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Information regarding each item on the agenda of the GMS of 25/(26).04.2024

Banca Transilvania S.A. informs the shareholders that in connection with the Ordinary and Extraordinary General Meeting of Shareholders convened for 25/(26) April 2024, at 12:00 and 13:00 respectively, at BT's registered office located in Cluj-Napoca, Calea Dorobanților, no. 30 - 36, the information below is applicable in relation to the proposed agenda, representing in essence explanatory notes in relation to the items on the agenda of the GMS of 25/(26).04.2024.

For the Ordinary General Meeting of Shareholders:

Item 1.

In addition to presenting for approval the financial statements as at 31.12.2023, audited in accordance with the applicable legal provisions, we also submit to the shareholders the Independent Auditor's Report and the Board of Directors' Report, which are available here, under Consolidated and Separate Financial Statements for the year ended 31 December 2023.

Item 2.

Having regard to the legal provisions stipulated in Art. 111 para. (2) letter d) of Law no. 31/1990 on companies, we propose the discharge of the directors for the year 2023, as proposed in the convening notice. For more information on the work of the Board of Directors, please refer to the Board of Directors' Report for 2023 (available here).

Item 3.

In relation to this point, please refer to the Board of Directors' Report for 2023 (available here), specifically to the Development Plan for 2024 in its table of contents. Thus, for investments in 2024, the budget proposal is:

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

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Hardware retail cards	29.84
Software retail cards	117.76
Security	8.77
Cash processing center	34.77
Digital initiatives	54.08
Other	27.82
Total Investments RON million, VAT included	643.05

The income and expenditure budget indicators for the year 2024 that are submitted for the approval of the General Meeting of Shareholders are set to support the proposed business objectives and are correlated with the specific prudential and supervision banking norms. The items in the Statement of Financial Position and Profit and Loss Account proposed for 2024 are as follows:

Statement of Financial Position (RONmn)	**Budget proposal 2024**
Cash and cash equivalents	40,274
Investment securities	54,816
Loans and advances to customers (gross)	81,533
Loans provisions	(4,732)
Fixed assets	2,065
Equity investments	2,623
Other assets	2,210
Total assets	**178,789**
Deposits from customers	146,619
Loans from financial institutions	10,702
Subordinated liabilities	3,412
Other liabilities	3,973
Total liabilities	**164,706**
Total equity	11,082
Profit/Loss for the year	3,001
Total equity	**14,083**
Total liabilities and equity	**178,789**

Profit and Loss Account (RON mil.)	**Budget proposal 2024**
Interest income	9,238
Interest expenses	(3,899)
Net interest income	5,338
Net commission income	1,244
Net trading income	852
Contribution to the Guarantee Fund	(74)
Other income	306
Total income	**7,666**
Personnel expenses	(1,940)
Other operating expenses	(1,277)
Depreciation and amortization	(485)

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Other expenses	(104)
Total expenses	**(3,807)**
Net impairment charges	(329)
Profit before tax	**3,531**
Income tax	(530)
Net income	**3,001**

Item 4.

Our proposal is for the approval of the distribution of cash dividends from the profit for the year 2023, as follows: the amount of 1,000,000,000 lei from the net profit reserves for the year 2023, the total amount being granted as cash dividends. Approval of a gross dividend/share of 1.2521000331 lei. You can find more information in the section dedicated to the profit distribution proposal in the Board of Directors Report for 2023 (available here).

Item 5.

Having regard to the legal provisions stipulated in art. 111 para. (2) lit. c) of Law no. 31/1990 on companies, we propose to maintain the remuneration of directors for the year 2023, including the maximum limit for additional remuneration (fixed and variable) granted to directors and officers, in the amount and with reference to the weighting established by the Resolution of the General Meeting of Shareholders.

Thus, the remuneration for directors for the financial year 2024 will be maintained at the level, prevously approved by the GSM, of 35,000 lei/month for each member of the Board of Directors, respectively 50,000 lei/month for the Chairman of the Board of Directors, as well as the establishment of a maximum limit of 0.8% of shareholders' equity, for additional (fixed and variable) remuneration granted to directors and officers.

Item 6.

In view of the provisions of article 176 of the Financial Supervisory Authority Regulation No. 5/2018 on issuers of financial instruments and market operations, the Bank is required to establish a record date and a correlative ex-date in relation to the identification of shareholders who are to benefit from the rights resulting from the resolutions of the Ordinary GMS and on whom the effects of the resolutions of the Ordinary GMS will be passed. In addition, according to Art. 2 para. (2) lit. l of the Financial Supervisory Authority Regulation no. 5/2018 on issuers of financial instruments and market operations, ex-date refers to the date prior to the record date with one settlement cycle minus one business day, from which the financial instruments subject

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to the resolutions of the corporate bodies are traded without the rights deriving from such resolution. Ex-dates shall be calculated taking into account the settlement cycle T + 2 business days.
We therefore propose the 12th of June 2024 as the record date and 11th of June 2024 as the ex-date.

<u>Item 7.</u>
Based on the provisions of article 87 of the Law no. 24/2017 on issuers of financial instruments and market operations, the maximum limit for the payment of dividends is 6 months from the date of the General Meeting of Shareholders. Similarly, according to the provisions of Article 178 of the Financial Supervisory Authority Regulation Regulation No. 5/2018 on issuers of financial instruments and market operations, in the case of dividends, the General Meeting of Shareholders shall set the payment date on a business day that is no later than 15 business days after the above proposed record date of 12 June 2024.
We therefore propose 26 June 2024 as the dividend payment date.

<u>For the Extraordinary General Meeting of Shareholders:</u>

<u>Item 1.</u>
Our proposal is to allocate from the net profit for 2023 to capitalize the bank the amount of 1,182,216,130 RON, by increasing the share capital by 1,182,216,130 RON through the issuance of 118,221,613 new shares with a nominal value of 10 RON/share.
Following the registration of the capital increase, we will request the supervisory authority to include the resulting capital instruments in the total Tier I own funds of Banca Transilvania, in accordance with the provisions of art. 26 para. (3) of Regulation 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.
This operation will strengthen the capital base of the issuer in line with the prudential provisions applicable to credit institutions. Please note that following the completion of the capital increase operation, each shareholder registered on the record date, the 19th of July 2024, will receive free of charge, for every 100 shares owned, a whole number of shares calculated according to the formula 100x(118,221,613/798,658,233).

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Item 2.

We come with some additional details in relation to this item on the Extraordinary GMS agenda, concerning the approval of the Bank's repurchase of its own shares, in accordance with the applicable legal provisions, up to 6,500,000 shares at a minimum price equal to the BVB market price at the time of purchase and a maximum price of 38 RON, for a maximum period of 18 months from the date of publication of the Extraordinary GMS Decision in the Official Gazette of Romania Part IV, within the framework of a stock option plan with a view to implementing a remuneration system and running a staff loyalty programme for a period of at least 4 years, as well as the payment of fixed remuneration, respectively granting a mandate to the Board of Directors.

The redemption process mentioned above envisages the implementation of a remuneration system. The remuneration scheme refers to a stock option plan initiated within a legal entity whose securities are admitted to trading on a regulated market, in accordance with the provisions contained in the Law no. 227 of 8 September 2015 on the Fiscal Code, as amended. In this regard, we recall the provisions of article 7, item 39, second paragraph of the Tax Code, according to which, in order for a programme to qualify as a stock option plan, the programme in question must cover a minimum period of one year between the time the right is granted and the time it is exercised (purchase of the securities). Thus, the Bank has decided to offer employees and other persons who are in an mandate relationship with the Bank the possibility of acquiring shares issued by the Bank free of charge under the terms of the Stock Option Plan/SOP.

The remuneration system provides for both variable and fixed remuneration. We stress that Banca Transilvania must comply with the requirements of european and national banking legislation and, consequently, a significant part of the remuneration paid to senior management must be fixed. In the case of the Board of Directors, all the remuneration paid to its members is fixed, the basic component being in RON and the additional one in shares. **Members of the Board of Directors (including independent directors) are not paid variable remuneration, which is linked to performance**. Given the specific supervisory nature of this body in relation to the issuer's business, incentive-based mechanisms based on the institution's performance are excluded in relation to its independent non-executive members, in line with the provisions contained in the EBA Guidelines (EBA/GL/2015/22) on sound remuneration policies. Accordingly, **the remuneration paid in shares in relation to members of the Board of Directors (including independent directors) is fixed**, based on predetermined criteria,

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guaranteed, does not provide incentives for risk-taking, is not dependent on performance and is not included in long-term performance incentive plans.

In any case, shares paid through this plan will be allocated only after a minimum period of one year has elapsed between the grant of the right and the exercise of the right, as mentioned above.

For the purpose of granting variable remuneration, the individual annual performance of the members of the Leaders' Committee as well as of the other beneficiaries is determined in accordance with the rules set out in the internal methodology.

In the case of the Leaders, the rules used to assess annual performance are based on the SMART objectives methodology. These principles are the foundation of the methodology used for the rules for determining the criteria. The performance assessment criteria take into account a sufficient period of time to measure an actual performance, using criteria that can be quantified, both qualitative and quantitative. A director will also be assigned targets related to sustainability and accountability/ESG (as appropriate). The use of such individual performance targets ensures alignment between the Bank's remuneration practices, senior management's interests and overall sustainability and accountability/ESG objectives.

objectives. General performance criteria on which share entitlement or other variable components of remuneration are based (cumulative, with the implication that all of the following targets have to be met individually for the entitlement to variable remuneration):

- Achievement of the gross profit target in the year for which the valuation is made (for the basic part) and/or for the previous year (for the deferred part) – according to the budget proposal for 2023, the gross profit target was set at RON 2,597 million, and the actual achievement, as of 31.12.2023, was RON 3,128 million, 20.4% higher than the initial proposal (see the Report of the Board of Directors for 2023, in the chapter on the Profit and Loss Account, available here);

- Maintaining optimal liquidity, with the value of the immediate liquidity indicator kept at the limit of the assumed risk appetite for the year for which the assessment is made (for the base part) and/or for the previous year (in the case of the deferred part) – as of 31.12.2023 (2023 performance), the liquidity of the risk profile is maintained within the established limits of minimum 30%, represented by a ratio of 50.79% quick liquidity;

- Maintain a solvency level (calculated by reference to internal capital) in accordance with the Internal Capital Adequacy Process for the year for which the assessment is made (for the base leg) – solvency as of 31.12.2023 has been maintained at a comfortable level of 23.58%, compared to

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the total capital requirement (TSCR) of 10.87%, as shown in the preliminary financial statements for 2023 presentation in Chapter 3 (available here);

- The overall risk profile of the Bank is in line with the risk appetite assumed in the year for which the assessment is made (for the core part) and/or for the previous year (for the deferred part) – for the year 2023, we managed to keep the risk appetite at medium-low.

Furthermore, variable pay is divided into the part granted instantly and the part deferred in terms of vesting. For certain categories of Beneficiaries, they are entitled to exercise the option to receive free of charge up to 60% or 40% of the total variable remuneration, respectively, as the part granted instantly. For the deferred difference, the related remuneration is deferred for a period of between 3 and 5 years, the release being subject to the fulfilment of the specific criteria mentioned above for each deferred tranche. The deferred variable remuneration of the Bank's executives is subject to a deferral period of 5 years and is appropriately linked to the nature of the business, its risks and the activities of the staff concerned, as follows:

- 1/5 of the deferred variable part will be paid in T+1

- 1/5 of the deferred variable part will be paid in T+2

- 1/5 of the deferred variable part will be paid in T+3

- 1/5 of the deferred variable part will be paid in T+4

- 1/5 of the deferred variable part will be paid in T+5, where T is the time at which the corresponding part of the variable remuneration granted is paid immediately.

The deferral period may be extended as decided by the Board of Directors. After the expiry of each deferral period for members of the Bank's Leaders' Committee, a 12-month holding period applies, i.e. a period of time after the vesting of shares that have been granted as variable remuneration, during which they may not be sold or accessed without the approval of the Board of Directors. Variable remuneration paid in shares is subject to ex ante and ex post risk adjustments (malus and clawback) in accordance with and within the limits set by the remuneration policy on the Bank's governing body approved by the General Meeting of Shareholders in April 2021.

Please note that of the total number of shares to be repurchased, approximately 39.45% will be granted to eligible staff as part of the bank's 30th anniversary celebrations. This bonus granted to

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employees is intended to reward the level of employee loyalty, in the context of a significant staff turnover in the banking sector in Romania. Thus, the bonus is of an exceptional nature, being granted only in 2025, following the completion of the deferral and retention process, leading to a higher level of share buyback. In addition, and as a consequence of the granting of the anniversary bonus in 2025, we specify that of the total shares that will be subject to buybacks, approximately 41.33% will fall under the deferral rules, i.e. at least 1 year for the first anniversary, and for the identified staff (including members of management) for a period of 5/6 years, as appropriate, of deferral and retention. We mention that share-based payment offers multiple benefits, including: aligning the interests of the Bank's shareholders with employees, leading to increased performance as well as the fact that share-based payment allows a reduction in the costs incurred by the Bank for employee remuneration (compared to cash payment), providing a better return to shareholders at the end of the year.

Item 3.

The Board of Directors of Banca Transilvania approved on 08.02.2024 the completion of the transaction for the acquisition of 100% of the shares of OTP Bank Romania S.A., as well as other companies of the OTP Romania Group (including OTP Asset Management SAI SA and OTP Leasing Romania IFN SA), and the contract was signed on 09.02.2024. The total price of the transaction to be paid by Banca Transilvania is EUR 347.5 million. More information on the details of the transaction can be found in the material dedicated to this item, available on Banca Transilvania's website (www.bancatransilvania.ro), Investor Relations Section – GMS 2024.

Item 4.

In view of the provisions of article 176 of the Financial Supervisory Authority's Regulation No. 5/2018 on issuers of financial instruments and market operations, the undersigned is required to establish a record date and a correlative ex-date in relation to the identification of shareholders who are to benefit from the rights resulting from the resolutions of the Extraordinary GMS and on whom the effects of the resolutions of the Extraordinary GMS shall be passed, including but not limited to the right to benefit from the bonus shares to be issued following the increase in share capital. In addition, according to Art. 2 para. (2) lit. l of the Financial Supervisory Authority Regulation Regulation no. 5/2018 on issuers of financial instruments and market operations, ex-date refers to the date prior to the record date with one settlement cycle minus one business day, from which the financial instruments subject to the resolutions of the corporate bodies are traded without the rights deriving from such resolution. Ex-dates shall be calculated taking into account the settlement cycle T + 2 business days.

We therefore propose the 19th of July 2024 as the record date and the 18th of July 2024 as the ex-date.

Item 5.

Having regard to the provisions of art. 178 para. (4) of the Financial Supervisory Authority's Regulation No. 5/2018 on issuers of financial instruments and market operations, the undersigned is required to set a payment date that is on the business day following the record date of the corporate event whose outcome is represented by financial instruments, i.e. the first business day following the above proposed record date of the 19th July 2024.

Accordingly, for the above considerations, we propose the 22nd of July 2024 as the payment date for the bonus shares to be issued as a result of the share capital increase.