

# **ANNUAL REPORT**

**for the financial year 2024**

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

## CONTENTS

1.	Analysis of the Bank's Activity .....	4
1.1.	General items of the assessment for the financial year ended December 31, 2024 .....	14
1.2.	Assessment of the Bank's operational level .....	15
1.3.	Assessment of the technical and material supply activities (domestic and foreign sources) .....	18
1.4.	Assessment of the operational activity .....	18
1.5.	Assessment of the aspects related to the Bank's and the Group's employees/staff .....	24
1.6.	Assessment of the aspects related to the environmental impact of the issuer's main activity .....	24
1.7.	Assessment of the research and development activities .....	25
1.8.	Assessment of the Bank's activity regarding risk management .....	25
	Credit Risk .....	27
	Liquidity and credit risk .....	29
	Operational Risk .....	30
	Market Risk .....	31
	Interest rate risk from activities outside the trading book .....	32
	Reputational Risk .....	32
	Risk of Excessive Leverage .....	32
	Strategic risk .....	33
	Systemic Risk .....	33
	Compliance Risk .....	33
	Capital Adequacy .....	34
	Internal and external audit .....	34
1.9.	Aspects related to the perspectives of the Bank's activity .....	35
2.	The Bank's Tangible Assets .....	38
2.1.	Location and properties of the main production capacities owned by the Bank .....	38
2.2.	Description and analysis of the degree of wear and tear of the Bank's properties .....	38
2.3.	Notes on the potential issues related to the ownership of the Bank's tangible assets .....	38
3.	The stock exchange where the securities issued by the company are traded .....	39
3.1.	Romanian and foreign markets where the securities issued by the Bank are traded .....	39
3.2.	The Bank's policy regarding dividends .....	40
3.3.	The Bank's share buyback activities .....	41
3.4.	The number and nominal value of the shares issued by the parent company and owned by the subsidiaries .....	41
3.5.	Bonds issued by the Bank .....	41
4.	Bank Management .....	42
4.1.	List of Bank Directors .....	44
4.2.	The Bank's executive management .....	48

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.....	48
5.	Statement of financial position.....	49
<b>ANNEX 1</b>	.....	53
<b>ANNEX 2</b>	.....	55

## Issuer Identification Data

**Report date:** 21.03.2025

**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 9,168,798,460

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

**Main features of the securities issued by the company:**

916,879,846 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 31<sup>st</sup> of December 2024 are: Victoriabank S.A., BCR Chișinău S.A., Salt Bank S.A., BT Capital Partners S.A., BT Leasing Transilvania IFN SA, Avant Leasing IFN S.A., BT Investments S.R.L., BT 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 în 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., Code Crafters by BT S.R.L., BTP One S.R.L., BTP Retail S.R.L, BTP Store Hub Turda SRL, OTP Bank România SA, Inter Terra S.R.L., OTP

Advisors S.R.L., OTP Factoring SRL, REA Project One Company S.R.L, GOVCKA Project Company S.R.L., OTP Consulting România S.R.L., OTP Asset Management SAI S.A..

The Group's main fields of activity are: banking through Banca Transilvania S.A., Victoriabank S.A., Salt Bank S.A. and OTP Bank Romania SA, leasing and consumer finance mainly through BT Leasing Transilvania IFN SA, Avant Leasing IFN S.A., 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.

Starting with January 2024, the Group has control through Victoriabank S.A. in BCR Chisinau S.A., and since May 2024, the Group has control in BTP Store Hub Turda S.R.L. through Fondul Imobiliar de Investitii Alternative BT Property. Also, starting with July 2024, the Group has control in OTP Bank Romania S.A., OTP Advisors S.R.L., OTP Factoring S.R.L., REA Project One Company S.R.L., GOVCKA Project Company S.R.L. și OTP Consulting Romania S.R.L.. Starting with October 2024, the Group has control in OTP Asset Management SAI S.A..

At the subsidiaries level the following changes took place:

#### **BT ASSET MANAGEMENT SAI S.A.**

- On 02.02.2024, the General Meeting of Shareholders ("GMS") decided to grant a new term of office of 4 years, starting from 08.04.2024 and until 07.04.2028, to Ms. Runcan Luminița Delia and to appoint Mr. Bernat Aurel as a director in place of Mr. Nistor Ioan Alin, for a term of office of 4 years, starting from 08.04.2024 and until 07.04.2028. The new composition of the Board of Directors was approved by the Financial Supervisory Authority ("ASF") by Authorization no. 40/08.04.2024.

#### **BT BUILDING S.R.L.**

- On 18.09.2024, the extension of Mr. Levon Khanikyan's term of office as director of the company until 31.12.2030 was registered with the National Trade Register Office ("ONRC").
- On October 30, 2024, it was approved the transfer of 42,970 shares, representing 1.0623% of the Company's share capital, belonging to BT Investments S.R.L., and the transfer of 2,831,388 shares, representing 70% of the share capital belonging to Fondul Imobiliar de Investiții Alternative BT Property, to Banca Transilvania S.A., holder of 1,170,482 shares, representing 28.9377% of the share capital. Following the transfer of the shares, Banca Transilvania S.A. becomes the sole shareholder of the Company, holding 4,044,840 shares amounting to RON 40,448,400.

#### **BT DIRECT IFN S.A.**

- On 16.12.2024, the shareholders decided to increase the share capital of the company by the amount of 36,524,755 lei by issuing 36,524,755 new shares with a par value of 1 leu/share, the share capital increase to be achieved by incorporating the retained earnings constituted from the net profit of the previous years in the amount of 27,302,636 lei and the merger premium in the amount of 9,222,119. Following the capital increase, the share capital of BT Direct IFN SA will amount to RON 116,330,775, being divided into 116,330,775 shares with a nominal value of RON 1/share, numbered from 1 to 116,330,775.

Thus, after the share capital increase and the redistribution of the newly issued shares, the participation of each shareholder in the Company's share capital is as follows:

- BT Investments SRL, will hold 1,931,429 shares (1,325,012 initial shares + 606,417 shares allocated following the increase), worth RON 1 each, representing 1.6602907% of the share capital;
- Banca Transilvania SA, will hold 114,399,327 shares (78,480,995 initial shares + 35,918,332 shares allocated following the increase), worth 1 leu each, representing 98.3396930% of the share capital;
- BT Leasing Transilvania IFN SA, will hold 19 shares (13 initial shares + 6 shares allocated following the increase), worth RON 1 each, representing 0,0000163% of the share capital.

#### **BT LEASING MD S.R.L.**

- In accordance with the decision 1/04.09.2024, the sole shareholder of the company decided to appoint a new Council of the Company for a term of 3 years, starting from 01.10.2024, with the following composition: Bogdan Pleșuvescu, Ionuț-Călin Morar and Roman Turcan.

#### **BT LEASING TRANSILVANIA IFN S.A.**

- On 24.09.2024, the Extraordinary General Meeting of Shareholders (“EGM”) BT Leasing Transilvania IFN approved in principle the merger by absorption between BT Leasing Transilvania IFN S.A. - as absorbing company and OTP Leasing IFN S.A. - as absorbed company;
- On 26.09.2024, the shareholders of BT Leasing Transilvania IFN approved the Merger Plan drawn up on 25.09.2024 by which OTP Leasing IFN S.A., as the absorbed company, will merge with BT Leasing Transilvania IFN S.A., as the absorbing company, as drawn up and presented by the administrators of the two companies. The balance sheet date of the merger is 12/31/2023, and the effective date of the merger will be 12/01/2024. The draft merger has been published on the websites of Trade Register Office (“ORC”) and BT Leasing Transilvania IFN;
- On 01.12.2024 BT Leasing Transilvania IFN SA (absorbing) merged by absorption with OTP Leasing IFN S.A. (absorbed), the latter being deregistered.

#### **BT MICROFINANTARE IFN S.A.**

- On 16.02.2024 was registered at ORC the extension of the mandate for two of the company's managers, as follows:
  - Alexandru Valentina - Deputy General Manager, extension of the mandate for 4 years, until 09.03.2028;
  - Ene Marian - Deputy Director General, extension of mandate for 4 years, until 09.03.2028.
- On 08.05.2024 GMS BT Microfinantare IFN decided to change the registered office of the company in Bucharest, Calea Șerban Vodă nr. 206, et. 4, U-Center Clădirea A, Sector 4, the change being registered at ORC on 14.05.2024.

#### **BT PENSII S.A.F.P.F. S.A.**

- On 23.05.2024, the GMS decided to grant a new term of directorship of 4 years, starting from 01.09.2024 and until 31.08.2028, to Mrs. Crăciun Anca Eugenia and Mr. Bernat Aurel and the ASF issued the Authorization Decisions no. 909 and 910 of 09.09.2024;

- On 23.05.2024, the GMS decided to approve the increase of the Company's capital by cash contribution in the amount of RON 7,000,000 through the issuance of 7,000,000 new shares with a par value of RON 1/share from the existing shareholders, in proportion to the number of shares they own, from RON 13,730,766 to RON 20,730,766, being issued by the ASF the Authorization Decision no. 908 of 09.09.2024;
- On 28.05.2024, BT Pensii - S.A.F.P.P.F. S.A. took over from BRD Societate de Administrare a Fondurilor de Pensii Private S.A. the activity of administration of the BRD Medio Optional Pension Fund, a pillar III (optional) pension fund, including all assets related to this activity (including employees, contracts and tangible movable assets), the transaction being subject to the approval of ASF.

#### **CODE CRAFTERS BY BT S.R.L.**

- On 24.09.2024, Mr. Bogdan Pleșuvescu and Mr. Dominiak Andrzej Klaudiusz were appointed as directors of the company, by the GMS' Decision no. 1/24.09.2024, for a 4-year term of mandate.

#### **BT BROKER DE ASIGURARE S.R.L.**

- On 31.01.2024, the ORC registered the change of the company's name from Idea Broker de Asigurare S.R.L. to BT Broker de Asigurare S.R.L., according to the Decision of the Sole Shareholder no. 3/22.11.2023 and ASF Decision no. 57/22.01.2024;
- On 15.04.2024, 20.05.2024 and 08.07. 2024, the sole shareholder of BT Broker decided: (i) the termination of the term of the mandate as Director of Mrs. Chesa Ruxandra-Laura starting from the date of approval of the new Board of Directors by the ASF, (ii) the appointment of a Board of Directors consisting of 3 Directors with full powers each, namely Runcan Luminița, Pleșuvescu Bogdan and Morar Ionuț-Călin, for a term of 4 years starting from the date of approval of their appointment by the ASF, i.e. 11. 09.2024.
- On 31.10.2024 the Board of Directors decided to appoint Mr. Valentin Coroiu as Managing Director of the Company and to enter into a mandate contract for a period of 4 years starting from 01.11.2024, the exercise of the duties related to the position of Managing Director will be made only after obtaining the approval decision issued by the ASF in original or certified in conformity with the original. Until the date of the approval by ASF of the new Managing Director, the duties related to this position will continue to be exercised by the current Managing Director, Ms. Chesa Ruxandra-Laura, on the basis of the existing individual employment contract, which will terminate on that date (pending ASF approval).
- Also, by the same decision of 31.10.2024, it was decided to appoint Ms. Chesa Ruxandra-Laura as Deputy Managing Director of the Company and to enter into a mandate contract for a period of 4 years starting from 01.11.2024 (pending ASF approval).
- On 22.12.2024, the shareholders of the company decided to move the registered office of the company to the following address: 4, Gara Herastrau str. 4, sector 2, 4th floor, Bucharest (in the process of approval at ASF).

#### **AVANT LEASING IFN S.A.**

- On 29.03.2024 the ORC registered the change of the company's name from Idea Leasing IFN S.A. to Avant Leasing IFN S.A., according to the GMS Decision no. 1/20.03.2024;
- On 04.12.2024 the shareholders of the company decided to approve the binding offer issued by Asset Portfolio Servicing Romania S.R.L. on 11.11.2024, regarding the acquisition of Avant Leasing IFN S.A. and as such to initiate the process of sale of the company's shares to Asset Portfolio Servicing Romania S.R.L.

## **B.C. VICTORIABANK S.A.**

- On 22.02.2024, Mr. Mircea Aursulesei was approved by the National Bank of Moldova (“NBM”) as member of the Executive Committee of B.C. Victoriabank S.A.
- On 11.01.2024, B.C. Victoriabank S.A. acquired 72,813 registered ordinary shares of class I, issued by BCR Chişinău S.A („BCRC”). Thus, on 15.01.2024 Victoriabank became the sole shareholder of the nominated company.
- On 29.04.2024, the Annual Ordinary General Meeting of Shareholders of B.C. Victoriabank S.A. confirmed Deloitte Audit Ltd. as the audit entity for performing audit and review services for the years 2024-2026.
- On August 21, 2024, the EGM of B.C. Victoriabank S.A. approved the reorganization of the company by merger (absorption) between B.C. Victoriabank S.A. (absorbing company) with BCRC (absorbed company).
- At the same EGM of B.C. Victoriabank S.A. on 21.08.2024, it was approved the distribution of dividends from the undistributed profit for the year 2022, in the amount of 180,750,657.93 MDL.
- On 26.08.2024 the EGM of B.C. Victoriabank S.A. approved the new composition of the Board of Directors, electing as members Grasse Thomas, Franklin Peter, Moisă Tiberiu, Russell E. Henry, Sabaz Mehmet Murat, Turcan Victor and Costin Ludmila - for a four-year term of office.
- Following the ordinary meetings of the Board of Directors No. 186 of 29.02.2024, No. 186 of 29.02.2024, No. 199 of 07.08.2024, No. 209 of 29.11.2024, amendments to the Article of Association of B.C. Victoriabank S.A. by updating List of Branches of the Bank.
- On 21.02.2024, the NBM issued the preliminary agreement for the merger (absorption) of Victoriabank and BCRC (absorbed bank).
- On 12.12.2024, the NBM approved the merger of BCRC and Victoriabank by absorption of BCRC S.A. by B.C. Victoriabank S.A. according to NBM Decision No. 324

## **OTP Bank Romania S.A.**

- At the level of the Bank's supreme decision-making body, following the Decision of the EGM of OTP Bank Romania S.A. of July 30, 2024, the transfer the shares to the new shareholder, namely Banca Transilvania S.A., was acknowledged and the new shareholder structure was approved, as follows: Banca Transilvania S.A. which holds 9,496,889 registered shares and a capital participation of RON 2,279,253,360 representing 100% of the total share capital, of which RON 1,884,710,320, USD 6,558,178.74, representing the equivalent of RON 4,224,320 and EUR 109,999,923.66, representing the equivalent of USD 137,579,199.58, representing RON 390,318,720;
- At the level of the Supervisory Board, following the Decision of the Ordinary General Meeting of Shareholders of OTP Bank Romania S.A. of April 5, 2024, it was decided to extend the mandate of Mrs. Zsakó Enikő, as member of the Supervisory Board, starting with 06.04.2024 until 31.12.2024;
- By the Decision of the Ordinary General Meeting of Shareholders of OTP Bank Romania S.A. of July 29, 2024, the resignations of the members of the Supervisory Board were acknowledged and accepted and the termination of their mandates was ordered, with the approval of the discharge for the activity carried out during the entire mandate held by the members of the management body in its supervisory function and it was decided to appoint as members of the Supervisory Board of the Company, for a period of 1 year, starting with



30.07.2024, the following persons: Mr. Ömer Tetik, Mr. Leontin Toderici, Mr. Bogdan Pleşuvescu, Mr. Constantin Lionăchescu and Mrs. Mirela Bordea;

- Following the Decision of the Supervisory Board no. 48 of 11.07.2024, were revoked from their capacity as members of the Management Board, namely Mrs. Gyula Fatér, in his capacity as Chairman of the Management Board and Chief Executive Officer, Mrs. Roxana-Maria Hidan, in her capacity as member of the Management Board and DCEO and Mrs. Mara Cristea, in her capacity as member of the Management Board and DCEO, starting with 30.07.2024;
- At the same time, by the Decision of the Supervisory Board no. 48 of 11.07.2024, it was decided to appoint Mrs. Luminița Runcan as Chairwoman of the Management Board and Chief Executive Officer of OTP Bank Romania S.A. The completion of the approval and registration process before the competent authorities was completed at the beginning of September 2024, the start date of the mandate being considered September 14, 2024;
- By the Decision of the Ordinary General Meeting of Shareholders of OTP Bank Romania S.A. of July 29, 2024, it was decided to appoint Deloitte Audit SRL as the bank's financial auditor for auditing the bank's financial statements, prepared in accordance with the International Financial Reporting Standards, according to the Order of the National Bank of Romania ("NBR") no. 27/2010 as amended, starting with 30.07.2024, for a period of 1 year, as well as the termination of the mandate of the existing auditor;
- Regarding the process of merger by absorption of OTP Bank Romania Sa, as a company absorbed by Banca Transilvania, as an absorbing company, on 18.12.2024, following the Decision of the Extraordinary General Meeting of Shareholders of OTP Bank Romania S.A. no. 7 of December 18, 2024, the merger by absorption was approved according to the terms and conditions provided in the merger project and, consequently, the approval of the Merger Project and the documents that were drawn up in connection with it and all the merger effects.

#### **OTP ADVISORS S.R.L.**

- The sole associate of OTP Advisors S.R.L., OTP Bank Romania S.A. approved on 25.04.2024 the increase in the company's share capital through the cash contribution of the sole associate, with the amount of RON 4,500,000. Following the increase in the share capital, a number of 45,000 shares will be issued, with a nominal value of RON 100 each, fully subscribed by the sole associate;
- At the same time, on 25.04.2024, the Sole Associate decided to change the company's registered office to the same location in Bucharest, from Matei Voievod Street, no. 40, district 2 in Bucharest, Traian Street, no. 1, Unirii Ensemble, section 1 and 2, building E5, mezzanine, room T2, district 3;
- On 29.07.2024, the Sole Associate approved the revocation of Mr. Gabor Vass from the position of Administrator and Chief Executive Officer of OTP Advisors SRL and the appointment of Ms. Iulia Chirnogeanu as Administrator and Chief Executive Officer of OTP Advisors SRL, starting with 31.07.2024 and until 31.12.2024;
- On 11.10.2024, the Sole Associate approved the voluntary dissolution, simultaneously with the liquidation of OTP Advisors SRL, without the appointment of a liquidator, according to art. 227 para. (1) let. d), art. 232 para. 1 and art. 235 paras 1 and 2 of Law no. 31/1990 on commercial companies.

## **OTP ASSET MANAGEMENT ROMANIA SAI S.A.**

- On October 14, 2024, the transfer of 5,221,585 shares in the company with a total nominal value of RON 5,221,585, representing 90.1% of the company's share capital, from OTP Alapkezelő Zártkörűen Működő Részvénytársaság, as the seller, to BT Asset Management S.A.I S.A., as the buyer, became effective;
- A new Supervisory Board was appointed on 14.10.2024, for a term of 4 years from the date of the approval decision issued by the ASF, with the following members: Mr. Caragea Cătălin-Ioan (Chairman), Mrs. Mazurchievici Diana-Ioana Diana and Mrs. Stoica Elena-Corina, which was authorized by the ASF by Authorization no. 166/12.12.2024;
- In view of the appointment of Deloitte Audit S.R.L. as auditor of the parent company Banca Transilvania, the Ordinary General Meeting of Shareholders decided on October 22, 2024 to revoke the financial auditor of the company, Ernst & Young Assurance Services SRL, and the auditor of the managed funds, G2 Expert SRL, and to appoint Deloitte Audit S.R.L. as financial auditor of the company and of the managed funds for the audit of the financial statements for the financial years 2024-2026;
- On 07.11.2024, the company's Articles of Incorporation were amended in order to amend and complete some paragraphs related to the company's object of activity, in accordance with the requirements of the O.U.G. no. 32/2012, ASF Regulation no. 9/2014, Law no. 74/2015 and ASF Regulation no. 10.2025, in order to register/authorize the company as an alternative investment fund manager.

## **OTP FACTORING SRL**

- The Sole Associate of OTP Factoring SRL, approved on 05.04.2024 the revocation of the financial auditor Ernst & Young Assurance Services SRL. As a result of the revocation of the financial auditor, the company's Articles of Association were also updated;
- At the same time, on 05.04.2024, the sole associate approves the distribution of the amount of RON 72,440,414.93, representing the result for the financial year 2023 in dividends, this amount having already been paid through the interim dividends distributed and paid during 2023, in the amount of RON 80,000,000;
- On 05.04.2024, it approves the refund by the sole associate, OTP Bank Romania S.A., of the amount of RON 7,559,585.07, representing interim dividends additionally collected during 2023;
- Based on the Decision of the Sole Associate of 29 July 2024, the resignation of Mrs. Mișu Diana-Aura, as Administrator of the Company, was acknowledged and accepted and the termination of her mandate was ordered, with the approval of the discharge of management for the activity carried out throughout the term of office held. Following the revocation of Mrs. Mișu Diana Aura, as administrator, the Articles of Association were updated;
- At the same time, on 28.08.2024, the sole associate decided to change the registered office of the company in the same locality in Bucharest, Nicolae G. Caramfil Street, no. 71-73, 4th floor, district 1 to Buzești Street, no. 66-68, 5th floor, Arad hall, district 1. Following the change of registered office, the Articles of Association of the Company were updated
- On 19.09.2024, the Sole Associate approves the conclusion between the Company, as lender, and the company REA Project One Company SRL, as borrower, of a Loan Agreement for the amount of EUR 101,112.01;
- On 29.10.2024, the Sole Associate approves the termination of Mr. Ionel Neagu's mandate as Administrator and Chief Executive Officer of OTP Factoring SRL, starting with November 1, 2024 and his discharge from management regarding the activity carried out until 31.10.2024 and the appointment of Mr. Stefan Dan Dragomir, as Administrator and

Chief Executive Officer of OTP Factoring SRL, starting with November 01, 2024 for a 1-year mandate, respectively until 31.10.2025.

#### **OTP LEASING ROMANIA IFN S.A.**

- On 30.07.2024 the shareholders of OTP Leasing Romania IFN took note of the new shareholding structure of the company:
  - OTP Bank Romania S.A.: 59.9938 % of the share capital and of the profit and loss participation quota, i.e. 2,013,169 shares, total value of RON 20,131,690;
  - BT Leasing Transilvania IFN S.A.: 40.0062 % of the share capital and of the participation in profits and losses, i.e. 1,342,461 shares, total value of RON 13,424,610;

and appointed a new Board of Directors consisting of: Runcan Luminița-Delia, Moisă Tiberiu and Morar Ionuț-Călin. The amendments were registered with the ORC on 05.09.2024;

- On 24.09.2024 EGM of OTP Leasing Romania IFN approved in principle the merger by absorption between BT Leasing Transilvania IFN S.A. - as absorbing company and OTP Leasing Romania IFN - as absorbed company;
- On 26.09.2024, the shareholders of OTP Leasing Romania IFN approved the Merger Project drawn up on 25.09.2024 by which OTP Leasing Romania IFN, as absorbed company will merge with BT Leasing Transilvania IFN SA, as absorbing company, as drawn up and presented by the administrators of the two companies. The balance sheet date of the merger is 31.12.2023 and the effective date of the merger will be 01.12.2024. The draft merger has been published on the websites of ORC and BT Leasing Transilvania IFN;
- On 01.12.2024, as a result of the merger with BT Leasing Transilvania IFN SA, OTP Leasing Romania IFN SA was struck off the register.

#### **BT ASIOM AGENT DE ASIGURARE SRL**

- On 08.10.2024, the sole shareholder of the company decided to dissolve the company by universal transfer of the assets to the sole shareholder BT Leasing Transilvania IFN S.A., without liquidation;
- On December 31, 2024 the company was struck off the register.

#### **BT SAFE AGENT DE ASIGURARE**

- On 08.10.2024, the sole shareholder of the company decided to dissolve the company by universal transfer of the assets to the sole shareholder BT Leasing Transilvania IFN S.A., without liquidation;
- On December 31, 2024 the company was struck off the register.

#### **BT SOLUTION ASISTENT IN BROKERAJ SRL**

- On 08.10.2024, the sole shareholder of the company decided to dissolve the company by universal transfer of the assets to the sole shareholder BT Leasing Transilvania IFN S.A., without liquidation;
- On December 31, 2024 the company was struck off the register.

#### **BT INTERMEDIERI AGENT DE ASIGURARE SRL**

- On 08.10.2024, the sole shareholder of the company decided to dissolve the company by universal transfer of the assets to the sole shareholder BT Leasing Transilvania IFN S.A., without liquidation.

#### **BTP RETAIL S.R.L.**

- On 23.09.2024, the Company's sole shareholder approved the increase of the Company's share capital by cash contribution in the amount of RON 2,000,000, from RON 100,000 to RON 2,100,000, by issuing 20,000 new shares with a nominal value of RON 100 each;
- On 10.12.2024, the Company's sole shareholder approved the increase of the Company's share capital by cash contribution in the amount of RON 1,000,000, from RON 2,100,000 to RON 3,100,000, by issuing 10,000 new shares with a nominal value of RON 100 each.

#### **BTP STORE HUB TURDA S.R.L.**

- On 09.05.2024, the BT Property Alternative Investment Real Estate Fund managed by BT Asset Management SAI S.A. acquired Funshop Park Turda S.R.L., a company based in Dumbravița, jud. Timiș, and object of activity "Renting and subletting of own or leased real estate". On 28.06.2024, the ORC admitted the file to change the company's registered office to Cluj-Napoca, jud. Cluj, and to change the company name to BTP Store Hub Turda S.R.L.

#### **BTP STORE HUB ORADEA S.R.L.**

- On 24.10.2024 were issued by ONRC Cluj the documents related to the establishment of the company BTP Store Hub Oradea S.R.L., with the sole partner BT Property Alternative Investment Real Estate Fund managed by BT Asset Management SAI S.A. and the main object of activity "Renting and subletting of own or rented real estate".

#### **INTER TERRA S.R.L.**

- On 11.12.2024, the BT Property Alternative Investment Real Estate Fund managed by BT Asset Management SAI S.A. acquired Inter Terra S.R.L., a company with registered office in Sibiu, str. Dealului nr. 24, jud. Sibiu, and its object of activity "Purchase and sale of own real estate".

#### **SALT BANK S.A.**

- At the level of the Board of Directors, the following changes have taken place:
  - Mr. Ivo Alexandrov Gueorguiev began exercising his responsibilities as Chairman of the Board of Directors of Salt Bank starting with 15.03.2024, the date of approval of NBR;
  - Starting with 15.03.2024, Ms. Cristina Gabriela Nistor began to exercise the responsibilities of administrator, member of the Board of Directors, following the receipt of the approval of NBR in this regard;
- At the level of executive management, starting with 11.03.2024, the position of Deputy General Manager for Technology (CTO) has become vacant, following the termination of the leadership mandate of Mr. Constantin Daniel Popescu;
- On 10.05.2024, the Receivables Assignment Agreement was concluded with Idea Leasing IFN SA (currently referred to as Avant Leasing IFN SA), whereby Salt Bank, as Assignor, assigned a portfolio of receivables resulting from leasing agreements and credit agreements previously acquired through the Receivables Acquisition Agreement of 15.05.2014, as amended and/or supplemented by Addendum no. 1/01.09.2014, addendum no. 2/05.11.2014 and addendum no. 3/30.12.2014 (modified by errata of 21.05.2015).

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 2,644.7 million at the end of 2024, increasing by 202.8% versus 2023, mainly due to the inclusion of OTP Bank Romania and the other OTP subsidiaries.

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**

### **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 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 approaches, 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 2024**

Audit Committee, consisting of 3 non-executive independent members, held 8 physical meetings during 2024, 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 2024 were the following:

- Ivo Gueorguiev – Audit Committee chairman; independent non-executive director with audit experience, attending 8 out of 8 meetings;
- Thomas Grasse – Audit Committee member; independent non-executive director with audit experience, attending 8 out of 8 meetings;
- Mirela Bordea – Audit Committee member; independent non-executive director with audit experience, attending 8 out of 8 meetings.

During the meetings held in 2024, the Audit Committee carried out the following actions:

- Analysis of the financial statements and audit report prepared by the external auditor for the year 2023, 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 specific NBR reports and follow-up the implementation of the communicated recommendations;
- Follow-up the implementation of external auditors' main recommendations from the management letter.

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.

## **External Audit**

The Audit Committee selected, during 2023, the external auditor of Banca Transilvania to audit the financial statements for the financial years 2023-2027, prepared in accordance with the International Financial Reporting Standards, according to NBR Order no. 27/2010. At that time, it was chosen by BT's OGMS by the Audit Committee and its own auditor's assessment. The Committee concluded that the external auditor is independent in the provision of audit services at Banca Transilvania and that he can also deal with performing services outside the audit scope, within the limits imposed by the specific regulatory framework. During 2024, no situations or reasons regarding independence were discovered in the activity carried out by the external auditor, which could have an impact on Banca Transilvania.

The external auditor of the Bank – Deloitte Audit S.R.L. - has audited the separate and consolidated financial statements as at December 31, 2024.

### **1.1. General items of the assessment for the financial year ended December 31, 2024**

2024 was a year of slower growth for the Eurozone, with easing inflation and supportive monetary policies. While external challenges posed headwinds, the region's economic outlook points toward a gradual recovery in the coming years.

In 2024, Romania's economy faced a series of challenges and opportunities that shaped its economic landscape. Romania faced a slower growth, fiscal imbalances, and socio-political dynamics that influenced its economic trajectory. Romania's Gross Domestic Product (GDP) experienced a slowdown in growth during 2024. The economy slowed to +0.9% growth rate in 2024, impacted by higher inflation and weaker external demand. However, growth was expected to accelerate in 2024, supported by private consumption benefiting from rising disposable incomes and EU-financed investments. Despite these positive expectations, the fiscal and current account deficit pressures remained elevated, necessitating structural reforms.

For BT, the year 2024 was marked not only by organic growth but also by consolidating the position in the financial services sector through acquisitions.

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 4,160 million
▪ Net profit	RON 3,532 million
▪ Total assets	RON 184,264 million
▪ Capital adequacy ration (CAR) (without the profit of the second half of the year 2024 included)	23.49%
▪ Return on equity (ROE)	27.02%
▪ Market share in terms of assets	20.9%
▪ Liquidity Coverage Ratio	513.6%

## **1.2. Assessment of the Bank's operational level**

**The unit network of Banca Transilvania as at 31 December 2024:** 513 functional units (excluding the Headquarters and the Regional Office in Bucharest), compared to 511 functional units at 31 December 2023. Currently, the Bank has also one branch in Italy.

On 31.12.2024, the Bank has a network of 1,937 ATM terminals, out of which 651 are multifunctional ATMs. Also, the Bank owns 502 BT Express terminals used for various operations other than cash withdrawals, has over 148,000 POSs installed and collaborates with over 7,100 e-commerce merchants.

Banca Transilvania is the leader in the card market, having 7 million cards in its portfolio, of which over 700,000 are credit cards. The transactions made with the 7 million cards increased by 23% in 2024 compared to 2023.

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

The offer of Banca Transilvania has expanded during 2024 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;
- current account subscriptions for individuals;
- deposits;
- Round UP savings account;
- 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;
- Personal loan from BT Pay.

### ***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.

### **Main products launched in 2024, in BT Pay & Retail:**

- Online Account Opening, Romania;
- Online account opening, diaspora;
- Virtual assistant in BT Pay (BT Chat);
- The animated virtual card in euros with a design dedicated to the Paris 2 Olympic and Paralympic Games;
- Pay with BT Pay;
- Investments in BT Pay;



- Designated cardholder;
- SIM recharge;
- Credit management in BT Pay;
- View loans + BT Pay online credit;
- Increase Overdraft credit line from BT Pay;
- Vignette;
- Account statement;
- Star card rebranding.

**Main products launched in 2024** for companies:

- e-Invoice from BT Go, integration with FGO;
- Launch of the new BT Payroll application (replaces BT Tichet).

**Main products that were launched in the first two months of 2025** for individuals:

- Authentication through BT Pay in suburbs and agencies;
- Rebranding of the debit card portfolio;
- Premium Club current account subscription;
- Visa Platinum Premium Card;
- Sending a debit card by post to the diaspora + activating it at ATMs abroad+adding non-BT cards related to banks and fintech in the European Union.

**Main products to be launched in 2025** for individuals:

- Private and Private + subscription for Private customers;
- Early repayment of loans;
- Subsidiaries: integration of BT Pensii – onboarding and trading, new options for BT Direct;
- New markets: launch of BT Pay Italia;
- Proxy on account – BT Pay with multiuser option;
- Mandates: RoPay – integration of the local payment scheme, Click to Pay – Visa mandate for online payments;
- View garnishments and the possibility of unblocking it by paying it from BT Pay;
- View saved card and MasterCard subscriptions;
- Deposits and negotiated currency exchange;
- Insurance – credit card and overdraft, housing, goods, shopping protection, roadside assistance, etc.;
- BT Pay loyalty program;
- Financial education program in the app, Financial & lifestyle wellbeing;
- Activating subscriptions in BT Pay, taking over and modifying marketing options;
- improvements to existing flows (e.g. BT Pay Kiddo improvement), application redesign, financial planning, business card origination in BT Go and instant issuance in BT Pay.

**Main products to be launched in 2025** for companies:

- Current account for notaries;
- Surety account;
- Protection account;
- EBICS for LargeCo (Electronic Banking Internet Communication Standard);
- SWIFT for Corporate.

In addition to the data presented above regarding the description of the products, we make the following clarifications:

- a) The main sales markets for each product or service and the distribution methods are the domestic and international banking markets. The entire range of financial products, both banking and those offered by BT Group subsidiaries, is available to customers through a single distribution network, under the BT brand;
- b) the share of each category of products or services in the bank's revenues and total turnover are presented in the Consolidated and Individual Annual Financial Statements prepared in accordance with the International Financial Reporting Standards adopted by the European Union, for the financial year ended December 31, 2024;
- c) The planned new products and services, for which a substantial amount of assets will be allocated in the next financial year, include the following:
  - New functionalities in BT Pay and BT Go applications;
  - New current account subscriptions for individual customers;
  - BT Italia online onboarding for individual customers;
  - BT Italia savings account for individual customers;
  - Savings plan for individuals.

### 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

Banca Transilvania, in the role of the largest financier in Romania by assets, enhanced the path assumed by continuing to invest in efficient solutions to cover the needs of its clients. The bank, as well as the Group, also continued to develop new solutions for technological development, digitalization and infrastructure development. The financial results for 2024 exceeded the expectations of the Bank's management and show the strengthening of the position of the bank and the BT Group on the local market.

The number of active clients increased by almost 8% in 2024, as compared to 2023, from 4.24 million to 4.57 million.

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

Active BT clients*	12/31/2024	12/31/2023	2024/2023
Large Corporate clients	1,509	1,517	-0.53%
Mid Corporate clients	8,761	11,197	-21.76%
SME clients	25,002	25,358	-1.40%
Micro Business clients	448,472	415,679	7.89%
Retail	4,088,127	3,785,742	7.99%
<b>TOTAL</b>	<b>4,571,871</b>	<b>4,239,493</b>	<b>7.84%</b>

\* 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**

The entire corporate loan portfolio at the Bank level is about 60% of total gross loans, with an almost equal split between local currency and foreign currency.

The new production of corporate loans amounted to RON 26.6 billion in 2024.

### **Large Corporate Customers**

At the Bank's level the balance of the business line's loans reached RON 29.4 billion at the end of 2024.

Sectors like sustainable agriculture, IT&C, infrastructure, industry, education and health care services remain of interest for BT, reconfirming the engagement mentioned in the sustainable finance framework, while maintaining the position of main leader in offering financial solutions and banking services in a professional and efficient manner for its Corporate clients.

Banca Transilvania collaborated with European Bank for Reconstruction and Development (EBRD) even in a program like Risk Sharing Framework for financing large companies in the local market such as Omnia Europe and Profi.

On Large Corporate segment, BT focused on capitalizing on cross-sell with main lending relationships, while managing a loan portfolio almost double than 3 years ago.

### **Mid Corporate and SME Clients**

+14.5% loan balance at Bank level, reaching RON 22.9 billion (2024 vs 2023) impacted by:

- RON 3.5 billion total amount financed through governmental programs in 2024 (+5.7% vs 2023);
- Focus on programs such as IMM Invest and "The Farmer" programs; BT participated in MEDAT (Ministry of Economy, Digitalization, Entrepreneurship and Tourism) grants program totaling RON 336 million. BT covered 59%;
- The amount of new loans granted to Micro and SME customers which is RON 2 billion higher compared to the 2023 level.

Persisting in the efforts of sustaining the SME sector, BT devoted time and resources in efficiently enhancing the banking platform for entrepreneurs, BT Go, which became an adaptable business ecosystem with more than 207 thousand users and more than RON 21.7 billion value of transactions, offering a useful set of features:

- Easy Payment Transfer;
- Standard and negotiated FX;
- Open and Close Classic and Negotiated Deposits;
- View/Limits' management and Block/Unblock Cards;
- Bulk Download Statement;
- FGO Integration and RO e-Factura.

Micro Business Clients, part of the Mid Corporate & SME segment, increased its number of clients in the last 5 years with 50%, reaching almost 450 thousand clients (+7.9% vs. 2023). The growth of number of clients impacted also the number of loans granted in 2024, which reached 18,000, +15% versus 2023.

At the Group level, RON 6.6 billion loans were granted. Contributing to this result, BT Mic (BT Microfinanțare) supports the access to financing, Micro business clients enjoying the Stup

initiative (Hive), which reached 33,000 members. The Stup, initiated 2 and a half years ago, has engaged over 7,500 entrepreneurs who have established over 630 new businesses that support the economy.

## **Retail Customers**

BT has over 4.4 million unique digitized customers. These customers use at least one of the bank's digital solutions. We see a clear trend of increasing interest in digitalization, with customers increasingly preferring innovative solutions that allow them to easily and efficiently manage financial services in the digital environment, such as virtual cards, lending, insurance and investment products.

In 2024, the very good acquisition rate of new customers was maintained, with 530,000 individuals becoming BT customers, some of them opting to open their account directly through the BT Pay application, without any visit to the bank.

Banca Transilvania is the market leader in the field of cards, with 7 million cards in its portfolio, of which 700,000 are credit cards. Purchases made with the 7 million cards increased by 23% compared to the same period last year.

The bank reached over 4.5 million unique cards in BT Pay, Apple Pay, Google Pay, Fitbit Pay and Garmin Pay wallets, and the number of phone payments in 2024 increased by 36% compared to 2023, reaching 248 million. At the same time, money transfers from BT Pay are increasingly appreciated, their volume has increased by 54% compared to those made in the previous year.

As for the volume of non-card transactions made by individual customers through digital channels, they registered an increase of 20% compared to the same period last year

Compared to the previous year, interactions in the BT Visual Help application increased by 15%. BT Visual Help is the digital platform through which customers who call the Call Center team are guided to a digital self-service area, where they have access to information about accounts, cards and transactions and can perform some card-specific actions with the help of their phone. Interactions within the platform exceeded 4 million hits in 2024.

Starting with October 2023, BT has implemented a fast and secure authentication method for customers through BT Pay in the Contact Center. To date, this method has recorded 1.2 million logins, thus providing a digitized experience and reducing the time it takes to resolve requests.

Approximately 136,000 consumer loans were granted during 2024. Approximately 15,300 mortgage loans were granted with BT's help, the amount granted being over RON 4.5 billion. The balance of mortgage/real estate loans is RON 19.3 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;
- Develop strategies and pricing structures to help increase commercial lending as part of the balance sheet management / Asset and Liabilities Management process
- And last but not least, developing hedging products and strategies for bank's customers, including market access and price distribution through digital solutions.

One of the main sources of income is given by transactions in the fixed income space, where there is an increased focus to decrease volatility in results by a larger allocation to held-to-collect portfolios, with the view of maintaining a large pool of eligible / HQLA instruments that provide easy access to liquidity in adverse market conditions. At times, this is coupled with different interest rate risk hedging strategies.

As in prior years, an important revenue vector is our spread business in different instruments and that is a direct consequence of an increasing customer base, both organic and by acquisition.

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 16.2% on a consolidated level compared to the previous year, reaching a level of RON 796.7 million in 2024.

## **2024 Statement of Financial Position**

The situation of the financial position in 2024 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 2024 with total assets amounting to RON 184,264 million, 13.9% higher compared to the end of 2023. At consolidated level, total assets amounted to RON 207,035 million.

**Loans portfolio:** At the end of 2024, Banca Transilvania's gross loan portfolio balance was 13.5% higher than at the end of 2023, even though in 2024 write-offs in amount of RON 166.8 million were performed.

Non-performing loans overdue for more than 90 days represented 1.49% of Banca Transilvania's total loan portfolio; non-performing loans according to EBA requirements was 2.07% as at 31<sup>st</sup> December 2024.

**Provision balance:** In 2024, Banca Transilvania recorded a net impairment allowance on financial assets on other risks and loan commitments in amount of RON 332 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 total balance of adjustments (impairment allowances) was RON 4,792 million as at December 31, 2024, increasing by 9.6% versus the previous year, the main contribution to this change is brought by the expected credit loss for stage 3 loans which generated 39.5% of the growth. The coverage ratio of the stage 3 provisions reached at the of 2024 a comfortable level of 69.5%.

**Cash and current accounts with Central Bank:** Cash and current accounts with Central Bank amounted to RON 16,908 million, being 24.1% lower 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, 72% of the total balance being represented by the minimum required reserve held with the NBR.

**Placements to banks and public institutions:** At December, 31 2024, placements to banks include reverse-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 13,612 million increasing by 7.9% compared to the value at the end of 2023, of which over RON 1,000 million are related to reverse repo transactions.

**Securities:** Securities and derivative financial instruments increased by 29% versus last year, reaching RON 64,717 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 41,126 million.

**Fixed assets** increased by 72.8% compared to 2023, at Bank level, reaching RON 4,991 million. The largest increase, compared to last year, is represented by investments in subsidiaries (2,645 million lei as of 31.12.2024 versus 873 million lei as of 31.12.2023). Tangible fixed assets represent RON 830 million, assets related to the right of use, RON 769 million and intangible assets, RON 747 million.

**Customer resources:** Deposits attracted from customers continued to grow, registering +12.2% compared to the previous year and thus reaching RON 150,785 million at Bank level. As of December 31, 2024, 65% of the deposits attracted are from individuals and 35% are attracted from legal entities.

**Loan/deposit ratio** for the Bank was 57.2% at the end of 2024.

**The capital adequacy ratio** continued to remain at a comfortable level of 23.49% (the net profit for the first half of 2024 being incorporated into own funds). An adequate level of capital and general financial indicators has been maintained, in line with banking prudence practices.

The equity of Banca Transilvania as of 31.12.2024 amounted to RON 14,219,104.457, of which:

- The share capital registered with the Trade Register on December 31, 2024, is represented by 916,879,846 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 1,245,129,143;
- 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 -1,676,941,975;
- Reserves from the revaluation of tangible and intangible assets, net of tax: RON 31,369,457;
- Retained earnings (excluding the profit for the year and profit distribution): RON 1,958,303,780;

- Own shares: RON -24,240,874;
- Profit for year: RON 3,531,677,657;
- Profit distribution: RON -207,998,917.

**Cost/Income ratio** recorded a comfortable level of 45.4% in 2024, decreasing from 45.6% at the end of the previous year. Excluding the expense with the Turnover tax, Cost/Income Ratio would have reached 42.1% at the Bank level. This ratio is under strict supervision, operating efficiency continuing to be one of the Bank's objective for 2024.

**Operating income** increased significantly during 2024, reaching RON 8,224 million at Bank level, higher by 27.8% than the previous year.

The most important income categories are the following:

- Net interest income: RON 5,532 million in 2024, at the Bank level, respectively RON 6,908 million at Group level, thus registering increases of 28.1%, respectively 31.4% compared to the previous year. The increase in net interest income was impacted by a higher number of loans granted and by the increase in the portfolio of securities.
- Net commission income: Net commission income increased by 14.7%, reaching RON 1,268 million at Bank level. The continuous increase in the number of transactions and the number of active customers, as well as the diversification of the types of operations made available to customers, determined the increases recorded by this category.
- Net trading income: This income category decreased by 31.1% at the Bank level and by 42.8% at the Group level. The increase is due to the recording of net income from derivatives while the previous year derivatives recorded expenses, as well as the recording of net income from foreign exchange transactions.
- Net gains/(losses) on financial assets measured at fair value through other comprehensive income registered a positive value of RON 164 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 282 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 3,732 million as at the end of the year at the Bank level, versus RON 2,935 million as at the end of 2023. The most consistent increase was recorded in the case of the "other operating expenses" category, a category that includes the turnover tax expense of RON 269.5 million.

**Personnel expenses:** At the Bank level, this category of expenses increased by 20.5% compared to the previous year, and at Group level they are 32.1% higher, being determined including by the increase in the value of meal vouchers granted to employees, by the adjustment of fixed salaries against the background of increased inflation, by share payments to employees, as well as the expansion of the employee base.

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 121.6 million, up 88% compared to 2024.

**The Bank's** operating result is 28.3% higher than in the previous year, reaching RON 4,492 million, and at Group level, it reached RON 6,018 million, 42.6% higher than in 2023.

**Net provision expenses:** RON 575 million at Group level (including recoveries from off-balance sheet loans), higher by 12.1% vs. 2023, while at Bank level were lower by 11%, reaching RON 332 million, maintaining a prudent risk approach.

**Gross profit** achieved by the Bank in 2024 was of RON 4,160 million versus RON 3,128 million in the previous year, increasing by 33%. At Group level, the gross profit was RON 5,442 million, as compared to RON 3,706 million in the previous year.

**The net profit** achieved in 2024 by Banca Transilvania S.A. is RON 3,532 million, up by 41.8% compared to the level of RON 2,491 million in 2023. At the level of the Banca Transilvania Financial Group, the net profit is RON 4,731 million compared to RON 2,984 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, 2024 was 9,744 (2023: 9,547 employees). The values include the number of employees of BT Italy.

The Group's number of active employees as at December 31, 2024 was 13,629 (2023: 11,841 employees).

The average age of employees in 2024 was 39 years (2023- 38 years). Breakdown per genders 2024: 71% women and 29% men (2023- 73% women and 27% men).

Within Banca Transilvania S.A., the employment relations in 2023 were regulated 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.

BT's priorities in 2024 continued to be: ensuring a constructive and stimulating environment for the performance, health, protection and safety of employees and their families, careful selection and recruitment with a focus on attracting talent for the Bank's current and future needs, continuous professional and personal development of the Bank's team. Employee retention and long-term performance are an ongoing priority. Thus, the Career Plan for the network and certain departments in the Bank's Central Office was implemented, developing management and leadership skills for all levels of management with the objective of supporting and sustaining the activity of the people in the coordinated teams. All this had a significant impact on the Bank's performance, translating into increased retention and commitment of team members 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.

In September 2024, BT issued its second consecutive round of sustainable bonds, a Senior Non-Preferred EUR 700 million 6NC5 MREL eligible instrument (6NC5 is a type of bond that is senior unsecured and has a tenor of 6 years with an attached one-time callable option by the issuer in the 5th year. The bond is first callable at a price equal to par plus a coupon, and then the call price declines linearly over time to par value at maturity).



Over 64% of the investors who subscribed to BT's sustainable bonds also have ESG objectives in their investment policies.

The funds raised will help finance sustainable projects in line with the eligibility criteria of the Sustainable Financing Framework: support for SMEs in underdeveloped regions of Romania, access to healthcare and education, as well as initiatives that support the green transition - green buildings, renewable energy projects, clean transportation, ecological farming.

Green loans to companies in 2024 amounted to RON 1,787 million, 60% higher than in 2023. Financing for renewable energy projects increased by 76% YoY, while special climate projects, including water efficiency, increased by over 60% compared to 2023.

5.27% of mortgage loans granted in 2024 qualify as green (EPC grade A). RON 586 million of green mortgage loans were granted in 2024.

Over 7.3% of the total Retail loan portfolio is represented by green loans as of December 2024, amounting to RON 2.26 billion.

1 out of 2 financial leasing granted by BT Leasing in 2024 were for hybrid and/or electric vehicles, representing almost RON 1,230 million, 54% YoY growth.

48% of the total leasing portfolio is represented by hybrid and electric vehicles as of December 2024.

### **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**

In 2024, Banca Transilvania was rated for the second time by Moody's Ratings. The agency confirmed the ratings of Banca Transilvania issued for the first time in 2023 and improved the outlook from stable to positive, for the long-term deposit rating (Baa2) and the issuer rating (Baa3).

The confirmation of the basic rating (Ba1) reflects BT's solid capitalization and robust profitability, supported by its leading position in the Romanian banking market and operational efficiency. The rating also reflects the impact of the acquisition of OTP Group companies in Romania by Banca Transilvania.

The positive perspective of the bank's ratings for long-term deposits and for the issuer rating shows the strengthening of depositor protection, against the background of significant volumes of senior non-preferred bonds, issued in September 2024.

The rating agency's accreditation supports BT's efforts to maintain an efficient cost of capital.

The Fitch rating agency upgraded the long-term rating of Banca Transilvania in November 2024, from "BB+" with a stable perspective to "BBB-" (Investment grade) with a stable perspective. During December 2024, the outlook was revised to "negative" in line with that of Romania's sovereign rating.

The Fitch rating reflects Banca Transilvania's solid and well-established position in the Romanian banking system, as well as robust capital buffers supported by strong internal capital generation,

a stable funding profile and reasonable asset quality. The result confirms BT's track record in prudent risk management, sound lending policy, as well as the bank's operational efficiency.

The objective of Banca Transilvania Financial Group in terms of risk management is the integration of the assumed medium-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 Financial 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;
- drafting and periodic revision of the recovery plan at the level of the BT 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 Group'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 continuous 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 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- (Expected Credit loss) 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.

In order to ensure a responsible lending, in the financing process within Banca Transilvania, the following will be taken into account:

- strictly financing of those activities that comply with the national environmental, health and safety laws and regulations in force;

- 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 permanently 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 2024 was *medium-low*.

### **Liquidity and credit risk**

The liquidity risk appetite for 2024 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 and liabilities 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 considering 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 (buffer), 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 2024, 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 BT Group, by integrating a specific management system in the current risk management processes. The Group 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, BT Financial Group:

- 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 Group'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 Group information security systems;
- enhance and streamline antifraud architecture and processes;
- 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 Group;

- assessment of the products, processes and systems in order to determine the associated risks and measures to eliminate/mitigate them;
- 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 Group.

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 2024, was *medium-low*.

## Market Risk

In 2024, 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 regarding 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 2024 as *medium-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 2024 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 2024, 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 2024 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 for services.

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**

The BT Financial Group's 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 Group's reputation as a result of violations or non-compliance with the legal and regulatory framework, agreements, best practices or applicable 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 2024 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 capital adequacy assessment process is to establish the action lines to ensure:

- the necessary capital for the good performance of the activities;
- that own funds are permanently maintained at least at the level of regulatory capital requirements (established by EU/national regulations/ internal standards) 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 capital adequacy assessment process is integrated in the general practices of risk management, by its usage in:

- the strategic planning process at Group level;
- ensuring the continuous effectiveness of the risk appetite;
- the process of risk management, capital management, including anticipatory financing strategies;
- monitoring capital adequacy ratios to identify and assess potential threats in due time;
- 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 determined based on the standardized 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 2024 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 Financial 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, 2024.

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

As part of the growth plan, by maintaining the accelerated pace of financing the economy and Romania, Banca Transilvania sold on September 25, 2024 bonds of 700 million euros, in the context of a demand from investors of over 2.5 billion euros. It is the second consecutive time that BT has launched a bond issue under the umbrella of the Sustainable Finance Framework.

The bonds mature in 2030, are listed on the Dublin Stock Exchange and are eligible for the minimum requirement of own funds and eligible liabilities (MREL), contributing to the permanent assurance of an optimal level of funds, distinct from customer deposits that are guaranteed by the Bank Deposit Guarantee Fund, according to European standards on banks.

The first issue of ESG bonds, also oversubscribed in a few hours, was announced by Banca Transilvania in November 2023, on which occasion it attracted 500 million euros.

The funds attracted will contribute to the financing of sustainable projects, according to the eligibility criteria of the Sustainable Finance Framework: supporting SMEs from less developed regions of Romania; the population's access to healthcare and education; initiatives that support the green transition - green buildings, renewable energy projects, transport, organic farming.

Banca Transilvania concluded on December 22, 2023 a non-STS synthetic securitisation transaction with the European Investment Fund (EIF) and the European Investment Bank (EIB),

effectiv from March 31, 2024. The synthetic securitization transaction is structured on a portfolio of loans granted to legal entities, initial securitisation in amount of RON 2,027.5 million. During the transaction, the Bank retains at least 5% of the exposure of each loan included in the securitization portfolio.

The credit risk of the mezzanine and senior tranches is transferred to the EIF, while the credit risk of the junior tranche, representing 1.6% from initial portfolio, is assumed by the Bank.

EIF - as Guarantor, issued an irrevocable and unconditional Financial Guarantee in favour of Banca Transilvania S.A. (the Beneficiary) to guarantee the coverage of the loss related to each reference obligation, should such loss be allocated to the mezzanine and senior tranche, initial total amount of RON 1,995.1 million which represents 98.4% of securitised portfolio, after exceeding the losses retained by the Bank related to junior tranche and synthetic excess spread (cumulatively 2.8% of the total volume of the initial portfolio).

The financial guarantee is treated separately and does not result in any changes to the financial characteristics of the loan, representing a distinct mechanism for covering credit risk. As a result, it does not impact the calculation of expected credit losses.

The scheduled maturity date of the guarantee is December 31, 2039.

The EIF guarantee is counter-guaranteed by the EIB through a back-to-back hedge arrangement.

The Bank's objective is to support the real economy by transferring the benefits of more efficient use of the Bank's capital to the end-customer, in the form of a lower cost of loan. To this end, Banca Transilvania S.A. has concluded with the EIB a Mezzanine and a Senior Retrocession Agreement and Commitment Agreement for increased support for SMEs and Midcaps, to supply new lending of more than RON 2.64 billion, including also projects aligned with climate action and environmental sustainability, thus supporting the transition to a low-carbon economy.

The below stated amounts represent the securitized portfolio as of December 31, 2024:

*RON million*

	<b>Date of contract</b>	<b>End of maturity</b>	<b>Portfolio type</b>	<b>Maximum amount of securitized portfolio</b>	<b>Securitized portfolio (Nb. Loans)</b>	<b>Outstanding amount</b>
<b>EIF synthetic securitization</b>	2023	2039	SME & CO	2,027.5	16,128	2,020.02
Senior tranche				1,670.67		1,664.4
Mezanin tranche				324.40		323.18
Junior tranche				32.44		32.44

At the end of the financial year, the losses were fully allocated to the excess synthetic spread. According to the contract, the Bank will be able to benefit from reimbursements in the future for the losses associated with the defaulted reference obligations, but this benefit will only become realizable after the complete allocation of the losses to the excess synthetic spread and junior tranche.

In accordance with the definition of a contingent asset, the bank considers that, although there is a possibility that an economic resource may be received in the future under the terms of the financial guarantee contract and the losses to be reimbursed, the realization of this asset remains uncertain. It depends on the allocation of losses to the excess synthetic spread and junior tranche.

The bank has not recognized this asset in the financial statements for financial year 2024, given the uncertainty regarding the timing and conditions under which the reimbursement will take place. The asset will be recognized only when there is virtually certain that the reimbursement will be made.

For 2025, the Bank aims to set the following qualitative and quantitative objectives:

Qualitative objectives:

- Maintaining of the position as the largest lender in Romania through organic growth and maintaining interest in acquisitions or mergers with entities that can bring further growth opportunities. 2025 will have as priority integration of OTP customers within the BT Group, with focus on smooth transition and high-quality client service;
- Supporting lending and the development of the Romanian economy in the coming period, with focus on sectors that are of strategic importance at national level, such as infrastructure, healthcare, agriculture, education, energy or areas that are addressed by local and European strategic priorities. BT continues to sustain the growth of business of all sizes, from entrepreneurs to large corporates. At the same time, BT will remain a reliable partner for national and European programs and will sustain companies and projects that can drive an accelerated absorption of European funds;
- Consolidating the position of top player in all business segments: leasing, asset management, financial intermediation, etc. and increasing synergies between group companies to offer our customers improved client experience and a fully equipped financial ecosystem;
- Continuing ESG initiatives to contribute to the sustainable development of the Romanian economy;
- Digital: continue our focus on streamlining and automating operations and processes, both in BT and its subsidiaries, to the benefit of our customers, through constant investments in technology and IT infrastructure. Offering secure, resilient and reliable platforms and fast adaptation to local needs and wants of our customers are among our top priorities in terms of operating model;
- Sustain the consolidation of the first 100% digital bank in Romania to implement new features, offer a wider range of products and ensure a secure, yet accessible banking experience to Salt customers.

Quantitative objectives:

- Total assets: +13.9% growth, out of which BT's organic growth 8%
- Total gross loans: +19.3% growth
- Total deposits from customers: +13.4% growth, out of which BT's organic growth 6%
- Cost/Income ratio: 45.4%
- Loans/deposits: 60.8%

The development plan for 2025 is presented in the table below:

<b>Investment budget for 2025 (RON million):</b>	
Buildings – agencies and branches	122.74
Investments IT and cards, of which:	489.80
Hardware IT	47.41
Software IT	290.66
Retail and cards, of which:	151.72
<i>Hardware, retail cards</i>	31.06
<i>Software, retail cards</i>	120.67

Vehicles	11.86
Security	10.68
Cash processing center	10.87
Digital initiatives	162.57
OTP Integration	19.82
Other	14.65
<b>Total Investments VAT included</b>	<b>842.99</b>

In projecting indicators for 2025, it has been considered an average inflation rate of 4.8% and an average exchange rate of 5.01 RON\EUR.

The Bank estimates a growth rate of 13.6% for total assets as compared with previous period (up to RON 209,919 million). The structure of assets is projected to comprise a weight of 49.9% of gross loans, a weight of 15.2% of cash and cash equivalents and a weight of 35.4% of investments in treasury bills.

Regarding the structure of liabilities and equity forecasted for 2025, the Bank considered a growth rate of resources from non-banking clients of 13.4% as compared with 2024, meaning a weight in total liabilities of 81.4%.

The 2025 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 2024 amount to RON 829.73 million, of which 35% 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 2024, the share capital registered with the Trade Register was RON 7,986,582,330.

As a result of the Decisions of the Extraordinary General Meeting of Transilvania Bank Shareholders of April 25, 2024, it was decided to increase the share capital by the amount of RON 1,182,216,130 by issuing a number of 118,221,613 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 2023, in the amount of RON 1,182,216,130, by issuing a number of 118,221,613 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 9,168,798,460, respectively 916,879,846 shares with a nominal value of RON 10/share. The legal procedures for registering the capital increase with ONRC, ASF and Depozitarul Central SA were completed on 22.07.2024, the date from which the capital increase became effective.

At the same time, as a result of the Decisions of the Extraordinary General Meeting of Banca Transilvania's Shareholders of December 18<sup>th</sup>, 2024, it was approved the merger by absorption between Banca Transilvania S.A., as the acquiring company, and OTP Bank România S.A. and BT Building S.R.L., as the acquired companies, according to the terms and conditions set forth in the Merger Project, and therefore, the approval of the Merger Project and the documents that have been drawn up in connection therewith, and all the merger effects, such as, but not limited to the dissolution without liquidation of OTP Bank România S.A. and BT Building S.R.L. and the universal transfer of the assets of OTP Bank România S.A. and BT Building S.R.L. to Banca Transilvania S.A. as well as the price of TLV share for right of withdrawal at the value of 21.9836 RON/share, determined in accordance with legally applicable evaluation standards, by an independent evaluator registered with the Financial Supervisory Authority, appointed in accordance with the law.

The share capital structure as at 31.12.2024 and 31.12.2023 was as follows:

Shareholders	31-Dec-24	31-Dec-23
NN Group (*)	9.37%	9.36%
European Bank for Reconstruction and Development (EBRD)	5.16%	6.87%
Romanian individuals	24.21%	22.37%
Romanian companies	45.20%	45.13%
Foreign individuals	1.11%	1.09%
Foreign companies	14.95%	15.18%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

The Bank's market cap as at 31 December 2024 was RON 24.76 billion, respectively EUR 4.97 billion (31 December 2023: RON 19.38 billion, respectively EUR 3.89 billion).

### 3.2. The Bank's policy regarding dividends

In 2024, the Bank distributed dividends in the amount of RON 1,000,000,000 from the profit of 2023, the gross value of the dividend per share being RON 1.2521000331.

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.

### Proposals regarding the distribution of profit for the financial year 2024

The Board of Directors of the bank submits for approval to the GMS the proposal for the distribution of the profit in the amount of RON 3,531,677,657, according to the following situation:

Proposal for 2024 profit distribution	Amounts (RON)
Gross profit 2024	4,159,992,799
Current/deferred income tax	(628,315,142)
Net profit 2024	3,531,677,657
5% Legal reserve fund from gross profit	(207,998,917)
Net profit to be distributed	3,323,678,740

The Board of Directors proposes for approval to increase the Bank's share capital from RON 9,168,798,460 to RON 10,903,222,250, with the amount of RON 1,734,423,790, representing reserves from the 2024 net profit. The increase in the share capital will be carried out by issuing a number of 173,442,379 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 1,589,254,950. The gross dividend per share amounts to 1.7333295709.

Proposal for 2024 profit distribution	Amounts (RON)
Total available reserves for distribution	3,323,678,740
Dividends	1,589,254,950
Capitalization of 2024 net profit reserves	1,734,423,790
Share capital at recording date*	9,168,798,460
Yield per share % capitalization	0.1891658757

\*The share capital registered with the Trade Register amounts to 916,879,846 shares with a nominal value of 10 RON / share, to which is added RON 86,501,040.



### 3.3. The Bank's share buyback activities

The share buybacks that took place in 2024 are part of the program approved by the Resolutions of the Ordinary and Extraordinary General Meeting of Shareholders of Banca Transilvania S.A. of 25.04.2024, when the Bank's buyback of its own shares was approved, in accordance with the applicable legal provisions, under the following conditions: up to 6,500,000 shares (0.81% of the total shares that make up the share capital) with a nominal value of RON 10/share at a minimum price equal to the market price on the BVB at the time of the acquisition and a maximum price of RON 38, for a maximum period of 18 months from the date of publication of the EGMS Decision in the Official Gazette of Romania, Part IV, within a stock option plan program in order to implement a remuneration system and carry out a staff loyalty program for a period of at least 4 years.

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

As at 31.12.2024, BT Group has in balance the amount of RON 15.3 million own shares at acquisition value (~2.1 milion shares), which are held by BT INVEST1, a Group subsidiary.

BT group subsidiary	Number of shares held	Nominal value at 31.12.2024	Percentage held of the Bank's share capital as at 31.12.2024
BT INVEST1	2,424,929	24,249,290	0.26%
<b>Total BT Invest1 shares held</b>	<b>2,424,929</b>	<b>24,249,290</b>	<b>0.26%</b>

### 3.5. Bonds issued by the Bank

The category of "Subordinated debts" includes, at Bank level, the bonds not convertible into shares issued by BT both in 2018 and in 2023, which will be detailed below. Their balance as of 31.12.2024, at the Bank level, is RON 2,405 million.

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 1,417,619 thousand at December 31, 2024), was finalized on June 26, 2018, the settlement date being June 28, 2018, and the maturity date June 28, 2028.

On June 28, 2024, the payment was made to bondholders of the 12th coupon for the 12th interest period (December 28, 2023 – June 27, 2024) in the amount of EUR 3,886.21/nominal value.

On December 30, 2024, the payment of the 13th coupon for the 13th interest period (June 28, 2024 – December 27, 2024) in the amount of EUR 3,772.85/ nominal value was made.

As of 31.12.2020, the balance of convertible bonds was 0 (zero) lei, as a result of the fact that in 2019, the Bank converted a number of 8,920 bonds in a total amount of 2,122 euros, equivalent to 9,829 lei, an amount that was used to increase the share capital, in 2020 the Bank converted bonds in a total amount of 83 thousand euros, equivalent to 391 thousand lei, an amount that was used as follows: 173 thousand lei for the increase of the share capital and 218 thousand lei for the constitution of the capital premiums and also in 2020, the balance of convertible bonds in the amount of 9,814 thousand euros, equivalent to RON 47,523 thousand was repaid on 22.05.2020.

During 2021 and 2022, the Bank did not issue bonds.

Banca Transilvania S.A. issued in 2023 non-convertible bonds in the amount of EUR 200 million, equivalent to RON 994,820 thousand (RON 994,920 thousand in 2023), at Euribor 6m +6.68% per annum, maturing in 2033. The face value of a bond is EUR 100,000.

On July 1, 2024, the payment was made to bondholders of the second coupon for the second interest period (December 29, 2023 – June 28, 2024) in the amount of EUR 5,282.50/nominal value.

On December 30, 2024, the third coupon was paid for the third interest period (June 29, 2024 – December 28, 2024) in the amount of EUR 5,193.19/ nominal value.

The Bank also issued MREL bonds recorded on the balance sheet in the category "Loans from banks and other financial institutions", with a balance of RON 11,209 million, of which the balance as of 31.12.2024 of the bond issues detailed below is RON 10,144 million:

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 coupon payment frequency is annual, 27.04.2024 being the date of the first payment.

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. The coupon payment frequency is annual, 07.12.2024 being the date of the first payment.

The second tranche of *EMTN 2023* was issued on September 25, 2024 for a value of EUR 700,000,000 with ISIN XS2908597433, a rate of 5.125% per annum and maturity 30.09.2030. It is the second consecutive time that BT has launched a bond issue under the umbrella of the Sustainable Finance Framework. The coupon payment frequency is annual.

## **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.

Being an issuer on the capital market, Banca Transilvania is committed to complying with the Corporate Governance Code of the Bucharest Stock Exchange ("BVB") and to applying the principles defined therein. Both the previous form of the BVB Corporate Governance Code and the updated form that entered into force on January 1, 2025, can be consulted on the BVB website. The first year of reporting compliance with the new code is 2026, for the financial year 2025, and currently, all necessary diligence is being carried out to ensure that there will be no provisions of the Code for which BT does not ensure compliance.

### **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 General Shareholders' Meeting represents all shareholders, its decisions, taken in accordance with the relevant legislation and the provisions of the Bank's Articles of Incorporation, being binding on all shareholders, including those who did not participate in the meetings.

## **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.

In 2024, the Board of Directors met in physical meetings 8 times. In determining the degree of attendance at the meetings, both physical presence and objectively justified absences were considered, in accordance with the Bank's practices.

#### 4.1. List of Bank Directors

During the year 2024 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 31.12.2024 are:

Name	Position	Percentage held of the share capital of the Bank as of 31.12.2024
Ciorcilă Horia	Chairman of the Board of Directors	4.661064% directly and together with shareholder BT Castorius Limited
Grasse Thomas Gunther	Vice-Chairman of the Board of Directors	0.000000%
Gueorguiev Ivo	Non-executive Member of the Board of Directors	0.107286%
Puşcaş Vasile	Non-executive Member of the Board of Directors	0.046797%
Bordea Mirela Ileana	Non-executive Member of the Board of Directors	0.015087%
Stanczak-Wuczynska Lucyna	Non-executive Member of the Board of Directors	0.004239%
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 31<sup>st</sup> of December 2024, 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.

**Grasse 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. 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 Non-Executive Director as well as Non-Executive Director on various bank Boards, all but one of them determined significantly important financial institution by the local regulator. His past assignments include 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. As Independent Director he sat on the Board of Alliance Bank, Kazakhstan, International Moscow Bank, Russian Federation, HVB Bank Ukraine and on the Advisory Board of privately owned Specta Group, a leading international Industrial Packaging company.

Currently Mr Grasse is Independent Non Executive Director and Deputy Chairman Banca Transilvania S.A., listed on Bucharest Stock Exchange, and Chairman B.C. VICTORIABANK S.A., listed on Moldova Stock Exchange, Chisinau.

He is the incumbent Chairman of the Risk Committee of the Board of Directors Banca Transilvania, member of the Audit Committee of this bank and chairs the Nomination and Corporate Governance Committee as well as the Remuneration Committee of the Board of Administration B.C. VICTORIABANK.

He chaired for five years the Audit, Risk and Recovery Committee of JSC Alliance Bank, Almaty/Kazakhstan (today: AO „FORTE Bank“).

Thomas Grasse is member 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. He holds the position of Professor of Accounting and Executive Dean, Executive Education. Until August 2024, he has the Head of Department in the Faculty of Accountig and a member of the Management Board of the School.

Since 2019 he has been appointed Academic Director at the Institute of Entrepreneurship and Private Capital. From 2019 he has been a director of Validus Risk Management and from 2021, the

president of Alkeemia SPA. Previously he was a Director in 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 2024.

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

#### **4.2. The Bank's executive management**

At the level of the executive management, we specify that, following the approval received from the NBR regarding Mr. Andrzej Klaudiusz Dominiak for the position of Deputy General Manager – CTO, he became a member of the bank's senior management, exercising this capacity from mid-March 2024.

At the same time, on 06.08.2024, the NBR approved the appointment of Mr. Cătălin Ioan Caragea as Deputy General Manager of Banca Transilvania SA. As a result of this appointment, the mandate of Ms. Luminița Runcan as Deputy General Manager of Banca Transilvania ended on 07.08.2024.

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

<b>Name</b>	<b>Position</b>	<b>Percentage held of the Bank's share capital as of December 31, 2024</b>
Tetik Ömer	Chief Executive Officer	0.123274%
Caragea Cătălin	Deputy Chief Executive Officer, CRO	0.00000%
Toderici Leontin	Deputy Chief Executive Officer, COO	0.131086%
Dominiak Andrzej	Deputy Chief Executive Officer, CTO	0.000939%
Călinescu George	Deputy Chief Executive Officer, CFO	0.020840%
Ilaș Oana	Deputy Chief Executive Officer, Retail Banking	0.008873%
Pleșuvescu Bogdan	Deputy Chief Executive Officer, CLO	0.018049%
Moisă Tiberiu	Deputy Chief Executive Officer, SME Banking	0.071850%

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 2024.

#### **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 2024 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.

### **Bargain gain**

The gain from the acquisition of BCR Chisinau S.A. in amount of RON 132,844 thousand was determined as the difference between the consideration paid (in amount of RON 57,145 thousand) and the fair value of the assets and liabilities of BCR Chisinau S.A. on the date of taking control (in amount of RON 189,989 thousand).

The costs related to the acquisition and integration of BCR Chisinau S.A. amounted to RON 2,330 thousand, amounts that are included in the Profit and Loss Account under "Other operating expenses" and "Personnel expenses".

The gain from the acquisition of the OTP group in the amount of RON 682,821 thousand was determined as the difference between the consideration paid (in the amount of RON 1,722,307 thousand) and the part of the fair value of the assets and liabilities of OTP Bank Romania S.A. and the other OTP subsidiaries at the date of taking control (in the amount of RON 2,405,128 thousand).

The costs associated with the acquisition and integration of the OTP Group amounted to RON 158,695 thousand, amounts that are included in the Profit and Loss Account under the heading "Other operating expenses" and "Personnel expenses". The integration costs for the period 2025 – 2026 are estimated to reach the amount of RON 68,600 thousand.

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

Banca Transilvania Group has completed three mergers as of February 28, 2025, thus, Banca Transilvania S.A. has merged with OTP Bank Romania S.A. and BT Building S.R.L., and Victoriabank S.A. has merged with BCR Chisinau S.A.. Through the two bank mergers, Banca Transilvania Group strengthens its position on the banking markets in Romania and Republic of Moldova.

Until January 31, 2025, all data, records and documents related to Fondul de Pensii Facultative BRD Medio were transferred from BRD Societate de Administrare a Fondurilor de Pensii Private S.A. to BT Pensii Societate de Administrare a Fondurilor de Pensii Facultative S.A., and on February 7, 2025, the request for definitive authorization to take over the management of BRD Optional Pension Fund was sent to Financial Supervisory Authority.

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'24	Dec'23	Dec'22	Dec'24	Dec'23	Dec'22
Cash and current accounts with Central Bank	16,908	22,286	12,645	21,950	24,253	14,541
Placements with banks and public institutions	3,612	12,619	6,635	13,715	12,273	5,567
Treasury financial instruments	64,717	50,076	45,823	68,410	51,775	47,191
Loans and advances to customers, net	81,390	71,550	63,450	90,780	72,008	65,201
Finance lease receivables			-	5,590	3,563	2,813
Tangible and intangible assets	4,991	2,889	2,566	3,395	2,642	2,327
Other assets	2,645	2,365	2,841	3,195	2,655	2,871
<b>Total assets</b>	<b>184,264</b>	<b>161,785</b>	<b>133,960</b>	<b>207,035</b>	<b>169,169</b>	<b>140,511</b>
Deposits from customers	150,785	134,443	116,504	167,869	138,053	119,732
Deposits from banks	1,174	1,082	1,632	951	1,035	1,678
Loans from banks and other financial institutions	11,209	8,584	3,562	12,238	9,549	4,841
Subordinated loans	2,405	2,404	1,719	2,531	2,423	1,748
Other liabilities	4,471	3,443	2,585	6,010	4,213	3,040
<b>Total liabilities</b>	<b>170,045</b>	<b>149,956</b>	<b>126,002</b>	<b>189,599</b>	<b>155,273</b>	<b>131,039</b>
Equity	14,219	11,829	7,958	17,437	13,897	9,472
<b>Total liabilities and equity</b>	<b>184,264</b>	<b>161,785</b>	<b>133,960</b>	<b>207,035</b>	<b>169,169</b>	<b>140,511</b>

**b) Statement of profit and loss**

Indicators (RONmn)	Bank			Group		
	2024	2023	2022	2024	2023	2022
Net interest income	5,532	4,319	3,658	6,908	5,257	4,427
Net fees and commission income	1,268	1,106	998	1,488	1,268	1,168
Net trading income	707	540	597	938	657	686
Net income from financial assets measured at fair value through comprehensive income	164	166	(126)	167	168	(122)
Net income from financial assets which are required to be measured at fair value	282	178	(14)	159	143	(17)
Contribution to the Bank Deposit Guarantee Fund and to the Resolution Fund	(75)	(87)	(144)	(91)	(94)	(154)
Other operating income	344	215	390	492	326	292
<b>Total operating income</b>	<b>8,224</b>	<b>6,437</b>	<b>5,360</b>	<b>10,061</b>	<b>7,725</b>	<b>6,280</b>
Net expense from impairment allowance, expected losses on assets, provisions for other risks and loan commitments	(332)	(373)	(278)	(575)	(513)	(495)
Personnel expenses	(1,945)	(1,614)	(1,385)	(2,600)	(1,968)	(1,656)

Depreciation and amortization	(419)	(404)	(351)	(517)	(451)	(393)
Other operating expenses	(1,367)	(917)	(925)	(1,743)	(1,088)	(935)
<b>Total operating expenses</b>	<b>(4,064)</b>	<b>(3,309)</b>	<b>(2,939)</b>	<b>(5,435)</b>	<b>(4,019)</b>	<b>(3,479)</b>
Bargain gain	0	0	0	816	0	0
<b>Profit before income tax</b>	<b>4,160</b>	<b>3,128</b>	<b>2,421</b>	<b>5,442</b>	<b>3,706</b>	<b>2,801</b>
Income tax expense	(628)	(638)	(243)	(712)	(722)	(313)
<b>Net profit</b>	<b>3,532</b>	<b>2,491</b>	<b>2,178</b>	<b>4,731</b>	<b>2,984</b>	<b>2,488</b>
Profit of the Group attributable to equity holders of the Bank	3,532	2,491	2,178	4,555	2,890	2,404
Profit of the Group attributable to non-controlling interests	0	0	0	176	95	84
<b>Net profit</b>	<b>3,532</b>	<b>2,491</b>	<b>2,178</b>	<b>4,731</b>	<b>2,984</b>	<b>2,488</b>

At the end of 2023, Banca Transilvania's profit weighted 74.7% in the Group's total profit (83.5% in 2023 and 87.5% in 2022).

### c) Cash flow: Statement of Cash Flows

Indicators (RONmn)	Bank			Group		
	2024	2023	2022	2024	2023	2022
<b>Cash and cash equivalents at the beginning of the period</b>	<b>32,750</b>	<b>15,343</b>	<b>24,880</b>	<b>36,122</b>	<b>18,459</b>	<b>27,028</b>
± Net cash from / (used in) operating activities	(1,741)	5,302	(4,404)	(3,959)	5,877	(3,301)
± Net cash from / (used in) the investment activity	(3,622)	6,558	(4,671)	839	6,603	(4,886)
± Net cash from / (used in) the financing activity	823	5,547	(462)	(2,454)	5,183	(382)
<b>Cash and cash equivalents at the end of the period</b>	<b>28,211</b>	<b>32,750</b>	<b>15,343</b>	<b>30,549</b>	<b>36,122</b>	<b>18,459</b>

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 2024 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 2024;
- 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 2024:

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 TETIK**

**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 31.12.2024 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 2024	Percentage of direct and indirect stake 2023
Victoriabank S.A.	Financial and banking activities and investments subject to license	44.63%	44.63%
BCR Chişinău S.A.	Financial and banking activities and investments subject to license	44.63%	-
BT Capital Partners S.A.	Investments	99.62%	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 în Brokeraj S.R.L.	Insurance Broker	100%	100%
BT Asiom Agent de Asigurare S.R.L.	Insurance Broker	100%	100%
BT Safe Agent de Asigurare S.R.L.	Insurance Broker	100%	100%
BT Intermedieri Agent de Asigurare S.R.L.	Insurance Broker	100%	100%
BT Leasing MD S.R.L.	Leasing	100%	100%
BT Microfinanţare 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 Bank S.A.	Services of financial and monetary intermediation	100%	100%
Avant Leasing IFN S.A.	Financial leasing	100%	100%
BT Broker de Asigurare S.R.L.	Insurance Broker	100%	100%
Code Crafters by BT S.R.L.	Custom software development activities	100%	100%
BTP One S.R.L.	Renting and subletting of own or rented real estate	100%	100%
BTP Retail S.R.L.	Renting and subletting of own or rented real estate	100%	100%
BTP Store Hub Turda S.R.L.	Renting and subletting of own or rented real estate	100%	-
OTP Bank România S.A.	Services of financial and monetary intermediation	100%	-
Inter Terra S.R.L.	Buying and selling of own real estate	100%	-

OTP Advisors S.R.L.	Investments	100%	
OTP Factoring S.R.L.	Asset management	100%	
REA Project One Company S.R.L.	Real estate development	100%	
GOVCKA Project Company S.R.L.	Real estate development	100%	
OTP Consulting România S.R.L.	Other activities auxiliary to financial services, except insurance and pension funding	100%	
OTP Asset Management SAI S.A.	Asset Management	100%	-

Based on materiality concept as defined in paragraph 7 of IAS 1, the Group has decided to exclude several subsidiaries from the consolidation perimeter, as their exclusion is not expected to have a significant effect on the consolidated financial statements. The decision to exclude them from consolidation is based on an assessment of both quantitative and qualitative factors, which included the size of the subsidiaries and their non-material impact on the Group as a whole. As at December 31, 2024 the list of excluded subsidiaries from the consolidation perimeter and the reasons for their exclusion is shown below:

Subsidiary	reasons for exclusion
Code Crafters by BT S.R.L.	no significant assets or liabilities, expenses or revenues
Fond Alternativ BTP Retail S.R.L.	no significant assets or liabilities, expenses or revenues
BTP Store Hub Oradea S.R.L.	no significant assets or liabilities, expenses or revenues
BT Intermedieri Agent de Asigurare S.R.L.	no significant assets or liabilities, expenses or revenues
BT Asiom Agent de Asigurare S.R.L.	no significant assets or liabilities, expenses or revenues
BT Solution Asistent în Brokeraj S.R.L.	no significant assets or liabilities, expenses or revenues
BT Safe Agent de Asigurare S.R.L.	no significant assets or liabilities, expenses or revenues
REA Project One Company S.R.L.	no significant assets or liabilities, expenses or revenues
OTP Factoring S.R.L.	no significant assets or liabilities, expenses or revenues
GOVCKA Project Company S.R.L.	no significant assets or liabilities, expenses or revenues
OTP Advisors S.R.L.	no significant assets or liabilities, expenses or revenues
OTP Consulting Romania S.R.L.	no significant assets or liabilities, expenses or revenues
Sinteza (associate)	no significant assets or liabilities, expenses or revenues

In addition to the qualitative factors, namely nature of activity of excluded subsidiaries, future plans of the Group to centralize their activity in other bigger subsidiaries, the potential impact of the exclusion of subsidiaries on the consolidated financial statements is performed based on quantitative factors like assets, liabilities, net profit, expenses and revenues. The assessment is performed on an entity-by-entity base and an additional analysis is conducted on the potential impact of total excluded subsidiaries in total figures of the Group, as shown in the table below:

	<i>RON thousand</i>
total assets of excluded subsidiaries	9,471
% of total assets of excluded subsidiaries in total assets of the Group	0.01%
total liabilities of excluded subsidiaries	16,315
% of total liabilities of excluded subsidiaries in total liabilities of the Group	0.01%
P&L of excluded subsidiaries	4,857
% of total P&L of excluded subsidiaries in total P&L of the Group	0.10%
total expenses of excluded subsidiaries	56,391
% of total expenses of excluded subsidiaries in total expenses of the Group	0.04%
total revenues of excluded subsidiaries	61,248
% of total revenues of excluded subsidiaries in total revenues of the Group	0.04%

The exclusion of these subsidiaries does not materially affect the Group's consolidated financial position, financial performance, cash flows or other elements of the consolidated financial statements.

**ANNEX 2****THE BANK'S RELATED PARTIES  
as at 31.12.2024**

<b>NR.CRT.</b>	<b>NAME</b>
1	A C I CLUJ SA
2	ACHIM ANDREEA
3	ACT MANAGEMENT SERVICES B.V.
4	ADMIN DEVELOPMENT DESIGN SRL
5	ADVISTUM SRL
6	ALEXANDRU VALENTINA
7	ALL PLUS IT SRL
8	ALPHA ENERGY SRL
9	ANGHEL ADRIAN
10	ANGHEL LAURA
11	ANGHEL MARIA-GABRIELA
12	ANGHEL MARIA-GABRIELA II
13	ANGHEL ROBERT MIHAI
14	ANTARES TRANSLATIONS SRL
15	ANTREPRIZA CLUJ ZALAU SA
16	ASOCIATIA CLUB SPORTIV U-BT
17	ASOCIATIA CLUB SPORTIV WINNERS TENNIS CLUB
18	ASOCIATIA CORPUL OPERATORILOR ARHIVEI ELECTRONICE
19	ASOCIATIA PLAYFIELD
20	ASOCIATIA TRANSILVANIA EXECUTIVE-EDUCATION
21	AURSULESEI MIHAI MIRCEA
22	AVANT LEASING IFN S.A.
23	AVIATIQ SUPPORT SRL
24	BANCA COMERCIALA ROMANA CHISINAU SA
25	BANCA TRANSILVANIA SA
26	BANU DRAGOS MIHAI
27	BANU IULIANA
28	BEAUTY CANVAS SRL
29	BENEA DANA CORINA
30	BERINDEAN CATALIN VASILE
31	BERINDEAN MONICA IOANA
32	BERNAT AUREL
33	BERNAT LIGIA MARIA
34	BETTER BREAD S R L
35	BILLIE BG
36	BILLIE UK
37	BIRLE IOAN
38	BIRLE LILIANA DORINA
39	BIRLE T LILIANA-DORINA - CABINET INDIVIDUAL DE PSIHOLOGIE
40	BORDEA MIRELA ILEANA
41	BOTT CONSTANTIN CATALIN
42	BOTT NICOLETA

43	BOUTIQUE DEVELOPMENT SRL
44	BT ASSET MANAGEMENT S A I SA
45	BT BROKER DE ASIGURARE S.R.L.
46	BT BUILDING SRL
47	BT CAPITAL PARTNERS
48	BT DIRECT IFN SA
49	BT INTERMEDIERI-AGENT DE ASIGURARE SRL
50	BT INVESTMENTS SRL
51	BT LEASING MD
52	BT LEASING TRANSILVANIA SA
53	BT MICROFINANTARE IFN S.A.
54	BT PENSII - SOCIETATE DE ADMINISTRARE A FONDURILOR DE PENSII FACULTATIVE S.A.
55	BTP ONE SRL
56	BTP RETAIL S R L
57	BTP STORE HUB ORADEA S R L
58	BTP STORE HUB TURDA S.R.L.
59	BUDUROIU MIRELA LENUTA
60	BUNEA IOANA CATALINA
61	BUSINESS SUPORT SRL
62	CA&BI CONT SRL
63	CALIN COSMIN ANTOINE CONSTANTIN
64	CALINESCU DANIELA MIHAELA
65	CALINESCU GEORGE RAZVAN
66	CANTINA DEJ SA
67	CAPITALIO HOLDING S.R.L.
68	CARAGEA CATALIN-IOAN
69	CARAGEA ROXANA IOANA
70	CASTORIUS LIMITED
71	CATBER ADMIN S R L
72	CAZAN ADRIANA ELVIRA
73	CAZAN CRISTIAN GABRIEL
74	CC ADVANCED TEAM SRL
75	CC PRO LEVEL SRL
76	CEGRIAS SRL
77	CENTRAL SA
78	CHERNYSHOVA OLENA
79	CHESA RUXANDRA LAURA
80	CHIRNOGEANU CRISTIAN
81	CHIRNOGEANU IULIA
82	CIMPIAN VIRGIL FLORIAN
83	CIORCILA HORIA
84	CIORCILA PATRICK
85	CIORCILA SIMONA NICULINA
86	CMD EXPERT S.R.L.
87	CODE CRAFTERS BY BT S.R.L.



88	COJOCARU CORINA-MADALINA
89	COJOCARU DANIEL
90	COJOCARU DAN-IOAN
91	CONDOR ANNAMARIA KATALIN
92	CONDOR CALIN PAUL
93	CONSTRUCTII DEJ SA
94	CONTINUUM SRL
95	CORNICIUC VITALIE
96	COSTIN ADVISER S.R.L.
97	COSTIN LUDMILA
98	CRACIUN ANCA EUGENIA
99	CRACIUNAS ANDREEA SORANA
100	CRACIUNAS ANDREEA SORANA PFA
101	CRACIUNAS MARIUS CALIN
102	CREATIVE BRANDS DISTRIBUTION SRL
103	DACRI BUSINESS CONSULTING S.R.L.
104	DASCAL SERGIU DAN
105	DELTA IMMO CONSULTING SRL
106	DICAMO CONSULTING
107	DOMINIAK ANDRZEJ KLAUDIUSZ
108	DOMINION INVEST SA
109	DONICA VASILE
110	DRAGOMIR RALUCA-IRINA
111	DRAGOMIR STEFAN DAN
112	DREAM GOLF RESIDENCE
113	DUMITRESCU SORIN
114	DUNCA A. ISABELA- CABINET MEDICAL DE MEDICINA DE F
115	DUNCA ISABELA
116	DUNCA NELU
117	EFFICIENT GLOBAL SERVICES S R L
118	ELBA NOVO SRL
119	ENE ANA MARIA
120	ENE MARIAN
121	EUR CONSULT SRL
122	FC U CLUJ RETAIL S.R.L.
123	FINAS CENTRAL SRL
124	FLOREA ALINA
125	FRANKLIN PETER MORRIS
126	FUNDATIA CENTRUL DE DEZVOLTARE MANAGERIALA
127	FUNDATIA CLUBUL INTREPRINZATORULUI ROMAN
128	FUNDATIA CLUJUL ARE SUFLET
129	FUNDATIA TRANSILVANIA
130	GAZ MARIA
131	GIURGIU BIANCA VIORICA
132	GOGU DANIELA
133	GOGU GABRIEL

134	GOVCKA PROJECT COMPANY SRL
135	GRASSE BURKLE PAULA
136	GRASSE THOMAS GUNTHER
137	GUEORGUIEV IVO ALEXANDROV
138	IG CAPITAL EOOD
139	ILAS DAN GEORGE
140	ILAS IOANA MIHAELA
141	IMPROVEMENT CREDIT COLLECTION SRL
142	INTER SAT SRL
143	INTER TERRA SRL
144	INTERA FINANCIAL SERVICES
145	INTUITIVE TEACHING CENTER SRL
146	IORDAN DANIEL VIOREL
147	KAFSINKAF SRL
148	KHANIKYAN LEVON
149	KIRCALI SEDA
150	KIRCALI SINAN
151	LIONACHESCU AIDA
152	LIONACHESCU AIDA PFA
153	LIONACHESCU COSTEL
154	LK MANAGEMENT SOLUTIONS SRL
155	LUCYNA STANCZAK-WUCZYNSKA
156	M&B 2003 SRL
157	MALOS ELENA IONELA
158	MANOLESCU CLAUDIU MIHAIL
159	MANOLESCU DAN
160	MANOLESCU DRAGOS GABRIEL
161	MANSOUR TATIANA
162	MARES CONSTANTIN
163	MARES LUMINITA-JULIETA
164	MATES MARIA
165	MATYUS ECATERINA ELENA
166	MAZURCHIEVICI ANDREI-ALEXANDRU
167	MAZURCHIEVICI DIANA IOANA
168	MICROCREDIT AD
169	MILCHIS ADINA
170	MILCHIS VASILE MIHAI
171	MIRCEA FLORENTINA VIRGINIA
172	MIRCEA VALENTIN
173	MIT SERV SRL
174	MLAD CONSULT SRL
175	MOISA EMILIA SANDA
176	MOISA TIBERIU
177	MORADIS CONSULTING SRL
178	MORAR ADINA IULIA
179	MORAR IONUT CALIN

180	MOVEMENT TEAM S.R.L.
181	MT MANAGEMENT EVENTS SRL
182	MULTIGUARD SRL
183	MUNTEANU-CRISAN DELIA
184	MUNTEANU-CRISAN MIHAI-PAUL
185	NICOLESCU IOANA
186	NICOLESCU MIHAI CRISTIAN
187	NISTOR GABRIELA CRISTINA
188	NISTOR IOAN ALIN
189	NISTOR ROXANA MARIA
190	NISTOR STELIAN MIHAI
191	OBLU EXIM S.R.L.
192	OLANESCU IOANA FLORINA
193	OLTI AGOSTON
194	OPRIS SIMONA ALINA
195	OTP ADVISORS SRL
196	OTP ASSET MANAGEMENT ROMANIA
197	OTP BANK ROMANIA SA
198	OTP CONSULTING ROMANIA SRL
199	OTP FACTORING SRL
200	PALECREST BULGARIA
201	PASCU RADU
202	PAYNETICS EAD
203	PAYNETICS UK LTD
204	PAYQUIRE LIMITED
205	PHOS BULGARIA EOOD
206	PHOS SERVICES LTD
207	PHYRE AD
208	PHYRE NEXT LEVEL
209	PINTILIE IOANA
210	PINTILIE VLAD
211	PIRVU MIHAELA NINA
212	PLAYFIELD TEAM SRL
213	PLESUVESCU BOGDAN
214	POESIA 21 ACT S R L
215	POPOVICI CRISTINA MONYA
216	POPOVICI DAN MARIUS
217	PORTASE CORINA
218	PORTASE RAZVAN-FLORIN
219	POSTOLACHE FRANCESCA
220	PREDESCU-VASVARI FLORIN-DANUT
221	PREVA ADVISORY LIMITED
222	PREVA CAPITAL S R L
223	PRIVATE CAPITAL ADVISORY LIMITED
224	PUHALSCHI IULIANA
225	PUHALSCHI RADU CRISTIAN

226	PUSCAS MARIANA
227	PUSCAS MARIANA CABINET MEDICAL
228	PUSCAS MARIUS EMIL
229	PUSCAS VASILE
230	QUALEX CONSULT SRL
231	QUATTRO CONSULTING SRL
232	REA PROJECT ONE COMPANY SRL
233	REDSTONE REAL ESTATE INVESTMENT LTD
234	RENAISSANCE NAILS SRL
235	REVENCO VICTORIA
236	RF METERS S R L
237	ROGOJANU LUCA VICTOR
238	ROGOJANU MIOARA ROXANA
239	ROMOTO GmbH
240	ROSSI FRANCO
241	ROTARU GEORGIANA
242	ROTARU MIHAI STELIAN
243	ROXMAR SRL
244	RUNCAN LUMINITA DELIA
245	RUNCAN MIREL
246	SABAZ MEHMET MURAT
247	SABAZ OZLEM
248	SALT BANK S.A.
249	SALZBERGWERK RESSOURCEN UND INVESTITIONEN SRL
250	SAVIN ALEXANDRU
251	SCHIOPU IRINA NARCISA
252	SECARA DANIELA
253	SECRET BOX EVENTS S.R.L.
254	SERBAN LAVINIA-FLORINA
255	SERBAN LIVIU ONUT
256	SERBAN SORIN
257	SIGUR AUTOTRANSPORT SRL
258	SIMA IOANA MARIA
259	SIMA RAZVAN IOAN
260	SINDILE CRISTINA DALIA
261	SINDILE MARIUS
262	SINTEZA SA
263	SKY TREE SRL
264	SOTER PROPERTY S R L
265	STANCZAK-WUCZYNSKA LUCYNA MARIA
266	STOICA ELENA CORINA
267	STOICA RAZVAN LAURENTIU
268	STROE ANDREEA CLAUDIA
269	STROE IONUT FLORENTIN
270	SZEKELY DANIEL
271	TANCAU IOANA

272	TEHNOFRIG CENTER SA
273	TETIK ALEXANDRA
274	TETIK OMER
275	TODERICI AURELIA ELVIRA
276	TODERICI LEONTIN
277	TORGIE ANICA
278	TORGIE TEODOR
279	TRIF RARES NICOLAE
280	TUPA PAUL
281	TURCAN ROMAN
282	TURCU VASILE COSMIN
283	TURISM LOTUS FELIX SA
284	TVERCO TRADING SRL
285	U-BT FAN SHOP S R L
286	URBAN ROOTS SRL
287	URS PETRU
288	VALEVA GLORIA
289	VASILACHE ANNEMARIE
290	VASILACHE DANIEL GEORGE
291	VB INVESTMENT HOLDING BV
292	VICTORIABANK SA
293	VOUILLOUX ANNIE JEANNE
294	WINNERS CENTER SA
295	WINNERS EVENTS SRL-D
296	WINNERS FIRST SRL
297	WINNERS HOLDING INVESTMENTS S.R.L.
298	WINNERS PARCUL ROZELOR SA
299	WINNERS RESOURCES SRL
300	WINNERS SPORTS ARCHITECTS SRL
301	YAMAN REAL ESTATE DEVELOPMENT SRL