari Florin graduated from the Faculty of Economic Cybernetics, Statistics and Informatics within the Academy of Economic Studies in Bucharest. He obtained his Master's degree in Economics from the Department of Economics of the University of Toronto, Canada and in 2006 completed his PhD in Accounting from the same university. He started his professional activity in 2006 at the London Business School, holding the position of Professor of Accounting and Head of Department in the Faculty of Accounting, which he currently holds. Since 2019 he has been appointed Academic Director at the Institute of Entrepreneurship and Private Capital and a member of the Board of Directors and the Finance Committee at London Business School. From 2021, he holds the position of president of Alkeemia SPA and the position of Director of the Board of Directors of Sunwave Pharma.

He is elected a member of the Board of Directors of Banca Transilvania S.A. from 28.04.2022. NBR approval 31.10.2022.

There is no information on any agreement, understanding or family relationship between the members of the Board of Directors and other persons to help appoint the respective persons in the position of member of the Board of Directors in 2023.

The list of affiliated persons is available in ANNEX 2 to this report.

4.2. The Bank's executive management

At the executive management level, on 29.03.2023 the National Bank of Romania approved the

appointment of Mr. Bogdan Pleşuvescu as Deputy General Manager.

The Bank's management, organization and current activity coordination is assured by the Leaders Committee with the following structure:

Name	Position	Percentage held of the Bank's share capital as at December 31, 2023
Tetik Ömer	Chief Executive Officer	0.203110%
Runcan Luminița	Deputy Chief Executive Officer, CRO	0.120457%
Toderici Leontin	Deputy Chief Executive Officer, COO	0.121302%
Călinescu George	Deputy Chief Executive Officer, CFO	0.014309%
Ilaş Oana	Deputy Chief Executive Officer, Retail Banking	0.003605%
Pleşuvescu Bogdan	Deputy Chief Executive Officer, CLO	0.016922%
Moisă Tiberiu	Deputy Chief Executive Officer, SME Banking	0.074089%

There is no information on any agreement, understanding, or family relationship between executive members and other people to help appoint the respective person to the executive board in 2023.

4.3 For all the persons included at 4.1. and 4.2. must be presented any possible litigation or administrative proceedings in which they have been involved in the last 5 years with regard to their activity within the Bank, as well as other aspects related to their capacity to perform their duties within the Bank

There are no such events to be declared.

5. Statement of financial position

The information presented in the consolidated and individual financial statements of the Group and Bank for 2023 is based on the rules for accounting organization and management, in accordance with Law no. 82/1991 republished with subsequent amendments, the Government Emergency Ordinance no. 99/2006 regarding the financial institutions and capital adequacy with subsequent amendments, NBR Order no. 27/2010 approving the accounting rules under International Financial Reporting Standards adopted by the European Union applicable to financial institutions with subsequent amendments as well as other NBR instructions in the field.

Subsequent events to the date of the consolidated statement of financial position

On January 15th, 2024, Victoria Bank S.A. Chişinău acquired 100% of the share package in BCR Chişinău S.A.. Subsidiary Victoriabank S.A. is controlled by Banca Transilvania S.A., therefore, starting from this date, Banca Transilvania also holds control in BCR Chişinău S.A.

The Board of Directors of Banca Transilvania approved on February 8th, 2024 the completion of the transaction for the acquisition of 100% of the shares of OTP Bank Romania S.A. as well as other companies within the OTP Romania Group (including OTP Asset Management SAI S.A. and OTP Leasing Romania IFN S.A.). The total transaction price to be paid by Banca Transilvania is EUR 347.5 million. Until the completion of the transaction, both Banca Transilvania and OTP Bank Romania S.A. will act as separate entities. Following signing and in order to integrate the above-mentioned entities in the BT Financial Group, we will initiate and implement the legal procedures necessary for obtaining all necessary approvals from the competent authorities

The Bank calculated and paid its monthly duties to the public budget and to the special funds, as well as the quarterly and half-yearly duties to the local budget; related to the income tax, the Bank made quarterly prepayments in accordance with the applicable law.

The analysis of the economic and financial situation of the Bank and of the Group, based on the financial statements, comparatively in the last 3 years, is presented below:

a) The Bank's and the Group's statement of financial position

Indicators (RONmn)	Bank			Group		
	Dec'23	Dec'22	Dec'21	Dec'23	Dec'22	Dec'21
Cash and current accounts with Central Bank	22,286	12,645	16,764	24,253	14,541	18,321
Placements with banks and public institutions	12,619	6,635	9,613	12,273	5,567	10,394
Treasury financial instruments	50,076	45,823	42,786	51,775	47,191	44,204
Loans and advances to customers, net	71,550	63,450	52,239	72,008	65,201	54,630
Finance lease receivables	-	-	-	3,563	2,813	1,488
Tangible and intangible assets	2,889	2,566	2,429	2,642	2,327	1,989
Other assets	2,365	2,841	1,232	2,655	2,871	1,475
Total assets	161,785	133,960	125,062	169,169	140,511	132,501
Deposits from customers	134,443	116,504	102,698	138,053	119,732	108,022
Deposits from banks	1,082	1,632	952	1,035	1,678	1,024
Loans from banks and other financial institutions	8,584	3,562	7,458	9,549	4,841	7,930
Subordinated loans	2,404	1,719	1,706	2,423	1,748	1,762
Other liabilities	3,443	2,585	2,894	4,213	3,040	3,199
Total liabilities	149,956	126,002	115,709	155,273	131,039	121,937
Equity	11,829	7,958	9,353	13,897	9,472	10,564
Total liabilities and equity	161,785	133,960	125,062	169,169	140,511	132,501

At the end of 2023, Banca Transilvania's assets weight in the total assets of BT Group is 95.63% (2022: 95.34% and 2021: 94.39%).

b) Statement of profit and loss

Indicators (RONmn)	Bank			Group		
	2023	2022	2021	2023	2022	2021
Net interest income	4,319	3,658	2,740	5,257	4,427	3,142
Net fees and commission income	1,106	998	806	1,268	1,168	961
Net trading income	540	597	461	657	686	529
Net income from financial assets measured at fair value through comprehensive income	166	(126)	179	168	(122)	179
Net income from financial assets which are required to be measured at fair value	178	(14)	64	143	(17)	38
Contribution to the Bank Deposit Guarantee Fund and to the Resolution Fund	(87)	(144)	(82)	(94)	(154)	(90)
Other operating income	215	390	179	326	292	174
Total operating income	6,437	5,360	4,348	7,725	6,280	4,934
Net expense from impairment allowance, expected losses on assets, provisions for other risks and loan commitments	(373)	(278)	(235)	(513)	(495)	(257)
Personnel expenses	(1,614)	(1,385)	(1,159)	(1,968)	(1,656)	(1,328)
Depreciation and amortization	(404)	(351)	(341)	(451)	(393)	(358)
Other operating expenses	(917)	(925)	(591)	(1,088)	(935)	(696)
Total operating expenses	(3,309)	(2,939)	(2,326)	(4,019)	(3,479)	(2,639)
Bargain gain	0	0	0	0	0	7
Profit before income tax	3,128	2,421	2,022	3,706	2,801	2,303
Income tax expense	(638)	(243)	(240)	(722)	(313)	(278)
Net profit	2,491	2,178	1,783	2,984	2,488	2,025
Profit of the Group attributable to equity holders of the Bank	2,491	2,178	1,783	2,890	2,404	1,983
Profit of the Group attributable to non-controlling interests	0	0	0	95	84	41
Net profit	2,491	2,178	1,783	2,984	2,488	2,025

At the end of 2023, Banca Transilvania's profit weighted 83.46% in the Group's total profit (87.53% in 2022 and 88.06% in 2021).

c) Cash flow: Statement of Cash Flows

Indicators (RONmn)	Bank			Group		
	2023	2022	2021	2023	2022	2021
Cash and cash equivalents at the beginning of the period	15,343	24,880	24,803	18,459	27,028	26,650
± Net cash from / (used in) operating activities	5,263	(4,404)	12,096	6,050	(3,301)	12,369
± Net cash from / (used in) the investment activity	6,558	(4,671)	(11,080)	6,418	(4,886)	(10,918)

± Net cash from/(used in) the financing activity	5,577	(462)	(939)	5,187	(382)	(1,073)
Cash and cash equivalents at the end of the period	32,741	15,343	24,880	36,113	18,459	27,028

The statement of financial position is detailed in the Financial statements enclosed.

The following documents are enclosed to this report:

- The Separate and consolidated Report of the Board of Directors of Banca Transilvania for the year 2023 which includes also the non-financial statement on environmental, social and personnel issues, respect for human rights and the fight against corruption and bribery;
- The management statement on taking responsibility for drafting the financial statements for the year 2023;
- The financial statements, at individual and consolidated IFRS level, together with explanatory notes;
- The Independent Auditor's Report Deloitte Audit S.R.L., to the IFRS separate and consolidated financial statements.

The annual report shall be accompanied by copies of the following documents:

a) copies of supporting documents for all amendments made to the Articles of Association in 2023:

Please note that the decisions of the General Shareholders Meeting have been transposed into the Articles of Association, they have been implemented and approved by the competent bodies. We are attaching the amended articles of incorporation based on the GSM decisions.

b) resignation/dismissal documents regarding the members of the Board of Directors, executive management:

There were no acts of dismissal/resignation.

c) list of Bank's subsidiaries and companies controlled by the Bank - The list of BT Subsidiaries is enclosed as an Annex to this report (ANNEX 1);

d) list of Bank's affiliates - The list of related persons of BT is enclosed as an Annex to this report (ANNEX 2).

**CHAIRMAN OF THE
BOARD OF
DIRECTORS
HORIA CIORCILĂ**

**CHIEF EXECUTIVE
OFFICER
ÖMER TETİK**

**DEPUTY CHIEF
EXECUTIVE OFFICER
GEORGE CĂLINESCU**

ANNEX 1

Banca Transilvania Group (the “Group”) includes the Parent-company, Banca Transilvania S.A. (the “Bank”) and its subsidiaries, based in Romania and in the Republic of Moldova. The individual and consolidated financial statements as at 31.12.2023 comprise Banca Transilvania S.A. (the “Parent company” or “BT”) and its subsidiaries (hereinafter referred to as the “Group”).

The Group’s subsidiaries are represented by the following entities:

Subsidiary	Field of activity	Percentage of direct and indirect stake 2023	Percentage of direct and indirect stake 2022
Victoriabank S.A.	Financial-banking activity and licensed investment activities	44.63%	44.63%
BT Capital Partners S.A.	Investments	99.59%	99.59%
BT Leasing Transilvania IFN S.A.	Leasing	100%	100%
BT Investments S.R.L.	Investments	100%	100%
BT Direct IFN S.A.	Consumer Loans	100%	100%
BT Building S.R.L.	Investments	100%	100%
BT Asset Management SAI. S.A.	Asset Management	100%	100%
BT Solution Asistent in Brokeraj S.R.L.	Insurance Broker	100%	99.95%
BT Asiom Agent de Asigurare S.R.L.	Insurance Broker	100%	99.95%
BT Safe Agent de Asigurare S.R.L.	Insurance Broker	100%	99.99%
BT Intermedieri Agent de Asigurare S.R.L.	Insurance Broker	100%	99.99%
BT Leasing MD S.R.L.	Leasing	100%	100%
BT Microfinanțare IFN S.A.	Consumer Loans	100%	100%
Improvement Credit Collection S.R.L	Activity of the Collection Agents and Credit Reporting Bureaus	100%	100%
VB Investment Holding B.V.	Activities of holdings	61.82%	61.82%
BT Pensii S.A.	Administration of pension funds (except for those in the public system)	100%	100%
Salt(Idea)Bank S.A.	Services of financial and monetary intermediation	100%	100%
Idea Leasing IFN S.A.	Leasing	100%	100%
Idea Broker de Asigurare S.R.L.	Insurance Broker	100%	100%
Code Crafters by BT	Custom software development activities	100%	100%
Țiriac Leasing IFN S.A.	Leasing	-	100%
BTP One S.R.L.	Renting and subletting of own or rented real estate	100%	-
BTP Retail S.R.L.	Renting and subletting of own or rented real estate	100%	-

ANNEX 2**THE BANK'S RELATED PARTIES
as at 31.12.2023**

NO.CRT	NAME
1	A C I CLUJ SA
2	ACT MANAGEMENT SERVICES B.V.
3	ADMIN DEVELOPMENT DESIGN SRL
4	ALEXANDRU VALENTINA
5	ALL PLUS IT SRL
6	ALPHA ENERGY SRL
7	ANTREPRIZA CLUJ ZALAU SA
8	ARCADE INVEST LLC
9	ARCADE TRUST LLC
10	ASOCIATIA CLUB SPORTIV U-BT
11	ASOCIATIA CLUB SPORTIV WINNERS TENNIS CLUB
12	ASOCIATIA CORPUL OPERATORILOR ARHIVEI ELECTRONICE
13	ASOCIATIA PLAYFIELD
14	ASOCIATIA TRANSILVANIA EXECUTIVE-EDUCATION
15	AVIATIQ SUPPORT SRL
16	BANCA TRANSILVANIA SA
17	BANU DRAGOS MIHAI
18	BANU IULIANA
19	BENEA DANA CORINA
20	BERINDEAN CATALIN VASILE
21	BERINDEAN MONICA IOANA
22	BERNAT AUREL
23	BERNAT LIGIA MARIA
24	BETTER BREAD S R L
25	BILLIE BG
26	BILLIE UK
27	BIRLE IOAN
28	BIRLE LILIANA DORINA
29	BIRLE T LILIANA-DORINA - CABINET INDIVIDUAL DE PSIHOLOGIE
30	BORDEA MIRELA ILEANA
31	BOTT CONSTANTIN CATALIN
32	BOTT NICOLETA
33	BOUTIQUE DEVELOPMENT SRL
34	BT ASIOM AGENT DE ASIGURARE SRL
35	BT ASSET MANAGEMENT S A I SA
36	BT BUILDING SRL
37	BT CAPITAL PARTNERS
38	BT DIRECT IFN SA
39	BT INTERMEDIERI-AGENT DE ASIGURARE SRL
40	BT INVESTMENTS SRL
41	BT LEASING MD

NO.CRT	NAME
42	BT LEASING TRANSILVANIA SA
43	BT MICROFINANTARE IFN S.A.
44	BT PENSII - SOCIETATE DE ADMINISTRARE A FONDURILOR DE PENSII FACULTATIVE S.A.
45	BT SAFE-AGENT DE ASIGURARE SRL
46	BT SOLUTION ASISTENT IN BROKERAJ S.R.L.
47	BTP ONE SRL
48	BTP RETAIL S R L
49	BUDUROIU MIRELA LENUTA
50	BUNEA IOANA CATALINA
51	BUSINESS SUPORT SRL
52	CA&BI CONT SRL
53	CALIN COSMIN ANTOINE CONSTANTIN
54	CALINESCU DANIELA MIHAELA
55	CALINESCU GEORGE RAZVAN
56	CANTINA DEJ SA
57	CAPITALIO HOLDING S.R.L.
58	CASTORIUS LIMITED
59	CATBER ADMIN S R L
60	CAZAN ADRIANA ELVIRA
61	CAZAN CRISTIAN GABRIEL
62	CC ADVANCED TEAM SRL
63	CC PRO LEVEL SRL
64	CENTRAL SA
65	CENTRS A LLC
66	CHERECHESIU ANCA CRISTINA
67	CHERNYSHOVA OLENA
68	CHESA RUXANDRA LAURA
69	CIMPIAN VIRGIL FLORIAN
70	CIORCILA HORIA
71	CIORCILA PATRICK
72	CIORCILA SIMONA NICULINA
73	CIUCESCU ION GELU
74	CIUCESCU MARIA MELANIA
75	CMD EXPERT S.R.L.
76	CODE CRAFTERS BY BT S.R.L.
77	COJOCARU CORINA-MADALINA
78	COJOCARU DANIEL
79	COJOCARU DAN-IOAN
80	CONDOR ANNAMARIA KATALIN
81	CONDOR CALIN PAUL
82	CONSTRUCTII DEJ SA
83	CONSTRUCTII MONTAJ SA
84	CORNICIUC VITALIE
85	COSMA CRISTIAN VALENTIN
86	COSMA DANA

NO.CRT	NAME
87	COSMA HORATIU AURELIAN
88	COSMOTOP IMPEX SRL
89	CRACIUN ANCA EUGENIA
90	CRACIUNAS ANDREEA SORANA
91	CRACIUNAS ANDREEA SORANA PFA
92	CRACIUNAS MARIUS CALIN
93	DACRI BUSINESS CONSULTING S.R.L.
94	DASCAL SERGIU DAN
95	DICAMO CONSULTING
96	DOMINION INVEST SA
97	DONICA VASILE
98	DRAGOMIR RALUCA-IRINA
99	DRAGOMIR STEFAN DAN
100	DREAM GOLF RESIDENCE
101	DUMITRESCU SORIN
102	DUNCA A. ISABELA- CABINET MEDICAL DE MEDICINA DE F
103	DUNCA ISABELA
104	DUNCA NELU
105	EFFICIENT GLOBAL SERVICES S R L
106	ELBA NOVO SRL
107	ENE ANA MARIA
108	ENE MARIAN
109	EUR CONSULT SRL
110	FC U CLUJ RETAIL S.R.L.
111	FINAS CENTRAL SRL
112	FLOREA ALINA
113	FRANKLIN PETER MORRIS
114	FUNDATIA CENTRUL DE DEZVOLTARE MANAGERIALA
115	FUNDATIA CLUBUL INTREPRINZATORULUI ROMAN
116	FUNDATIA CLUJUL ARE SUFLET
117	FUNDATIA TRANSILVANIA
118	GAZ MARIA
119	GEAINV SA
120	GIURGIU BIANCA VIORICA
121	GOGU DANIELA
122	GOGU GABRIEL
123	GRASSE BURKLE PAULA
124	GRASSE THOMAS GUNTHER
125	GUEORGUIEV IVO ALEXANDROV
126	IDEA BROKER DE ASIGURARE SRL
127	IDEA LEASING IFN SA
128	IG CAPITAL EOOD
129	ILAS DAN GEORGE
130	ILAS IOANA MIHAELA
131	IMPROVEMENT CREDIT COLLECTION SRL

NO.CRT	NAME
132	INTER SAT SRL
133	INTERA FINANCIAL SERVICES
134	INTUITIVE TEACHING CENTER SRL
135	JEKABPILS PARKS LLC
136	KAFSINKAF SRL
137	KHANIKYAN LEVON
138	KIRCALI SEDA
139	KIRCALI SINAN
140	KRASLAVAS KRUSTOJUMS LLC
141	LACATUS EMILIA
142	LACATUS V. VIOREL-DORIN - EXPERT CONTABIL, AUDITOR
143	LACATUS VIOREL DORIN
144	LAPUSAN ELENA FIRUTA
145	LAPUSAN SEVER VASILE
146	LIMUZINE TRANSILVANIA SRL
147	LIONACHESCU AIDA
148	LIONACHESCU AIDA PFA
149	LIONACHESCU COSTEL
150	LK MANAGEMENT SOLUTIONS SRL
151	LUCYNA STANCZAK-WUCZYNSKA
152	M&B 2003 SRL
153	MALOS ELENA IONELA
154	MANCINSKA MADARA
155	MANCINSKIS MARIS
156	MANOLESCU DAN
157	MANSOUR TATIANA
158	MATES MARIA
159	MATYUS ECATERINA ELENA
160	MICROCREDIT AD
161	MIHACHER SRL
162	MILCHIS ADINA
163	MILCHIS VASILE MIHAI
164	MIRCEA FLORENTINA VIRGINIA
165	MIRCEA FLORENTINA-VIRGINIA PFA
166	MIRCEA VALENTIN
167	MIRZA GABRIEL HORATIU
168	MIRZA LIDIA
169	MIT SERV SRL
170	MLAD CONSULT SRL
171	MOISA EMILIA SANDA
172	MOISA TIBERIU
173	MOLDOVAN SABINA
174	MORADIS CONSULTING SRL
175	MORAR ADINA IULIA
176	MORAR IONUT CALIN

NO.CRT	NAME
177	MOVEMENT TEAM S.R.L.
178	MT MANAGEMENT EVENTS SRL
179	MUNTEANU-CRISAN DELIA
180	MUNTEANU-CRISAN MIHAI-PAUL
181	NICOLESCU IOANA
182	NICOLESCU MIHAI CRISTIAN
183	NISTOR GABRIELA CRISTINA
184	NISTOR IOAN ALIN
185	NISTOR ROXANA MARIA
186	NISTOR STELIAN MIHAI
187	OBLU EXIM S.R.L.
188	OLANESCU IOANA FLORINA
189	OLTEAN IOAN CRISTIAN
190	OLTEAN SANDA ADINA
191	OPRIS SIMONA ALINA
192	PALECREST BULGARIA
193	PASCU RADU
194	PAYNETICS EAD
195	PAYNETICS UK LTD
196	PHOS BULGARIA EOOD
197	PHOS SERVICES LTD
198	PHYRE AD
199	PHYRE NEXT LEVEL
200	PINTILIE IOANA
201	PINTILIE VLAD
202	PIRVU MIHAELA NINA
203	PLAYFIELD TEAM SRL
204	PLESUVESCU BOGDAN
205	POPESCU CONSTANTIN-DANIEL
206	POPESCU DANUT
207	POPESCU MIOARA
208	PORTASE CORINA
209	PORTASE RAZVAN-FLORIN
210	PREDESCU-VASVARI FLORIN-DANUT
211	PREVA CAPITAL S R L
212	PUHALSCHI IULIANA
213	PUHALSCHI RADU CRISTIAN
214	PUSCAS MARIANA
215	PUSCAS MARIANA CABINET MEDICAL
216	PUSCAS MARIUS EMIL
217	PUSCAS VASILE
218	QUALEX CONSULT SRL
219	QUATTRO CONSULTING SRL
220	REDSTONE REAL ESTATE INVESTMENT LTD
221	RENAISSANCE NAILS SRL

NO.CRT	NAME
222	RF METERS S R L
223	ROMOTO GmbH
224	RONSIDE AG S.R.L.
225	ROSSI FRANCO
226	ROXMAR SRL
227	RUNCAN LUMINITA DELIA
228	RUNCAN MIREL
229	SABAZ MEHMET MURAT
230	SABAZ OZLEM
231	SALT BANK S.A.
232	SALZBERGWERK RESSOURCEN UND INVESTITIONEN SRL
233	SAVIN ALEXANDRU
234	SCHIOPU IRINA NARCISA
235	SECARA DANIELA
236	SECRET BOX EVENTS S.R.L.
237	SERBAN LAVINIA-FLORINA
238	SERBAN LIVIU ONUT
239	SERBAN SORIN
240	SIGUR AUTOTRANSPORT SRL
241	SIMA IOANA MARIA
242	SIMA RAZVAN IOAN
243	SINDILE CRISTINA DALIA
244	SINDILE MARIUS
245	SINTEZA SA
246	SOPON SERGIU
247	SOPON SERGIU MIHAI INTREPRINDERE INDIVIDUALA
248	SOPON SIMONA
249	SOTER PROPERTY S R L
250	SPECTA-GROUP AG
251	SPOIALA IGOR
252	SPOIALA OLGA GHEORGHE
253	STANCZAK-WUCZYNSKA LUCYNA MARIA
254	STROE ANDREEA CLAUDIA
255	STROE IONUT FLORENTIN
256	SZEKELY DANIEL
257	TEHNOFRIG CENTER SA
258	TENT I SERGIU BOGDAN PFA
259	TENT JUDITH STEFANIA
260	TENT SERGIU BOGDAN
261	TETIK ALEXANDRA
262	TETIK OMER
263	TODERICI AURELIA ELVIRA
264	TODERICI LEONTIN
265	TORGIE ANICA
266	TORGIE TEODOR

NO.CRT	NAME
267	TRIF RARES NICOLAE
268	TUPA PAUL
269	TURCAN VICTOR
270	TURCU VASILE COSMIN
271	TURISM LOTUS FELIX SA
272	U-BT FAN SHOP S R L
273	URBAN ROOTS SRL
274	URS PETRU
275	VALEVA GLORIA
276	VASILACHE ANNEMARIE
277	VASILACHE DANIEL GEORGE
278	VB INVESTMENT HOLDING BV
279	VICTORIABANK SA
280	VOUILLOUX ANNIE JEANNE
281	WAVE PARK CENTRAL SRL
282	WINNERS CENTER SA
283	WINNERS EVENTS SRL-D
284	WINNERS FIRST SA
285	WINNERS HOLDING INVESTMENTS S.R.L.
286	WINNERS PARCUL ROZELOR SA
287	WINNERS RESOURCES SRL
288	WINNERS SPORTS ARCHITECTS SRL
289	YAMAN REAL ESTATE DEVELOPMENT SRL