



# **BANCA TRANSILVANIA**

The Extraordinary General Meeting of Shareholders

October 2025



# Explanatory notes on the items on the agenda of the EGMS

## Minimum requirements of own funds and eligible liabilities (MREL)

- The items proposed for approval by the EGMS include the issuance of bonds up to a cumulative value of EUR 2 billion under flexible terms and conditions. This allows the Board of Directors to adapt to the company's needs, market conditions, and regulatory requirements. These requirements include the type of instruments issued, which may include senior bonds, preferred bonds, non-preferred bonds, or capital instruments (subordinated Tier 2 or additional Tier 1 instruments).
- These instruments strengthen the company's capital base and ensure compliance with European framework provisions in this area. According to Law No. 312/2015 on the recovery and resolution of credit institutions, some banks must permanently meet a minimum requirement for own funds and eligible liabilities (MREL). This ensures the effective and credible application of the bail-in tool. In this capacity, the National Bank of Romania may exercise its powers to write down and/or convert certain liabilities of the institution under resolution into equity.
- At this time, the company is evaluating the possibility of accessing the international financial markets in the coming period through additional Tier 1 (AT1) instruments, through a separate issue from the bond programmes it has established to date. AT1 instruments are subordinated, perpetual equity securities that can be redeemed at certain intervals. They have coupon payments at the issuer's discretion and do not generate voting rights for holders. These instruments are designed to absorb losses in situations of financial stress. They contribute to optimizing the capital structure, strengthening the Additional Tier 1 capital base, and fulfilling MREL requirements in accordance with applicable laws and regulations. The final terms and conditions of the potential AT1 instrument issuance will be determined based on market developments, investor demand, and supervisory authority recommendations. This will be done in compliance with all internal and external approval procedures.
- The purpose of the MREL requirement is to ensure that institutions are able to absorb losses and restore the level of capital necessary to continue operating under their license in the event of resolution, thereby avoiding the use of public funds and protecting taxpayers, in accordance with the provisions of Law No. 312/2015 and the relevant European framework. Thus, the National Bank of Romania sets the individual MREL requirement for each credit institution, depending on its size, business and economic financing model, risk profile, resolution strategy applicable to each institution, and degree of interconnectedness with the financial system.

**BANCA**  **TRANSILVANIA**<sup>®</sup>